

Patricia Phillips  
Isaac Tanori  
Real Estate Assets Department  
City of San Diego

Dear Patricia and Isaac:

This letter is written on behalf of Friends of Presidio Hills, a group of citizens who have come together in an effort to revive the beauty and functionality of the Presidio Hills Golf Course (PHGC). We represent members of the golfing community, Mission Hills residents and businesses, historians, and others with an interest in turning around the current situation at the course. We write you with the understanding that you are in the process of issuing a request for a proposal to operate the course. After about six months of studying the situation, we feel that there are several elements which should be addressed in that RFP.

First, by way of background which we are sure that you understand better than we, the golf course is historical in several ways. Not only was it gifted to City by early civic leader Marston to be used (in perpetuity we understand) as a golf course but it has been the site of the early triumphs of legendary golfers like Phil Mickelson and Tiger Woods. We are also aware that there have been some pueblo remains found at the site when it served as a stable more than 150 years ago; it is also the site of the oldest adobe structure in the County. We mention this because restoring this site to its intended purpose with due respect for its importance as a memorable site in San Diego is an important responsibility for the City and those of us who love PHGC.

Currently, the property is operated only marginally as a golf course. It appears to us that the principal revenue source for it is its parking lot located proximate to Old Town. There are only a couple of parking spaces allocated to PHGC itself. Allegedly because of the cost of water, the course is nominally irrigated and becomes a dirt lot in dry months. The historic Carrillo Adobe at the site is used as the club house and is badly deteriorating. The current operation is an offense to everyone paying attention to it-- golfers, historians and neighbors included.

Based upon our investigation of this situation, we believe that the following key issues need to be considered by the City: The operation of a golf course alone at this site is uneconomic in today's world; there are not enough green fees to cover overhead, at least in its current condition. The ongoing financial viability of PHGC has to be a huge consideration for the City's RFP and, from what we have learned that has not been the case in previous decisions in selecting a lessee of the site. Given this reality, the City needs to either commit resources to restore and operate PHGC, through the Golf Enterprise Fund or otherwise or, more likely, it needs to structure the RFP in a manner which will attract the interest of either a non-profit operator or a business willing to incorporate the golf course in to its operations.

Accordingly, we urge the City to include the following elements in to the pending RFP:

1. It is essential that the term of any lease offered to a potential operator be sufficiently long to permit a financial justification for reinvesting in this property. A term of thirty years plus renewal options is essential to either a non-profit or for profit bidder. We are told that the City has previously been resistant to this approach. In this regard, we believe that it is essential that

the RFP contemplate that there will be new construction at some part of the site for commercial activity which will provide a revenue stream for the operation of the golf course. We are aware of two potential bidders who each have a vision for construction of commercially viable operations in what is now the driving range area of the course and it appears that something along these lines will be required.

2. We recognize that there are historical challenges to development or renovation at this site but we believe that these concerns should be handled thoughtfully and with a view toward solving these challenges not aggravating them. The City needs to be clear in its RFP as to what it contends are the historical features of the property which might limit some form of development and/or earth moving at the site. While we understand that there are no Indian remains or other sacred relics on the property, if the City believes that there are other limitations which need to be considered, and we would hope that those limitations are circumscribed, a caveat to such effect needs to be included in the RFP.
3. Given the economics of the site, we believe that the City needs to seriously consider granting concessions in both rental rate and water in order to attract a serious operator to take over PHGC and turn it in to a functional operation. From our discussions, such a concession could be conditioned on an investment in rehabilitating the site of about \$2 million.
4. To maximize the interest of bidders, we believe that the City should include in the RFP elements which will enable a potential operation to come from the non-profit sector; this would include requiring the operation to serve under-served communities or calling for the investment of private resources which the City itself is not able to finance.
5. There are good opportunities for collaboration between public and private interests at this site; we believe that the adjacent Presidio Recreation Center, the Golf Division, the local business community and local non-profits offer opportunities to coordinate operation of a golf course with other activities. For example, operation of the Carrillo Adobe as a museum on the site could be coordinated with local historic organizations and parking and other promotional activities would sync well with the local business community. We would encourage the RFP to consider these forms of coordination as an encouragement to potential bidders.
6. We understand that there is a homeless problem in the vicinity of Presidio Park and we believe that energizing the use of the Rec Center in coordination with the golf course would be a viable way to bring family use to this area in a way which might reduce the attractiveness of the area for homeless people.