



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Parks and Recreation	(2) MEETING DATE 5/14/2019	(3) CONTACT/PHONE Nick Franco (805) 781-5204	
(4) SUBJECT Request to receive and file an update on the El Chorro Regional Park Programming Plan Phase One Improvements and provide staff direction as deemed necessary. District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board receive and file an update on the progress of implementation of Phase One of the Programming Plan for El Chorro Regional Park and provide staff direction as deemed necessary.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? no
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input checked="" type="checkbox"/> Board Business (Time Est. <u>25</u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>05/17/16, 10/04/16, 02/28/17, 06/06/17, 03/06/18</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Courtney Pene			
(18) SUPERVISOR DISTRICT(S) District 2			



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Parks and Recreation / Nick Franco (805) 781-5204

DATE: 5/14/2019

SUBJECT: Request to receive and file an update on the El Chorro Regional Park Programming Plan Phase One Improvements and provide staff direction as deemed necessary. District 2.

RECOMMENDATION

It is recommended that the Board receive and file an update on the progress of implementation of Phase One of the Programming Plan for El Chorro Regional Park and provide staff direction as deemed necessary.

DISCUSSION

El Chorro Regional Park opened to the public in 1972 as part of the Federal Lands to Parks Program. Dairy Creek Golf Course was established in the park and opened in 1997. The park, including the golf course, uses water from the California Men's Colony waste water treatment facility. As a result of a number of factors, including a significant reduction in the prison population, water deliveries to the park are insufficient to maintain an 18-hole golf course. Parks staff provided multiple options for the Board of Supervisors to consider regarding the future of the park and the golf course. In June 2017, the Board approved the El Chorro Regional Park Programming Plan and did not approve any supplemental water for the golf course.

The Programming Plan was developed and approved by the Board with the intent of implementation of the project in multiple phases in order to improve revenues due to declining golf play and provide additional recreational resources to the community. The Board authorized a General Fund subsidy not to exceed \$485,000 annually to cover the debt obligations and offset the loss at Dairy Creek Golf Course until the debt is retired (in FY 2027-28) or sufficient revenues can be generated to offset the current losses. The phase one project is in alignment with the Board approved Programming Plan by focusing on creating the park core around the existing clubhouse. It is intended to begin to generate additional revenue to reduce and eventually eliminate that subsidy.

There are three fundamental elements to implementation of this Phase One project:

- Golf Course Transition
 - The Board approved an operating agreement with Cal Poly in March 2018 for investment in the facility and use as the Cal Poly Golf Team home for practice facilities. Cal Poly has contracted for design and

construction and completed 50% design plans. Cost estimates exceeded the proposed \$200,000 investment by Cal Poly and the project is currently being re-scoped to see where costs can be reduced.

- The former front 9 holes of golf closed in May 2018. The former back 9 holes of golf have been retained as a 9-hole course.
- Three greens on the former front 9 holes have been reconfigured as a practice area for chipping and approach shots from 200 yards and in.
- Parks and Recreation entered into a contract with Top Tracer Range for provision of the equipment necessary to operate the range. The contract will begin upon completion of the additional range adjacent to the clubhouse that will accommodate ten Top-Tracer hitting bays to attract non-golfers as well as traditional golfers.

- Miniature Golf

- The design of an 18-hole miniature golf course across from the clubhouse and adjacent to the parking lot is complete and was submitted for permitting on February 7th. Comments were received from the Planning and Building Department on March 21st and the designers and engineers have responded to those comments. The plans are currently back with Planning and Building for review in order to receive a permit.
- Public Works has received the preliminary construction plans and specifications and is prepared to complete the bid package once a permit is issued.

- Go Karts

- The design of an electric go kart course below the current 1st tee and adjacent to the proposed Miniature Golf Course is complete and was submitted for permitting on February 7th. Comments were received from the Planning and Building Department on March 21st and the designers and engineers have responded to those comments. The plans are currently back with Planning and Building for review in order to receive a permit.
- Public Works has received the preliminary construction plans and specifications and is prepared to complete the bid package once a permit is issued.

In addition to the Phase One projects, Parks and Recreation has been working to proceed with other changes to further the Programming Plan including bringing the Live Oak Music Festival to El Chorro Regional Park this June. This event will bring additional revenue to the park and will assist in bringing attention to the many activities that are available to the public in the park. If successful, we hope that the park will become the new permanent home of this music festival and will encourage other similar events to take place in the park.

Parks and Recreation have been working with Recreation Resource Management on a potential proposal to bring in camping cabins consistent with the Programming Plan. This is still in the initial stages and will be brought to the Board once a specific proposal is complete.

Parks and Recreation have been working with local disc golf advocates to install a tournament quality disc golf course. There are some potential conflicts with use in some proposed locations and those conflicts are being addressed to see if they can be resolved in a manner that retains the tournament quality level of the course.

Schedule

The Top Tracer Range project schedule is as follows:

- (1) Design Completion 5/2019
- (2) Permitting 6/2019
- (3) Construction 8/2019
- (4) Completion 10/2019

The Miniature Golf and Go Kart project is being completed as a single project and has the following schedule:

- (1) Permitting 5/2019
- (2) RFP released 6/2019
- (3) Construction 8/2019
- (4) Completion 10/2019

COSTS AND REVENUE

The costs, potential revenues, and basis for estimates are presented in more detail in the attached El Chorro Regional Park Business Plan (Attachment 1). They are summarized as follows:

Feature	Capital Cost	Full year operating costs	Full year revenue
Top Tracer Range	\$450,000	134,400	\$243,750
Mini-golf	\$400,000	\$124,862	\$216,000
Go karts	\$600,000	\$150,000	\$275,400
Marketing	\$0	\$10,000	n/a
Total	\$1,450,000	\$419,262	\$735,150

OTHER AGENCY INVOLVEMENT/IMPACT

This item was coordinated with County Administration, the Auditors Office and Public Works and the agreements reviewed by County Counsel. Cal Poly State University is a partner in the construction project. The National Park Service has reviewed and concurred with the agreement and uses pursuant to the deed of the property. The Parks and Recreation Commission has received regular updates and supports the project.

FINANCIAL CONSIDERATIONS

One purpose of the approved Programming Plan is to recommend a course of action to keep the Golf Enterprise Fund financially viable. The Golf Division is the combined operations of Morro Bay, Chalk Mountain and Dairy Creek golf courses. Currently, the Golf Division is not financially stable due to the decline in play at Dairy Creek as a result of insufficient water to maintain quality playing conditions.

In order to ensure that operations can be sustained and to ensure that the Golf program can make its debt payments, the Board of Supervisors approved "a subsidy of as much below \$485,000 a year as feasible," according to a motion passed on May 17, 2016. As part of the update to the Board on October 4, 2016, the Department presented a plan that would keep a cash balance for Golf no lower than \$300,000. If, at the end of the third quarter of each fiscal year, it is projected that a deficit would deplete the cash balance below \$300,000, a request will be made to make up the difference with General Fund contingencies.

Parks and Recreation is projecting a negative cash balance of \$179,799 in FY 2018-19. As projected, \$479,799 of the General Fund subsidy is requested in the third quarter report in order to make the debt payments necessary and retain a cash balance of \$300,000.

To meet the Board direction and reduce this subsidy as much as is feasible, the Board approved the following investments to generate revenues to significantly reduce this subsidy:

1. \$200,000: The Cal Poly Operating Agreement to involve a minimum investment worth of work to relocate the range.
2. \$300,000: Public Facility Fees (PFF) were allocated within El Chorro Regional Park for a Botanical Garden project; that agreement expired and the funds were transferred to this Phase One project, remaining in El Chorro Regional Park.
3. \$362,205: Remaining General Fund loan for the Cayucos Pier project, which is the same operational parks district as El Chorro Regional Park, was transferred to this Phase One project.
4. \$58,000: FY 2018-19 Third Quarter transfers.

Based on projections of revenue and expenses, the General Fund subsidy should be reduced from \$485,000 to \$100,000 by FY 2021-22. If additional phases are implemented prior to FY 2027-28, the subsidy may be reduced to zero. If no additional phases are implemented, it is anticipated that the subsidy would remain at \$100,000. The Bond debt will be paid off in FY 2027-28.

RESULTS

Implementing this proposal will result in returning the Golf Division nearer to a true Enterprise Fund model by reducing and eventually eliminating the current General Fund subsidy. Additionally, implementation will help achieve the department's mission by providing diverse recreational opportunities to the public. Not approving the implementation of revenue generating features will result in continuing the General Fund support to meet debt repayment requirements at Dairy Creek Golf Course. There is \$4.78 million remaining in debt payments. Implementing this plan is projected to reduce the General Fund obligations from \$4.78 million to \$1.76 million.

ATTACHMENTS

- 1 Attachment 1 - El Chorro Regional Park Business Plan
- 2 Attachment 2 - El Chorro Regional Park Programming Plan Map
- 3 Attachment 3 - Top Tracer Range Design Plan
- 4 Attachment 4 - Miniature Golf and Go Kart Track Design Plan
- 5 Attachment 5 - El Chorro Regional Park Location Map
- 6 Attachment 6 - Presentation PowerPoint