Agenda Item #13.6
For Council Meeting of: June 3, 2025

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JASON NUTT, ASSISTANT CITY MANAGER
SUBJECT: APPROVAL TO AMEND THE OPERATIONS AND MAINTENANCE MANAGEMENT AGREEMENT WITH TOUCHSTONE GOLF, LLC, FOR THE MANAGEMENT OF THE BENNETT VALLEY GOLF COURSE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Recreation and Parks Department that the Council, by resolution: 1) approve a First Amendment to Operations and Maintenance Management Agreement with Touchstone Golf, LLC, a Delaware limited liability company which: a) extends the term by two-years through June 7, 2027, b) authorizes inclusion of an additional two-year extension option to be exercised at the discretion of the City in writing, and c) consents to the assignment of the beneficial ownership interest in Touchstone from TSG Newco, LLC to Kemper Sports Management, LLC; and 2) authorize the City Manager to execute the First Amendment to the Agreement and an additional 2 year extension if optioned.

EXECUTIVE SUMMARY

The City entered into a three-year Operations and Maintenance Management Agreement ("Agreement") with Touchstone Golf, LLC on June 7, 2022, for the management of the Bennett Valley Golf Course and clubhouse facilities. The current term will expire on June 7, 2025. The Agreement allows for a two-year extension upon the mutual interest of both parties, and at the discretion of the City. Staff recommends the Council approve this two-year extension and include a provision for an additional two-year extension to be exercised at the discretion of the City Manager. Additionally, Touchstone has requested City consent to the assignment of its beneficial ownership interest from TSG Newco, LLC to Kemper Sports Management, LLC.

BACKGROUND

On June 7, 2022, the City Council authorized the City to enter into the Agreement with Touchstone for the operation and management of the Bennett Valley Golf Course and clubhouse facilities (collectively, "BVGC"). Touchstone has operated BVGC under the Agreement for the past three years, and the initial term will expire on June 7, 2025. The

parties seek to extend the term of the Agreement for an additional two years, as contemplated by Section 2 of the Agreement and Staff recommends that Council approve an additional two year extension option to be exercised at the mutual interest of both parties, and in the City Manager's sole discretion, at the end of the renewal term. Touchstone also seeks City approval of the assignment of the beneficial ownership interests in Touchstone from TSG Newco, LLC to Kemper Sports Management, LLC, pursuant to Section 25(C) of the Agreement.

PRIOR CITY COUNCIL REVIEW

On June 7, 2022, the City Council, by Resolution No. RES-2022-112, approved and authorized the City Manager to negotiate and execute an Operations and Maintenance Management Agreement with Touchstone Golf, LLC, to provide management of the Bennett Valley Golf Course.

ANALYSIS

Touchstone has operated the Bennett Valley Golf Course under the Operations and Maintenance Management Agreement for the past three years, and together with the City, seeks to exercise the two year extension option as provided in the Agreement. The parties seek to amend the Agreement to extend the term for an additional two years. Additionally, if the initial extension term is approved, Staff seeks to add an additional two year extension option, to be exercised at the discretion of the City Manager, at the expiration of the renewal term.

Touchstone also seeks City consent of the assignment of the beneficial ownership interests in Touchstone from TSG Newco, LLC to Kemper Sports Management, LLC ("Kemper Sports") pursuant to Section 25(C) of the Agreement. Staff recommends Council consent to the transfer of the interests between the entities, as required by the Agreement.

Kemper Sports is a world-class golf course and hospitality management company and this partnership will strengthen the Touchstone organization and enable it to continue to provide the City with the services received under the Agreement.

FISCAL IMPACT

Approval of the Resolution will not have any additional impact on the General Fund. The BVGC is an enterprise fund, in that, all revenues collected from the operator are used to fund the ongoing operating, maintenance, management and debt services. The FY 25/26 BVGC budget includes a $500,000 General Fund contribution to cover necessary reserves if revenue projections are not met. The larger the projected revenue, the higher amount of reserve is needed. The actions proposed in the Resolution do not have any additional fiscal impacts. Touchstone is fully honoring the existing Agreement terms and

not proposing any increases to fees or services.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15601(b)(3) in that CEQA only applies to projects or activities which have the potential for causing a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution / Exhibit A – First Amendment to Operations and Maintenance Management Agreement

PRESENTER

Jill Scott, Real Estate Manager