

Agenda Report

December 16, 2002

TO: City Council through Ed Tech
FROM: Rose Bowl Operating Company (RBOC)
SUBJECT: BROOKSIDE GOLF COURSE MASTER PLAN

RECOMMENDATION:

It is recommended that the RBOC approve the Brookside Golf Course Master Plan concept. The Master Plan concept includes the scope of work, timeline, cost and funding source. Sufficient golf course revenues will be available to fund the \$8,065,000 Master Plan over the next eleven years.

BACKGROUND:

On February 4, 1999, the RBOC ratified and approved American Golf Corporation's (AGC) selection of John Harbottle III to perform architectural services for purposes of formulating a vision and plan for necessary restorations, capital improvements and upgrades (Master Plan) to the Brookside Golf Course. On May 15, 2001, the RBOC received an update on the Master Plan and directed staff to complete the Plan and to identify potential costs and funding sources. Staff and Harbottle have completed a draft of the Master Plan, as well as costs associated with the renovation, along with current and future funding sources to complete the project.

Currently, the RBOC and City of Pasadena (City) receive over \$2,500,000 annually from the operations at Brookside. Included in the \$2,500,000 is \$125,000 from John Wells Golf Shop, \$375,000 from Arroyo Seco Food and Beverage, and over \$2,000,000 from AGC. AGC revenues include rent revenues of \$1,650,000, plus \$160,000 in \$1 set aside for golf course improvements as well as \$280,000 for capital improvements in the Arroyo Seco. Undertaking and completing the Master Plan will not only insure, but will increase the RBOC's and City's valuable revenue stream from Brookside. Should the Master Plan not be undertaken, it is very possible Brookside revenues to the RBOC and City could decline.

The Master Plan consists of a series of golf course improvements which will develop course character, conditioning, strategy and playability. The Master Plan does not develop a new character at Brookside, but rather enhances the "classical character" which already exists. The Master Plan will be a resource guide to future improvements to the courses and ensures all changes are well-thought out and in the overall best interests of the RBOC, golfers and surrounding community.

The goals of the Master Plan are to: 1) create an environment for optimum course conditioning, 2) enhance the classical strategy and character of the courses, 3) keep the courses enjoyable for the novice player, yet challenging to the experienced player without slowing playing conditions, and 4) improve current circulation through the course on Rose Bowl event days.

Attached is Mr. Harbottle's Brookside Golf Course Master Plan Report and Cost Estimate. This report includes a hole-by-hole commentary of improvements and their costs for both courses. Included in the improvements are rebuilding greens, tees, bunkers, cart paths, re-turfing fairways, tree removal and plantings. Also attached is a hole-by-hole illustration prepared by Richard Thorman. Included in the illustrations are all relevant renovation elements. Staff has expanded on Mr. Harbottle's and Mr. Thorman's report to include irrigation upgrades, and tree maintenance.

Attachment A is a draft of the "Brookside Master Plan Renovation Timeline/Costs/Funding" Document. This document includes the scope of work to be performed, the proposed start and completion date for each project, the costs associated with each project and the source of funding. The Master Plan timeline prioritizes projects by available funding and impact to the golf courses. For example, in 2003, over \$1,600,000 will be available for improvements and the project that will most improve the golf courses, at this price, is renovating the irrigation. Staff estimates the Master Plan will cost \$8,065,000 to complete over an eleven-year period. This estimate includes an inflation rate of 4% through 2006 and a 4.5% inflation factor for the remainder of the renovation period. Staff is cautious on recommending completing the Master Plan in a shorter time, for fear of impacting golf course revenues. The various funding sources staff has identified, to complete the Master Plan, do not impact the \$2,000,000 of annual revenues already dedicated for use at the Rose Bowl. Currently, \$2,000,000 a year is required from Brookside to cover RBOC's golf course budget and assist with the Rose Bowl construction bond payments. During the renovation period, to help pay the increasing Rose Bowl Bond Payment, Brookside's \$2,000,000 contribution to the Rose Bowl will increase on an annual basis. Only golf course revenues, not already earmarked for the Rose Bowl, will be used for Brookside improvements. The following are the funding sources that have been identified for the improvements at Brookside:

Available Now

American Golf Settlement	\$ 552,000	
\$1 Green Fee Set Aside 1998-2002	\$ 700,000	
CALFED Grant	\$ 90,000	
	Sub Total	\$1,342,000

Available 2003-2010

RBOC Retained Earnings	\$ 338,000	
12% of RBOC's Rent from Brookside	\$2,615,000	
\$1 green Fee Set Aside 2002-2010	\$1,280,000	
	Sub Total	<u>\$4,233,000</u>

Funds Available Now-2010

\$5,575,000

Cost of Renovations \$8,065,000

Funds Required from Other Sources (\$2,490,000)
(New Operation Agreement)

Attachment B is "Brookside Concessionaires & RBOC Anticipated Revenue From Brookside" during the renovation years 2003 through 2010. The anticipated revenues projections are conservative compared to Brookside's past revenue history. See attachment C, "Brookside Golf Club Concessionaires & RBOC Revenues" from 1986 through 2001.

The RBOC Golf Ad-Hoc Committee has reviewed staff's recommendation and is in concurrence.

FISCAL IMPACT:


Since 1986, the RBOC and City have received over \$30,000,000 in rent and capital improvement revenues from the three concessionaires that operate Brookside. Over this period, the RBOC/City has invested less than \$500,000 in capital improvements on the courses. The cost to complete Brookside's Master Plan is \$8,065,000. Revenues to fund this project include the \$1 from Green Fee Set Aside for Golf Course Improvements (\$1,980,000), AGC's Settlement (\$552,000), CALFED Grant (\$90,000), RBOC retained Earnings (\$338,000), 12% of RBOC Rent Revenues from Brookside (\$2,615,000), and Operator's Investment for New Lease Agreement in 2011 (\$2,490,000). It is anticipated, during renovation years 2003 through 2010, the RBOC/City will receive over \$25,000,000 in rent and capital improvement revenues from the three concessionaires.

Respectfully submitted,



Patrick T. Green
President

Prepared by:



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