

LEGISLATIVE DIGEST

[Park Code - Flexible Pricing at Gleneagles Golf Course; Lease Amendment - Gleneagles Golf Partners, LP - Operation of Gleneagles Golf Course - Seven Percent Gross Revenues Per Conditions and Incentives]

Ordinance amending the Park Code to authorize flexible pricing at Gleneagles Golf Course in McLaren Park; approving the amendment and extension of a lease with Gleneagles Golf Partners, LP for operation of the Gleneagles Golf Course commencing on the effective date of this ordinance and ending November 30, 2022, for seven percent of gross revenues, subject to conditions, incentives, participation rent and rent credits, and affirming the Planning Department's determination under the California Environmental Quality Act.

Existing Law

1. Section 12.12 of the Park Code currently authorizes operators of the Harding Park, Sharp Park, and Lincoln Park golf courses to charge flexible fees when authorized by the General Manager of the Recreation and Park Department (RPD) in order to address fluctuations in customer demand.
2. Flexible fees may include discounts up to 25% for greens fees, increases up to 50% for non-residents and tournaments, and increases up to 25% for residents.

Amendments to Current Law

1. The proposed ordinance would extend authorization to charge flexible pricing to the McLaren Park or "Gleneagles" Golf Course.
2. The proposed ordinance would also approve extension through November 30, 2022 of the lease held by Gleneagles Golf Partners that was initially entered in December, 2004 and has been operated on a month-to-month basis since expiration of the initial nine year term in November, 2013.
3. The proposed ordinance would also approve modifications to the terms of the existing lease, which would go into effect on the effective date of this ordinance, to authorize certain rent credits, reduce Tenant responsibility for water charges, and require Tenant to implement an automated reservation if and when it is provided by RPD.

Background Information

At the request of the tenant, the Recreation and Park Department agreed to seek Board approval of flexible pricing during negotiations over the lease amendment and extension.