

## **RESOLUTION NO. 2018-0250**

Adopted by the Sacramento City Council

June 19, 2018

### **Approving Fourth Lease Amendment with Morton Golf LLC to Operate The William Land Golf Course**

#### **BACKGROUND**

- A. The Sacramento Area Youth Golf Association or First Tee has operated the golf course at William Land Park under a lease agreement since 1998. Due to the net losses from a reduction in user fees and increased maintenance costs, First Tee has notified the City that the lease will terminate on June 30, 2018.
- B. The Department of Youth, Parks, & Community Enrichment desires to continue operation of the William Land Golf Course for a one-year period to evaluate options to make the course self-sustaining. Morton Golf LLC (Morton) currently operates the three other City golf courses under an existing lease, as well as the Land Park course under contract with First Tee. Morton is willing to assume the operation of the William Land Golf Course for a one-year term if their rent under the existing City lease is reduced by \$250,000 to off-set the costs of managing this golf course.
- C. The Golf Fund will need to be augmented by \$250,000 to cover liabilities that the existing lease rent paid. A commitment of unobligated General Funds (1001) from fund balance at June 30, 2018 is needed to provide the necessary resources to offset the loss of revenues.
- D. City Council approval is required for fund transfers of \$100,000 or more and certain leases of City property.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The Fourth Amendment to the Golf Course Lease with Morton Golf LLC to add operation of the William Land Park Golf Course for FY2018/19 and to reduce the rent by \$250,000 is approved.
- Section 2. The commitment of unobligated General Funds on June 30, 2018 from fund balance in the amount of \$250,000 to support the Golf Fund (2603) operations in FY2018/19 is approved.

Section 3. The appropriation of the General Fund commitment from fund balance in FY2018/19 along with the reduction of the Golf Fund (2603) revenue budget and establishment of the related transfers between the General Fund (1001) and the Golf Fund (2603) is approved.

Section 4. The City Manager or his designee is authorized to execute this Lease Amendment.

Adopted by the City of Sacramento City Council on June 19, 2018, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, and Mayor Steinberg

Noes: None

Abstain: None

Absent: Member Warren

Attest: **Mindy Cuppy** Digitally signed by Mindy Cuppy  
Date: 2018.07.10 13:37:38  
-07'00'  
\_\_\_\_\_  
Mindy Cuppy, City Clerk

*The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.*