

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY- -APRIL 12, 2011- -7:00 P.M.

Mayor Gilmore convened the meeting at 7:50 p.m. Councilmember deHaan led the Pledge of Allegiance.

ROLL CALL – Present: Councilmembers Bonta, deHaan, Johnson, Tam and Mayor Gilmore – 5.

Absent: None.

AGENDA ITEM

(11-181) Discuss Options Related to the Future Operation of the Chuck Corica Golf Complex and Provide Direction to the Acting City Manager on Next Steps.

Mayor Gilmore thanked staff for bringing all options forward; stated in some ways, the process has been very long and drawn out, but in other ways things are moving quickly.

Ben Blake, Kemper Sports Management, gave a brief presentation.

Councilmember Tam stated at the January 25, 2011 presentation, Mr. Blake stated that spending \$5 million to \$5.2 million for a 27-hole configuration would be more prudent than for 36 holes; \$7.6 million is a rough estimate for 36 holes; inquired whether \$5.8 million would be needed for graduated improvements for 27 holes or 36 holes, to which Mr. Blake responded 36 holes.

Councilmember Tam inquired what has changed.

Mr. Blake responded the original 27-hole proposal was the most fiscally responsible way to configure the Golf Course as well as being the most efficient to generate the highest profits; stated the community did not like the idea; as part of a new solution, Kemper Sports is willing to consider 36 holes.

Councilmember Tam stated the January 25th presentation did not focus on the Mif Albright Course.

Mr. Blake stated that Kemper Sports would not be involved in the Mif Albright Course and considers the Course to be separate.

Councilmember Tam inquired whether Kemper Sports has looked at the Alameda Junior Golf Association (AJGA) term sheet, to which Mr. Blake responded in the negative.

Councilmember deHaan stated that he couldn't calculate how a 27-hole course could make as much money, particularly on weekends; that he is glad Kemper Sports is considering 36 holes; inquired what Kemper Sports would anticipate for the land use

thereafter.

Mr. Blake responded the land could be converted to field use or go fallow.

Councilmember deHaan inquired whether Kemper Sports has had any dialogue regarding the current or past Harbor Bay Isle Associates (HBIA) proposal.

Mr. Blake responded that he found out about the current initiative via the newspaper; stated Kemper Sports has had ongoing dialogue with Harbor Bay throughout the two-year period.

Councilmember deHaan inquired whether Kemper Sports has been involved in Club House discussions.

Mr. Blake responded Kemper Sports was involved two years ago; stated drawings still exist for the 27 and 36 holes as well as moving the driving range.

Councilmember deHaan inquired whether any joint effort is being done now, to which Mr. Blake responded in the negative.

Speakers: Tim Hoppen, Harbor Bay Isle; Peter Holmes, Alameda Soccer Club; Jim Strehlow; Alameda; Larry Newman, Alameda; Tony Corica, Alameda; Eva Hom, North Loop Business Group; Jane Sullwold, Alameda; Norma Arnerich, Alameda Junior Golf; Lia Marshall; James D. Leach, Global Perspectives; Jack Boeger, Alameda; Pat Bail, Alameda; Ron Salsig; Joe Van Winkle, Alameda; Jon Spangler, Alameda; Karen Bey, Alameda; Ed Downing, Alameda; Jerry Ghiselli, Alameda; and Alexander Stevens, Alameda.

Councilmember deHaan inquired whether reconfiguring the south course and repositioning the Mif Albright Course for \$6 million makes sense, to which Mr. Blake responded that he would need to know the details.

Councilmember deHaan requested clarification on why Kemper Sports changed the configuration to 36 holes.

Mr. Blake responded a 27-hole course did not fly with the community; stated Kemper Sports wants to do what is best for the community.

Councilmember Johnson inquired whether the issue of not being able to get financing to put in more upfront improvements is a Kemper Sports issue or a general golf issue.

Mr. Blake responded a golf issue; stated the golf business has been on a downward trend for a number of years; two years ago, three companies got out of the golf course financing business.

Councilmember Johnson inquired whether anyone has been able to get financing.

David Sams, Golf Consultant, responded the golf business has been on a downward trend since 1999; stated the trend for golf is very stagnant; gross revenue is down almost 45%.

Mayor Gilmore inquired whether the City's option for getting an influx of cash would be through some type of bond financing or finding a golf operator who is blessed with cash and would be willing to put cash upfront.

Mr. Sams responded having a golf operator invest \$5 million in a municipal golf course is non-existent; stated golf will come back, but it will be very slow.

Councilmember Johnson stated older golf courses need capital improvements; inquired how improvements would be accomplished.

Mr. Sams responded some cities put away money for golf operations; stated the majority of cities are behind; that he does not know how improvements could be accomplished.

Councilmember deHaan inquired whether Mr. Sams is impressed with the Golf Course, to which Mr. Sams responded Kemper Sports is doing a very good job.

Councilmember deHaan inquired whether Mr. Sams sees another way of tackling the Golf Course without heavy revenue infusion.

Mr. Sams responded the greens have a lot of deferred maintenance; stated San Leandro closed down its golf course and spent \$5 million building a new course.

Councilmember deHaan inquired whether the Golf Course can be competitive now, to which Mr. Sams responded in the negative.

Councilmember deHaan inquired what the maximum rounds would be for 18-holes on a weekend, to which Mr. Sams responded on a busy summer day, the golf courses could have 350 players per day.

Councilmember deHaan inquired whether Mr. Sams is aware that said maximum was not met five years ago, to which Mr. Sams responded in the affirmative.

In response to Councilmember deHaan's inquiry, Mr. Sams stated a lot of rounds are lost on weekdays; in 1997 and 1998, 200,000 rounds were played on the two golf courses.

Vice Mayor Bonta encouraged Council to support the idea of exploring the HBIA proposal further; stated the proposal is cautiously intriguing; tonight, legitimate questions and concerns have been raised; suggested that representatives of different stakeholder groups talk through the matter in good faith.

Mayor Gilmore stated that she is intrigued with the HBIA proposal also; she has no idea whether the proposal would work; that she insists on looking at 36-holes; she likes Mr. Blake's suggestion to hire a golf course architect; in December, the City set aside \$100,000 as matching funds for the Mif Albright and Wadsworth Foundation grants; there has to be room for the Mif Albright Course; thresholds need to be discussed; the other part of the equation is what would go on the Golf Course land and whether part of the proposal would be to swap out the land for potential all weather fields on North Loop Road; Council needs to know whether the dirt portion of the land could be used; the issue cannot be dragged out forever; a timeline needs to be set.

Councilmember Tam stated the issue has many complex, moving parts; time is needed to understand the HBIA proposal; commitments have been made to the AJGA; the City has been in active negotiations with Kemper Sports; inquired what is the critical timeframe for the City responding to the Wadsworth Foundation.

Mr. Van Winkle responded the Wadsworth Foundation has not provided a specific date in which to respond because positive progress has been made; stated the Wadsworth Foundation is very pleased that the Acting City Manager negotiated a term sheet.

Councilmember deHaan stated the Mif Albright Course provides opportunities to do different things, one being housing; a lot of other hurdles would need to be addressed if there is feasibility; the timeframe could take six months to a year; a new Request for Proposal (RFP) would need to go out to see if there could be a better deal; the HBIA proposal is not new; the proposal has been in the background for a long time; the AJGA term sheet needs to be solidified.

Mayor Gilmore inquired whether an RFP would not go out until July because of the workload involved with the budget, to which the Acting City Manager responded her time is dedicated to the budget.

Mayor Gilmore inquired whether the Acting city Manager could turn her attention to an RFP starting in late June or early July, to which the Acting City Manager responded in the affirmative.

Mayor Gilmore inquired what would be the timeline once the RFP is drafted, to which the Acting City Manager responded that the process would take several months to draft, issue, and receive responses.

Mayor Gilmore stated that her preference would be to go out with an RFP, have the RFP open to everyone, and be a transparent and competitive process; golf is important to everyone, but the budget is more important to the City as a whole.

Mayor Johnson stated time should be taken to explore the HBIA proposal; swimmers were not able to finish the water polo season; broader issues need to be addressed; more people should be involved with the process; swim groups should be included.

Mayor Gilmore stated that she has a problem with the “renovate as you go” approach because the process would be slow; renovations would need to be done again within ten to fifteen years.

Councilmember deHaan stated the focus should not only be on the HBIA proposal; urged Council to visit the Golf Course on a weekend; money should have been set aside for maintenance; all proposals should be reviewed; the process will be long; the proposal to build 104 homes never came to Council because the proposal was rejected by the Planning Board; the Planning Board and neighborhood had major concerns; questioned whether placing 104 homes on the Mif Albright Course or another portion of the Golf Course would be a concern; stated other golf courses always have surrounding open space.

Mayor Gilmore stated the Planning Board would have to go through the entire zoning and hearing process if homes were considered.

Councilmember deHaan stated the process could take a year and the golfing community would be in dire straits; an RFP could be put together in thirty days, responses would take up to sixty days, and a decision could be made within the following thirty days.

Councilmember Johnson stated Council has been going down a path to preserve the Golf Course for years; the biggest change is that no one has financing for the golf industry.

Mayor Gilmore stated community members advocate for whatever the particular interest is at the time; unfortunately, Council has to look out for the best interest of the broader City; due diligence needs to be done for a win-win outcome; everyone wants what is best for the youth.

Vice Mayor Bonta stated Council should go through the exploration process first and then decide on the RFP process; Kemper Sports could be part of the discussion for developing the concept going forward.

Councilmember Johnson stated some people are disappointed with the Kemper Sports proposal, but people are very satisfied with how Kemper Sports runs the Golf Course.

Mayor Gilmore inquired whether the Kemper Sports proposal was a starting point and subject to negotiations, to which the Acting City Manager responded in the affirmative.

Mayor Gilmore inquired whether aspects of the proposal that Council was not wild about could be explored further with Kemper Sports, to which the Acting City Manager responded in the affirmative.

In response to Vice Mayor Bonta's inquiry regarding the term sheet, the Acting City

Manager stated Council does not have to make a decision on the term sheet tonight; tonight, Council needs to provide direction on whether to go forward with 36 holes.

Vice Mayor Bonta stated AJGA might want to explore tweaking the term sheet; the staff report notes the term sheet requires an operator agreement, which has not been agreed upon yet.

The Acting City Manager stated the Leased Facilities section of the term sheet proposes that the Norma Arnerich Teaching Center and driving range practice stalls would be available for the Alameda Junior Golf Academy, which would be run by the new operator; however, AJGA would need to secure someone to maintain the Mif Albright Course.

Mayor Gilmore stated Council would assume that all interested entities would have a voice.

The Recreation and Park Director stated bringing the term sheet back after determining the location makes sense.

Vice Mayor Bonta inquired how long it would take to craft a lease after a term sheet is agreed upon.

The Acting City Manager responded not long; stated Mr. Van Winkle has worked on a model.

Mayor Gilmore inquired whether the term sheet would come back for Council discussion after the exploration phase, to which Councilmember Johnson responded in the affirmative.

Councilmember deHaan inquired how long the exploration phase would be, to which Mayor Gilmore responded sixty days.

Councilmember Tam stated sixty days has been requested.

Vice Mayor Bonta inquired what Council wants as a deliverable.

Mayor Gilmore responded that she would like a staff report regarding what the consensus would be and what the 45 holes would look like in order to have a meaningful, public discussion, and see what the proposed ball fields would look like.

Councilmember Tam stated that she would like to have all of tonight's questions answered, in addition to those that have been emailed; she would like to know whether stating 14.4 acres can be shoe horned into 8 acres is factual and should be considered and how issues regarding the Kemper Sports proposal would dovetail with the Golf Course configuration in terms of the operation.

The Planning Services Manager stated the HBIA proposal will be posted on the Community Development page of the website; getting to a final decision point and doing all of the environmental studies for the Mif Albright Course, Golf Course, and the Village 6 site would take approximately one year.

Mayor Gilmore suggested that the word "golf" be included in the title of the information placed on the website.

Councilmember deHaan stated that he would like to be provided with detailed information on what HBIA would plan to do with the Golf Course; information received tonight is not adequate.

Vice Mayor Bonta stated an interim plan needs to be provided on how the Mif Albright Course would stay open the entire time, and how golf would be interrupted the least amount of time possible.

Councilmember Tam stated it is important to be clear that Council is not making any decisions regarding swapping the Mif Albright Course for the North Loop Road project but is looking at whether the moving parts fit together; there is no commitment to trade open space for development property.

Mayor Gilmore stated open space is very precious to the City because of the limited amount; the only reason Council is willing to entertain the HBIA proposal is because of the potential, upfront infusion of capital cash and the potential benefit to the rest of the Alameda sporting community.

The Acting City Manager stated staff would bring the Mif Albright term sheet back to Council after the 60-day exploration phase of the HBIA proposal; the deliverable that Council expects to see come out of the exploration phase is the layout of how the South Course plus the new Mif Albright Course would work as well as the athletic facilities; Council wants a championship golf course on the South Course; environmental constraints, finances, and capital improvements need to be addressed; an interim plan needs to be provided; HBIA, Kemper Sports, the golf community, and other sport groups need to be involved.

Councilmember deHaan stated AJGA should be part of the discussion.

Mayor Gilmore stated the workload sounds very ambitious; perhaps an Off Agenda Report could be provided; Council could give direction to increase the time line.

The Acting City Manager stated the burden would be on HBIA and community members.

Councilmember deHaan stated the Mif Albright Course property should have a residential appraisal.

Mayor Gilmore inquired whether an appraisal could be done in sixty days, to which Councilmember deHaan responded in the affirmative.

Councilmember Johnson stated sixty days [to accomplish all Council direction] seems very optimistic.

Mayor Gilmore stated Council wants to light a fire under HBIA; any extended time would be for staff.

Councilmember Tam stated the matter has a bearing on the budget; information should be obtained in sufficient form to ensure that it would be reflected in the budget.

Vice Mayor Bonta stated the Kemper Sports portion of the proposal would be taken out of the equation if HBIA provides the financing for capital improvements; Council would be able to continue to think about what the proposal would look like if Kemper Sports were present.

The Acting City Manager stated the new Kemper Sports proposal includes contributing \$500,000 upfront for improvements; unfortunately, improvements would be made over time.

Mayor Gilmore called a recess at 10:20 p.m. and reconvened the meeting at 10:27 p.m.

BOARD REFERRAL

(11-182) Golf Commission Report to Council

Speakers: Jane Sullwold, Golf Commission; Adam Strue; Joe Van Winkle, Alameda; and Jon Spangler, Alameda.

Mayor Gilmore stated the Golf Course is an asset for the entire City; in the past, some Golf Course charges were instituted because of shortfalls in the General Fund; Alameda Municipal Power (AMP) has made transfers into the General Fund to support City services, mainly public safety; people want to call 911 and have police or fire show up within the usual four to six minute time frame; the Acting City Manager has addressed some of the issues in terms of the budget plans going forward.

The Acting City Manager stated in late July, 2010, the City adopted the Fiscal Year 2010-2011 budget and a forecast for Fiscal Year 2011-2012; the Return on Investment (ROI) went away in Fiscal Year 2010-2011, the Payment in Lieu of Taxes (PILOT) zeroed out, and the surcharge continued to be charged for Fiscal Year 2010-2011; initially, she was hoping that the City would have a deal by now and the Golf Complex would be privately leased and managed, which is not the case; Council has requested moving forward with an exploration phase; staff time would still be devoted to the Golf

Complex; eliminating the cost allocation entirely would not be prudent; appropriate levels should be reviewed; a cost allocations study has not been done for a couple of years; said study is on tap for Fiscal Year 2011-2012.

Mayor Gilmore inquired whether the only anticipated Golf Course charge going forward in Fiscal Year 2011-2012 would be some number for cost allocation.

The Acting City Manager responded in the affirmative; stated an Internal Service Fund transfer would not make sense; at one time, plans were to write off the \$300,000 loan to the Alameda Reuse and Redevelopment Authority (AARA); however, the loan will be paid back this Fiscal Year.

Vice Mayor Bonta inquired what is being done with the PILOT and surcharge going forward.

The Acting City Manager responded the forecast for Fiscal Year 2011-2012 zeroed out the PILOT and surcharge, which would continue unless Council directs otherwise.

Councilmember Tam stated the Comprehensive Annual Financial Report (CAFR) is audited every year; that she does not recall that specific transfers between the Golf Enterprise Fund and the General Fund were flagged.

The Acting City Manager stated that she does not recall either.

Councilmember Tam stated the City has three major Enterprise Funds: Sewer, Golf and AMP; the overall budget is approximately \$208.6 million; the auditors look very carefully regarding how fund transfers; the Golf Course is an asset for the entire City and the Golf Enterprise Fund is treated the same as every other Enterprise Fund; money does not disappear just because it moves from fund to fund; that she is not sure whether the issue is a problem that she can immediately discern as requiring a solution.

Mayor Gilmore suggested forwarding the Golf Commission report to the City Auditor for comment.

Councilmember deHaan suggested that AMP be included also.

ADJOURNMENT

(11-183) There being no further business, Mayor Gilmore adjourned the meeting at 10:48 p.m. in a moment of silence in memory of Jesus Campos, owner of Otaez Restaurant

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.

MINUTES OF THE SPECIAL JOINT CITY COUNCIL,
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY (ARRA),
AND COMMUNITY IMPROVEMENT COMMISSION (CIC) MEETING
TUESDAY- -APRIL 12, 2011- -5:30 P.M.

Mayor/Chair Gilmore convened the meeting at 5:30 p.m.

ROLL CALL - Present: Councilmembers / Board Members / Commissioners
Bonta, deHaan, Johnson, Tam and Mayor/Chair
Gilmore – 5.

Absent: None.

Speakers: Jane Sullwold, Alameda; Pat Bail, Alameda; Joe Van Winkle, Alameda.

The meeting was adjourned to Closed Session to consider:

(11-177 CC) Conference with Real Property Negotiators (54956.8); Property: 1
Clubhouse Memorial Drive; Negotiating parties: City of Alameda and Kemper Sports
Under negotiation: Price and terms.

(11-178 CC) Conference with Labor Negotiators (Gov. Code Section 54957.6); Agency
designated representatives: Mayor Gilmore and Vice Mayor Bonta; Unrepresented
employee: City Manager.

(11-179 CC/11-041 ARRA/11-021 CIC) Conference with Legal Counsel – Existing
Litigation (54956.9); Name of case: SCC Alameda Point, LLC, et al v. City of Alameda
et al, U.S. District Court, case number CV 10-5178.

(11-180 CC/11-042 ARRA/11-022 CIC) Conference with Legal Counsel – Existing
Litigation (54956.9); Name of case: SCC Alameda Point, LLC. et al v. City of Alameda
et al, Alameda County Superior Court, case number RG 10537988.

Following the Closed Session, the meeting was reconvened and Mayor/Chair Gilmore
announced regarding Labor, Council provided direction on salary; regarding CV 10-
5178, direction was given to the attorneys, regarding RG 10537988, direction was given
to the attorneys, regarding Property, Council discussed price and terms of payment.

Adjournment

There being no further business, Mayor/Chair Gilmore adjourned the meeting at 7:48
p.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, CIC

The agenda for this meeting was posted in accordance with the Brown Act.