

TO: PARKS AND RECREATION COMMISSION

FROM: LAM DO
SUPERINTENDENT OPEN SPACE, PARKS, AND GOLF

DEPARTMENT: COMMUNITY SERVICES

DATE: SEPTEMBER 28, 2021

SUBJECT: FIRST TEE OF SILICON VALLEY PUBLIC PRIVATE PARTNERSHIP PROPOSAL

RECOMMENDATION

Staff recommends the Parks and Recreation Commission recommend that City Council direct staff to develop a Letter of Intent or Memorandum of Understanding between the City and the First Tee of Silicon Valley towards establishing a public-private partnership for youth development and infrastructure improvements at the Baylands Golf Links.

BACKGROUND

The First Tee is a national non-profit 501(c) program providing youth with experiences to build character through teaching the game of golf to learn life skills in the areas of inner strength, self-confidence, and resiliency. The curriculum consists of nine core values applicable to golf and youth development. The core values are honesty, integrity, sportsmanship, respect, confidence, responsibility, perseverance, courtesy, and judgment.

Since 2009, the City has collaborated with a regional First Tee chapter, the First Tee of Silicon Valley (FTSV) and its prior operations as the First Tee of San Jose. FTSV aims to develop youth through the game of golf and educational programs to build character, instill life-enhancing values, and promote healthy choices.

Annually, FTSV teaches over 1,100 youth at a few golf courses in the region and has an outreach program reaching 14,000 youth in schools and local communities. Youth participants range between 2nd grade through 12th grade. Participants of all backgrounds are taught and financial assistance is offered to ensure opportunities for all youth.

At present, FTSV teaches at the Rancho del Pueblo Golf Course in east San Jose, Gavilan College Golf Course in Gilroy, and the Baylands Golf Links in Palo Alto. FTSV's region reaches south towards Hollister in San Benito County and north up to Highway 92 in San Mateo County. The region covers all of Santa Clara County, including Palo Alto. It also includes East Palo Alto in San Mateo County. At the Baylands Golf Links, participants enroll in eight-week lessons during each of the four annual seasons. The program consists of a life skills curriculum with driving range, putting, chipping, and on course practice.

As a program expansion, FTSV introduced a long-term public-private partnership (PPP) to the Parks and Recreation Commission (Commission) at the October 27, 2020 meeting ([agenda](#)).

The PPP proposal between FTSV and the City of Palo Alto is for youth development facilitated by long-term usage access and site infrastructure improvements to practice and teaching facilities at the Baylands Golf Links.

Partnership Proposal Description

FTSV is proposing a 50-year facility use partnership with the City for access and use of the Baylands Golf Links to teach youth development. FTSV seeks facility use encompassing access to the youth practice area, short game practice Area, driving range, practice putting green, practice chipping green, and on-course tee times.

Facility access would be for eight weeks in each of the four annual seasons for a total of 32 weeks annually. During the week, Tuesday through Friday facility use is for a two-hour period in the afternoon after school and hours vary depending on seasonal daylight hours. On weekends, facility use would be on Saturdays for a full day of programming starting in the morning and into the late afternoon. An outline of facility use is reflected in Attachment A.

The location of Baylands Golf Links is ideal for the regional population which FTSV seeks to serve. However, the practice facilities are not adequate for program expansion so FTSV is proposing to invest \$4.2M+ in facility infrastructure improvements to allow for safely using underutilized practice areas at the golf course. The improvements would raise the height of the driving range nets and poles for ball retention to allow for use of the youth practice area and short game practice area, which are adjacent to the left and right side of the driving range. Additional ball retention nets would be installed at the youth practice area to prevent balls from entering the adjacent trail and Embarcadero Road. Lastly, there would be some modification of the turf and contours of the youth practice area for the teaching needs of FTSV. A visual depiction of the practice areas is in Figure A contained in Attachment A.

FTSV is proposing to fundraise the \$4.2M+ cost for facility infrastructure improvements and seeks a Letter of Intent (LOI) or Memorandum of Understanding (MOU) to substantiate with potential donors the purpose of fundraising. Although FTSV is not seeking a financial contribution from the City towards the \$4.2M+ infrastructure improvement cost, the FTSV is asking for an annual \$36,000 grant from the City to FTSV to underwrite program expenses including financial assistance for low-income participants. Additionally, FTSV seeks discounted Palo Alto resident golf rates to be extended to family members of FTSV participants and East Palo Alto residents. As the youth practice area and short game area are part of the golf course complex, the City would continue to be responsible for year-round maintenance.

FTSV does have a larger vision for further investments in additional facility improvements including covered range stalls, relocation of the cart wash area and range ball machines, constructing a new practice putting green, and constructing a learning center. The learning center would consist of high-performance range stalls with technological teaching tools, a meeting space, bathrooms, offices, and storage. Based upon the outcome of the LOI, MOU, or implementation of a PPP, FTSV may seek to pursue the larger vision which would require review by the Commission and potentially a new LOI or MOU.

DISCUSSION

Presently, the Community Services Department collaborates with FTSV by offering facility use seasonally during weekdays after school hours for a nominal fee. The collaboration allows for both parties to deliver youth services to the community.

The PPP proposal would establish a 50-year long-term partnership with infrastructure improvements benefiting both parties. With additional access to more teaching facilities and the inclusion of programming for a full day on Saturdays, FTSV would be able to significantly expand their youth participant enrollment and outreach programs. The City would benefit as the infrastructure improvements allows for City programming of the youth practice and short game areas which are underutilized due to lack of safety caused by balls landing in the respective areas coming from the adjacent driving range.

The staff recommendation is intended for Council to direct staff to develop an LOI or MOU towards establishing a PPP. The proposal from FTSV would be further vetted and negotiated between the parties.

It should be noted that there may be interest in constructing a 2nd story or upper deck to the driving range to increase the number of hitting stalls for the purposes of providing additional revenue and increasing availability for customer use. In a preliminary exploration, it was determined that pursuing a 2nd story or upper deck would require an analysis on the investment return, a ball trajectory study, approval from the Federal Aviation Administration (FAA), an environmental analysis, and various other vetting and feasibility requirements. At present, staff does not have the resources to adequately perform the necessary analysis and studies to determine the feasibility and cost of a 2nd story or upper deck addition to the existing driving range. Pursuing this could delay the timeline to move forward with establishing an LOI or MOU for the FTSV partnership proposal.

FUNDING

Upon establishment of an LOI or MOU, FTSV would fundraise the full \$4.2M+ for infrastructure improvements. FTSV is not anticipating a City contribution towards the cost of the infrastructure improvements as they are aware of the City's budget constraints.

RESOURCE IMPACT

In FTSV's proposal, the City would grant the FTSV \$36,000 annually to underwrite program expenses and financial assistance for FTSV participants as outlined in Attachment A. Additionally, if extending the discounted Palo Alto resident golf rates to FTSV family members and residents of East Palo Alto there would be an undetermined revenue reduction impact. However, the financial resource impact to the City is to be determined based on negotiation of terms for the PPP.

As any financial support from the City to FTSV is not in the operating budget for the golf course, it would be an ask for approval from Council for budget augmentation.

ATTACHMENT

Attachment A: Outline of PPP proposal

Attachment A

Outline of Proposal for Public Private Partnership from the First Tee of Silicon Valley (FTSV)

Purpose: Partnership between FTSV and City of Palo Alto for youth development.

Facility Use as Teaching Site for Youth Development through learning the game of golf: Build character, instill life-enhancing values, and promote healthy choices.

Facility Improvements that are mutually beneficial to Baylands customers and FTSV to

(1) facilitate teaching areas,

(2) expand/open the customer Youth Practice Area and Short Game Practice Area, and

(3) limit the liability of driving range balls going over nets.

FTSV character building education to impact the lives of over 1,000 youth at Baylands and outreach to 14,000 youth in local schools and youth organizations.

Term: 50 Years

- 50 Years consisting of 30 Year Use with a 20 Year Renewal
- \$1/year payment for facility use

Facility Use: Baylands Golf Links

- **Facility Use for Classes**
 - **8 weeks per annual season, 32 weeks annually**
 - **Tuesdays - Fridays** during after school hours (exact hours are TBD, but approximately a 2-hour window between 3:30pm – 6:30pm during seasonal daylight hours)
 - **Saturdays** 7:30am – 6:30pm
 - Youth Practice Area
 - Driving Range (8 hitting stalls including range balls)
 - Short Game Hole
 - Practice Chipping Green
 - 6 Tee Times each day
- **Facility Use for Outreach and Other Activities (Youth Practice Area only)**
 - First Tee hosting of field trips to the course for schools and youth service organizations.

- Tuesdays – Fridays during and after school hours
- **Facility Use for Annual Participant Tournament**
 - 18-hole, shotgun tournament at 3pm on the Saturday two weeks before Labor Day
- **Facility Use Other than FTSV Classes, Outreach and Other Activities**
 - Pertains to only Youth Practice Area

Financial Investment by FTSV: Estimated \$4.2M for facility infrastructure improvements. Cost to be fundraised and incurred by FTSV.

Facility Improvements by FTSV: Driving Range, Youth Practice Area, and Short Game Practice Area

- **Raise Height of Driving Range Poles and Nets to prevent range balls from landing outside the range onto the adjacent Youth Practice Area and Short Game Practice Area and adjacent Jones-Day business parking lot**
- **Install ball retention nets at Youth Practice Area to prevent balls from entering the adjacent trail and Embarcadero Rd. and adjacent Jones-Day business parking lot.**

Additionally, partnership proposal from FTSV includes the following financial contribution from the City:

- **City grant of \$36,000 annually** to the FTSV to underwrite program expenses including financial assistance for low income participants.
- Extend PA Resident green fee rates to parents of First Tee participants
- Extend PA Resident green fee rates to East Palo Alto residents
- City maintenance of Youth Practice Area
- Community Benefit policy for Baylands course and practice areas that gives priority to all youth in the afternoon.

FTSV has a larger vision for investing in improvements to Baylands Golf Links that also includes covered range stalls, relocation of the cart wash area and range ball machine, new practice putting green for the public, and a learning center that includes high performance range stalls, meeting space, bathrooms, offices and storage. Presently estimated to cost \$8.8M. This may be something that FTSV pursues in the future depending the success of the current proposal.



FIGURE A: TFTSV Baylands Project Overview



- Existing Netting Along Jones-Day Parking Lot
- Fencing or Netting Along Embarcadero Road
- Higher Range Netting for Safety