



Legislation Text

File #: 24-0019, Version: 1

Resolution Authorizing the Execution of a Lease Agreement Between the City of Hampton and Swingers Golf Club, LLC to Use 13 Acres of Real Property Located at 100 Seldendale Drive

PURPOSE/BACKGROUND:

For decades, the City has leased a portion of the property located at 100 Seldendale Drive to the Peninsula Golf Center, Inc. (the "Center", formerly known as Peninsula Driving Range, Inc.) to operate a golf driving range, as well as to offer golf lessons and sell golf equipment. The current lease has a term from October 1, 2021 to September 30, 2026, with rent of \$10,812.00 per year, which equates to \$901.00 per month.

During the past several months, the City, the Center, and Swingers Golf Club, LLC (the "Club") have been discussing the sale of the driving range business from the Center to the Club and the creation of a new lease between the City and the Club. The attached lease (the "New Lease") between the City and the Club includes the same general terms and conditions as the existing lease between the City and the Center. The New Lease will have a term from February 1, 2024 to January 31, 2029 and the rent for years 1 and 2 will remain at \$10,812.00 per year (\$901.00 per month) and then increase by approximately 5% for years 3, 4, and 5. Therefore, rent in year 3 will be \$11,352.60 per year (\$946.05 per month); year 4 will be \$11,920.20 per year (\$993.35 per month); and year 5 will be \$12,516.24 per year (\$1,043.02 per month).

Related to this matter, the City Attorney's Office is also coordinating with the Center to execute a termination of the existing lease, effective January 31, 2024, so long as (1) a lease between the City and the Club has been approved to begin on February 1, 2024 and (2) the Club purchases the driving range business from the Center. The termination document does not require Council action since it falls under Council's previous approval of the Center's lease.

City staff recommends approval of the Resolution.

Discussion:

See Purpose/Background above.

Impact:

See Purpose/Background above.

Recommendation:

Conduct a public hearing and approve the Resolution.

WHEREAS, the City is the owner of real property located at 100 Seldendale Drive, (the "Property");

WHEREAS, the City currently leases a portion of the Property to the Peninsula Golf Center, Inc. (the "Center", formerly known as Peninsula Driving Range, Inc.), for use as a golf driving range and for related purposes such as rent of golf equipment, sale of golf equipment, and golf lessons;

WHEREAS, the Center's current lease expires on September 30, 2026; however, the Center desires to terminate its lease early and the City is agreeable to the early termination;

WHEREAS, Swingers Golf Club, LLC (the "Club") desires to enter into a new five-year lease with the City for the portion of the Property in order to operate the driving range and for the related purposes described above;

WHEREAS, the Director of Parks Recreation and Leisure Services has determined that it is in the best interest of the City and the community to allow the Club to lease a portion of the Property; and

WHEREAS, the Council has determined that the terms and conditions of the proposed lease agreement are acceptable.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Hampton, Virginia, as follows:

1. That it approves the lease agreement, and any revision thereto as approved by the City Attorney, with Swingers Golf Club, LLC to lease the portion of the Property; and
2. That the City Manager or her Authorized Designee is authorized to execute and deliver to Swingers Golf Club, LLC a lease agreement in substantially the same form as attached hereto.