



CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE

R-18



2760 N. Studebaker Road, Long Beach, CA 90815-1697
(562) 570-3100 • FAX (562) 570-3109

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November 20, 2012

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute the Sixth Amendment to Lease No. 17448 between the City of Long Beach and American Golf Corporation, to amend the agreement and clarify the requirements regarding golf Charity Days. (Districts 3, 4, and 5)

DISCUSSION

Since the original City Council approval of Lease No. 17448 (Lease) between the City of Long Beach (City) and American Golf Corporation (AGC) in 1984, AGC has been required to donate each of the City's five golf courses on one day per year (Charity Days), free of charge with respect to green fees and rentals of golf carts, to a Long Beach-based charity. In March of 1999, the City Council approved the Third Amendment to the Lease, requiring that the City Manager approve the charities selected to benefit from the Charity Days. Currently, the City, which normally receives a percentage of green fees and golf cart fees as rent from AGC, receives no percentage rent on the five Charity Days per year.

The current process requiring that the City Manager approve the charities that benefit from the Charity Days puts City management staff in the unenviable position of choosing one charity over another. As the Charity Days were originally created as a way for AGC to be a good community partner by helping local charities, staff feels that AGC, and not the City, should determine the charities that benefit from this practice, and the policies relative to implementing the Charity Days. Furthermore, in light of current budgetary situations, the fact that the City waives its percentage rent on these Charity Days is no longer considered a best practice.

Therefore, staff's recommended action will remove the City from the selection and approval process of determining which charities should benefit from Charity Days, and will require that AGC pay the City percentage rent for the actual number of players and golf carts used.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on October 19, 2012, and Budget Management Officer Victoria Bell on October 22, 2012.

TIMING CONSIDERATIONS

City Council action is requested on November 20, 2012, in order to allow American Golf Corporation time to determine implementation policies and which charities will be provided with a free event in 2013, and also to give the selected charities time to plan accordingly.

FISCAL IMPACT

Percentage rent from green fees and golf cart rental fees is projected to be between \$7,000 and \$8,000 annually, and will accrue to the General Fund (GP) in the Department of Parks, Recreation and Marine (PR). There is no impact to jobs associated with the recommended action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully Submitted,



GEORGE CHAPJIAN
DIRECTOR OF PARKS, RECREATION AND MARINE

GC:RL

APPROVED:



PATRICK H. WEST
CITY MANAGER