

Legislation Text

File #: 18-5608, **Version:** 2

MINT VALLEY GOLF COURSE - CITY MANAGEMENT MODEL FUTURE FORECAST

COUNCIL STRATEGIC INITIATIVE ADDRESSED:

Continue effective financial management

Address Quality of Place Issues

Strengthen Economic Conditions & Create New Opportunities

CITY ATTORNEY REVIEW: N/A

SUMMARY STATEMENT:

In February 2018, City staff gave a presentation of the Mint Valley Golf Course Financial Review. At that time, staff asked to explore alternative management options that would be more financial beneficial than the current agreement between the City and the concessionaire. The direction at the workshop was to have staff begin exploring taking over the full management of the golf course.

The City contracted with the Valley Golf Academy, LLC to perform a review of the City's municipal golf course and create a forecast budget based upon 2013 - 2017 actuals (with consideration of 2018 trends) for revenue and expense budget goals.

Activities included during the review included: statistical analysis, a series of meetings with the Director, a series of visits/inspections of Mint Valley Golf Course, meetings with key potential vendors and parting golf organizations, visits to the area's competing public golf facilities, and a public meeting to gain an understanding of the market dynamics that help shape operating results at Mint Valley Golf Course.

The report is based upon the observations and data provided to the Valley Golf Academy, LLC. Recommendations are based upon the knowledge and experience of the Valley Golf Academy, LLC, from operating similar courses to Mint Valley. Financials provided for the purposes of this analysis are based upon historical performance of the property under a different management structure. The projections provided are estimates, revenue and expense projections are based upon a number of external and internal factors. Under the proposed City Management Model structure, if the course is not meeting the revenue projections, expenses would be evaluated and reduced in order to balance the operating budget.

The workshop will highlight the financial analysis of the report including initial investment, operating costs of the pro shop and restaurant, and ways to implement programs and measured strategic planning to ensure the success of the community asset.

RECOMMENDED ACTION:

Motion to move forward with the City of Longview taking over full operating management of the Mint Valley Golf Course.

STAFF CONTACT:

Jennifer Wills, Parks and Recreation Director