



Legislation Details (With Text)

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Title: Actions pertaining to a Concession Agreement and Agreement for golf course operations at Airways Golf Course between the City of Fresno and Sierra Golf Management, Inc. for concessions and golf management of Airways Golf Course at Fresno Yosemite International Airport. (Council District 4):

1. Adopt finding of a Categorical Exemption pursuant to CEQA Guidelines section 15301(d), Class 1; and
2. Approve a Concession Agreement and Agreement for golf course operations at Airways Golf Course between the City of Fresno and Sierra Golf Management, Inc. for concessions and golf management of Airways Golf Course for a term of seven months at Fresno Yosemite International Airport

Sponsors: Airports Department

Indexes:

Code sections:

Attachments: 1. Solicitation Summary - Airways Golf Course Interim Operator.pdf, 2. Interim Lease Agreement for Airways Golf Course (8-31-2016) Signed.pdf

Date	Ver.	Action By	Action	Result
9/15/2016	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

September 15, 2016

FROM: KEVIN R. MEIKLE, Director of Aviation
Airports Department

SUBJECT

Actions pertaining to a Concession Agreement and Agreement for golf course operations at Airways Golf Course between the City of Fresno and Sierra Golf Management, Inc. for concessions and golf management of Airways Golf Course at Fresno Yosemite International Airport. (Council District 4):

1. Adopt finding of a Categorical Exemption pursuant to CEQA Guidelines section 15301(d), Class 1; and
2. Approve a Concession Agreement and Agreement for golf course operations at Airways Golf Course between the City of Fresno and Sierra Golf Management, Inc. for concessions and golf management of Airways Golf Course for a term of seven months at Fresno Yosemite International Airport

RECOMMENDATION

Staff recommends City Council adopt a finding of Categorical Exemption pursuant to CEQA Guidelines section 15301(d), Class 1, and approve a Concession Agreement and Agreement for Golf Course Operations (Agreement) at Airways Golf Course (Airways) between the City of Fresno and Sierra Golf Management, Inc., (SGM) for a term of seven (7) months at Fresno Yosemite International Airport (FAT).

EXECUTIVE SUMMARY

ClubCorp has operated Airways Golf Course (Airways) since 1989, and has been in holdover status pursuant to its agreement with FAT since 2015. In accordance with the terms of its agreement, on August 25, 2016, ClubCorp submitted a written termination notice effective September 30, 2016. The Airports Department (Airports) has been preparing a Request for Proposals for operation of Airways over the past several months, which was posted August 31, 2016. However, the RFP selection process will not implement a new operator until on or about May 1, 2017, leaving Airways with no operator from October 1 on. Under exigent circumstances, to avoid interruption in Airways operation, Airports invited two experienced and interested regionally based golf course management companies to participate in an abbreviated solicitation process to operate Airways beginning October 1, 2016, until a long term operator is under contract following the RFP process. Sierra Golf Management, Inc., (SGM) was selected as the best company to operate Airways for this interim period. The change in management will not impact Airways fees or operations.

Approval of the SGM agreement will enable, (i) Airways to continue operating during this interim period, and, (ii) continued maintenance and care of the grounds and facilities. Refer to attached Solicitation Summary.

BACKGROUND

The previous Airways agreement expired on August 31, 2015, and has been in holdover with ClubCorp since that time. ClubCorp was willing to continue operating Airways in holdover status until such time a RFP process is complete and a new operator is under contract. However, they indicated that to do so would necessitate an amendment to their agreement to substantially reduce or altogether eliminate the rent. This is not desirable because it would negatively impact Airports' revenue stream. In addition, Federal Aviation Revenue Policy prohibits the expenditure of Airport revenue to support non-aviation uses. This means any non-aviation function on Airports-owned land, such as Airways, must be self-sustaining and generate a revenue stream to the airport. The Agreement requires SGM to operate and maintain Airways at their expense, which satisfies FAA Revenue Policy requirements.

Airports advertised an RFP for Airways operations on August 31, 2016, and anticipate bringing to Council for consideration a long term agreement in the Spring of 2017. Airports anticipates that the two companies interviewed for this interim agreement, along with others, will be submitting proposals for the long term management of Airways.

Agreement has been reviewed and approved as to form by the City Attorney's Office.

ENVIRONMENTAL FINDINGS

Staff has determined that this Agreement falls within the Class 1 Categorical Exemptions set forth in the California Environmental Quality Act (CEQA) Guidelines, Section 15301(d)/Class 1 (Existing Facilities), as it involves the operation of existing facilities and negligible or no expansion of an existing use.

LOCAL PREFERENCE

Local preference does not apply because this Agreement includes an award of a non-professional services agreement.

FISCAL IMPACT

Revenue for the anticipated seven month term is based on 6% of gross green fee receipts and is estimated to be \$16,725. All revenue will be deposited into the Airports Enterprise Fund and will contribute to the operation and maintenance of FAT. In addition, 16 jobs associated with Airways operation and the related economic impact will be preserved. There is no impact to the General Fund from this item.

Attachments:

Solicitation Summary

Airways Concession and Operating Agreement