



Memorandum

TO: CITY COUNCIL
SUBJECT: LOS LAGOS GOLF COURSE
UPDATE

FROM: Mayor Sam Liccardo
DATE: February 5, 2018

APPROVED:

DATE: 2-5-18

RECOMMENDATION

Direct the City Manager to:

1. Proceed with unambiguous direction that any future use of the land encompassing the Los Lagos Golf Course must remain open to the public for recreational use.
2. Adopt staff recommendations and guiding principles, with the additional direction to return to Council in 12 to 18 months for a discussion of options for the recreational use of the site after having explored alternatives for paying off the debt that encumbers the parcels comprising the property. Those alternatives include, but are not limited to:
 - a. Proceeds from the sale of city property;
 - b. Funding from the upcoming State parks bond, should it be approved by the voters, or another source for conservation and recreational use;
 - c. Purchase by the City's Environmental Services Department for Municipal Water access to underground aquifers or for environmental protection, with accompanying recreational use;
 - d. Purchase by the Open Space Authority or other agency for conservation and recreational use;
 - e. A local ballot measure in 2018 or 2020 to fund parks land acquisition or operations; and
 - f. Any other financially feasible option that ensures that the land remains in public ownership.
3. In the meantime, consider a Qualified Management Agreement Request For Proposals that would encompass a relatively short duration, to enable staff maximum flexibility to recommend additional and/or alternative uses that will (a) expand access to the land by the public for recreation and exercise, particularly for families of modest means; and (b) reduce the financial operational burden on the Parks Department.

DISCUSSION

I appreciate staff's analysis, and our effort to engage the community over the future of Los Lagos. Public recreational space has an increasingly high value to our community, particularly as we see the increasing residential densification of our city, and skyrocketing child obesity and diabetes rates nationally. For that reason, we must look at this site—as we do with others—as a scarce opportunity, and one on which we must maximize for the benefit of our community, whether as a golf course, and/or as some other parks use or athletic facility.

For the near term, Los Lagos will remain a golf course, and it may well remain so for many decades. But we should more substantively explore various additional uses—and yes, even alternative uses to the current golf course. It appears that an extensive exploration has not yet happened, beyond looking at approximate costs for open space and some limited options. For example, numerous municipal and private golf courses—in our region and beyond—have shuttered in recent years due to declining participation, as alluded to on pages 4-5 of the staff report, but we know little of the alternative uses that supplanted these golf courses. Similarly, we know nothing about the interest that various non-profit or for-profit operators of soccer or softball leagues or teams, or other athletic complexes might have in using or even managing any portion of the land.

Moreover, with a constrained budget, we must weigh various city services against each other. The ongoing operational deficit of the golf course—now approaching \$700,000 annually—begs the question of whether we could better serve the recreational needs of many more residents at a lower public subsidy. Participation in the sport has dropped sharply since 2002, and a public expenditure of this magnitude must be justified by a sizeable number of beneficiaries. The quality of the community's access to this public asset matters as well, as \$51 greens fees remain cost-prohibitive for residents in many of the neighborhoods surrounding the course, and they may not even consider exploring fee reductions or scholarships if they feel that participating in the sport requires an affluence that they lack.

The City's flexibility appears constrained by the bond financing on many of the parcels, which prevent the City from shifting any financial risk to a non-profit or private-sector operator, thereby inhibiting efforts to create incentives for an operator to maximize usage. After extensive discussion with Parks staff, it has become apparent that the City and community can more broadly consider options that would enable wider access and greater recreational usage of the land if the City can first clear it of its indebtedness and the associated encumbrances. For that reason, I encourage us to keep our options open, until we learn more.