

DATE ISSUED: April 13, 2005

REPORT NO. 05-093 Rev.  
(Attachment 5 added)

ATTENTION: Honorable Mayor and City Council  
Docket of April 19, 2005

SUBJECT: Complaints Regarding Alleged Discrimination at Fairbanks Ranch  
Country Club

### SUMMARY

Issue - The City Manager=s staff is seeking direction regarding alleged sex discrimination at Fairbanks Ranch Country Club.

Manager=s Recommendation - City Manager=s staff recommends sending a Notice of Default to the Fairbanks Ranch Country Club unless a written response recently requested from the club adequately addresses the allegations of discrimination at the Club.

### BACKGROUND

During non-agenda public comment of the City Council meeting on January 11, 2005, attorney Dan Lawton requested that the City Attorney=s office investigate an alleged sex discrimination claim brought by his client who was a member at the Fairbanks Ranch Country Club (AFRCC@). The matter was referred to the City Attorney=s Office at that time. Mr. Lawton appeared again at non-agenda public comment during the City Council meeting of April 5, 2005. The matter was requested to be docketed for April 19, 2005.

### DISCUSSION

On April 5, 2005, the City Manager=s Office received a Memorandum of Law regarding this matter (see attachment 1). The Memorandum of Law concludes that the FRCC is currently in violation of their lease with the City for maintaining and operating a dinning area which is not open to women.

FRCC=s lease with the City contains 30-day notice and cure rights for any alleged violation or breach of the lease. As such, if the City believes the lessee is in violation or breach of any provision in the lease, it must inform the lessee in writing as to the nature of the breach, and

provide the lessee with 30 days to cure.

In March 2003, FRCC presented the City with plans for an interior renovation of the clubhouse. As required under the lease, Real Estate Assets staff signed off on the construction drawings. These plans did not include any narrative description of how FRCC intended to operate the premises. On April 26, 2004, the Real Estate Assets Director received an anonymous letter complaining about disparate levels of food service between the mens= and ladies= locker rooms. (See attachment 2). The Real Estate Assets Director immediately instructed staff to schedule an inspection of the property. On May 11, 2004, City staff met at the property with FRCC representatives and their attorney to tour the property and discuss the matter. A written summary of the inspection and the conversations that took place was provided to the Real Estate Assets Director on May 17, 2004. The areas in question were cleared of members and the operations were not observed. The narrative merely reflects what staff was told. The Real Estate Assets Director contacted representatives from FRCC via phone and was told that the dining area in question was an integral part of the locker room facilities and could not be open to women due to privacy concerns. The Real Estate Assets Director then contacted the City Attorneys office for advice and guidance in the matter.

In October 2004, the City Attorney=s Office and Real Estate Assets were informed of a lawsuit filed against FRCC for sex discrimination. The attorney who filed the case, Dan Lawton informed the City Attorney=s office that the City was not being named in the case. After discussing the matter with Mr. Lawton, Real Estate Assets sent a letter to FRCC informing them the City was aware of the lawsuit and directing them to the non-discrimination language in the lease. (See attachment 4). FRCC=s attorney informed the City that FRCC=s membership agreement requires binding arbitration that such an arbitration would resolve all matters as they would not challenge the arbitration decision. It was to be scheduled as soon as possible. There were discussions between the City Attorney=s Office and FRCC=s attorney, and on January 27, 2005, a written response was sent by FRCC=s attorney outlining their position that they are not in violation of the lease. (See attachment 5). Upon receipt of the Memorandum Of Law, Real Estate Assets sent a letter to FRCC on April 7, 2005 requesting a formal written response prior to April 19, 2005. (See attachment 6).

#### RECOMMENDATION

City Manager=s staff recommends sending a Notice of Default to the Fairbanks Ranch Country Club unless a written response recently requested from the club adequately addresses the allegations of discrimination at the club.

Respectfully submitted,

---

William T. Griffith  
Real Estate Assets Director

---

Approved: Bruce Herring  
Deputy City Manager

Attachments: [1. Memorandum Of Law](#)  
[2. Letter received on April 26, 2004](#)

3. Memo dated May 17, 2004
4. Letter to FRCC dated December 10, 2004
5. Letter from FRCC's attorney dated January 27, 2005
6. Letter to FRCC dated April 7, 2005