Agenda Item #16.1
For Council Meeting of May 6, 2025

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DONTE WATSON, DIRECTOR – RECREATION AND PARKS DEPARTMENT
SUBJECT: BENNETT VALLEY GOLF COURSE FEES

AGENDA ACTION: PUBLIC HEARING AND RESOLUTION

RECOMMENDATION

It is recommended by the Recreation and Parks Department that the Council: 1) hold a Public Hearing to discuss increasing golf fees; and 2) by resolution, approve revised Bennett Valley Golf Course Fees to supersede and replace the Bennett Valley Golf Course Fees and requirements set forth in Resolution No. RES-2024-062, effective on July 1, 2025, for the Bennett Valley Golf Course.

EXECUTIVE SUMMARY

The purpose of this Public Hearing is to provide an update regarding the proposed two (2) year revised fees for the Bennett Valley Golf Course (BVGC) Enterprise and for Council approval by resolution of the revised fees, effective on July 1, 2025 – June 30, 2027. The Public Hearing provides citywide notification allowing members of the public to provide input as part of the City Council's consideration of the fees.

BACKGROUND

Touchstone has operated, maintained, and managed the entire BVGC Enterprise since June 7, 2022. The Touchstone agreement provides a three-year agreement with a two-year optional extension. The City and Touchstone mutually agreed to extend the Touchstone Agreement for an additional two-years, which will come to Council for final action on June 3, 2025.

As part of the Touchstone agreement and preliminary revenue budget, it was anticipated that golf fees would need to be reviewed and updated regularly remain competitive.

On January 10, 2023 (RES-2023-007), and then on May 7, 2024 (RES-2024-062), Council increased golf fees from the previous year by Resolution. Council also provided feedback that staff return with a multi-year increase.

As part of Touchstone's on-going analysis of current market rates for golf fees, and the need to provide additional revenue to maintain the enterprise fund, increased fees are proposed for fiscal years 2025/2026, and 2026/2027.

PRIOR CITY COUNCIL REVIEW

December 6, 2022 – Council held a Study Session regarding the six-month progress of Touchstone's management, operations, and maintenance of the BVGC. Touchstone's update focused on golf fees and the need for funding of the BVGC capital improvements. It was anticipated that staff would return in January 2023 with a fee update.

January 10, 2023 – Council approved updated fees for the BVGC effective January 11, 2023 (RES-2023-007). The updated fees replaced previous fees set by Council (RES-2017-090) and eliminated the previous creation of a capital fee and transferred those funds to a capital projects key for future capital improvement needs.

May 7, 2024 – Council approved updated and new types of fees for BVGC effective July 1, 2024. The updated fees provided a modest increase to existing fees and established a resident and non-resident rate whereby the non-resident rate is approximately 10-15% higher than resident rates. The council also recommended staff return with a multi-year rate increase.

ANALYSIS

This Council item proposes increases to golf fees to remain competitive in the local golf market. Exhibit A to the attached Resolution shows the existing and proposed fees. Staff are seeking Council approval to increase golf fees to be more competitive with the current market rate, help sustain the golf course as an enterprise fund and continue to be the best value locally.

Additionally, given Touchstone's direct experience with the BVGC and local market, the increased rates are proposed for the next two years. Touchstone has indicated that other nearby golf courses can and do trend toward a higher rate increase per year with averages of up to 10%. The new rates for BVGC propose a modest 2-4% increase per year that varies by rate type as shown in Exhibit A of the attached Resolution.

In addition to the golf fee adjustments, Touchstone continues to make physical improvements to the facility and adjusting to a self-sustaining business model to remain the jewel of the community. This summer's construction of the irrigation pond and a damaged golf cart bridge may result in some temporary impacts to golfers; however,

these critical improvements will provide long-term operational efficiency while keeping the BVGC a great value resource to the community.

FISCAL IMPACT

The proposed revised and new fees will provide the necessary revenue to fund operating, management, maintenance, debt service costs and reserves associated with the BVGC enterprise. Without the additional revenue associated with the fees, maintaining the BVGC Enterprise would create an increased operating deficit and likely a deficit in the minimum reserve amount for BVGC, which could result in deficits to the General Fund.

Approval of the attached Resolution, with Exhibit A will increase BVGC golf fees effective July 1, 2025 – June 30, 2027.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed action is not a “project” subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

March 21, 2024, the Long-Term Financial Policy Audit Subcommittee received an update of BVGC performance, previous and future budgets, and reviewed the increased fees proposed for the Fiscal year 2024/2025. The Long-Term Financial Policy Audit Subcommittee recommended Council approval of proposed FY 24/25 revised fees.

NOTIFICATION

Notice of the Public Hearing was provided by posting signage at the BVCG and publishing notice in a newspaper of general circulation, and bulletin board postings at City Hall and on the BVGC web site.

ATTACHMENTS

- Attachment 1 – Resolution RES-2024-062
- Attachment 2 – Golf Fee Comparison
- Resolution / Exhibit A – Proposed BVGC Fees

PRESENTER

Jen Santos, Parks Deputy Director