

REPORT OF GENERAL MANAGER

APPROVED
AUG 09 2006

NO. 06-234

DATE August 9, 2006

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BOARD OF RECREATION AND PARK COMMISSION

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AND PARK COMMISSION**

SUBJECT: GRIFFITH GOLF COURSE CLUBHOUSE - EXPENDITURES FROM GOLF CONCESSION IMPROVEMENT (400K-00) AND THE GOLF SURCHARGE (321K-00) ACCOUNTS FOR CONSTRUCTION OF A NEW PATIO DECK

J. Combs _____
H. Fujita _____
S. Huntley _____
R. Jensen _____

J. Kolb _____
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K. Regan _____
M. Shull _____

Robert H. Jensen (Sr)
General Manager

Approved

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board approve the expenditure from the Golf Concession Improvement Account (Dept. 89, Fund 302, Account 400K-00) and the Golf Surcharge Account (Dept. 89, Fund 302, Account 321K-00) to reimburse Monterey Concessions Group for the construction of a new patio deck at the Griffith Park (Wilson-Harding) Golf Course Clubhouse by Magnum Builders, Inc., not to exceed \$120,000.00.

SUMMARY:

The Monterey Concessions Group has operated the food service concession at the Griffith Park (Wilson-Harding) Golf Course since 2002 and has increased annual gross receipts by approximately 18%. In cooperation with the Department's Golf Division, Monterey has developed a proposal to construct an outdoor patio deck adjacent to the Clubhouse.

The new deck will enhance services available to the patrons of the Clubhouse. This new amenity will provide additional outdoor seating capacity to accommodate the growing restaurant and banquet business. The project will also extend the concrete pathway to accommodate the approximately 2,000 square foot patio.

The concessionaire will fund the construction of the patio and will then be reimbursed through amortization of future rental payments. The amortization will occur over the period of approximately one year based on the 2005 average monthly rent of \$9,900.00 paid by Monterey.

Bids were received from three independent contractors (Magnum Builders, Inc., Condu Corporation and Warner Constructors, Inc.). Bids ranged from \$109,964.00 to \$132,831.00. Magnum Builders submitted the lowest estimate. Sufficient funds are available in both the Golf Concession

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Improvement Account (400K-00) as well as the Golf Surcharge Accounts (321K-00). The amortization will be equally reimbursed from the Golf Concession Improvement and the Golf Surcharge Accounts to the Department's General Fund at an amount not to exceed \$120,000.00 and the improvements become the property of the Department upon full reimbursement of the costs.

The Golf Concession Improvement Account (400K-00) was established by the Board in part to fund planned improvements to the Department's Golf Concession facilities and also to fund emergency repairs. The account is funded from ten percent of all rental payments received from the seventeen golf related concessions. The Golf Surcharge account (321K-00) is funded from a percentage of the revenues generated from Green Fees charged at each of the facilities and is used in part to maintain and operate the Golf Courses. The preliminary plans have been reviewed and approved by the Golf Division Manager and Staff recommends approval of this improvement as it will enable expansion into a space that is otherwise underused.

With respect to compliance with the California Environmental Quality Act (CEQA), the proposed project consists of the construction or placement of minor structures accessory to an existing institutional facility, and, therefore, is exempt from the provisions of CEQA pursuant to Article III, Section 1, Class 11 (6,7) of the City CEQA Guidelines.

FISCAL IMPACT STATEMENT:

This expenditure will not impact the Department's General Fund as the Golf Concession Improvement and Golf Surcharge Accounts are funded with concession and golf fee revenues, respectively. Although it is not possible to project, the Department's General fund will undoubtedly receive additional revenues through expanded services to the golfing and local communities.

Report was prepared by Mark Stipanovich, Administrative Resources Division.