



APPROVED
BY THE CITY COUNCIL

FEB 3 1987

OFFICE OF THE
CITY CLERK

14

DEPARTMENT OF PARKS
AND COMMUNITY SERVICES

ROBERT P. THOMAS
DIRECTOR

G. ERLING LINGGI
ASSISTANT DIRECTOR

CITY OF SACRAMENTO
CALIFORNIA

January 28, 1987

1231 I STREET
SUITE 400
SACRAMENTO, CA
95814-2977

916-449-5200

DIVISIONS:

CROCKER ART MUSEUM
GOLF
METROPOLITAN ARTS
MUSEUM & HISTORY
PARKS
RECREATION
ZOO

City Council
Sacramento, California

CITY MANAGER'S OFFICE
RECEIVED
JAN 28 1987

Honorable Members in Session:

SUBJECT: Bing Maloney Golf Course Expansion

SUMMARY

This report provides information on the use of the existing 18-hole Bing Maloney Golf Course located in the south area of Sacramento. Further, this report recommends that the course be expanded by developing an additional nine-hole course on City property adjacent to the Executive Airport.

A copy of the Bing Maloney Expansion Project report as referenced in the attached joint committee report is on file in the Clerk's office.

BUDGET AND FINANCE/TRANSPORTATION AND COMMUNITY DEVELOPMENT COMMITTEE ACTION

The attached report was approved by the joint Budget and Finance/Transportation and Community Development Committee at their meeting of January 27, 1987. In addition to recommendations listed below, the joint committee recommended that staff coordinate with airport personnel on methods to provide security to prevent golfers from entering airport property.

RECOMMENDATION


It is recommended that the City Council, by resolution:

1. Ratify the Negative Declaration.
2. Authorize the Environmental Coordinator to file a Notice of Determination with the County Clerk's office.
3. Approve the Bing Maloney expansion project.
4. Authorize the City Manager to enter into agreement with Ronald Fream Design Group for design and construction drawings not to exceed \$45,000; and

City Council
January 28, 1987
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- 5. Approve the financing plan prepared by the City Treasurer for the Bing Maloney expansion project, to include the issuance of a privately placed taxable Golf Fund-Enterprise-Certificate of Participation.

Respectfully submitted,



ROBERT P. THOMAS, Director
Parks and Community Services

Recommendation Approved:



WALTER J. SLIFE
City Manager

RPT:ja

February 3, 1987
District No. 8

RESOLUTION NO. 87-054

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION APPROVING ENVIRONMENTAL DOCUMENTS FOR THE BING MALONEY EXPANSION PROJECT, APPROVING THE BING MALONEY EXPANSION PROJECT, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR DESIGN AND CONSTRUCTION DRAWINGS FOR THE PROJECT AND APPROVING THE FINANCING PLAN FOR THE PROJECT

APPROVED
BY THE CITY COUNCIL

FEB 3 1987

OFFICE OF THE
CITY CLERK

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the Negative Declaration for the Bing Maloney Expansion Project is hereby approved.
2. That the Environmental Coordinator is authorized to file with the County Clerk a notice of Determination for the Bing Maloney Expansion Project.
3. That the Bing Maloney Expansion Project for expansion of the Bing Maloney Golf Course, including development of a 9-hole executive golf course, is hereby approved.
4. That the City Manager is hereby authorized to execute a professional services agreement between the Ronald Fream Design Group and the City of Sacramento in an amount not to exceed \$45,000 for design and construction drawings for the Bing Maloney Expansion Project.
5. That the financing plan prepared by the City Treasurer for the Bing Maloney Expansion Project, including the issuance of a privately placed taxable Golf Fund-Enterprise-Certificate of Participation, is hereby approved.

MAYOR

ATTEST:

CITY CLERK



DEPARTMENT OF PARKS
AND COMMUNITY SERVICES

CITY OF SACRAMENTO
CALIFORNIA

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SUITE 400
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ROBERT P. THOMAS
DIRECTOR

916-449-5200

G. ERLING LINGGI
ASSISTANT DIRECTOR

DIVISIONS:

January 9, 1987

CROCKER ART MUSEUM
GOLF
METROPOLITAN ARTS
MUSEUM & HISTORY
PARKS
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Transportation and Community Development Committee
Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Bing Maloney Golf Course Expansion

SUMMARY

This report provides information on the use of the existing 18-hole Bing Maloney Golf Course located in the south area of Sacramento. Further, this report recommends that the course be expanded by developing an additional 9-hole course on City property adjacent to the Executive Airport.

BACKGROUND INFORMATION

Development History

The Bing Maloney Golf Course, constructed in 1952, was the first post World War II facility built in metropolitan Sacramento. The course was financed from surplus operating revenues of the 18-hole Haggin Oaks Golf Course.

The original 18-hole course was designed to serve a much smaller market area than it now serves. The south area, in particular, and Sacramento, in general, have grown significantly since 1952.

In 1965 the City retained a 25+ acre site for potential expansion of Bing Maloney Golf Course. This was part of the 1968 Recreation and Parks Master Plan which was adopted in March 1969.

Transportation and Community Development Committee
Budget and Finance Committee
January 9, 1987
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Market Area, Use and Demand

The projected population for Sacramento's golf market area in the year 2000 is 1,322,741. On the basis of National Golf Foundation guidelines, the estimated number of golf courses required for each segment of a 50,000 population is one 18-hole course. At present, there is a total of 12.5 18-hole public golf courses within the boundary of the primary market area. There is, therefore, an established shortage of 13.5 18-hole public golf courses in metropolitan Sacramento. All area public golf courses are presently accomodating close-to-capacity play.

Total play at all City-owned golf courses in fiscal year 1984-85 amounted to 412,000 rounds and increased over 7% to 429,819 rounds in fiscal year 1985-86.

Over the past four years the 18-hole course at Bing Maloney has exceeded 100,000 rounds per year and hosted over 250 tournaments annually, surpassing the number of players recorded at the 18-hole Haggin Oaks facility. (Exhibit A provides a comparison of rounds played at all City courses for the past 5 years). Moreover, the projected requests for golf starting times at Bing Maloney Golf Course for fiscal year 1986-87 are expected to increase by 10%. Play on the existing course is close-to-capacity and with the recent closing of the Lindale 9-hole Executive Golf Course in the south area of the city, demand for golf starting times exceeds available prime golf time.

In summary, Sacramento's market area is already 13.5 courses below the existing demand. In order to begin to meet this demand, a 9-hole expansion with support facilities is recommended for the Bing Maloney Golf Course.

Proposed Expansion Project

The expansion site is a near-level area that currently supports a mixture of annual and perennial grasses. The southeast corner supports a small marshy area adjacent to a drainage canal that marks the southern site boundary. The project is an expansion of the existing facilities at Bing Maloney Golf Course in the Airport Meadowview Community Planning Area.

The project will include a 9-hole executive golf course, a small practice putting green, new parking lot with an 87 vehicle capacity, establishment of an outdoor eating area with six tables adjacent to the existing clubhouse, and relocation of access to the maintenance area on the existing course.

The site is situated immediately adjacent to the Sacramento Executive Airport and also shares a boundary with the lots along the west side of Golf View Drive between Monifieth Avenue and 53rd Avenue. (Exhibit B depicts site map). The proposed expansion of a 9-hole executive course is quite compact, occupying less than 15 acres and playing to a length of 1,370 yards.

A conceptual plan, financial feasibility, and environmental review have been completed by Ronald Fream Design Group at a cost of \$19,000. Given the limitations of the site, the conceptual design is an attractive, playable golf course that should prove to be enjoyable to a wide range of golfers although it will primarily attract senior, women and junior golfers. (Exhibit B-1 provides a conceptual master plan).

An extensive environmental review process was begun by staff in 1985. Conceptual plans, drafted by Ronald Fream Design Group were submitted to the County Airport Planner in 1985. Revisions were made based on the County Airport Planner's concerns. The Comprehensive Land Use Plan (CLUP) approved by the City Council and County Board of Supervisors for Executive Airport (March 1982) specifically allows for golf course development in the area. However, even after major revisions to the original conceptual plan in an effort to mitigate airport staff concerns, the Airport Planning staff stated they prefer that the proposed site remain undeveloped open space. (See Exhibit C for details of meetings, dates and revisions; Exhibit C-1 contains correspondence relating to concerns and mitigation measures surrounding the use of air space and the redesign of the proposed 9-hole golf course).

The concerns of the airport staff could not be further mitigated, therefore, a proposed project and environmental assessment was prepared by the Fream Design Group and distributed for public review and comment. On May 5, 1986 a Negative Declaration was filed with the County Clerk's Office in accordance with State guidelines for implementation of the California Environmental Quality Act of 1970 and on May 6, 1986 the State Office of Planning and Research, State Clearinghouse, was forwarded the Negative Declaration for a thirty (30) day review period. On June 23, 1986 Notice of Opportunity for Public Review of the Negative Declaration was published in the Sacramento Union. The appropriate length of time has now elapsed for comments regarding the Negative Declaration. (Exhibit D contains the subject document).

Comments regarding the Negative Declaration were received during the public review period from the County of Sacramento Department of Airports, United States Department of Transportation Federal Aviation Administration (FAA) and the Sacramento Area Council of Governments (SACOG), all of whom expressed concern that portions of the project are located within the clear zone for runway #34. Staff believes that the most recent redesign of the golf course expansion minimizes the stated concerns.

The Environmental Coordinator finds this project to have no significantly adverse effect on the physical environment and, therefore, recommends that the Bing Maloney Golf Course expansion project be approved by the City Council.

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January 9, 1987
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Ronald Fream was chosen through an RFP process to prepare the conceptual plan. In order to facilitate a well designed and constructed project compatible with the existing site and the airport plan, it is recommended that Ronald Fream Design Group prepare the construction drawings and specifications. Preparation of the construction drawings is estimated at a cost of \$45,000.

Financial Feasibility

The City contracted with William Sherman Company, Golf Course Consultants and Appraisers, San Rafael, California to prepare an economic feasibility analysis for the Bing Maloney Expansion Project. (Attachment E contains the consultants report).

With the 9-hole expansion at Bing Maloney rounds of play are projected as follows:

FISCAL YEAR	<u>1987/88</u>	<u>1988/89</u>	<u>1989/90</u>	<u>1990/91</u>	<u>1991/92</u>
Weekday-Regular.....	16,320	17,952	19,747	20,735	21,771
Weekday-Discount.....	11,680	12,848	14,133	14,839	15,581
Sat. Sun. & Holidays..	<u>18,720</u>	<u>20,592</u>	<u>22,651</u>	<u>23,784</u>	<u>24,973</u>
TOTAL ROUNDS.....	46,720	51,392	56,531	59,358	62,326

The income generated from the additional golf course operations, together with increased income that may be earned from concessionaires, is more than adequate to offset the capital cost. The new facility will create a wider appeal to the already solid base of established golfers and significantly increase the range of appeal for new golfers to become better acquainted with the game of golf on a course that is less challenging in terms of skill and distance, yet one that is aesthetically appealing and stimulating.

Capital costs for the expansion and clubhouse revisions are estimated at \$931,190. (Exhibit F provides the detailed cost estimate).

Operating costs include an additional three employees for a total of just over \$100,000 in annual operational costs. Estimated green fees and concession revenue are over \$190,000 per year and are projected to increase annually to \$257,093 by the fifth year following the expansion. Below is a five year cash flow projection.

PROJECTED REVENUES AND OPERATIONS BUDGET
FY 1988-89 TO FY 1992-93

	1988-89	1989-90	1990-91	1991-92	1992-93
PROJECTED ROUNDS	46,720	51,392	56,531	59,358	62,326
GREEN FEES	\$178,720	\$196,592	\$233,191	\$244,851	\$257,093
CONCESSIONS	14,000	14,700	15,435	16,207	17,017
REVENUE SUBTOTAL	192,720	211,292	248,626	261,058	274,110
OPERATIONS & MAINT.	100,500	106,530	112,922	119,697	126,879
DEBT SERVICE	117,900	119,925	116,525	118,125	119,300
REQUIREMENTS SUBTOTAL	218,400	226,455	229,447	237,822	246,179
NET GAIN/LOSS	(\$25,680)	(\$19,163)	\$15,179	\$23,236	\$27,931
CUMULATIVE GAIN/LOSS	(25,680)	(40,843)	(21,664)	1,572	29,503

*INCLUDES FIRST YEAR DEBT SERVICE PAYMENT

Exhibit G provides a detailed discussion of financing options prepared by Thomas Friery, City Treasurer. The City Treasurer, after exploring other alternatives, has committed to purchase the \$935,000 necessary for the Bing Maloney expansion project from the Sacramento City Employees Retirement System providing the investment can be settled by June 1, 1987. Net interest cost of this purchase is 9.43%. In addition, the City Treasurer's recommendation includes issuance of a privately placed, taxable Golf Fund- Enterprise-Certificate of Purchase.

On the basis of analysis of the financial implications of this financing plan on the Golf Fund, Finance Department staff finds that this project should accrue positive, long-term financial benefits to the Golf Fund. Further, Finance Department staff support the financing plan recommended by the City Treasurer. (Exhibit H).

Staff recommends that the City Council approve the Bing Maloney Expansion Project financing plan prepared by the City Treasurer and supported by the Finance Department.

Timeline

The Bing Maloney Golf Course Expansion Project timeline is:

- Coordinate financing December 1986, January 1987
- Design and construction drawings prepared April 1987
- Construction begins June 1987
- Course completed September 1987
- Course opens for play April 1988

FINANCIAL DATA

Bing Maloney Golf Course Expansion Project (FY 1986-87 CIP No. 418-500-OA00-01), provides \$150,000 for golf course design including working drawings for an automatic irrigation system and a pedestrian bridge and parking lot. It is anticipated that the contract with Ronald Fream Design Group for architectural design and engineering will require an estimated \$45,000 from this project budget.

Total estimated cost for construction of the expansion is \$935,000. This project can be accomplished through the financing plan recommended by the City Treasurer and the Finance Department staff. This financing plan includes average annual debt payments from the Golf Fund of \$117,778 over a period of 15 years, beginning June 1, 1988. The income generated from the additional golf course operations, together with increased income that may be earned from concessionaires, is more than adequate to support this financing plan.

Transportation and Community Development Committee
Budget and Finance Committee
January 9, 1987
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RECOMMENDATION

It is recommended that the Transportation and Community Development Committee and the Budget and Finance Committee approve the attached report and forward the following recommendations to the City Council and that the City Council, by resolution:

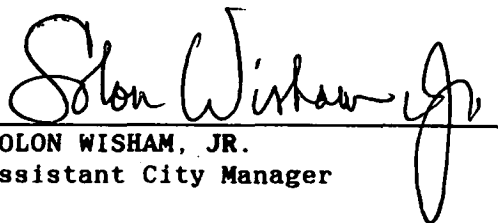
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3. Approve the Bing Maloney Expansion Project,
4. Authorize the City Manager to enter into agreement with Ronald Fream Design Group for design and construction drawings not to exceed \$45,000 and,
5. Approve the financing plan prepared by the City Treasurer for the Bing Maloney Expansion Project, to include the issuance of a privately placed taxable Golf Fund-Enterprise-Certificate of Participation.

Respectfully submitted,



ROBERT P. THOMAS, Director
Parks and Community Services

Recommendation Approved:



SOLON WISHAM, JR.
Assistant City Manager

January 27, 1987
Council District 8

RPT:nol

Exhibits A - H