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REPORT TO THE BUDGET COMMITTEE

CITY GOLF COURSES: SALE OF CITY-OWNED GOLF COURSES OR OUTSOURCING
OF CITY-MANAGED GOLF COURSES

INTRODUCTION

The City owns numerous golf courses, three operated by City staff and eight that are leased to private operators. The Committee has asked this Office to analyze whether city-owned golf courses may be sold or the management of the City-managed golf courses outsourced. There are several legal requirements that must be met before either course of action could occur.

Some of the golf courses are on dedicated parkland and some of the courses are also on Pueblo Lands, in which case the requirements of San Diego Charter sections 55 and 219 must be followed. In addition, the terms of each lease with a private operator must be evaluated separately. Any changes to the employment status of City employees or the outsourcing of City services must occur in compliance with Charter section 117, the Meyers-Milias-Brown Act, and the City's Civil Service Rules.

DISCUSSION

The City owns and operates three golf courses: Torrey Pines (North and South), Mission Bay Golf Course, and Balboa Golf Course. These three courses are on parkland that has been dedicated by ordinance of the City Council for that purpose. In addition, the Torrey Pines and Mission Bay Golf Courses are located on Pueblo Lands. The City also owns other golf facilities that are currently leased to private operators: Carlton Oaks (Santee), Fairbanks Ranch Country Club (San Diego), Mission Trails (San Diego), Pro Kids Golf Academy (San Diego), Presidio Hills (San Diego), Tecolote Canyon (San Diego), and Vineyard (Escondido). Some of these are also on dedicated parkland. The terms of each lease would need to be evaluated separately and are not analyzed herein.

Pursuant to the Charter Section 55, the use of dedicated parkland is restricted to park and recreational uses:

All real property owned in fee by the City heretofore or hereafter formally dedicated in perpetuity by ordinance of the Council or by statute of the State Legislature for park, recreation or cemetery purposes shall not be used for any but park, recreation or cemetery purposes without such changed use or purpose having been first authorized or later ratified by a vote of two-thirds of the qualified electors of the City voting at an election for such purpose.

San Diego Charter § 55.

Therefore, any golf course property that is also dedicated parkland must receive a vote of two-thirds of the qualified electorate before the land could be used for any purpose other than park, recreational, or cemetery purposes.

In addition to being on dedicated parkland, the Mission Bay and Torrey Pines Golf Courses are on Pueblo Lands. Pueblo Lands may not be sold unless a City Council ordinance has been ratified by the electorate, nor may any Pueblo Lands be leased in excess of fifteen years without a vote. San Diego Charter § 219.

Should the sale of the golf courses result in reduction of the City work force or other changes to status of City employees, the City must comply with applicable Civil Service Rules, Personnel Regulations, and provisions of existing memoranda of understanding with the City's represented employee organizations. This Office has previously provided guidance on the legal issues regarding outsourcing the work of City employees. *See* Op. City Att'y 2009-2 (Oct. 8, 2009). Any proposal should be reviewed to ensure compliance with the San Diego Charter and the Meyers-Milias-Brown Act. If the City Council develops a proposal, this Office is happy to provide additional analysis on these issues.

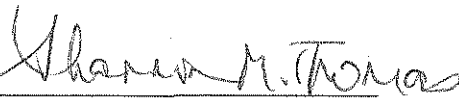
There are also some practical considerations that this Office would like to bring to the Committee's attention. Portions of the North Course of the Torrey Pines Golf Course were pledged as collateral for Certificates of Participation in 1996; this obligation was scheduled to be terminated in Fiscal Year 2009. City of San Diego Fiscal Year 2009 Budget, Summary of Debt Obligations, at 93 n.l. This Office recommends that the Committee confirm that this obligation has been satisfied prior to proceeding with any efforts to sell the Torrey Pines North Course.

In addition, the use of the proceeds from any sale of City-owned real property is limited. All proceeds received from the sale of city-owned real property must be placed in the Capital Outlay Fund. San Diego Charter § 77. This fund "shall be used exclusively for the acquisition, construction and completion of permanent public improvements, including public buildings and such initial furnishings, equipment, supplies, inventory and stock as will establish the public improvements as a going concern." *Id.*

CONCLUSION

The City may sell its golf courses; however, the sale of several of the courses must receive voter approval, and in some cases, golf courses are currently leased to a private operator. The changes in the employment status of the City employees and any outsourcing of those services must proceed in accordance with the San Diego Charter and state employment law. Finally, the proceeds from the sale of City-owned land can only be used for the acquisition, construction, and completion of permanent public improvements.

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