



Legislation Text

File #: 17-316, **Version:** 1

RESOLUTION NO. R17-52

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE CITY MANAGER TO EXECUTE A LICENSE, MANAGEMENT & OPERATIONS AGREEMENT WITH ARIZONA GOLF VENTURES, L.L.C. FOR THE MANAGEMENT AND OPERATION OF THE GLEN LAKES GOLF COURSE LOCATED AT 5450 WEST NORTHERN AVENUE IN GLENDALE, ARIZONA.

Staff Contact: Erik Strunk, Director, Public Facilities, Recreation and Special Events

Purpose and Recommended Action

This is a request for City Council to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into a twelve-month management contract and license agreement with Arizona Golf Ventures, LLC and approve Fiscal Year 2017-18 General Fund contingency transfers for amounts not to exceed \$176,300, for the continued management and operations of the Glen Lakes Municipal Golf Course.

Background

The Glen Lakes Municipal Golf Course is a 44.6 acre, nine-hole, executive-length golf course located at 5450 West Northern Avenue. The facility opened in 1966 and is a Par 33 totaling 2,403 yards. The city initially purchased the course in 1979 at a cost of \$1,104,000 and has operated it through a series of qualified golf course management firms since then. Since October 2012, the current operator has been Arizona Golf Ventures, LLC. Earlier this year, the operator indicated it needed more direct assistance to operate certain aspects of the golf course due to a decline in patronage, revenue, the age and maintenance of the city-owned infrastructure, and increased operating costs. To help facilitate the continued operation of this city-owned facility, it is now necessary for the City to more actively partner with the current operator to oversee and maintain certain maintenance and management functions of the site.

Analysis

Since 2007, trends in the golf industry have shown decline in participation and interest. This has caused financial challenge for golf course owners and operators throughout the nation. The Glen Lakes Municipal Course has not been immune from this trend. Whereas 10 years ago a total of 42,999 round of golf were played in Calendar Year 2007, only 15,483 were played in Calendar Year 2016, which represents a 64% reduction in patronage. This trend has also resulted in a declining revenue growth with respect to green fees, pro shop concessions, and food and beverage operations, in addition to increasing costs for equipment and course maintenance. These variables have collectively impacted the overall viability of golf courses throughout the United States, Glen Lakes included.

Because of this, the City has been working with AZ Golf Ventures, LLC, to ensure that the Glen Lakes course

remains operational to the public, is properly maintained as a 44.6-acre green space, and continues to provide a community benefit and recreational enhancement to residents. To accomplish these objectives, approval of this 12-month site license and management agreement is necessary.

Community Benefit/Public Involvement

The proper maintenance of the Glen Lakes Golf Course is critical to the overall community aesthetic of Glendale. It currently serves as a destination for those in the general area to exercise and participate in golf as a leisure activity, in addition as serving as a green space for adjacent residents and businesses.

Budget and Financial Impacts

This transaction will require the transfers of appropriation for amounts not to exceed \$176,300 from the FY2017-18 General Fund Contingency, Account No. 1000-11901-510200 into the FY2017-18 Parks Maintenance "Professional and Contractual" Account No. 1000-13040-518200.

Cost	Fund-Department-Account
\$176,300	1000-13040-518200 - Professional and Contractual

Capital Expense? No

Budgeted? No

Requesting Budget or Appropriation Transfer? Yes