



AGENDA REPORT

Department: Community Services
Prepared by: Joanne McGhee, Community Services Manager
Meeting Date: Tuesday, August 19, 2025
Approved by: Scott Huth, Interim City Manager

SUBJECT:

Amendment to the Lease and Operating Agreement between the City of National City and American Golf Corporation.

RECOMMENDATION:

Adopt the Resolution Entitled: "Resolution of the City Council of the City of National City, California, Authorizing the Mayor to Execute an Amendment to the Agreement with American Golf Corporation for the Maintenance and Operation of the National City Golf Course to Extend the Agreement by Sixty Days to October 31, 2025."

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

On May 3, 1984, the City of National City entered into an agreement with American Golf Corporation for the lease and operation of the National City Golf Course, located at 1439 Sweetwater Road, National City, California (the "Agreement"). The Agreement encompasses the operation and maintenance of the public golf course, driving range, clubhouse, restaurant, bar, golf instruction services, and the pro shop. The initial term of the Agreement was five years, with the option for seven (7) five-year extensions at the discretion of American Golf Corporation, plus two (2) additional five-year option periods at the discretion of City

Since its original execution, the Agreement has been amended on multiple occasions to address operational and contractual updates, with the most recent amendment approved on May 5, 2021. Additionally, American Golf Corporation has exercised all seven five-year extensions provided for in the Agreement and has requested an additional five-year extension from the City.

Under the terms of the Agreement, American Golf Corporation pays the City of National City a base rent of \$72,000 per year in addition 10% of sales from green fees, cart rentals, and driving range, 6% of sales from Pro shop, food and beverage sales. All expenditures related to the maintenance and operation of the property are the responsibility of the lessee, resulting in minimal financial burden to the City.

American Golf Corporation has been a reliable and responsible tenant, consistently acting in good faith throughout the term of the Agreement. They have supported and promoted recreational golf within the community by providing opportunities for local high school programs, hosting women's golf sessions, offering inclusive golf programs, and prioritizing the hiring of local residents. Additionally, the fee schedule includes discounted resident and senior rates to ensure that National City residents have priority access and affordable use of the facility.

American Golf Corporation is also actively working with the City to address necessary infrastructure improvements, including repairs to the on-site bridge. In addition, they are committed to enhancing the overall grounds by planting more trees, upgrading golf turf, installing new targets at the driving range, and offering food and beverage promotions to improve the experience for visitors to the café. Their operations also contribute to the local economy by attracting visitors who support nearby businesses and restaurants, as well as through their participation in local events and special programs that strengthen community engagement.

The current term of the Agreement expires on August 31, 2025. In order to allow sufficient time to further explore continuing American Golf Course's operation of the golf course and any amendments to the Agreement that may be necessary, staff recommends extending the Agreement for an additional sixty days to October 31, 2025.

FINANCIAL STATEMENT:

FY 25 Revenue \$217,838

FY 24 Revenue \$142,589

FY 23 Revenue \$73,687

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Parks, Recreation and Library

ENVIRONMENTAL REVIEW:

This is not a project under CEQA, and is therefore, not subject to environmental review. CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

The Agenda Report was posted at least 72 hours before the Regular Meeting date and time, and 24 hours before a Special Meeting in accordance with the Ralph M. Brown Act

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – Agreement – Historical_Redacted

Exhibit B – Resolution

Exhibit C – Letter_Redacted

Exhibit D – Amendment to Agreement