

**City of Coral Gables City Commission Meeting**  
**Agenda Item F-1**  
**January 28, 2015**  
**City Commission Chambers**  
**405 Biltmore Way, Coral Gables, FL**

**City Commission**

**Mayor Jim Cason**

**Vice Mayor William H. Kerdyk, Jr.**

**Commissioner Pat Keon**

**Commissioner Vince Lago**

**Commissioner Frank Quesada**

**City Staff**

**City Manager, Cathy Swanson-Rivenbark**

**City Attorney, Craig E. Leen**

**City Clerk, Walter J. Foeman**

**Deputy City Clerk, Billy Urquia**

**Public Speaker(s)**

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Agenda Item F-1 [Start: 9:54:17 a.m.]

Discussion regarding Biltmore Golf Membership Fees  
Commissioner Pat Keon

Mayor Cason: Item F-1 is a discussion regarding the Biltmore Golf Membership Fees, Commissioner Keon, I think your item.

Commissioner Keon: Thank you. We had received an email from a resident who has been a long time resident of the City. They have an adult golf membership and also have children or juniors who play, and they brought it to our attention that the rates for the golf membership for juniors has increased from 2013. It was \$650, it's now \$1,860. It sort of equates to one round per week of golf for the junior price. Now I understand – we've been asking, I've been asking for this information for a while and it seems to get bits and pieces of it, so I asked that it be placed on the agenda, so that we could talk about it and we were aware of who sets these membership rates, how and what our relationship is, with regard to the Biltmore under the contractual arrangement we have with the Biltmore, and who sets daily rates?- who sets membership rates?- and you

know it's really a policy decision, as to whether we want to encourage play by juniors, or provide that opportunity to juniors who live and the residents in our City, because a lot of sports children begin participating at a relatively young age, and they become lifelong activities for them. I think it has great value to allow that opportunity and encourage young people to participate in the recreational activities in our City, and so how does that – if that will be our policy, then how do we – what's the practice that should follow? So we can get all the information, I've been asking for and it seems to be hard to finally get. I don't know who is going to address this.

Mayor Cason: Craig, I think you had something. You've taken a look at the contracts, right?- and what are they saying?

City Attorney Leen: I took a look at the contracts, I asked our outside counsel, Reeder Glass to take a look at the contracts, too. My opinion is that we do have the ability to regulate, or ask the Biltmore, to direct the Biltmore regarding daily fees for golf. So for example, if there is a daily fee increase they have to be approved, but my opinion based on reading the contract is that we don't have the ability to control the yearly membership fees, except that there is a provision that says that, basically it should be a discount from the daily rate. I think that has to be interpreted in good faith, so I don't think they could just multiply the daily rate by 365 and bring it down a few dollars. It has to be a discount so that people – it's a viable option for someone to accept the membership fees. So to the extent that the Commission took a look at the junior golf membership fee and believe that the Biltmore wasn't acting in good faith, that it was too high, you would have some ability there to request that. But generally they have the ability to set those rates.

Commissioner Keon: OK.

Mayor Cason: Have we had any discussion with them as to why they've made this change?- are they trying to discourage – trying to encourage more adults?

City Attorney Leen: We haven't had extensive – and I'm also going to defer to the Manager here on this a little bit, but I want you to know that we have not had that yet because we were asked to look at whether they were legally – we had a legal right, basically that they had a duty to report these to the City and have the City approve them, and my opinion was no, except for this one caveat that there has to be a meaningful membership fee; and then I did see the General Manager of the Biltmore yesterday and he did express to me that he was concerned about this, and I'm sure that they would be willing to speak with us about it, but we would have to do it, in my opinion, from the context of look, we really like you to take a look at this. I think that they may be responsive. I also spoke with Danny Ponce, their general counsel, their outside counsel

yesterday, and he said that they would be willing to take a look at it, if we requested, but if we do it from the context of asking them to.

Commissioner Keon: The information that were given with regard from the Biltmore apparently talks a great deal about the inability of juniors to enter into contractual agreements, because they are juniors and so therefore the Biltmore is for the membership purposes is not really – doesn't seem to be particularly supportive of junior memberships, because of the contractual agreements and whatever else, parents can enter into this agreement on behalf of their children. So my feeling is that somehow, somewhere along the line somebody isn't supportive of a junior playing golf. So if the Biltmore doesn't want to do that, this is it, you can have the conversation, whatever, what I'd ask is do we believe it's important that juniors play at a reduced rate to encourage junior play and the development of a lifelong sport, do we think that's important?

Vice Mayor Kerdyk: Let me just say one thing. I remember when we negotiated this contract. The one caveat that had was that anybody whenever they raise the rate for a Coral Gables resident, they had to go through us. Otherwise, they had some latitude to do what they wanted to do, and I don't even think it addressed membership to be perfectly frank with you, and if it did it was on a cursory basis like the City Attorney mentioned. So what I think needs to happen is somebody needs to have a conversation with Mr. Prescott and just ask him what his thought process is as far as that goes, because I think they are doing what they have the right to within the contract, so that's a business decision. The question is do they want juniors playing?- and if they do want juniors playing, what can they do to help alleviate their cost structure? It comes down to a business decision from Mr. Prescott and I could have my opinion on that and you could have your opinion, but it's really something that he has to make a decision, or his golfing people that surround him and make decisions for him. So I think that's what...

Commissioner Keon: I think absolutely – if under the contract they have the right to...memberships or whatever else, that's fine we'll accept that. What I'm asking you is do you think it's important to give, to price golf for juniors to encourage play? So you know what?- as long as we affect the daily rate, if they don't want to do memberships we can reduce the daily rate from \$35 to \$20, or we can reduce it so that the daily rate is for Coral Gables residents isn't a need for – and if they don't want to enter into agreements with juniors because they believe there is some legal issue there, then it makes that point mute also. You don't have to enter into....you reduce the rate to make it affordable aimed at \$20 a round. You know they can play a couple times a week. I mean its \$35 a round now, you multiply that by 52, you get the \$1,820, which is the membership rate for a junior, and the purpose of a membership is usually to encourage more play than once a week. Kids might go out and play 9 holes in the afternoon or whatever else, but I think if our policy in the City is to encourage young people to participate in a sport on a municipality facility, we are not talking private clubs or anybody else about what they

need to do, we are talking about the use of a municipal facility and we have the right to discuss the issue of daily rates. I'd like someone to go back and talk to the Biltmore and ask them, we think that it's important that juniors play. That's what I'm asking you, do you agree that it's important that juniors play, and if we do that either figure out a daily rate that works for juniors or figure out a membership rate that works for juniors. Now we can either do it from a daily rate, or we can do it from a membership. So either way, I don't care how its done, I just think its important that juniors be able to play and be able to play at a reduced rate.

Commissioner Quesada: Commissioner, I don't think you are going to have anyone up here opposing you on that aspect. However, when Jim and I, the Mayor and I first joined this Commission, the Biltmore hadn't paid in a few years and it was a fight and they were having trouble with revenues and I would hate handcuff them to something that's going to affect their bottom line because in the end we want them to be successful under the lease. Even though we may agree to that, I think we are always going to agree to have a better rate for our residents for a municipal facility because of the lease agreement that we have in place, and obviously the need that we have for them to be successful so they pay our fees to us. I think it's important, I agree with Vice Mayor Kerdyk that I think we need to have a conversation with them to discuss how many rounds do they anticipate from juniors, things like that, so they can have a better idea, and we can have a better idea how its going to affect their bottom line. Now if its nominal amount, then absolutely let's absolutely do it, but if its really going to affect in a substantial way we ought to think about it a little bit, because again, I don't want to handicap them in any kind of way, pun intended since we are talking about golf.

Vice Mayor Kerdyk: And I don't want to villanize them in this particular case because they made a business decision here probably and they didn't think about the ramifications, or maybe they did. I know they have been extremely busy at the Biltmore Golf Course recently, and I think their revenues are way up, I haven't seen it, but I'm sure we get a copy of it here, and I don't know maybe you are right Commissioner. Maybe the fact is that they can get so much money of an adult playing and there are adults playing at all times now, and as opposed to allowing kids to participate, but you're right, we can also implement the Coral Gables situation and we can move forward. The fact is we need to get all the facts.

Mayor Cason: But we can continue this discussion next time. Let's ask the Manager if you would talk to them and find out what the reasoning was, that they thought it all the way through and come back to us and let us know why they...

Commissioner Keon: But I also think you need to communicate to them that it is the position of the Commission that it is important that juniors have access to the municipal facility.

City Manager Swanson-Rivenbark: Mr. Mayor, if I may. Having a resolution from the City Commission, friendly resolution something like, resolution asking staff to meet with the Biltmore to explore options to encourage resident junior golfers on the Biltmore golf course. As we open the meeting with them, if they know five Commissioners want us to explore these options, it will help set a creative and courteous tone in coming forward with solutions. So my suggestion would be considering a resolution of that effect and staff would be happy to meet with the Biltmore.

Commissioner Keon: OK. Then I will make a motion to that effect.

Commissioner Lago: OK. If I could say one last thing. I support you 110 percent in regards to this issue, but I want to make you aware that I've had conversations with the Biltmore in regards to a few other issues that are pending. One of the major ones being deferred maintenance, so I have a feeling they are going to be coming to us. I haven't read the lease agreement that we have with the Biltmore, I don't know if anybody here has read it thorough from cover to cover...

Mayor Cason: Yes, many times.

Commissioner Lago: I guess we are fortunate enough to avoid those issues, but I have a feeling they are going to be coming to us in regards to major deferred maintenance issues – HVAC upgrades that are costing a pretty penny.

Commissioner Keon: But you know – regardless of all of these other issues, I think it's important that we have a program in place that allows young people to participate in sports on municipal properties, or in municipal facilities at a reasonable rate.

Commissioner Lago: They are investing in the future of the individuals that are going to be playing at the Biltmore, they are going to become members of the Biltmore.

Commissioner Keon: They have children to take care of. So I have a motion to...

Mayor Cason: We have a motion from Commissioner Keon.

Commissioner Lago: I'll second the motion.

Mayor Cason: Commissioner Lago seconds.

Commissioner Keon:...Have staff prepare that resolution and please present it to the Biltmore with the support of the Commission.

Mayor Cason: City Clerk

Commissioner Quesada: Yes

Commissioner Keon: Yes

Vice Mayor Kerdyk: Yes

Commissioner Lago: Yes

Mayor Cason: Yes

(Vote: 5-0)

[End: 10:07:50 a.m.]