

TO: Mayor and City Council
FROM: Matt Fulton, City Manager
DATE: January 11, 2016
SUBJECT: 2016 Golf Course Decisions



BACKGROUND INFORMATION: The purpose of this discussion is to consider the future of Thompson Oaks municipal golf course. There are a variety of community issues discussed below that makes this City Council discussion timely and important.

DISCUSSION: Thompson Oaks municipal golf course has been in operation since 1997. The golf course has served the community very well, although financially it has consistently required property tax support to cover expenses. As the attachments indicate, community usage of the golf course has steadily declined over the past decade, which then results in a greater demand for a property tax subsidy to cover expenses, unless the City is fortunate with weather which allows for a longer golfing season. In 2015, the golf course required \$53,125 in property tax support, as well as a transfer in from other municipal funds in the amount of \$16,936 to cover a negative cash balance. The golf course also has outstanding internal debt in the amount of \$ 335,000, scheduled to be paid back to other municipal funds. There are a variety of capital items that have been mostly deferred until the future of the golf course is better understood.

The City has contracted with GM Management for all golf course maintenance. This past Fall, the company owner, Gerry Murphy, passed away. As a result, the City would need to consider retaining another maintenance company for maintaining the golf course next year.

The City Council has been informally discussing what to do with the golf course, given the added pressure it places on the City's finances, its declining use by the public, and the potential for creating significant additional property tax base for the community through redevelopment. The Cunningham Group has been developing design concepts for areas along Robert Street and has shared ideas for how the golf course might be redeveloped into private and public spaces. The City Council still needs to formally consider the Cunningham design concepts which should be available in early 2016.

There has been work undertaken to assess potential barriers for developing the golf course. Stage 1 and 2 Environmental reviews have been completed and soil borings have been taken to gain a better understanding of subsoil conditions. While additional work is needed, the studies have identified areas of construction debris and soft/organic soils. This results in added costs for any type of structural development and would need to be carefully incorporated into any future redevelopment plan to minimize development costs. Highlights from the soils report are attached to this memo

A non-related issue which has a potential impact on this discussion relates to the Robert Street reconstruction project. The general contractor, Eureka Construction, understands that the staging areas for construction materials will need to be relocated from its current location. The City has an obligation of replacing about a ½ acre area for restaging and the golf course would be a possible location for meeting this need as well as for any additional staging area needed by Eureka.

There are two primary questions that staff is asking the City Council to discuss and consider.

- Should the City continue to plan on operating a public golf course operation into the foreseeable future? This would mean that staff would immediately start the effort to find a maintenance company to assist with its operations and plan for undertaking the necessary capital improvements to serve the golf course.
- If the Council elects to repurpose the golf course into some type of private and public redevelopment, should it be this year? This would result in immediate budget relief and allow the opportunity to more seriously consider redevelopment options and development issues relating to the soils.

Communicating the Council's decision to the community will be an important part of any decision. With the neighborhood meeting series coming up this month, it provides the Council a good opportunity to discuss this issue with the public.

From a staff perspective, it is our collective thought that it is the appropriate time to move forward with the repurposing of the golf course. The opportunity to create a stronger property tax base as well as preserve public areas around the lake would result in a greater community benefit. It would benefit the entire community as opposed to the golf course which has been serving a small and declining portion of the community. Repurposing the golf course also frees up the opportunity to get a better understanding of any redevelopment barriers and/or soil issues that will need to be addressed without impacting golf play.

This site, given its location and size, will be a very attractive redevelopment site. Aligning any redevelopment with the completion of the Robert Street reconstruction project would be very positive.

Based on Council direction, staff will need to develop an approach for either gearing up for another year of operation or for developing a plan for communicating the Council's decision to the community and moving forward with a logical plan and approach for redeveloping the golf course for private redevelopment and public space.

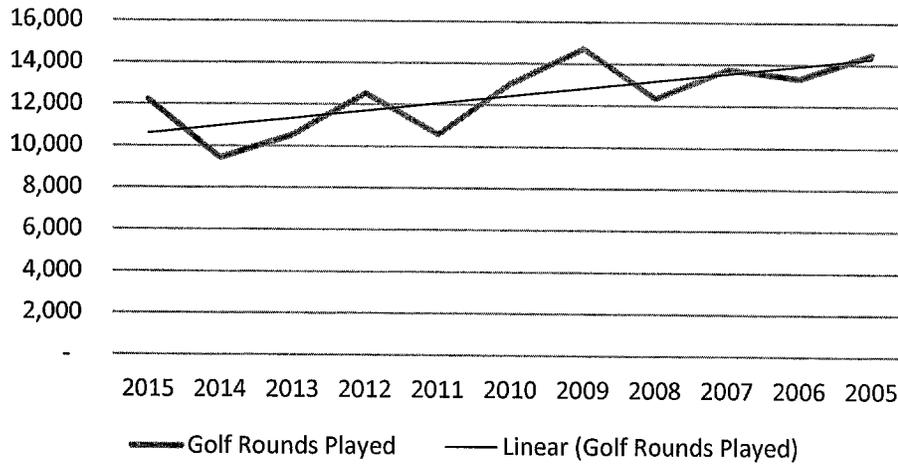
STAFF REQUEST FOR CONSIDERATION

Staff is requesting the Council to discuss this important issue and provide direction.

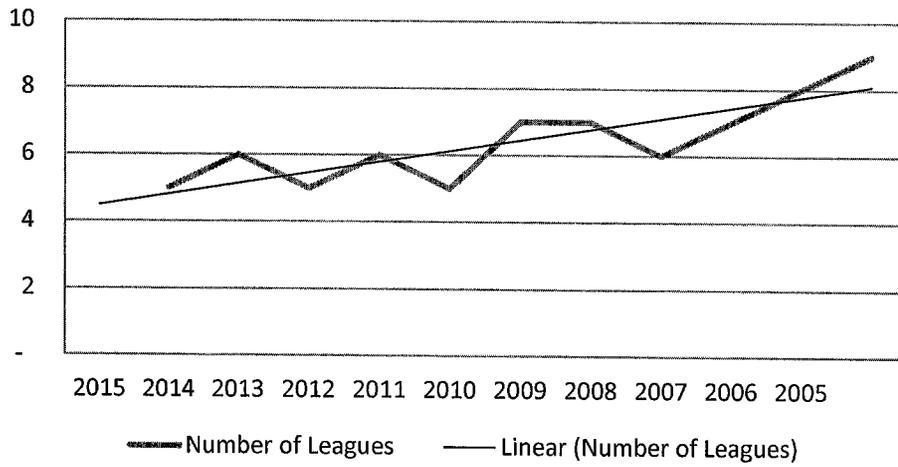
**WSP Municipal Golf Course
Income Statements 2005-2015**

Account Description	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
REVENUE											
Tax Levy and MVC	53,125	54,500	4,350	4,700	10,222	61,991	65,220	65,159	60,057	-	-
Interest and Other Misc Rev	877	325	(15)	781	193	(872)	542	77	1,728	-	58
Fee - Golf Youth Program	-	5	25	-	-	400	355	275	-	-	-
Fee - Golf Youth Leagues	375	765	1,055	1,480	1,402	1,420	1,270	500	-	-	-
Fee - Golf Greens Fees	110,332	99,400	105,369	132,884	112,110	128,426	142,097	136,287	112,121	109,974	114,979
Fee - Golf Season Passes	1,038	820	435	746	406	406	1,306	79	59	76	80
Fee - Golf Leagues	5,398	3,331	5,650	4,201	2,965	3,514	3,974	6,127	38,309	42,955	44,910
Fee - Golf Tournaments	-	2,400	616	463	-	-	-	19	131	113	118
Fee - Golf Adult Program	924	744	1,323	617	-	257	473	326	531	920	962
Cart/Club Rental	15,232	12,496	13,185	13,185	10,180	11,782	11,376	9,065	8,863	4,418	4,619
Concessions	6,064	5,961	6,346	7,231	5,724	7,058	7,135	7,111	7,481	7,884	8,242
3.2 Beer	5,948	5,079	6,810	7,114	6,788	7,394	9,129	8,137	9,272	9,837	10,285
Product Sales	1,931	1,715	1,845	2,217	2,020	2,153	3,704	3,369	2,995	2,963	3,098
Transfers In	-	4,674	68,300	22,000	38,420	13,544	16,570	88,348	60,000	136,850	110,000
REVENUE TOTALS	201,244	192,213	215,019	197,246	190,407	237,472	263,151	324,877	301,545	315,991	297,351
EXPENSE											
Personnel Costs	44,531	40,346	32,054	37,859	30,593	55,202	139,821	157,246	142,480	141,947	127,234
Motor Fuels & Lubricants	1,779	2,484	2,566	2,603	3,497	3,974	2,313	4,616	1,602	3,095	3,321
Equipment Parts	5,141	3,219	9,728	3,256	4,877	8,814	2,036	7,599	3,581	5,555	5,961
Ground Supplies	4,250	5,886	5,660	6,959	4,412	6,306	4,051	6,511	10,061	11,581	12,426
Supplies - General	1,347	1,330	1,110	1,804	1,662	3,201	5,057	5,941	8,842	6,446	6,916
General Merch for Resale	3,646	3,377	4,577	6,147	4,888	6,540	5,870	6,720	4,240	5,290	5,676
Liquor for Resale	1,440	2,420	568	2,936	340	2,173	2,425	1,713	2,418	2,414	2,591
Auditing Services	1,500	1,500	1,000	1,800	2,945	1,250	1,539	1,607	1,188	1,120	1,254
Instructor Fees	-	-	-	-	-	473	665	180	180	265	297
Communications	3,576	3,420	4,229	4,074	2,811	2,663	1,604	1,588	1,876	1,624	1,818
Advertising	3,383	6,756	8,098	5,592	9,714	7,081	5,821	5,797	5,682	3,487	3,904
Printing & Publishing	1,229	670	879	-	1,030	12	-	-	-	177	198
Insurance	3,170	2,480	2,475	3,976	4,163	4,042	3,851	5,676	5,848	4,616	5,167
Utility Charges	7,217	6,731	8,045	8,175	9,826	7,799	9,207	10,208	9,177	10,844	12,138
Contractual - Misc Serv	63,586	55,170	47,399	50,249	50,566	52,587	1,703	1,886	3,925	1,610	1,802
Contractual Maint - Equip	9,411	725	300	1,786	379	3,938	250	5,539	311	259	290
Rental - General	3,740	2,996	3,789	4,115	4,000	3,739	4,315	4,620	7,411	1,070	1,197
Deprec - Purchased Assets	19,867	19,867	19,119	21,617	23,861	26,097	26,097	29,897	25,047	22,547	24,156
Bank Fees	2,381	1,972	2,070	2,900	2,234	2,989	3,068	2,425	3,530	2,405	3,882
Subscriptions,Memberships	215	423	166	166	110	190	440	890	870	535	864
Recreation Program Cost	216	161	254	317	576	88	394	333	306	496	800
Misc Expenses	591	913	816	792	1,284	1,341	109	1,368	2,120	1,202	1,781
Bond Interest	13,125	14,410	15,810	17,053	18,170	19,600	20,701	21,947	21,363	45,879	48,588
EXPENSE TOTALS	195,342	177,254	170,713	184,175	181,938	220,097	241,336	284,308	262,058	274,465	272,260
REVENUE TOTALS	201,244	192,213	215,019	197,246	190,407	237,472	263,151	324,877	301,545	315,991	297,351
EXPENSE TOTALS	195,342	177,254	170,713	184,175	181,938	220,097	241,336	284,308	262,058	274,465	272,260
NET INCOME	5,903	14,959	44,306	13,071	8,468	17,375	21,815	40,569	39,487	41,526	25,091
Tax Levy/MVC	53,125	54,500	4,350	4,700	10,222	61,991	65,220	65,159	60,057	-	-
Transfer In	18,085	4,674	68,300	22,000	38,420	13,544	16,570	88,348	60,000	136,850	110,000
Total Levy and Transfer In	71,210	59,174	72,650	26,700	48,642	75,535	81,790	153,506	120,056	136,850	110,000
Year End Cash Balance	-	152	9	485	-	-	502	1,436	1,206	2,703	932
Golf Rounds Played	12,204	9,419	10,542	12,539	10,580	13,035	14,713	12,348	13,758	13,330	14,472
Number of Leagues	5	6	5	6	5	7	7	6	7	8	9
cost per round	16.01	18.82	16.19	14.69	17.20	16.89	16.40	23.02	19.05	20.59	18.81
city subsidy per/round	5.83	6.28	6.89	2.13	4.60	5.79	5.56	12.43	8.73	10.27	7.60

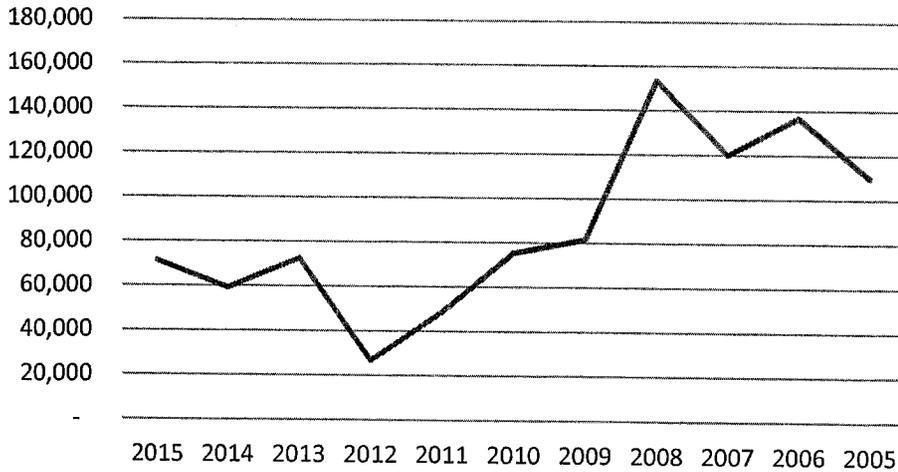
Golf Rounds Played



Number of Leagues



City Funding Support



January 7, 2016

HGTS Project Number: 15-0358

Mr. Ben Boike
City of West St Paul
1616 Humboldt Avenue
West St. Paul, MN 55118

**Re: Preliminary Geotechnical Exploration Report
Proposed Thompson Oaks Golf Course Redevelopment
SW Quadrant of County Road 73 and Thompson Ave East
West St. Paul, Minnesota**

Dear Mr. Boike:

We have completed the preliminary geotechnical exploration report for the proposed Thompson Oaks Golf Course Redevelopment in West St. Paul, Minnesota. The purpose of this preliminary geotechnical exploration was to characterize subsurface soil and ground water conditions and provide recommendations for site development. Development plans are conceptual at this time but the redevelopment will likely contain the new city hall, commercial/retail buildings, residential buildings and a segment of a regional trail.

The soil borings generally encountered variable thicknesses (ranging from about 5 to 15 feet) of fill soils associated with the construction of the Thompson Oaks golf course and other activities. The fill soils typically were variable in composition, dark brown to black in color and portions contained debris and organic material. Only borings SB-2 and SB-14, located near the existing houses and golf course maintenance building, encountered surficial topsoil and no fill soils. In the low lying center portion of the golf course, compressible swamp deposited soils were encountered below the existing fill soils. The swamp deposited soils are associated with a creek that runs through the golf course and eventually discharges into the Mississippi River.

The fill soils, topsoil and/or swamp deposited soils are generally underlain by clayey or silty sand glacial till soils that extend to the boring termination depths. The glacial till soils are generally suitable for building support but soil corrections will be required to remove the vegetation, fill soils, topsoil, swamp deposited soils and very loose/soft soils. Engineered fill would then be placed for building support.

The fill and swamp deposited soils at boring SB-7 extended to a depth of 29 feet. At this depth supporting a building on a deep foundation instead of a soil correction is likely more cost effective. A deep foundation such as a helical anchor foundation system would extend through the compressible soils (fill, organic soils and very loose/soft soils) and bear on the underlying native glacial till soils to support the building foundation walls and floor slabs. In very general terms, helical anchors are metal rods fitted with "Helical" shaped flanges that are "screwed" into suitable bearing soils at depth. Additional deeper soil borings would be required for the design of the deep foundations.

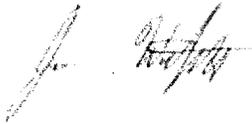
Groundwater was encountered in about half of the borings at depths ranging from about 5 to 15 feet below the ground surface and we anticipate that dewatering will be required for the deeper soil corrections and for utility installations.

Specific details regarding our procedures, results and recommendations follow in the attached geotechnical exploration report.

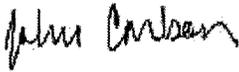
Thank you for the opportunity to assist you on this project. If you have any questions or need additional information please contact Joe Westphal at 612-269-4027 or John Carlson at 612-979-3542.

Sincerely,

Haugo GeoTechnical Services, LLC.



Joe Westphal, P.E.
Project Engineer



John T. Carlson, P.E.
Senior Engineer

