

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

RESOLUTION 2011-49, A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY, CALIFORNIA, AMENDING SPECIFIED USER FEES FOR THE APPLE VALLEY GOLF COURSE

SUMMARY STATEMENT

The Town of Apple Valley began management of the Apple Valley Golf Course on December 10, 2008. The day-to-day management and operations of the Golf Course are managed under a contract with Landmark Golf, LLC. Promotional golf fees were originally adopted by Resolution 2008-67 on December 9, 2008, and then further modified by Resolution 2009-12 on April 28, 2009. Those fees are still in place today.

The Town closed escrow on the Golf Course on August 8, 2011 and the Town is now the owner of the Golf Course facilities. Town staff, in consultation with the contract management staff, has reviewed M&O revenues and expenses and rates of other golf course facilities in the general area. Staff recommends modification to the current fee schedule. Both existing and proposed rates are shown on the attached pages as well as additional detailed information attached in Exhibit A and Exhibit B.

In addition to amending the golf fee schedule, a new program not previously established is recommended for approval. This program will implement a resident ID card which will be available for purchase for \$50, only by golfers residing within the incorporated boundaries of the Town of Apple Valley. All other golfers will be required to pay slightly higher non-resident rates for golf at the Apple Valley Golf Course. Purchase of an annual resident card will entitle the purchaser to one free round of golf included in the \$50 cost of the resident card. It is estimated that as many as 1,500 residents will purchase the resident card. A resident playing two to four rounds of golf in one year will pay for the resident card in green fee savings.

(Continued)

Recommended Action:

Adopt Resolution 2011- 49, a Resolution of the Town Council of the Town of Apple Valley, California, amending and adopting specified user fees for the Apple Valley Golf Course effective November 1, 2011.

Proposed by: Dennis Cron, Assistant Town Manager **Item Number** _____

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

This recommendation proposes to separate green fees and golf cart rental fees. The existing fee structure requires payment for golf and a rental cart as a combined charge. A golfer who wishes to walk is currently required to pay the same fee as one who uses a rental cart. This change will allow golfers who wish to walk while playing golf, to do so without paying for a rental cart. In addition, it will provide another activity that supports and encourages the Town's efforts toward its Healthy Apple Valley program. It will provide our golfing customers an opportunity to play golf at the Apple Valley Golf Course and walk the golf course without paying for a golf cart.

Staff also proposes an Active Duty United States Military discount rate for golf. This proposed rate will allow Active Duty Military members with appropriate identification to play at the Apple Valley Golf Course for \$2.00 less than the established resident rate. This rate would apply to all Active Duty United States Military, whether they are residents of the Town or from elsewhere and whether they are playing weekends, weekdays, or twilight hours.

The proposed fee modification addresses a concern that has been an issue for junior golfers and those school aged golfers who may or may not be active in the school's own team golf program. The proposed junior rates would apply to junior golfers who are 17 years of age or younger, and does not include the use of a rental cart. The junior rate would be available during the twilight rate period if playing alone, or anytime when the junior golfer is playing with a paying adult, without regard to residency.

The purchase agreement between the Town and the former Apple Valley Country Club provided for continued use of privately owned golf carts by former equity owners of the country club. The agreement provides that users provide proof of acceptable insurance and pay a trail (use) fee, established at \$50 per month in the sales agreement. The agreement also provided that trail fees would be adjusted annually by the consumer price index (CPI). The amended sales agreement became effective on June 23, 2010. The CPI adjustment, as determined by the Los Angeles area consumer price index reflects an increase of 3.1% from June 2010 through May of 2011. The equity member trail fee is proposed to be increased by \$1.55 per month.

A monthly golf pass program was implemented to allow golfers who play regularly to purchase a single or family monthly pass for unlimited golf. This fee has not changed since it was first implemented and is proposed to be increased by \$24. The current cost of a golf pass for an individual golfer is \$175 per month. It is proposed to be increased to \$199 per month. The family pass is currently \$225 per month. It is proposed to increase to \$249 per month. In addition, staff proposes a discount for golf pass purchasers who purchase a golf pass for a full 12 month period at one time. If all twelve months are purchased at one time, the purchaser will receive a discount of approximately 5% over the cost of purchasing the pass on a monthly basis. With the discount, a twelve month pass will cost \$2,268, a \$120 savings and a family pass would cost \$2,838, a \$150 savings.

The minimum tournament golfer fee is shown in the attached fee schedule. It varies depending upon the time of play i.e. (weekday, weekend, weekday twilight or weekend twilight). These fees are the minimum fees to be charged by Landmark for all golfers participating in tournament play scheduled at the Apple Valley Golf Course.

EXISTING RATES

RATE CATEGORY (fees include the use of a Club golf cart)	Weekday	Weekend	Weekday Twilight	Weekend Twilight
Resident	\$28	\$38	\$18	\$28
Non Resident	\$35	\$45	\$25	\$35
Resident Senior (55 +)	\$25	\$35	\$15	\$25
Non Resident Senior (55 +)	\$30	\$40	\$20	\$30
Cart Rental (all)	\$5	\$5	\$5	\$5

PROPOSED RATES (effective November 1, 2011)

RATE CATEGORY	Weekday	Weekend	Weekday Twilight	Weekend Twilight
Resident	\$25	\$35	\$15	\$25
Non Resident	\$30	\$40	\$20	\$30
Resident Senior (55 +)	\$20	\$30	\$10	\$20
Non Resident Senior (55 +)	\$25	\$35	\$15	\$25
*U.S. Active Military	\$23	\$33	\$13	\$23
*Junior Rate	\$12	\$12	\$12	\$12
*Tournament/Groups	Min. \$25	Min. \$35	Min. \$15	Min. \$25
Cart Rental (all)	\$5	\$5	\$5	\$5
*Non Golfer/Rider	\$10	\$10	\$10	\$10

**New Category*

A notice of Public Hearing was advertised in the Apple Valley News on October 14, 2011 and October 21, 2011.

RESOLUTION No. 2011-49

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY, CALIFORNIA, AMENDING SPECIFIED USER FEES FOR THE APPLE VALLEY GOLF COURSE

WHEREAS, the Town Council of the Town of Apple Valley has previously adopted schedules for various services, materials and mitigations provided by the Town specifying that the cost of rendering such services, materials or mitigations should be borne by the beneficiaries of same; and

WHEREAS, the Town wishes to comply both with the letter and the spirit of Article XIII B of the California Constitution and limit the growth of taxes; and

WHEREAS, the Town desires to maintain a policy of recovering the full costs reasonably borne of providing services of a voluntary and limited nature, and including costs of preparing for hearing and adoption and administering of fees, such that general taxes are not diverted from general services of a broad nature and thereby utilized to subsidize unfairly and inequitably such special services; and

WHEREAS, the Town of Apple Valley has conducted a thorough analysis of rates charged by other golf clubs in the high desert; and

WHEREAS, pursuant to law, the specific fees to be charged for services may be adopted by a resolution, after providing notice and holding a public hearing; and

WHEREAS, on October 14, 2011 and October 21, 2011, notice of the public hearing, including notices of possible changes to the Town of Apple Valley Fee Schedule and a general explanation of the matter to be considered were duly noticed in the Apple Valley News, a newspaper of general circulation within the Town of Apple Valley; and

WHEREAS, based upon the State Guidelines to Implement the California Environmental Quality Act (CEQA), the proposed changes to the adopted Apple Valley Fee Schedule is not defined as a project and is, therefore, EXEMPT from further environmental review; and

WHEREAS, Beginning on July 1st of each future year the fees contained herein shall continue to be automatically adjusted by a percentage amount that is equal to or less than, as determined annually by the Town Council, the change to the Consumer Price Index, using the Los Angeles-Riverside-Orange County Consumer price Index for Urban Wage Earners and Clerical Earners for the previous twelve (12) month period (March to March). In compliance with State law, these fee increases shall only be implemented to the extent that a fee study justifies the actual Town cost in providing these services warrants these increases. Said fee study shall be filed with the Town Clerk at least (60) days prior to July 1st of each year; and

WHEREAS, amending the Apple Valley Fee Schedule is consistent with the Municipal Code of the Town of Apple Valley and shall promote the health, safety and general welfare of the citizens of the Town of Apple Valley; and

WHEREAS, it is the intention of the Town Council to develop certain revisions to its schedule of fees and charges based on the Town's budgeted and projected costs for providing such programs reasonably borne for the ensuing fiscal year; and

WHEREAS, all requirements of California law are hereby found to have been complied with in and for these proceedings;

NOW, THEREFORE, BE IT RESOLVED that, in consideration of the evidence presented at the public hearing, and for the reasons discussed by the Council at said hearing, the Town Council of the Town of Apple Valley, California, finds, determines and orders as follows:

Section 1. That the changes proposed to the Apple Valley Fee Schedule are consistent with the Municipal Code of the Town of Apple Valley and shall promote the health, safety and general welfare of the citizens of the Town of Apple Valley.

Section 2. That, based upon the State Guidelines to Implement the California Environmental Quality Act (CEQA), the proposed changes to the adopted Apple Valley Fee Schedule are not defined as a project and are, therefore, EXEMPT from further environmental review.

Section 3. The amendments to the schedule of fees for various services, materials and mitigations provided by the Town of Apple Valley as provided, hereto, which amend and add to a portion of the Schedule of Fees originally adopted by Council Resolution No. 2005-21, are hereby approved and adopted.

Section 4. Prior enactments of the Town Council establishing fees and charges for services, materials and mitigations, attached hereto, are hereby amended to the extent that such prior enactments duplicate or are inconsistent with fees and charges established hereby; except as so amended, fees and charges for services, materials or mitigations in effect prior to adoption of this resolution and not amended hereby shall remain in effect.

Section 5. Severability. If any provision of this Resolution or the application thereof to any person or circumstances held invalid, such invalidity shall not affect other provisions or applications and, to this end, the provisions of this Resolution are declared to be severable.

Section 6. Except where the minimum effective date is otherwise prescribed by law, the fees approved, increased and established herein shall become effective November 1, 2011.

APPROVED and **ADOPTED** by the Town Council of the Town of Apple Valley this 25th day of October, 2011.

Scott Nassif, Mayor

ATTEST:

La Vonda M-Pearson, Town Clerk

Apple Valley Golf Course
Current Daily Green Fee Rates - Exhibit A-1

Reservation Type	*Booking Policy	Weekday	**Weekday Twilight	Weekend	**Weekend Twilight	Notes
Public (Non-Resident)	30 Days	\$35	\$25	\$45	\$35	
Senior Public (Non-Res)	30 Days	\$30	\$20	\$40	\$30	Age 55 and older, must show ID
***Apple Valley Resident	7 Days	\$28	\$18	\$38	\$28	Must have Valid Resident Card to receive Resident Rate.
Senior Resident	7 Days	\$25	\$15	\$35	\$25	Age 55 and older, must have Valid Resident Card to receive Senior Resident Rate.
Tournament/Groups	12 Months	Negotiated	Negotiated	Negotiated	Negotiated	Groups of 13 players or more. Rates to be based on General Manager's discretion
Rider/Cart Fee	N/A	\$12	\$12	\$12	\$12	

Green Fee Rates include use of Golf Cart.

Promotional Rates (i.e., Super Twilight and Walking Times) and discount rates offered to maximize tee sheet are to be determined at the General Manager's discretion.

*Booking Policy - Amount of days in advance a Tee Time can be made for each Reservation Type.

**Twilight Rates - Twilight starting times to be determined by the General Manager based on different months during the year.

Apple Valley Golf Course
Current Monthly Pass Program - Exhibit A-2

Reservation Type	*Booking Policy	Monthly Rate	Monthly Trail Fee Rate
Individual	10 Days	\$175	N/A
Family	10 Days	\$225	N/A
Individual w/ Trail Fee	10 Days	\$175 minus Trail Fee	\$50+CPI
Family w/ Trail Fee	10 Days	\$225 minus Trail Fee	\$50+CPI

Monthly Pass Rates include Green Fee and use of Golf Cart.

Based on the Purchase Agreement with Apple Valley Country Club, the Trail Fee program will remain the same.

*Booking Policy - Amount of days in advance a Tee Time can be made for each Reservation Type.

Trail Fee = \$50 effective June 23, 2010 plus annual CPI adjustment.

**Apple Valley Golf Course
Proposed Daily Green Fee Rates - Exhibit B-1**

Reservation Type	*Booking Policy	Weekday	**Weekday Twilight	Weekend	**Weekend Twilight	Notes
Public (Non-Resident)	30 Days	\$30	\$20	\$40	\$30	
Senior Public (Non-Res)	30 Days	\$25	\$15	\$35	\$25	Age 55 and older, must show ID
***Apple Valley Resident	7 Days	\$25	\$15	\$35	\$25	Must have Valid Resident Card to receive Resident Rate.
Senior Resident	7 Days	\$20	\$10	\$30	\$20	Age 55 and older, must have Valid Resident Card to receive Senior Resident Rate.
U.S. Active Military	7 Days	\$23	\$13	\$33	\$23	Must have Active U.S. Military ID
****Junior Rate	6 Days	\$12	\$12	\$12	\$12	Age 17 or younger, does not include golf cart
*****Tournament/Groups	12 Months	Min. \$25	Min. \$15	Min. \$35	Min. \$25	Groups of 13 players or more. Rates to be based on General Manager's discretion.
Cart Fee	N/A	\$5	\$5	\$5	\$5	
Non Golfer/Rider	N/A	\$10	\$10	\$10	\$10	

Green Fee Rates do not include the use of Golf Cart.

Promotional Rates (i.e., Super Twilight and Walking Times) and discount rates offered to maximize tee sheet are to be determined at the General Manager's discretion.

*Booking Policy - Amount of days in advance a Tee Time can be made for each Reservation Type when held by a credit card.

**Twilight Rates - Twilight starting times to be determined by the General Manager based on different months during the year.

***Apple Valley Resident Rate

- \$5 Discount from Public Rate.
- Residents must purchase and have in possession a valid Resident Card to receive the Resident Rate.

****Junior Rate

- Junior Rate is available daily when Twilight Rates begin.
- Juniors can receive the Junior Rate before Twilight if playing with a paying adult.
- Juniors under eight (8) years of age must be accompanied by an adult.
- Juniors must pay the posted Cart Fee in addition to the Junior Rate if using a Golf Cart.
- Juniors using a Golf Cart must have a valid drivers license.

*****Tournament/Group Rate

Shall not result in player fees of less than \$25 on weekdays or \$35 on weekends.

**Apple Valley Golf Course
Proposed Monthly Pass Program - Exhibit B-2**

Reservation Type	*Booking Policy	Monthly Rate	Cart Fee	Monthly Trail Fee Rate
Individual	6 Days	\$199	\$5	N/A
Family	6 Days	\$249	\$5	N/A
Individual w/ Trail Fee	6 Days	\$199 minus Trail Fee	N/A	\$51.55
Family w/ Trail Fee	6 Days	\$249 minus Trail Fee	N/A	\$51.55

Monthly Pass Rates include Green Fee and use of Golf Cart.

Monthly Pass Rates are proposed to increase by \$24 per month.

Based on the Purchase Agreement with Apple Valley Country Club, the Trail Fee program will remain the same.

*Booking Policy - Amount of days in advance a Tee Time can be made for each Reservation Type.

Trail Fee = \$50 effective June 23, 2010 plus annual CPI adjustment.

**Apple Valley Golf Course
Proposed Resident Card Program - Exhibit B-3**

Eligible	Resident Card Fee	Valid Dates	Notes
Individual Apple Valley Residents	\$50	One (1) Year	With purchase of a Resident Card, the holder will receive one (1) free round of golf at AVGC.

Resident Card is valid for One (1) Year from date of purchase.

Resident is eligible for one (1) free round of golf at Apple Valley Golf Course (weekday or weekend) with purchase of Resident Card.

Resident Cards will be sold at Apple Valley Golf Course.

Resident Cards will be issued to Residents of Apple Valley, determined by the Town's definition of a Resident. The Town will supply the golf course with a database of eligible resident addresses.

Resident Cards will give Residents a \$5 discount off Public Green Fee Rates. (Except Promotional Rates)