



Meeting Date: 06/16/09

| ACTION   | TYPE OF ITEM   |
|--|--|
| <input type="checkbox"/> Approved Recommendation | <input type="checkbox"/> Info/Consent                  |
| <input type="checkbox"/> Ord. No(s). _____       | <input checked="" type="checkbox"/> Report             |
| <input type="checkbox"/> Res. No(s). _____       | <input type="checkbox"/> Public Hearing (Info/consent) |
| <input type="checkbox"/> Other _____             | <input type="checkbox"/> Other _____                   |

Prepared By: Cyndi Hookstra, Management Analyst III *CH* Agenda Item No. 0-2

Reviewed By: City Manager *[Signature]* City Attorney *SMF* Finance *JJC* Other (Specify) -

**DATE:** June 16, 2008

**TO:** City Council

**FROM:** Michael Henderson, General Services Superintendent  
City Manager's Office *[Signature]*

**SUBJECT:** **Third Agreement with High Tide and Green Grass, Inc. Related to the River Ridge Golf Club**

**RECOMMENDATION**

That City Council approve and authorize the Mayor to execute a Third Agreement with High Tide and Green Grass, Inc. (Operator) for the operation, maintenance and management of a 36-hole golf course referred to as the River Ridge Golf Club located at 2401 Vineyard Avenue.

**DISCUSSION**

The original agreement with the Operator became effective on December 1, 1993 with the option for the Operator to request two ten-year contract extensions from the City. The first ten-year extension was exercised by the Operator and approved by City Council on December 15, 1998. The Operator requested the granting of the second ten-year extension of the agreement as defined in paragraph 2 (b) (1) of the existing agreement. The City Manager's designee accepted the request for the extension by the January 1, 2009 deadline as defined in paragraph 2 (b) (2) of the current agreement. The City and the Operator have been negotiating in good faith since that time and have arrived at terms for the Third Agreement for the operation, maintenance and management of the River Ridge Golf Club. Since the approval of the first ten-year extension, a second 18-hole golf course has been added to the River Ridge Club. The grand opening for the new 18-hole Victoria Lakes course was held on August 22, 2008.

Over the course of the existing agreement, the Operator has dramatically enhanced the level of course and clubhouse maintenance and has provided customer service to an extent not easily matched in the Ventura County municipal golf market. The high maintenance standards set by City and the Operator for the Golf Course and Clubhouse, have allowed the City to capture more than its share of the Ventura County municipal golf market. On March 29, 2009 the Ventura County Star reported that readers had voted River Ridge Golf Club the west county golf course winner of the Reader's Choice Award for 2009. The Star article also stated "River Ridge Golf Club offers 36 championship holes with ocean views, an all grass lighted driving range and complete practice facilities with two chipping greens and

two putting greens.” The Operator’s keen sense of marketing for the banquet room, meeting rooms, outside BBQ area and clubhouse are fine complements to the championship level course and provide the community with a first class recreational venue.

The River Ridge Golf Club sits on two closed landfills. Post closure landfill maintenance and reporting is very complex. During the past fifteen years, the Operator has gained extensive knowledge of the landfill post closure requirements, landfill maintenance and reporting requirements. The Operator has been an integral part of the discussions between the City and the various landfill oversight agencies. The Operator has built a solid working relationship with those agencies. This relationship between the Operator and the various landfill agencies has saved the City hundreds of staff hours and the long term course maintenance has benefited greatly.

The Third Agreement for the operation, maintenance and management of the River Ridge Golf Club incorporates clarified and updated language to better reflect the operating activities between the City and the Operator. Exhibit B of the new agreement contains the revised financial arrangements between the City and the Operator, under which net receipts are distributed annually according to a formula that provides for a greater share to the City as net receipts increase. The recent downturn in the economy has also affected the golf market. The revised Exhibit B reflects an analysis of the overall economic outlook of the local golf course market as well as the current economic conditions for the operation of a 36-hole facility. It allows the City and operator the flexibility to set revenue projections annually as part of the golf course business plan rather than setting a ten year base revenue projection table.

After extensive analysis and discussion, staff believes it is in the City’s best interest to grant the second and final ten-year extension to High Tide and Green Grass Inc. Staff recommends the approval of the Third Agreement with High Tide and Green Grass Inc., for the operation, maintenance and management of the River Ridge Golf Club.

## **FINANCIAL IMPACT**

The financial impact of the new agreement is set out in Exhibit B which reflects the potential for increased revenues from the operation of a 36-hole golf course.

(MH/ci)

Attachment 1 - Third Agreement for Operation, Maintenance and Management of the River Ridge Golf Club

The Third Agreement has been provided to the City Council. Copies are available for review at the Help Desk in the Library after 6:00 p.m. on the Thursday prior to the Council meeting and at the City Clerk’s Office after 8:00 a.m. on Monday.