



CITY COUNCIL STAFF REPORT



October 17, 2023

ITEM TITLE

Agreement: Approve Modifications to the Golf Course Facility Management Agreement with Touchstone Golf, LLC, for Management of the Chula Vista Golf Course

Report Number: 23-0279

Location: Chula Vista Golf Course, 4475 Bonita Road

Department: Economic Development

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

Adopt a resolution approving a modified Golf Course Facility Management Agreement with Touchstone Golf, LLC, for professional management services for the Chula Vista Golf Course.

SUMMARY

On May 16, 2023, the City Council approved a form of agreement with Touchstone Golf, LLC for management of the Chula Vista Golf Course. On that date, the City Council also authorized the City Manager to enter into an agreement with Huntington National Bank for the lease of eighty (80) golf carts. Since May the City has negotiated with Huntington National Bank and has been unsuccessful in reaching an agreement. As a result, Touchstone Golf, LLC has agreed to enter into an agreement for the golf carts, since the City is unable to do so. The cost of the lease for the golf carts will be paid for by operating revenue generated by the golf course facility regardless of whether the agreement is entered into by the City or Touchstone Golf, LLC. The proposed modifications to the form of agreement with Touchstone Golf, LLC reflect that Touchstone Golf, LLC will enter into an agreement for the golf carts, not the City.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under

Section 15378 of the State CEQA Guidelines because the proposed activity consists of a governmental fiscal/administrative activity which does not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable

DISCUSSION

On May 16, 2023, the City Council approved a form of agreement with Touchstone Golf, LLC for management of the Chula Vista Golf Course. On that date, the City Council also authorized the City Manager to enter into an agreement with Huntington National Bank for the lease of eighty (80) golf carts. Since May the City has negotiated with Huntington National Bank and has been unsuccessful in reaching an agreement. As a result, Touchstone Golf, LLC has agreed to enter into an agreement for the golf carts, since the City is unable to do so. The cost of the lease for the golf carts will be paid for by operating revenue generated by the golf course facility regardless of whether the agreement is entered into by the City or Touchstone Golf, LLC. The proposed modifications to the form of agreement with Touchstone Golf, LLC reflect that Touchstone Golf, LLC will enter into an agreement for the golf carts, not the City.

The unexecuted form of agreement with Touchstone Golf, LLC that was approved by the City Council in May 2023 and includes redline markup of proposed modifications that are subject to this staff report is included as Attachment 1.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of the Political Reform Act (Cal. Gov't Code §87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

Touchstone Golf, LLC's lease for 80 brand new electric golf carts through 2028 at a cost of \$567,946 will be funded through operating income generated by the golf course, as provided for under the agreement between the City and Touchstone Golf, LLC.

ONGOING FISCAL IMPACT

Modifications to the management agreement with Touchstone Golf, LLC that was approved by City Council in May 2023 at a cost of \$96,000 per year (plus any Incentive Fee), and the lease for the golf carts at a cost of \$567,946 are covered within the Golf Course's operating budget for FY 2023/24 through FY 2028/29. The management agreement cost and golf cart lease cost will be funded through operating income generated by the golf course as provided for under the modified agreement between the City and Touchstone Golf, LLC.

ATTACHMENTS

1. Redline Modifications to Form of Agreement with Touchstone Golf, LLC for Professional Management Services for the Chula Vista Golf Course

*Staff Contact: Kevin Pointer, Principal Economic Development Specialist
Eric Crockett, Deputy City Manager*