

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

REVIEW AND CONSIDER ALL OPTIONS AND ALTERNATIVES WITH RESPECT TO THE ON-GOING IMPLEMENTATION OF THE PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS FOR THE APPLE VALLEY COUNTRY CLUB

Summary Statement:

BACKGROUND

On October 13, 2009, staff presented a report on strategies for unwinding the purchase of the Apple Valley Country Club. Council received and considered public input and requested that staff develop options for Council's consideration on this matter. The following options are proposed based on staff and Council input:

OPTIONS

1. Continue with the AVCC Purchase

This option moves the Town forward with the purchase of the AVCC along with acquisition of the water rights in accordance with the terms of the purchase agreement. The Town would continue to operate the AVCC through third party management and prepare for the trial on the water rights dispute set for December 2010. Council would make its final determination to close escrow following the court's decision as stipulated in the purchase agreement.

(Continued on Next Page)

Recommended Action:

Provide staff direction.

Proposed by: Frank Robinson, Town Manager Item Number _____

T. M. Approval: _____ Budgeted Item Yes No N/A

2. Terminate the AVCC Purchase Agreement

This option was addressed at the Council meeting on October 13, 2009. Essentially, Council has the right to terminate the purchase of the Golf Course without cause if the Council determines, in its sole discretion, that it is not satisfied with the physical, legal, economic or operational condition of the Golf Course. Notice of termination can be given at any time prior to a final judgment by the court with respect to the ownership and transferability of the water rights. There is no notice period for a termination without cause and termination would become effective immediately, subject to the transition period set forth in the Interim Management Agreement.

3. Rejuvenation of the AVCC Membership Bringing the Organization to Self Sufficiency

As proposed by Councilman Sagona, this option would involve the appointment by Council of a steering committee of community leaders whose mission would be to evaluate and provide organizational leadership for the purpose of rejuvenating the AVCC club membership bringing the club to self sufficiency. Under this scenario, the Town would provide the financial support necessary to keep the AVCC operating until the facility could stand on its own.

4. Conduct a Town-Wide Election to Determine Whether or not to Continue with the Purchase of the AVCC

This option proposed by Mayor Roelle would call upon the citizens of Apple Valley to vote on whether or not the Town should continue with the purchase of the AVCC. The Town Council has the option of calling a special election for the purpose of voting on this issue. An election can be held not less than 88 days after Council's decision. If this option is chosen, the earliest a "special" election could take place would be February 10, 2010. This date is contingent upon the Council taking action to call an election at the next regular meeting. If the Council desires to consolidate the election with a countywide special election, that timeframe would be dependent on actions by the State to call a special election for the potential recall for members of the assembly. The next regular countywide election for the State primary is June 2010.

5. Create a Stake Holders Task Force to Evaluate the AVCC and Recommend a Course of Action to the Council

This option, suggested by Mayor Pro Tem Scott Nassif, would call upon the Council to appoint a task force of stake holders (e.g. bank representatives, AVCC membership, community leaders, etc.) to study and recommend a course of action for Council's consideration. During this period of evaluation, the Town would continue to meet its obligation to operate the AVCC as stipulated in the purchase agreement.

COUNCIL ACTION

Receive and consider the proposed options and provide staff direction.