The City Council, with certain statutory exceptions, can only take action upon properly posted and listed agenda items. Any writings or documents given to a majority of the City Council regarding any matter on this agenda that the City received after issuing the agenda packet are available for public inspection in the City Clerk’s office during normal business hours. Such Documents may also be posted on the City’s website at www.elsegundo.org and additional copies will be available at the City Council meeting.

Unless otherwise noted in the Agenda, the Public can only comment on City-related business that is within the jurisdiction of the City Council and/or items listed on the Agenda during the Public Communications portions of the Meeting. Additionally, the Public can comment on any Public Hearing item on the Agenda during the Public Hearing portion of such item. The time limit for comments is five (5) minutes per person.

Before speaking to the City Council, please come to the podium and state: Your name and residence and the organization you represent, if desired. Please respect the time limits.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Clerk, 524-2305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

SPECIAL MEETING OF THE EL SEGUNDO CITY COUNCIL  
TUESDAY, MAY 14, 2013 – 7:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMUNICATION – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250.
K. REPORTS – CITY COUNCIL MEMBERS

Council Member Fellhauer -

1. Consideration and possible action to appoint Council Member Atkinson to Chair a temporary Golf Course Advisory Group, and appoint other members to the Advisory Group, to research options for improvement of the financial and physical condition of the Lakes at El Segundo Golf Course and develop recommendations for City Council consideration.  
(Fiscal Impact: None)

Recommendation – 1) Appoint Council Member Atkinson as Chair of a temporary Golf Course Advisory Group, and appoint other members to the Advisory Group, and direct the City Manager (or his designee) to provide staff support to assist with the development of recommendations; 2) Alternatively, discuss and take other action related to this item.)

CLOSED SESSION:
The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City’s Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City’s Labor Negotiators; as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov’t Code §54956.9(a)) -1- matter

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code §54956.9(b): -0- matter.

Initiation of litigation pursuant to Government Code §54956.9(c): - 1 - matter.

DISCUSSION OF PERSONNEL MATTERS (Gov’t Code §54957): - 0 - matter

APPOINTMENT OF PUBLIC EMPLOYEE (Gov’t. Code § 54957) – 0 - matter

CONFERENCE WITH CITY’S LABOR NEGOTIATOR (Gov’t Code §54957.6): -0- matter

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov’t Code §54956.8): -0- matter

REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT
POSTED:

DATE: 5.13.13
TIME: 12:30 PM
NAME: [Signature]
AGENDA DESCRIPTION:

Consideration and possible action to appoint Council Member Atkinson to Chair a temporary Golf Course Advisory Group, and appoint other members to the Advisory Group, to research options for improvement of the financial and physical condition of the Lakes at El Segundo Golf Course and develop recommendations for City Council consideration (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:

1. Appoint Council Member Atkinson as Chair of a temporary Golf Course Advisory Group, and appoint other members to the Advisory Group, and direct the City Manager (or his designee) to provide staff support to assist with the development of recommendations.
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

FISCAL IMPACT: $

Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s):

PREPARED BY: Greg Carpenter, City Manager
REVIEWED BY: Marie Fellhauer, Council Member
APPROVED BY:

BACKGROUND & DISCUSSION:

The City of El Segundo has owned and operated the Lakes Golf at El Segundo Golf Course (the Lakes) since 1994. The facility has served well as a recreation amenity for residents of El Segundo and surrounding cities and as an amenity to employees of the surrounding business community. Financially, the Lakes is managed by the City as an enterprise fund meaning that it operates semi-independently with the revenues it generates ideally covering all operational, capital maintenance/replacement and overhead costs. This approach is different from City recreational facilities that typically charge a small or no fee for use and are supported by the City’s General Fund.

Unfortunately, in recent years the revenues generated by the Lakes have been insufficient to achieve full cost recovery for the facility. This has resulted in delayed capital maintenance, delayed repayment of existing loan obligations from the enterprise fund to the General Fund. Given the financial challenges of the City, staff has reviewed various options for addressing the financial situation while maintaining the facility as a golf facility. Some of these options, such as renegotiation of the management fee for the golf course operator and raising green fees and charges have recently been implemented.

Another option that has been discussed for the past 9 months has been a proposal to lease the driving range portion of the Lakes to Top Golf for the development of a golf based entertainment complex. As
currently proposed, this project would have Top Golf operating a three level golf driving range and food service building and the City would continue to operate the 9-hole golf course with some physical modifications necessary to reconfigure the course layout and relocate the pro shop/offices/food service building. While still being evaluated, the Top Golf proposal has the potential to make the Lakes financial situation self-sufficient, create employment opportunities, provide a different golf-oriented amenity for the resident and business community and potentially offset the cost of other city recreation programs.

The Top Golf proposal has generated a range of reactions from users of the Lakes, many of whom have asked – What other options exist for achieving the City’s objective of improving the financial performance of the facility without the integration of the Top Golf development? The Southern California Golf Association (SCGA) and a number of their members have offered, on a voluntary basis, to assist the City in answering this question. Given the need to be responsive to the Top Golf proposal, it is important that this analysis be conducted in a timely manner. Given the amount of data that has already been assembled by staff, and the experience and relationships that SCGA brings, I would anticipate that review could be completed in 30 days.

The questions that I believe the City Council seeks to respond to, and the Advisory Group should be tasked to answer include:

- Are there established private golf course operators that are interested in leasing the facility in its current (or improved form) that would be willing to do so without capital cost and undue risk to the City?
- What level of revenue could City expect to generate from such a lease arrangement?
- What level of capital investment would a private golf course operator be willing to make towards a leased facility?

The proposed appointees to the Advisory Group include:

- **Gene Krekorian** – a principal of Pro Forma Advisors
- **Jorge Badel** – Los Angeles County’s Golf Director
- **Tom Addis III** – CEO of the Southern California Professional Golfers of America Section and past President of the National PGA
- **Craig Kessler** – Director of Governmental Affairs for the Southern California Golf Association (SCGA)
- **Casey O’Callaghan** – Golf course architect since his 1989 graduation from UC Berkeley’s School of Environmental Design
- **Bill Bue** – Former Mayor, member of the Golf Course Subcommittee member
- **Mike Dugan** – El Segundo resident

I would ask that City staff support the effort by providing any necessary background data and attend any group meetings to answer questions. The findings of the Advisory Group should be based on facts, rather than opinions, and verifiable by City staff. In my discussions with the SCGA, I have been assured that this task can be completed in a timely manner and will result in an increased understanding of the options for the Lakes to compare to the Top Golf proposal.