

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JEN SANTOS, ACTING DIRECTOR
RECREATION AND PARKS DEPARTMENT
SUBJECT: FY 2023-24 BUDGET AMENDMENT – INCREASE
APPROPRIATIONS TO CONSTRUCT A MODERN IRRIGATION
SUPPLY SYSTEM FOR THE BENNETT VALLEY GOLF COURSE
(BVGC) AND DELEGATE AUTHORITY FOR ISSUANCE OF A
DESIGN-BUILD REQUEST FOR PROPOSALS TO DESIGN AND
CONSTRUCT THE BVGC IRRIGATION SUPPLY SYSTEM
PROJECT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended, by the Recreation and Parks and the Transportation and Public Works Departments, that the Council, by resolution: 1) increase appropriations in the Bennett Valley Golf Course (BVGC) Operations Fund in the amount of \$2,000,000 from the unassigned General Fund reserves for environmental review, design and construction of a modern irrigation supply system at BVGC; and 2) delegate authority to the City Manager or designee to determine whether a design-build procurement is in the best interests of the City and to issue the design-build request for proposal for the Project.

EXECUTIVE SUMMARY

Staff recommends that Council appropriate \$2 million from the unassigned General Fund reserves for environmental review, design, and construction of a modern irrigation supply system for the Bennett Valley Golf Course (BVGC). Appropriation of funds is the first critical step towards a full replacement of the aging irrigation system infrastructure. Staff also recommends that Council delegate authority to the City Manager or designee to determine whether a design-build procurement, rather than a traditional design-bid-build procurement, is in the best interests of the City. Where the City Manager or designee make that determination, staff also recommends that Council delegate authority to the City Manager or designee to issue the design-build request for proposal. The contract that staff recommends that the City award for this project, whether it be

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utilizing a design-build or traditional design-bid-build delivery method, will return to Council for review and approval.

BACKGROUND

The BVGC is a 150-acre, 18-hole golf course with a driving range, pro shop, course restroom, maintenance shops and yards, and restaurant with banquet rooms. The golf course is a par 72, 6,500-yard course from the championship level tees and was built in 1969 on heavy clay soil.

The golf course irrigation system is more than 50 years old and relies upon two functioning irrigation wells to supply water to the irrigation system, which is now in critical condition and repairs are costly. The City Council received an update from National Golf Foundation (NGF) on February 15, 2022, that recommended replacing the irrigation system as a critical need for the golf course operation, among other infrastructure projects needed. The need for improved water supply and storage is the first part of the future capital infrastructure needed to replace the irrigation system completely.

The aged irrigation infrastructure requires a great deal of maintenance annually due to its deterioration, lack of central control and lack of support parts. For example, a small issue like replacing a part becomes a larger project when the part is no longer available from the manufacturer. A fully updated irrigation system will provide for efficient irrigation of the course by using a targeted irrigation system with parts and electronic control of the system that provides the right amount of water to each type of surface.

The water supply and storage for the irrigation system needs to be sufficient to draw and hold enough irrigation water for approximately 8 -10 hours of watering in the evening. Generally, the golf course is irrigated from Spring through Fall, and through the remainder of the year only under drought conditions. History has demonstrated that normal rain years provide adequate irrigation between the Fall and Spring months.

On June 7, 2022, the City Council approved Touchstone Golf, LLC (Touchstone) as the single operator. Park Planners and the Capital Projects Engineering team will coordinate with key stakeholders, including Touchstone, to establish a preliminary design for the future irrigation storage system, including determining the best location with the least impact and most economical construction. The City will bid the project for design and construction including environmental compliance of the future irrigation storage system.

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PRIOR CITY COUNCIL REVIEW

February 2, 2021 – Staff presented a study concept to Council during a study session to consider whether to pursue an evaluation of using portions of the golf course property to finance capital investments at both the golf course and the adjacent Galvin Community Park.

March 2, 2021 – Mayor C. Rogers established the BVGC Ad Hoc Committee and appointed Council Members Sawyer (Chair), Alvarez, and Tibbetts to serve on the committee and work with staff to develop a scope of work for full Council consideration to evaluate the concept presented by staff on February 2, 2021.

April 13, 2021 – Staff provided an Ad Hoc Committee update during staff briefings and explained that the Ad Hoc Committee requested that they focus on a comprehensive operational analysis rather than one that involves a potential real estate transaction.

August 17, 2021 – Council approved by motion the scope of work for the BVGC operational evaluation, release of an RFP, approval of the proposal review committee, and to delegate authority to the City Manager or designee to further modify the Scope of Work and evaluation process.

November 9, 2021 – National Golf Foundation (NGF) approved by the city to provide the evaluation and analysis of the BVGC Enterprise with recommendations for future operations, maintenance, and capital infrastructure.

February 1, 2022 – Staff provided an Ad Hoc Committee update during staff briefings regarding the initial analysis of options available for future operations, maintenance, and capital infrastructure of BVGC and restaurant.

February 15, 2022 – Council approved, by motion, the Scope of Services and release of a Request for Proposals (RFP) to solicit for a single management company to provide operations and maintenance for the BVGC and the restaurant together. Council approved the proposal Review Committee to include one Council Member, one member of the golfing community, and staff members familiar with operations and maintenance of the BVGC enterprise. Council also received a report from National Golf Foundation regarding the operations, maintenance and high and low priority capital projects needed.

June 7, 2022 – Council approved Agreement with Touchstone Golf LLC., for Management of Bennett Valley Golf Course Enterprise.

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ANALYSIS

Approval of the Resolution will begin the process for evaluating, completing environmental review, design and construction that would allow the City to modernize the irrigation water supply and storage system critical to future operations of the golf course.

The appropriation of funds to support the environmental review, design and construction of a new water supply and storage system are the first step in the long-term goal to completely replace the irrigation system. Staff is looking to initiate the environmental review, design and construction process as soon as possible. Staff will also work closely with key stakeholders, including Touchstone as the golf course operator, to receive input throughout the environmental review, design and construction process.

City staff will follow the City's standard processes for soliciting for a consultant to complete environmental review of the project, as necessary, based on the scope that is developed for the Project.

City staff will also issue competitive solicitations for the design and construction of the Project, including choosing between a design-build procurement method and traditional design-bid-build procurement method as the project is developed. Depending on the scope and nature of the project, a design-build procurement method can be advantageous and provide efficiencies for the City in project design, construction and coordination amongst the designer and general contractor on a project.

Section 3-60 of the Santa Rosa Municipal Code allows the City to utilize the design-build procurement method. Section 3-60.130 requires that Council find that the design-build procurement method is in the City's best interest and requires Council to authorize the issuance of a request for proposals using design-build. Staff is requesting that Council delegate authority to staff to make the best interest determination and to issue the design-build request for proposal where appropriate. Regardless of whether staff then proceeds with either the design-build procurement method or the traditional design-bid-build procurement method, the contract(s) for design and construction of any Project to modernize the irrigation storage system at BVGC will return to Council for review and approval.

The project could take up to two years to complete based on project unknowns and the need to work in the dry season.

The City's Communication team intends to work closely with the Touchstone Communications team as the Project progresses to create an outreach plan to keep citizens updated on impacts to the golf course and neighbors during construction, as

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well as the schedule. An Action Plan will be developed, and implemented, to minimize impacts to golfers and neighbors, during construction.

As part of the previous City Council approval of Touchstone as the BVGC operator on June 7, 2022, it was expected, and later reported, that staff would return with a request for funding of major critical infrastructure of the Bennett Valley Golf Course, specifically the irrigation system and irrigation water storage as the highest priorities.

The BVGC Enterprise includes, but is not limited to, the entire golf course, maintenance shops, yard, maintenance equipment, course restroom, driving range, driving range ball dispenser building, pro shop with restrooms and office, restaurant, full bar, banquet facilities and parking lot. Since becoming a city facility, the entire BVGC Enterprise is set up as an enterprise fund, in that, all revenues collected from operators are used to fund the operating, maintenance, management and debt service requirements of the entire enterprise.

However, research shows that the revenues owed to the City from the previous two operating agreements did not produce funds necessary to cover all operating and maintenance costs and the debt service, nor collect enough to fund major and critical infrastructure needs. Each year prior to Fiscal Year 23/24, the budget has relied upon the reserve funds to cover annual shortfall. Although Touchstone is on target regarding the budget for the BVGC Enterprise operations and maintenance, the Enterprise Fund does not collect enough funds to cover the cost of the immediate critical infrastructure need.

NGF reported previously to the City Council on February 15, 2022, that their revenue projections for a single operator at the BVGC are predicated on the City funding the major infrastructure capital projects needed, including the irrigation system. It is anticipated by the National Golf Foundation (NGF) that as conditions improve, then revenues will also increase. The irrigation water storage system pond is the first part of the future replacement of the full irrigation system.

FISCAL IMPACT

Approval of this item will increase appropriations in the BVGC Operating fund, in the amount of \$2 million for project key 09524 BVGC Irrigation, from the unassigned General Fund reserves. This is a one-time use of funds and does not cause the reserves to drop below the City Council-mandated reserve policy of 15% to 17%. Remaining unused project funds will be returned to the General Fund reserve.

Approval of the action will provide funding to allow completion of the environmental review, design and construction of a modern water storage system, which is the first

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part of the irrigation system improvements. Staff will return to Council regarding the future phases of replacing the irrigation system once the irrigation pond project is complete. Ideally, future projects will be paid for from the BVGC Operating Fund; however, should there not be sufficient funding in the fund for those projects, additional General Fund resources may be needed at a later date.

ENVIRONMENTAL IMPACT

The action in this staff report to appropriate funds and to delegate authority to staff to potentially issue a solicitation for a design-build procurement are not a project pursuant Section 15378(b)(3) and (b)(4) of the California Environmental Quality Act (CEQA) because they involve (1) the creation of creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment and (2) an administrative activities of governments that will not result in direct or indirect physical changes in the environment. In the alternative, if the actions are deemed a project, the actions are exempt from CEQA pursuant to section 15061(b)(3) because there is no possibility that the actions recommended by staff to appropriate funds and to delegate authority to staff to potentially issue a design-build solicitation may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

March 9, 2021 – Ad Hoc Committee – recommends a comprehensive operational study without any real estate considerations

March 31, 2021 – Ad Hoc Committee meeting – bond debt discussed

April 6, 2021 – Ad Hoc committee provided with update from the Save the Bennett Valley Golf Course Group regarding communication and conversations with multiple golf consultants

April 20, 2021 – Ad Hoc Committee meeting

June 1, 2021 – Ad Hoc Committee meets together with the Save the Bennett Valley Golf Course Group

July 15, 2021 – Ad Hoc Committee recommends approval of the scope of work, approval to solicit proposals and composition of the review/selection committee for the BVGC evaluation study

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August 17, 2021 – Ad Hoc Committee meeting

October 28, 2021 – Ad Hoc Committee reviews proposals received to provide analysis
of BVGC enterprise

December 21, 2021 – The Ad Hoc Committee reviews preliminary analysis from NGF
regarding options for future management of BVGC and restaurant

January 20, 2022 –The Ad Hoc Committee reviews further analysis from NGF and
recommends Council approval of a preparation of solicitation for a single management
company to provide operations and maintenance for the BVGC and the restaurant
together

April 19, 2022 – The Ad Hoc Committee received an update on the status of the RFP
process and projected schedule

May 17, 2022 – The Ad Hoc Committee receives information regarding budgetary
needs and strategies for FY 22/23

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – National Golf Foundation Capital Projects excerpt of the Council
presentation from February 15, 2022
- Resolution

PRESENTER

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