

# Meadowlark reimagined – Case study Montebello

Prepared by Janet Michels 06/15/2024

I took a look at a couple of the golf courses mentioned by Craig Kessler at SCGA and have attached several links to articles about what Montebello did, which includes bond issuance, partnership with TopGolf, redesigning the course into a regulation 9 hole, and 9 hole 3 par course (6 during day and 9 at night). Looks like \$16M for new course in bonds and \$60M in bonds for TopGolf. TopGolf will pay off their bond as well as pay up to \$1.2M annually to Montebello for 20 year lease. Indigo (Troon) has the contract to manage the golf course for 5 years. Its a management contract. Both the RFP and Final Proposal are available for review with full financial pro formas. So the city retains revenue. The course was closed for 20 months for redesign. New clubhouse opens in summer. The lease \$ from TopGolf covers the debt service for the course redesign.

Their changes were sparked by losses exceeding \$8M since 2010, a state audit, firing the 28 year course director etc. There was much community resistance of the former golf club to make the changes.

And cost per round continues to be quite modest, with discounts to residents, seniors as with the other courses I reviewed.

## Highlights:

- City's course bond obligations of \$16M is paid by TopGolf annual lease
- TopGolf pays debt service for City's obligation and debt service for \$60M bond to build TopGolf facility
- January 24, 2024 City council approves measure to retain Troon for 5 year contract to manage golf course operations for just under \$2M annually; City looks to net ~\$500,000 annually from the golf course.

1. Award Professional Services Agreement No. 4174 to Troon Golf for an amount not to exceed One Million Nine Hundred Forty-Six Thousand Four Hundred Seventy-Eight Dollars (\$1,946,478) for the initial year of a five-year (5-year) term for Golf Course Management, Maintenance and Operation Services at the Montebello Golf Course; and
2. Authorize the City Manager to take actions necessary to execute and finalize an agreement on behalf of the City of Montebello; and
3. Amend the Fiscal Year 2023-24 budget by increasing appropriations by a total of \$1,946,478 in Account No. 610-99-6040.10;

[Topgolf Opens Its Doors in Montebello, California, on May 3 \(prnewswire.com\)](#)  
[Can Montebello's \\$75 million golf course renovation turnaround city finances? Leaders have high hopes \(msn.com\)](#)  
[Plan Approved for Topgolf to Operate Montebello \(Calif.\) GC - Club + Resort Business \(clubandresortbusiness.com\)](#)

RFP for Golf Course Management item 11 of January 24,2024 City Council mtg

City objectives:

- Provide a quality, family-friendly experience at affordable rates for all age groups.
- Have all course management, operations, and maintenance activities performed professionally and with minimal City operational support.
- Maximize the financial return on the Montebello Golf Course while maintaining affordable rates as provided by the Montebello City Council.
- Ensure course maintenance levels are consistent and of an acceptable level. The City expects the standards of the golf course to remain at a top level by following the detailed scope of work and maintenance frequencies outlined in Appendix "B."