



**COUNCIL COMMITTEE REPORT
COMMITTEE ON OPEN SPACE, ENVIRONMENT AND SUSTAINABILITY**

Date: April 29, 2015

Agenda Item #: 8

Agenda Item: Receive public comment and develop recommendations relating to the negotiation and execution of a 50-year license agreement with DECKER LAKE GOLF, LLC to provide funding, design, development, management, and maintenance services for a golf course at Walter E. Long Metropolitan Park.

Vote: No action was taken.

Sponsors/Department: Purchasing Department

Summary of Public Comment

Mr. Brian Rodgers began discussion on the item and presented information that he compiled regarding the appropriate use of parkland, water issues, and economic impact.

Mr. Rodgers argued that he believes this proposed project is not an appropriate use of parkland should not be seen as an opportunity to support the hotel market of downtown Austin. He also presented information on the question of legal provisions against alienation of parkland and included supporting documentation from City documents, including City correspondence, segments of official City memos describing the RFQS process, and the requirements of the City Charter. Mr. Rodgers also presented information regarding a potential decrease in the interest in the sport of golf and argued that he believes a golf course would not represent an appropriate use of parkland.

Mr. Rodgers also spoke on the potential use of billions of gallons of water that would be pumped over the life of the license agreement from an aquifer and said he believes that water could otherwise be used by Austin residents.

Lastly, Mr. Rodgers presented his financial reports and economic impact analysis in which he argued that he believes the city would not see a substantial financial return from the proposed license agreement for several years. He also indicated he was concerned that 'green fees' he projects the proposed golf course would charge visitors may be fairly high for local visitors and that they may be difficult to decrease.

Mr. Rodgers concluded his presentation with a summary of the proposed agreement by noting that he believes there should be a new master plan for the parkland in the Decker Lake area, and offered a portion of his personal funds toward helping develop a master plan.

Mr. Warren Hayes delivered a presentation describing the proposed project as a publicly owned project that would be privately funded and publicly owned. Since the project is a concession agreement the City of Austin would retain ownership of the property and thus receive any revenue. He said in the first four years the City's parks will receive approximately \$19 million in improvements while the developer will lose approximately that same amount. Mr. Hayes further explained that local residents would receive a discount in green fees and the premium paid by tourists would directly benefit East Austin. Mr. Hayes also stated that the project would create at least 500 jobs in Austin, serve as a tax base for the Del Valle School District, and provide East Austin with a desirable quality of life.

Mr. Hayes spoke on the City's history of approved concession agreements in Austin which includes 68 approved and none denied. Lastly, Mr. Hayes provided an unofficial list of City of Austin staff, departments and stakeholders that believe East Austin deserves economic equity.

- *Lease of the land versus a sale*

Mr. Rodgers' presentation stated that a purchase of the land would be \$30 million. MPT Tovo asked for an estimate on a lease of the land rather than a sale. Mr. Rodgers explained that a lease would be approximately 6-10% of the purchase value depending on construction and residuals.

- *Revenue and concessions*

CM Pool asked if this land will be on the tax roll and if so, would any revenue from concessions be designated for the City or local schools. Mr. Rodgers indicated that the City and local schools may receive some funds from sales tax.

- *Availability of community benefits*

During the presentation of speaker Warren Hayes, MPT Tovo inquired about the availability of community benefits of the golf course that will be available in 2023, as stated by Mr. Rodgers. Mr. Hayes expressed his belief that the investment of initial assets would be a community benefit that would be experienced right away. He said the events and revenue received would also benefit the community and he explained the possibility of constructing the short course sooner than later. MPT Tovo also inquired about the bag fee which, as explained by Mr. Hayes, would be triggered immediately upon entering the course and would only pertain to players from outside the Austin area.

- *Determination of a concession and a license agreement*

MPT Tovo made an inquiry to staff about the determination of a concession and a license agreement. Parks and Recreation Director Sara Hensley's response included additional support from City Attorney Gregory Miller who explained the difference between a lease, a license agreement and a concession. A license can be revocable at will by the license holder whereas a lease holder has certain legal enforceable rights such as monetary penalties. A concession agreement is a category of license. Miller also spoke on Chapter 26 and the concept of alienation of parkland and the requirement of public referendum; the proposed project and the license agreement that is under consideration would not be perceived as alienation because the land will continue to be used for park purposes in a public way.

Public Comments

- Brian Rodgers spoke in opposition to the item and presented various financial findings of his own.
- Warren Hayes spoke in support of the item and provided a presentation on the projected timeline of community benefits.
- Veronica Vargas spoke in support of the item but spoke on concerns regarding the project's proposed use of reclaimed water.
- Bill Oakey spoke in opposition to the item and spoke on concerns surrounding the license agreement.
- Lou McCreary spoke in opposition to the item and spoke on language currently being used on a City website indicating that this project is already underway.
- Jeffrey Schryver spoke in support of the item and provided a presentation on the utilization of the park.
- Roy Waley was neutral on the item and clarified the aforementioned position of the Sierra Club. Waley also suggested comprehensive planning for the economic opportunities for the local community.
- Melvin Wrenn spoke in support of the item and spoke on the history of East Austin.
- Richard Suttle spoke in support of the item and spoke on the project's deliberation process under the new City Council. Suttle encouraged further discussion with those for and against the project.

Direction

CM Pool suggested holding a joint conversation between Mr. Rodgers and the City's staff that to further discuss and compare financial information surrounding the parkland.

MPT Tovo advised citizens with concerns on the project's proposed use of reclaimed water to also take that item before the Integrated Water Resource Task Force.

MPT Tovo directed Richard Suttle to relay his suggestions to the committee regarding an equitable process to ensure adequate discussion prior to making any decisions.

Environmental Board Chair Mary Gay Maxwell suggested that this item be taken up at a future Environmental Board meeting to secure adequate public process.

Recommendation

No formal recommendation made.