

The City is not on the brink of a decision about golf courses.

On December 4, 2017, the Stockton City Council held a study session. City staff was seeking direction on development alternatives for Swenson and Van Buskirk Golf Courses. The first line in the staff report reads: “This is an informational and discussion item and does not require Council action.”

The purpose of the December 4 meeting was to provide Council with information.

The meeting was important for stakeholders who were misled into believing that the Council was at the end of a process for determining the fate of an asset that is important to them. Though, rather than the end of a process, the meeting was an opportunity to determine whether the Council even wanted to begin a process. If Council had directed, City staff would have initiated a years-long process of outreach, opinion gathering, education, and conversations with stakeholders. Each step of the process is lengthy and factors like environmental or traffic mitigation are particularly complex. Rather than devote the significant staff resources required for some of those steps, the Council was asked to weigh in prior to beginning those steps.

Budget impacts of the City's golf courses have been a matter of public discussion for years.

As far back as 2010, the City has been working hard to make the golf operations more profitable. First, by hiring the nationally recognized Kemper Sports to manage the courses in 2011. In recent years, by continuing to subsidize the golf courses from the General Fund, even during bankruptcy, at an annual level that reached \$850,000 last year and is anticipated to level off around \$700,000 going forward. That does not include the millions of dollars in major system repairs needed just to maintain the current levels. The Council, in public, and on more than one occasion, has directed the City Manager to evaluate options to address the financial status of all the City's assets with a particular emphasis on golf courses.

It is our fiscal responsibility and our duty to examine alternatives.

Each year, the amount of subsidy provided to golf has been a topic of concern for Council. In 2016 budget discussions, the Council gave clear direction that alternatives must be considered. The Mayor has voiced his concerns publicly, in his State of the City address and during Council Meetings, pointing out that it just doesn't pencil out to continue to invest in a declining sport and over-saturated market.

When constructed, Stockton's golf courses were the only public options at the time. There was a golf boom in the 1990s, and there are now ten public and five private courses within a 20-mile radius of Stockton. Since the 1990s, rounds of golf at Stockton's municipal courses have decreased by 66%. Nationally, over the past 5 years, golf rounds have declined by 6.3%. Even local golf courses that have amenities to host events and tournaments are struggling.

FACTS ABOUT CITY GOLF COURSES (continued)

We must adhere to our Long-Range Financial Plan and commitment to fiscal solvency.

We are just emerging from bankruptcy. Our bankruptcy exit plan was approved based on a Long-Range Financial Plan. During the bankruptcy court proceedings, Stockton's golf courses were scrutinized through extensive study and testimony, by experts on both sides, including a well-funded creditor who attempted to show that the courses could become profitable with a series of changes. In the end, a Federal Judge evaluated the merits of those arguments and ruled that there was no opportunity to make the courses profitable, even with significant investment.

An expense of this magnitude is not off-limits from further examination.

During the bankruptcy process, every asset and expense was subjected to great scrutiny. The City was in a dire financial position so many difficult decisions had to be made. It would seem counterintuitive to have taken away healthcare from elderly retirees – some sick and dying – to salvage our financial future, but simultaneously take a position that other assets, like golf courses, are so sacred that the mere mention of starting a conversation to evaluate them is off limits. The City's bankruptcy exit plan acknowledges that we must continue to be frugal and can provide only a basic level of services for decades into the future.

We must evaluate all options thoroughly.

We have only begun to examine what options and opportunities are reasonable and achievable for golf. There have been no plans prepared, no subdivision maps drawn, no vendors selected. Information presented was conceptual only and was based on hypothetical scenarios clearly pointing out both the strengths and challenges of alternatives presented. We will continue to study and to provide a range of options for Council to determine what makes the most sense for our community. To this end, public input has been valuable.

There is a public process for all discussion and decisions.

The City Council holds multiple scheduled Study Sessions and Council Meetings monthly. These are public meetings open for public comment. Agendas are published the week prior to each meeting at www.stocktonca.gov/councilmeetings. If you would like to be notified of when meetings occur and agendas are posted, please sign up to receive an e-mail through Ask Stockton.

If you have questions, please contact:
City of Stockton
Community Relations Officer Connie Cochran
(209) 937-8827 office / (209) 629-1251 cell
email: golf@stocktonca.gov
For updates, visit www.stocktonca.gov/golfinfo