



City of Sacramento Convention, Culture & Leisure

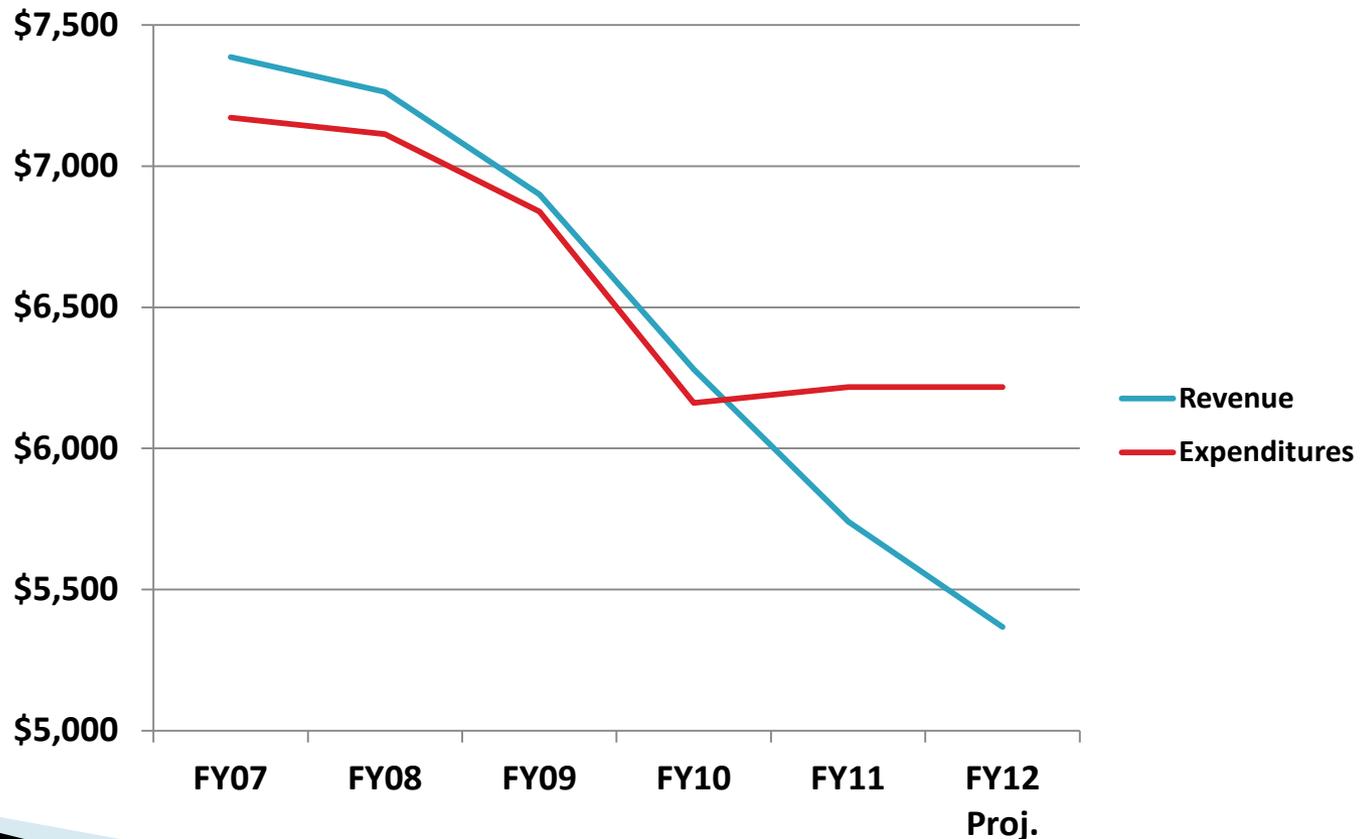


Capital City Golf

**Golf Contract
Proposal**

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Golf Revenue / Expenditure Gap FY07 – FY12 (in 000s)



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▶ Goals

- Secure quality provider to:
 - Cover operating costs
 - Cover annual debt of \$1.2 million
 - Improve facilities and equipment and irrigation
 - Eliminate annual risk to General Fund

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▶ Percentage Rent – 2012 Estimate

Category	Group	City Share
Green Fees & Play Cards	10%	417,911
Retail Sales & Club Repair	5%	448,496
Wholesale Sales	0%	----
Online Retail Sales	2.5%	10,739
Food & Beverage Sales	10%	175,468
Rentals (Power Carts & Range Balls)	10%	240,702
Lessons	5%	23,008
Other Retail – Signage & Travel Commissions	5%	14,378
Pull Carts & Club Rentals	5%	1,431
TOTAL		1,332,133

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▶ Minimum Rent

Contract Years	Calendar Years	Minimum Rent
1 - 3	2012 - 2014	\$1,325,000
4 - 6	2015 - 2017	\$1,330,000
7 - 9	2018 - 2020	\$1,335,000
10 - 19	2021 - 2030	\$1,000,000
20 - 21	2031 - 2032	\$755,000
22 - 25	2033 - 2036	\$575,000

Note: Covers contract administration and debt service payments, and loan payments to the City's Risk fund. Declining rent reflects decline in debt obligation with excess directed to Capital.

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▶ Special Funds

		Year 1	Years 2	Years 3-4	Year 5 – Beyond
1	Technology	\$40,000 plus .125% of gross revenue	.25% of gross revenue	.25% of gross revenue	.25% of gross revenue
2	Building Repairs & Upgrade	\$100,000* plus .5% of gross revenue	.5% of gross revenue	.5% of gross revenue	.5% of gross revenue
3	Capital Improvement & Major Maintenance	\$80,000*	--	.25% gross revenue	.25% gross revenue plus percentage rent exceeding minimum rent
4	Special Projects	--	--	.25% of gross revenue	.25% of gross revenue
5	Irrigation	\$134,847	--	\$0.25 / green fee	\$0.50 / green fee

* From Technology Fund

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- ▶ City Employee Reduction

Category	FTE
Management	2.0
Career	24.0
Limited Term (non-career)	6.0
Seasonal (non-career)	18.0
TOTAL	50.0

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▶ Summary

- Decreased revenue trend continuing
 - Debt obligation is \$1.2 million annually
 - Significant unmet needs – equipment and capital
 - Annual risk to General Fund (tax dollars) of \$550,000 – \$850,000
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