

ORDINANCE NO. 16-019

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE
AMENDING THE LEASE OF PACIFIC GROVE GOLF LINKS WITH PACIFIC
GROVE GOLF, LLC AN AFFILIATE OF COURSECO, INC.**

Findings

1. The City of Pacific Grove (City) entered into an agreement with CourseCo for management, operation, and maintenance of the Pacific Grove Golf Links on October 1, 2014 (Golf Course Lease); and
2. Upon review of the terms of the Golf Course Lease, and with the progression of the City's Local Water Project (LWP), the City Council desires to amend the lease with CourseCo; and
3. The proposed Lease Amendment #1 will exercise the first five year renewal term; and
4. The new expiration date for the Golf Course Lease will be September 30, 2029; and
5. CourseCo shall pay up to \$443,333 per year for subpotable water supplied to the premises up to 27.2 million gallons per year, increasing by 2% each year; and
6. The minimum water charge will be set at \$375,000 less the actual annual water charge paid by CourseCo; and
7. CourseCo will also be responsible for the cost of all water used in excess of the 27.2 million gallons regardless of the cost per gallon; and
8. CourseCo shall pay actual cost billed by California American Water Company (Cal-Am) for potable water supplied to the Golf Course or properties located at 77 or 79 Asilomar Avenue; and
9. All language in the Golf Course Lease shall otherwise remain in effect unless specified in Lease Amendment #1 and will continue to determine the rights and obligations of the City and CourseCo; and
10. In the enactment of this ordinance, the City followed the guidelines adopted by the State of California and published in the California Code of Regulations, Title 14, Section 15000, et seq. Enactment of this ordinance action does not constitute a "project" as defined by California Environmental Quality Act (CEQA) because Lease of the Golf Links is exempt from CEQA under Section 15301 of the CEQA Guidelines (Class 1) – Existing Facilities.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE:

SECTION 1. The foregoing findings of the City Council are incorporated into this Ordinance as if set forth in full.

SECTION 2. The attached Lease Amendment #1 is hereby approved.

SECTION 3. The City Manager is directed to execute all documents and to perform all other necessary City acts to implement this Ordinance.

SECTION 4. In accord with Article 15 of the City Charter, this ordinance shall become effective on the thirtieth (30th) day following passage and adoption hereof.

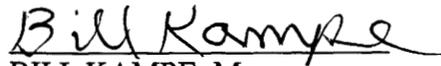
PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE
this 16th day of November, 2016, by the following vote:

AYES: Mayor Kampe, Councilmembers Cuneo, Fischer, Huitt, Lucius, and Peake.

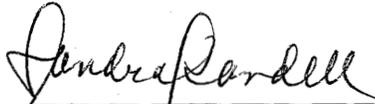
NOES: Councilmember Miller.

ABSENT: None.

APPROVED:


BILL KAMPE, Mayor

ATTEST:


SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:


DAVID C. LAREDO, City Attorney