



PARKS AND RECREATION DEPARTMENT

QUINLAN COMMUNITY CENTER
10185 NORTH STELLING ROAD • CUPERTINO, CA 95014-5732
TELEPHONE: (408) 777-3120 • FAX: (408) 777-1305
CUPERTINO.ORG

CITY COUNCIL STAFF REPORT

Meeting: October 1, 2019

Subject

Amend the Fiscal Year 2019-2020 City Work Program to add a new Financial Sustainability item to study and present options to City Council on potential changes to the Blackberry Farm Golf Course and extend the project completion date for the *Use of Athletic Fields in Parks* from June 2020 to June 2021, and approve budget modification #1920-064 to appropriate \$35,000 to fund the new work.

Recommended Action

Approve amendments to the Fiscal Year 2019-2020 City Work Program as proposed in Attachment A, adding *Review and Present Options for Changes to Blackberry Farm Golf Course* project and extending the completion date for the *Use of Athletic Fields in Parks* project from June 2020 to June 2021, and approve budget modification #1920-064 to appropriate \$35,000 to fund the new work.

Discussion

The City Council adopted the City's Fiscal Year 2019-2020 Work Program on April 2, 2019. At a subsequent meeting on June 18, 2019, City Council approved the budget which allowed the Work Program items to be funded and completed. At the July 16, 2019 meeting, the City Council approved the Parks & Recreation Commission's Fiscal Year 2019-2020 Work Program, with amendments to include looking at options for changes to the Blackberry Farm Golf Course. Staff is now proposing to amend the City Work Program as well to reflect this new work by adding a new Financial Sustainability item, *Review and Present Options for Changes to Blackberry Farm Golf Course*. The amendment is indicated in the Proposed FY 2019-20 Work Program Update included as Attachment A.

The overall scope is to identify options to improve the financial sustainability of the golf course, the capital investment cost associated with these options, and the effect on the net operating income. A contract will be awarded to complete both the conceptual alternatives and financial analysis of each. Options may include maintaining the status quo, contracting out the daily operation, changing the course to an executive concept, renovation of the Blue Pheasant Restaurant, etc.

In 2016, City Council considered a draft preferred alternative for Stevens Creek Corridor Master Plan. During 2014-2016, a master plan was being developed for the park and open space property in the Stevens Creek Corridor from McClellan Road to Stevens Creek Boulevard. As part of this effort, two primary renovation options for the golf course were presented to the City Council on December 16, 2014 together with financial projections. On April 5, 2016, a draft preferred alternative for Stevens Creek Corridor was presented to the City Council. It included refined information for a recommended renovation of the golf course and additional financial information. The City Council chose not to take any action at that time, and thereafter approved conducting a Citywide Parks & Recreation System Master Plan. If the City Council approves adding this new work plan item, the golf course evaluation work that was done for the Stevens Creek Corridor master plan will be considered in this new effort and incorporated as appropriate.

Adding this item to the work plan reprioritizes staff time, delaying completion of other work, the *Use of Athletic Fields in Parks* project. Attachment A thus presents the proposed red lined changes to the existing work plan to modify the timeline for the *Use of Athletic Fields in Parks* project. The staff hours (2,000) for this item in the current work plan were in error and is more accurately described at 1,000. Thus, the proposed amendment also modifies the amount of estimated staff time.

The golf course is an enterprise fund, with a goal to recover as close to all costs of daily operation as possible. Over the past five years, the golf course has required a general fund subsidy of \$1,482,732 or an average of \$296,546 per year. In FY 18/19, the Golf Course required a subsidy of \$296,077.

The subsidy for the Golf Course is tied directly to the number of golf rounds played. Golf rounds have fluctuated over the past five years from a high of 30,669 in FY 14/15 to a low of 25,597 in FY 16/17. Average rounds played were 28,374 and in FY 18/19, golf rounds played were 27,011. Weather, a lack of capital investment in the course and changing popularity in the sport contribute to the fluctuations in rounds played.

Sustainability Impact

No sustainability impact.

Fiscal Impact

The FY 2019-20 Amended Budget's Blackberry Farm Enterprise Fund (560-63-616) will increase \$35,000 in order to complete the golf course analysis.

Prepared by: Gail Seeds, Park Improvement Manager

Reviewed by: Jeff Milkes, Director of Parks and Recreation

Approved for Submission by: Deborah Feng, City Manager

Attachments:

A – Proposed FY 2019-20 Work Program Update