

CITY OF SAN DIEGO

Park and Recreation Department

Golf Division Business Plan

November 16, 2012



Acknowledgements

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TABLE OF CONTENTS

Executive Summary	1
Background	4
Market Place Context	4
National Market	4
Local Market	5
Mission	6
Goals and Objectives	7
Public Input	14
Overall Golf Operations	17
Golf Enterprise Fund	17
Rate Overview	19
Flexibility	19
Plan Duration	21
Resident Access	23
Procedures	23
Club Play	23
Junior / High School / College Play	24
Tournament Play	27
Golf Course Buyouts	28
Public Shotguns	29
Advanced Reservations	30
Farmers Insurance Open	30
Capital Improvements Program	31
Customer Satisfaction Survey	33
Marketing	34
Photo Shoots	37
Room Rentals	38
Balboa Park Golf Complex	40
Background	40
Current Conditions	41
Vision	42
Rates – Competitive Analysis	43
Typical Promotional Programs	43
Rate Table	44
Complex Review	45
Recommendations	45
Capital Improvements Program	46

Mission Bay Golf Complex	48
Background	48
Current Conditions	49
Vision	49
Rates – Competitive Analysis	49
Typical Promotional Programs	50
Complex Review	50
Rate Table	51
Recommendations	53
Capital Improvements Program	53
Torrey Pines Golf Complex	55
Background	55
Current Conditions	57
Vision	58
Rates – Competitive Analysis	59
Typical Promotional Programs	59
Complex Review	60
Rate Table	61
Recommendations	63
Capital Improvements Program	64
Appendices	65
Appendix A - Benchmarking	65
Balboa Park	
18-Hole Course	65
Mission Bay	66
Torrey Pines	67
South Course	67
North Course	69
Appendix B - Golf Enterprise Fund	
Financial Forecast	70
Appendix C - Capital Improvements	
Program (CIP) Plan	71
Resolution	74

Executive Summary

Before reviewing the Business Plan, it's important to understand the state of the golf industry since 2006. As documented in the plan, golf rounds have declined slightly and the local golf market has become very competitive putting an emphasis on creative marketing techniques. In the local market over the past four to five years, almost every golf course has seen a significant loss of rounds and revenue.

In creating the Business Plan, the City of San Diego Golf Division first developed its Goals and Objectives to serve as a guide. The Goals and Objectives were created to describe the core values under which the Golf Division operates. All areas of the Business Plan are consistent with the Goals and Objectives ensuring continuity throughout.

In summary, the keys and critical issues contained in the Business Plan for the successful operation of the City of San Diego Golf Division are described below. The items and issues were discussed at length by Ad Hoc Advisory Business Plan Committee (Committee).

Key Business Plan Areas

Rate Overview: There are no rate increases for any of the three courses within the Business Plan. Rate increases would not even be considered until after June 30, 2013 (FY2014) including the cost of a City of San Diego Resident ID Card, at \$25.00 per year.

Flexibility: A key component of the Business Plan is creating flexibility as it relates to golf green fee pricing in this competitive golf environment. To compete in this dynamic and changing golf market, the Business Plan gives authority to the Park and Recreation Director to decrease or increase prices within specified parameters while following prescribed procedures.

Plan Duration: The Business Plan is a "rolling plan". The Committee made a specific recommendation that the City staff should not be constrained by a specific duration, as was the case with the 2006 Business Plan (sunsetting in June 2011). The Business Plan describes procedures allowing for updates rather than waiting for a plan to expire. Throughout the duration of the Business Plan, staff will meet with the Municipal Golf

Committee (MGC) (creation of the MGC will occur based on City Council recommendations). Staff will also provide an annual update to the Park and Recreation Board; and an update every three years to the City Council Natural Resources and Culture (NR&C) Committee. As part of the NR&C update process, the NR&C Committee will make a determination to continue the plan for another three years or initiate a full plan update. Should any major Business Plan changes be required as recommended by the NR&C Committee, staff will then return to NR&C and the full City Council as appropriate.

Resident Access: As in the past Business Plan, providing Resident access to tee times remains a high priority. Among the three City golf complexes, only at Torrey Pines is Resident access a concern. At Torrey Pines, the annual goal is to provide Residents with access to 70% of the available tee times. If and when needed at the other two complexes, a mechanism would be created to ensure continued Resident access.



(2013 Farmers Insurance Open)

Program Support: Consistent with our Goals and Objectives, the Golf Division will continue to support and maintain a strong relationship with our Men's and Women's Clubs. The support of junior and high school golf will also remain a high priority for the Division. In addition, the Golf Division will also look for ways to get involved with college golf, significant amateur golf competitions and events that are in general, good for the game golf.

Marketing Plan: The Business Plan calls for the development of a Marketing Plan and the hiring of a full-time marketing position. In order to compete in this golf market, the Golf Division must use today's technology to communicate with current and prospective customers to maintain and grow our customer base, ensuring the long-term stability of the Enterprise Fund.

Capital Improvements: For the golf courses to reach their full potential, the Golf Division must invest in the facilities. Discussed in the Business Plan are "Current" and "Future" capital improvements for each facility. Appendix C of this Business Plan outlines a multi-year Capital Improvements Program (CIP) Plan. Currently, the Golf Division is in a favorable financial position with the ability to make some of the much needed improvements that will give the courses a competitive advantage in the golf market.

Background

Market Place Context

As the Golf Division develops the Business Plan for the City of San Diego's municipal golf courses, what must first be examined is the current state of the local and national golf markets, including the latest economic trends which are shaping the overall golf industry.

Over the last several years, 2006 to 2012, many things have changed in the local and national golf markets. Understanding these changes and how they have shaped the golfing industry gives a better understanding of how the Golf Division has arrived at its current state, as well as insight into planning the future of municipal golf in the City of San Diego.

National Golf Course Market

The two key issues that have significantly affected golf operations at a national level include:

1. The national economy
2. The stagnation of the number of individuals playing golf across the country

The economic downturn of the last several years has significantly impacted golf course operations. A 2011 article in Golf Course Industry magazine indicates *“bleak economic news doesn't make for a very good environment for our turf industry...Golf is discretionary spending and there simply isn't as much entertainment money around as in previous years.”* This recent article points out a core issue in golf operations: playing golf is a recreational choice and our customers have many other “recreational” choices that do not cost money and/or as much as golf.

Regarding the issue of stagnation within the industry, the National Golf Foundation (NGF), one of the leading golf consulting firms in the country, states that the number of golfers nationally has declined by 0.9% since 2000

(2011 *Golf Participation in the United States Report*). Other agencies and organizations that study the golf industry show a small, recent increase in the rounds of golf played. However, the Golf Division believes that, as with the rest of the economy, the immediately foreseeable future remains unstable.

Local Golf Course Market

Over the last several years, the same NGF report notes the number of golfers in the San Diego region has remained relatively constant. During this same time period several existing golf courses with previously private or restricted access have changed their policies to allow public play. This has resulted in an increased number of golfing facilities competing for the same limited number of public rounds. Two of the most recent facilities that have opened their courses for public play, in 2011, include: Miramar Memorial (18-hole) and Admiral Baker (36-hole) military golf courses.

As a result of the increase in supply and the general stagnation in demand, most daily fee golf courses in the San Diego region have struggled to attract and retain golfers. Today's golfers are seeking the best price, and they are willing to play any available course to get the best value. Golf facilities have had to become creative due to this increased competition. They have tried to protect their share of the market by reducing fees and/or packaging services. This has created a volatile market, where daily fee golfers have the luxury of moving from course to course, based on whichever facility is offering the best pricing each week. In addition, with the advent of web-based reservation systems and yield management pricing structures, local golfers can search for the best value, often just hours before teeing off.

Due to the structure of the 2006 City Council adopted Business Plan, the City of San Diego courses have fixed prices for each golf complex that are adjusted annually, without any price flexibility. Consequently, the Golf Division has decided not apply these same golf standard strategies for the new Business Plan. In contrast to other non-City owned local golf courses over the last several years, City of San Diego golf courses have increased prices in a market where prices are being selectively reduced that has, in turn, driven golfers away to seek other options.

Of the three complexes within the City of San Diego municipal golf course system, two of the three, Balboa and Mission Bay, have experienced impacts similar to other golf courses in the local region; losing market share over the last several years, 2006 to 2011.

Mission Bay has seen incremental improvements to the golf course over the past few years. The golf course maintenance staff have recently expanded tees, improved the conditions of the golf course, including the greens, as well as enhancing the turf conditions on the driving range. Even with these improvements it is not believed that a significant increase in rounds at Mission Bay will be achieved until the Golf Division has additional flexibility on rates and are able to complete some of the more significant capital improvement projects that are needed.

With the adoption of the Business Plan the Golf Division believes that they are well positioned for the coming years. Some of the indicators that help drive this conclusion:

- Strong position financially with operating reserves and a sturdy fund balance.
- The Golf Division continues to invest in the golf facilities that will result in improved revenue potential in the coming years.
- Torrey Pines continues to be in high demand with play projected to be within four (4) percent of our target in FY 2012 for the facility.
- Improved course conditions along with the completion of recent capital projects at Balboa Park Golf Course are generating additional interest in the course.
- Demand for golf within the region is showing signs of recovery.
- Increased flexibility with the price structure will give staff additional tools to respond to customer and market demand much faster than we could previously.

Mission

The City of San Diego Golf Division is dedicated to serving its patrons and players of all ages and abilities while enhancing their enjoyment of the game by providing a high quality golf experience.

Goals and Objectives

As the Golf Division manages and operates the courses daily and plan for their futures, a need for a clear program outlining how to plan and fulfill the Mission of providing a high-quality golf experience at all of its facilities. The following Goals and Objectives provide the structure needed to ensure that we have identified a definitive plan of action and have clearly articulated the necessary milestones to consistently monitor the position and progress towards meeting its objectives.

Five key goals have been identified for the Golf Division. These are consistent with the overall City and Park and Recreation Department Goals as well as the Golf Division Mission. Along with each goal the Division has identified quantifiable objectives that can be monitored.

- 1. *To provide golf opportunities for all skill levels at the best overall value with excellent customer service.***
 - a. The primary users at all Golf Facilities are intended to be City of San Diego Residents.*
 - i. Monitor utilization at each golf course on an annual basis*
 - Use annual target rounds for each golf course to serve as goals for increased/managed play without incurring additional maintenance costs*
 - Monitor utilization by course, date and time of day to better manage potential times/areas of under-utilization*
 - ii. The goal for resident golfers access to Torrey Pines Golf Course is to ensure that 70% of the tee times are made available to residents annually, promote golf to residents and others through enhanced communications using available technology*
 - b. Utilize flexibility to respond to market conditions including fees, programs and marketing.*

- c. *The Golf Division supports local, national and international amateur golf.*
 - i. *Continue to host and support local Junior Golf, Junior World, High School, College, Men's and Women's Clubs and City Amateur tournaments and events*

- d. *Each golf course delivers the most affordable rates to residents of San Diego and competitive priced golf to visitors.*
 - i. *Continue to monitor costs associated with each course*
 - ii. *Benchmark appropriate competitors*

- e. *Resident golf fees will be established with consideration given to keeping rates as low as possible taking into account local market rates, operational costs at each complex, and the long-term sustainability of the Golf Division.*
 - i. *Track revenues and expenses, associated with each facility and course on an annual basis:*
 - *Operating Costs separated by Personnel and Non-Personnel Expenses*
 - *Operating Costs as a percentage of Total Costs (operating and capital)*
 - *Revenues identified by category such as green fees, food and beverage, merchandise, and other revenue*
 - ii. *Adjust fees, promotional discounts and rack rate increases, as authorized in the policy outlined in the Flexibility section of this document*
 - *Report changes in rates presented in dollars and percentages from the prior year*
 - iii. *Report to Park and Recreation Board annually on any proposed promotional rates lasting over three months as well as any increases*

f. Non-Resident golf fees will be established with consideration given to local and national (where appropriate) market rates, operational costs at each facility, capital needs for the Golf Division, and the long-term sustainability of the Golf Division.

i. Track all costs associated with each facility on an annual basis

ii. Adjust fees as required following the procedures outlined in the Flexibility section of this document

iii. Report to Park and Recreation Board annually on any proposed promotional rates lasting over 3 months as well as any increase

g. Continue to conduct customer feedback surveys and strive to continually improve/expand customer services.

i. Formal surveys will be conducted every other year for each facility

ii. Surveys will be based on statistically valid samplings of existing golfers

iii. Results of the customer satisfaction surveys will be reported to the Park and Recreation Board as part of the annual review

2. To be Local and National Leader in Municipal Golf Operations and Maintenance.

a. Be responsive to customer needs and desires and adapt with proactive marketing and operational solutions to address needs that maintain or improve our position within the market.

i. Continue to conduct satisfaction surveys, monitor competition and adjust to market demands

ii. Report results of these actions annually to the Park and Recreation Board



(Preparation for the 2013 Farmers Insurance Open)

- b. *Continuously seek to improve our operational and maintenance programs, striving to provide the best possible customer experience and course conditions.*
 - i. *Continue to work with the PGA Tour, USGA, PGA of America, GCSAA and other industry leaders to identify opportunities and advancements within the industry*
 - ii. *Seek customer feedback as part of our customer satisfaction surveys*
- c. *Continue to host and seek a limited number of large-scale professional golf tournaments in order to maintain national and international recognition.*
 - i. *In conjunction with the Century Club, continue to work with the PGA Tour to improve Torrey Pines as a premier site for PGA tournament golf*



(2013 Farmers Insurance Open)

- ii. Continue to support the Junior World Championships*
 - iii. Investigate potential future interest in hosting another “Major” golf Championship such as another US Open*
- 3. To be diligent stewards of the resources and finances within the Division, following the highest standards in transparency and accountability.**
- a. Proactively manage each golf complex to maximize its sustained success and the financial stability of the Golf Division.*
 - i. Report the financial position of the Golf Division annually to the Park and Recreation Board*
 - ii. Develop a five-year financial forecast as part of the City’s annual budget process. Appendix B is the current forecast.*
 - iii. Establish a written policy for the Golf Fund’s Operating Reserve*

- b. *Work closely with all golf stakeholders to seek and implement policies and programs that best meets our customers' needs while maintaining the financial stability of the Golf Division.*
 - i. *Receive feedback through the customer satisfaction surveys*
 - ii. *Return to the City Council Natural Resources and Culture Committee in three years, 2015, for a progress update. Recommend continuing the rolling plan for another three years or initiate a full plan update*
 - iii. *Form a Municipal Golf Committee (MGC) advisory committee for the purpose of providing input on the implementation and monitoring of the Business Plan*
- c. *Invest in capital improvements at all facilities in order to address outdated infrastructure, deferred maintenance and to develop facilities that meet customer expectations.*
 - i. *Implement annually an updated five-year Capital Improvements Program (CIP) Plan as part of the City's annual CIP budget process*
 - ii. *Implement comprehensive Master Plans/General Development Plans (GDP) for each of the three golf complexes*
 - iii. *Continue to work with the Engineering and Capital Project section to develop and implement the Capital Improvements Program*
 - iv. *Report results annually to the Park and Recreation Board*
- d. *The focus of operational policies will be to improve consistency while providing simplicity and accountability in maintaining customer service.*
 - i. *Receive feedback through the customer satisfaction surveys*

- e. *Collect user information and proactively communicate with our customers to better understand their desires and trends as well as to inform them of current conditions within the division.*
 - i. *Develop tools to collect and create a database of user information in order to communicate with ALL customer types*
 - ii. *Report results annually to Park and Recreation Board*
- 4. ***To continuously strive to improve our environmental practices, seeking to invest in long-term environmental sustainability at each of our facilities.***
 - a. *Environmental sustainability is a priority. All purchases, contracts and construction projects will consider and strive to utilize materials, equipment and procurement procedures that support our desire to improve environmental sustainability at our facilities.*



(South Course at Torrey Pines)

b. *Water efficiency is a significant priority at each of our facilities. Our irrigation watering schedules are based on Evaporation Transpiration rates which differ from season to season.*

i. *Staff to monitor and track water usage on a monthly basis*

c. *Each of our facilities uses organic based fertilizers and alternative nutrient sources that balance soil and water chemistry and build a sustainable soil structure for turf-grass plants to thrive utilizing minimal use of chemicals.*

i. *Staff will continue to monitor and adjust our practices in accordance with industry standards, striving to maximize results with the lowest possible chemical use*

5. *To recognize value and invest in our employees.*

a. *The Golf Division will continue to follow City, Department and Division standards and procedures as we recruit, develop and promote employees within the Golf Division.*

Public Input

A key ingredient to the process of creating the Park and Recreations Department's Golf Division Business Plan is to make the process both transparent and inclusive to all of the stakeholders and the golfing public at large. The Golf Division identifying a broad cross-section of stakeholders (i.e., Men's and Women's Clubs, Lessees, Hotels, etc), that have a long-term relationship with the Golf Division and/or each of the City-operated golf complexes.

Ten (10) categories of individuals and groups were identified. Multiple individuals from each category of individuals and groups then voted for one (1) individual to represent their respective group. Along with a chairperson, these ten (10) representatives made up the eleven-member Ad-Hoc Business Plan Committee (Committee).

The Committee was formed to share their specific levels of expertise, evaluate staff recommendations and provide recommendations to City staff on the development of the Business Plan. The Committee held open meetings in accordance with the Brown Act and

the public was invited to attend each meeting, providing comments and feedback. Eleven meetings were held between September 2011 and May 2012. The meeting agendas, presentation materials and minutes were posted on a City's website dedicated to the Business Plan. All meetings were publicly noticed. Approximately 10 to 20 members of the public were in attendance at each public hearing, offering input on a variety of subjects.

The first six (6) community meetings focused on reviewing each of the critical Business Plan elements. At meeting seven (7), community members were invited to participate in a workshop designed to allow for open dialog on any of the previously covered elements and topics. Meetings eight (8) and nine (9) refined these elements as discussed in previous meetings and focused on questions arising from meeting seven (7).



(San Diego City Council Meeting)

The last meetings were held to review the Business Plan. In addition to these meetings, written comments were received via e-mail and were collected and distributed to all members of the Committee throughout the public input process. These e-mails were also made available to the larger public by request.

Overall Golf Operations

Golf Enterprise Fund

The City of San Diego's Golf Enterprise Fund was established in Fiscal Year 1992 and funds three (3) municipally-operated golf complexes: Balboa Park, and Mission Bay (which was operated by a private operator via a long term lease prior to 2003) and Torrey Pines. The Golf Enterprise Fund is a separate, interest-bearing account established for golf operations, similar to a private business enterprise. All five of the municipal golf courses revenues and expenses are accounted for within the Golf Enterprise Fund.

The purpose of the Golf Enterprise Fund is to protect the City's General Fund from obligations or costs incurred by the operation of the golf courses. The creation of the Golf Enterprise Fund has ensured that all revenues from the course go to operation and maintenance of the courses and that no General Fund resources are used to support the golf courses. This, in turn, has allowed for long-term stability of the Golf Enterprise Fund, thereby, providing golfers with a range of golfing opportunities at the best possible value.

The Golf Enterprise Fund remains in good fiscal health, generating sufficient annual revenues to cover system-wide operations and planned capital improvements. The Golf Enterprise fund receives no annual subsidy from the City's General Fund. In fact, the Golf Enterprise Fund is treated much like a lessee, paying the General Fund for use of all of the City's golf facilities.

The following summary helps to better understand the complexities of the Enterprise Fund, its financial obligations and some key facts regarding its economic health:

- The Golf Enterprise Fund operating income for FY 2011 was \$361,000 as reported in the audited FY 2011 Comprehensive Annual Financial Report (CAFR). The CAFR includes annual capital depreciation of \$1,095,000 and excludes interest earnings of \$300,811 for FY2011. This is the lowest CAFR operating income in the past five fiscal years. Staff will continue to monitor future finances to ensure that annual operating expenditures do not exceed the annual operating income.

- The 2012 Golf Enterprise Fund's budgetary fiscal year-end actual (unaudited) revenues was approximately \$17.7 million, with operating expenses of approximately \$14.2 million, resulting in an operating income of \$3.5 million. The FY 2012 fiscal year-end actual expenditures were consistent with budgeted expenditures but FY 2012 actual revenues exceeded budget revenues by 10.6%.
- In FY 2012, \$10.7 million was budgeted for funding ongoing (Continuing Appropriations) and new capital improvement projects, and \$1.2 million was actually expended.
- A contingency reserve balance of \$1.77 million is available in the event there is a financial emergency. This balance is continuously maintained based on the recommendation of the City's Chief Financial Officer.
- There was an estimated \$15.94 million fund balance at the end of FY2012 (this does not include \$5.99 million in Continuing Appropriations). This balance is earmarked to fund future capital improvement projects needs. A list of the future capital improvements can be found in Appendix C.
- Starting in the spring of 2011, golf play and associated revenue began slowly increasing at all three of the City's municipal golf courses.
- The Golf Enterprise Fund pays an annual land use fee to the City's General Fund. As approved by the City Council in FY 1994, this fee is calculated based on the acreage used by the Golf Division along with a percentage of the gross revenues. This fee is equal to approximately 14% of the total gross revenues generated within the Golf Division. In FY2012, the fee was approximately \$2.4 million.
- In addition to the land use fee, the Golf Enterprise Fund reimbursed the General Fund approximately \$654,000 in FY 2012 for General Fund department services provided to the Golf Enterprise Fund such as General Fund departments' accounting and personnel support.

To ensure the financial stability of the Golf Enterprise Fund, revenues and expenses are monitored on an ongoing basis, with adjustments as necessary, in accordance with City standards and policies.

Rate Overview

Based on a recent review of operating costs, the Golf Division does not plan to change the fees established in July of 2010. Minor fee modifications will only apply to “photo shoots” and expanded “course buyout rates”. Otherwise, the Golf Division does not propose to raise any rates during FY2013. However, there is a desire to offer limited fee reductions to improve utilization and revenues by using the flexibility outlined in the section below.

As part of the preparation for the Business Plan we have reviewed the cost of services along with a competitive review and benchmarking for each of the municipal golf complexes. In general, this research has shown that although rates were raised annually from 2006 through 2010, most of the general rates structures are in-line with our cost of service and are competitive with *rack rates* charged by our competition. Rack rates are typically a posted rate and are used as a baseline to run specials and promotions, thereby giving the marketing perception that the consumer is saving money when they pay less than the rack rate.

Flexibility

One of the largest constraints of the 2006 Business Plan was the inability of the Golf Division to respond quickly to a dynamic and changing market place. As a result of the current economy, and an increase in golfing options within the San Diego County, many competitors adjust their *rack rates* and create programs and marketing promotions to entice golfers to their courses. Many of these specials and/or promotions implemented by the competition are reductions in their *rack rates* and are made on a daily, weekly and/or monthly basis. This type of flexibility was not available in the City Council adopted Golf Business Plan of 2006.

This type of adaptable rate structure (strategy) is commonly used at most other local courses with similar conditions similar to Balboa Park and Mission Bay. Higher-end

facilities that compete directly with Torrey Pines do not use these programs as often. When competitors run a promotional rate (which is less than their *rack rate*), their fees are often less than City-operated golf complexes. These promotional rates are usually focused on specific days or times of day that are underutilized. The flexibility to use a special or promotional rate during these slower times is a distinct advantage that competition has enjoyed. With the adoption of this Business Plan, the Golf Division now has the ability to adjust rates at each of the golf complexes. However, it's anticipated that the promotions or specials will be used primarily at Balboa Park and Mission Bay due to the high demand being experienced at Torrey Pines.

These specials and/or promotions are something that local golfers have become accustomed to. The ability to offer similar programs on City-owned courses will make the City operations more competitive with the practices at local privately-owned and other national golf courses which accept public play.

This strategy creates the flexibility to allow staff to target specific audiences, vacant tee sheet times, or tailor other specials as needed. These programs can be short or long-term, depending on their effectiveness and will be adjusted as needed. The type of special or promotion at each golf complex will be specific to that individual complex and will be created during development of a full marketing plan. Prior to the full marketing plan being developed, and after the Business Plan is adopted, there is an intent to begin to offer a select number of short-term specials at each City golf complex. These select specials can be found in each of the golf course review sections of this document.

In the coming years, this flexibility will also be available to increase fees if required. This is, however, not recommended until the market has stabilized and the demand for golf facilities has increased significantly. The ability to make adjustments will be given to the Park and Recreation Department Director, or their designee, and provide them with the authority to reduce or increase fees as discussed below.

Fee Adjustment Policy

The Park and Recreation Department Director is authorized to reduce any golf fee by as much as one half of the established regular published green fees (rack rates) under the following circumstances:

- (1) In order to promote increased use of a City golf course(s) during periods of low demand;
- (2) As a marketing tool to entice golfers to specific City golf courses through special events;
- (3) In the event that course conditions at a specific golf course(s) is such that it is in the best interests of the public to reduce green fees;

The Park and Recreation Department Director is authorized to increase fees annually no more than three (3%) percent for resident golf fees and no more than five (5%) percent for non-resident golf fees of the published golf fees (rack rates) under the following circumstances:

- (1) After review by the Park and Recreation Board and ensuring public input;
- (2) Increases in golf fees will not be considered until July 1, 2013 (FY 2014);
- (3) Increase considerations will be based on an annual review of increases to operational costs for the Golf Division as well as a review of the consumer price index, and actual and projected revenues;
- (4) All fee modifications will be rounded to the nearest whole dollar;

Plan Duration

Prior to and during the development of this Business Plan, staff has had the opportunity of utilizing the previous Business Plan since its adoption in 2006. This knowledge, along with the additional management tools and the expertise of the Business Plan Committee, has provided the structure and framework for development of this Business Plan. This knowledge and support, coupled with the flexibility that the new plan allows, will ensure the success of the Golf Division for years to come. It will also give the Golf Division the tools and capabilities needed to continue to provide an excellent golf experience for all levels of players.

The life span of the Business Plan was discussed at length during the public meetings. In these discussions, the Business Plan Committee indicated that staff should not be constrained by a specific plan duration, as was the case with the previous Business Plan. Rather, the discussion of a “rolling plan” was suggested as a way to revisit issues and make minor adjustments to the Business Plan, rather than waiting for a plan to expire and then having to draft a new document.

It is imperative that the Business Plan maintain flexibility to adjust to market trends yet also have built-in mechanisms to monitor results and ensure that the program is achieving its identified goals. As opposed to a rigid “Five Year” plan that does not allow for any adjustment, this plan contains the flexibility to adapt to market trends by implementing subtle, yet sound business strategies as the market dictates.

To ensure that transparency is maintained within the Golf Division, the Golf Division will present annual updates to the Park and Recreation Board regarding the status of operations and the direction of the division. The annual updates will also provide an additional conduit for public comment on the operations during the previous year. In addition to the overview of the Golf Division, the report will also include information on the most recent Golf Division’s customer satisfaction survey.

During the first three (3) years of this rolling plan, it is not anticipated that any major updates will be needed. However, if an issue arises, staff will review and update the plan as necessary. After the Business Plan is adopted, every three years an update on the status of the plan will be presented to the Natural Resources & Cultural Committee (NR&C). If at the time of the planned NR&C update or as a result of the outcome of a NR&C update staff may determine it is in the best interest to update the Business Plan. Until a new Golf Business Plan is needed, the Golf Division will operate under the direction and flexibility of this rolling Plan and report to the Park and Recreation Board annually outlining achievements and the future plans for the coming year.

Resident Access

City of San Diego Resident access to all of the Golf Division's municipally-operated golf complexes is a high priority and monitored by staff on a regular basis. Residents will continue to have access to tee time reservations seven (7) days in advance or less through the automated reservation phone line.

A mechanism within the Marketing Plan will target Residents as our first priority in filling all unused tee time. This mechanism will communicate with Residents inside and outside of the seven (7) day window keeping them informed of tee time availability and course conditions. Filling tee times with non-Resident play is the last option.

With rounds at Torrey Pines at 96% of our target using FY 2012 actual rounds, the Golf Division will continue the successful criteria and procedures that are being used so that Residents have access to 70% of the tee times. Tee sheet templates are created ensuring 70% of the tee times will be available to Residents annually. If a similar need should arise at Balboa Park or Mission Bay, staff will develop a tool to ensure appropriate Resident access to tee times.

To allow for easier access to tee times, the Golf Division will review newer technologies such as an online reservation system to add to the patron's convenience in making a reservation. Also, the cost to obtain the Resident ID Card will initially remain at \$25.00 per year and may be purchased by anyone proving City residency. The cost of the Resident ID card will be reviewed annually by the Park and Recreation Board.

Procedures

The Golf Division has a number of existing policies dealing with access to the City's courses. The Golf Division also has standardized policies for various golf and non-golf activities. Several of these policies are outlined in the following section.

Club Play

The Golf Division has an excellent relationship with the Women's and Men's Clubs at each of the City Golf Complexes. These groups have consistently

utilized the City facilities and continue to organize and host Club tournaments throughout the year.

The Clubs each have Special Use Permits (SUP) that extends from 2010 to 2013. Each of these SUP's defines Club privileges and the appropriate City Resident green fees that their members will be charged by the City for Club play.

As part of the SUPs the clubs receive some special benefits, including:

1. Preferential scheduling
2. No cart requirements for Club tournaments.
3. Waiver of tournament rate requirements.
4. Resident rates for all Club members

As of 2011, the Men's and Women's Clubs' SUPs specify the number of times per month that the groups may use each facility. In general, the terms work well for the Balboa Clubs due to the current volume of play. However, in order to ensure access by the general public, the Torrey Pines Clubs are limited based on the overall demand.

Moving forward with the Business Plan, staff will maintain an agreement with the Torrey Pines Clubs, however, the Golf Division may choose to expand play by offering these club's access to another complex (Balboa Park, or Mission Bay) under the same conditions outlined in the Clubs' SUP and at the current rates of each respective course. This will allow the Golf Division to realize additional rounds of golf and will also accommodate the needs, as requested by the clubs, to schedule additional days of play for their Club tournaments. Any additional dates at any of the City courses will be approved on a case by case and year to year basis and they will not change the terms of the SUPs.

Junior / High School / College Play

One of the objectives of the City of San Diego Golf Division is to grow the game through supporting local and international amateur golf. The City provides affordable access to our facilities for local junior golf associations as well as high



(Scoreboard for the Junior World Golf Championships)

schools throughout the year. The San Diego Junior Golf Association holds numerous events at our City Golf Complexes and each July, Torrey Pines hosts the Callaway Junior World Golf Championships. As the host course for the 15-17 year-old boys and girls it is the largest junior tournament in the world attracting over 1,100 players from 54 countries and 42 states.

The Golf Division also offers a Junior Monthly Ticket that is available to Junior Residents (17 and under) and high school students attending a school located within the City of San Diego. The Junior Monthly Ticket is an exceptional opportunity for the juniors to gain access to the City's golf courses. Unmatched in the country, juniors may purchase a monthly ticket for \$10.50 which, along with a valid Resident I.D. Card, allows them to play unlimited golf for 30 days at any of the City of San Diego operated golf courses. This program is utilized by fifteen high school teams playing at our City Courses for both regular season and the California Interscholastic Federation (CIF) Championships, and during their matches visiting teams play at no-charge. In fiscal year 2012, the Golf Division sold 2,064 monthly tickets and 9,445 rounds were recorded by juniors through this program.

Allowable times of play at each complex with the Junior Monthly Ticket are as follows:

- Balboa Park:
 - Monday - Friday 1-hour after Twilight time
- Mission Bay:
 - Monday - Friday, Valid anytime
- Torrey Pines:
 - Monday - Thursday 1-hour after Twilight time

Note: The Junior Monthly Ticket is not valid on weekends and holidays.



(Harry McCarthy-Head Professional at Balboa Park Golf Course circa 1965)

In staying consistent with our objective, the Golf Division will explore opportunities to play host to college golf as well. Torrey Pines, as an example, would be an excellent site for collegiate matches and regional/national tournaments.

Tournament Play

Tournament play is an important part of the overall makeup of rounds for the Golf Division. Each course has set a target for tournament rounds to be achieved during the next five years. Those targeted rounds are as follows:

- Balboa Park Golf Complex - 8,000
- Mission Bay Golf Complex - 5,000
- Torrey Pines Golf Complex - 14,600 (Both North & South)

Tournament Rates:

Balboa Park Golf Complex

Mon-Fri:	18-Hole	\$52.00	9-Hole	\$26.00
Sat, Sun and Holidays:	18-Hole	\$62.00	9-Hole	\$31.00

*Shotgun Starts are an additional \$10.00 per player.

Mission Bay Golf Complex

Mon-Fri:	\$40.50
Sat, Sun and Holidays:	\$47.50

*Rates include optional golf cart fee

Torrey Pines Golf Complex

Mon-Thurs:	North	\$139.00	South	\$222.00
Fri-Sun and Holidays:	North	\$164.00	South	\$267.00

*Shotgun Starts are an additional \$20.00 per player.

Based on availability, the Golf Division will have the ability to offer special rates to events/tournaments that benefit the City, promote the golf courses, support/promote junior golf and/or are good for the game of golf in general. The Park and Recreation Director, or designee, will determine the scope of the

promotional/marketing value and decide whether the fees can be reduced in accordance with the approach to flexibility. Examples of these events could be: CIF Tournaments and Championships, Collegiate Tournaments, California State Amateur, Publinks events, etc.



(2013 Farmers Insurance Open)

Golf Course Buyouts

The Golf Course Buyout rates are a premium option available to those groups that desire the use of the golf course for more than half of the day's available rounds. The base rates below are for up to two-hundred-forty (240) rounds and are inclusive of green fees, carts and basic tournament services, with the exception of Mission Bay, where the cart is optional. The base rates below will also be used to calculate half-day course buyouts.

Due to recent renovations and improvements, as well as future planned capital improvement projects, the Golf Division believes that there will likely be a

demand for Course Buyouts at both the Balboa Park and Mission Bay Golf Complexes where a rate currently does not exist. As such, the Golf Division has established new Course Buyout Rates at these two golf complexes.

Balboa Park Golf Complex

Mon-Thurs:	18-Hole	\$19,000	9-Hole	\$17,000
Fri-Sun:	18-Hole	\$24,000	9-Hole	\$20,000

Mission Bay Golf Complex

Mon-Thurs:	\$18,000
Fri-Sun:	\$21,000

To date, course buyouts for the Torrey Pines Courses have been utilized on a limited basis. To remain competitive and to help stimulate opportunities, the following rate changes will be implemented.

Torrey Pines Golf Complex

Mon-Thurs:	North	\$54,000	South	\$81,000
Fri-Sun:	North	\$64,000	South	\$94,000

Public Shotguns

Public Shotguns are an effective tool to maximize available tee times resulting in increased Resident access. In general, public shotguns are planned opposite of contracted full-field shotguns when the public shotgun format will provide additional players over normal tee times. The public shotgun is posted on the Golf Division website and mentioned on the automated reservation phone message resulting in a large majority of the tee times being booked by City Residents. It is a convenient method for Residents to book tee times and maximizes their playing opportunities. There is no booking fees charged to book these times and each customer may book up to a foursome. Standard green fees apply to all players.

Advanced Reservations

The Torrey Pines Golf Complex will continue offering advanced reservations 8 to 90 days in advance for both Residents and non-Residents. City of San Diego Residents with a Resident ID Card pays \$30.00 per person for their advanced reservation while non-Residents pay \$43.00 per person. Both are allowed to make tee times for up to eight (8) players per day. The fee is nonrefundable, nontransferable and does not apply to the green fee.

This program is heavily used by non-Residents that are planning a trip to San Diego and want to ensure they will have the opportunity to play Torrey Pines. The daily tee sheet templates reserves just 12% of the tee times for advance sale to non-residents and throughout the year, a majority of these advanced times are sold.

Although, the daily tee sheet templates reserve the same number of advance reservation tee times for Residents, it is estimated that only 25% of the available tee times are purchased. Staff plans to review this further as part of the marketing plan and make a determination on how to make this process a more effective tool for Residents.

Farmers Insurance Open



An integral component to the overall accomplishments of the Golf Division, and specifically the Torrey Pines Golf Complex, has been the long standing relationship with The Century Club, the PGA Tour, and Farmers Insurance Open. It is because of this highly successful and collaborative effort by all parties that Torrey Pines has been put on the world golf map as a ‘must play venue’ and has garnered multiple industry awards.

The yearly telecast draws millions of worldwide viewers and brings a great deal of attention to America's Finest City, its weather, visitor resources and of course, the seaside bluffs of Torrey Pines. There is no mistaking the positive impact that the Century Club, in conjunction with the Golf Division, has on the San Diego region by bringing the PGA event to Torrey Pines annually. The Golf Division continues to improve this relationship in the years to come and strives to create golf complexes that continue to be attractive to professional tournaments and special events.



(2013 Farmers Insurance Open)

Capital Improvement Programs

As the Golf Division prepares to move forward in the coming years, the long-term sustainability of the Division will be due in large part to how well each complex can meet customer expectations and fully utilize opportunities. A structured and well-planned capital improvements program plays a key role in meeting these future expectations.

Each of the facilities has a list of key capital improvements over the next five years. The majority of these improvements are needed at the Mission Bay Complex, where nearly every element of the complex requires capital investment. Balboa Park is in excellent

condition with the recent completion of the comprehensive irrigation system. However, it has additional course needs along with the needs associated with the clubhouse and parking lots. A preliminary design for the clubhouse and parking lot is currently underway. Torrey Pines is in the best overall condition with the major focus for future work being on the North Course. Planning for this work will require careful coordination with all stakeholders.

Over the next several years, the Golf Division will work closely with staff from the Public Works Department in order to ensure that the capital improvement needs of the Golf Division are being addressed and that all required funding is in place to allow for the design and construction of the individual projects.

As part of the review of each complex in this document we have a CIP Five-Year Plan, Appendix C that lists capital improvement projects planned for each facility. This plan will be updated as part of the City's annual CIP process. These lists will be re-evaluated by the Golf Division and Public Works Department on a regular basis to ensure that the projects meet the needs of the patrons, as well as improve site conditions, operations



(7th Hole on Torrey Pines North)

conditions and amenities. Improvements will address long-standing deficiencies and allow each complex to better compete, and/or excel, in their respective markets.

Investment in capital improvements at all facilities will address outdated infrastructure and develop facilities that meet customer expectations and improve the long term sustainability of the Golf Division. These improvements will allow the Golf Division to ensure the best possible course conditions and to improve and create additional revenue streams.

The following funding policies will be followed as we plan for "future" capital improvement projects:

1. All capital improvement projects will be constructed on a cash basis;
2. Capital improvement projects will not advance beyond the design process until full project funding can be identified;
3. All capital projects will follow the Public Works Department policies for Community outreach;
4. The Golf Division will look to share the capital costs for improvements with lessees and strategic partners where appropriate;
5. Our highest priorities include:
 - a. Improving course conditions
 - b. Addressing outdated infrastructures
 - c. Improving expanding revenue generation opportunities

Customer Satisfaction Survey

A customer satisfaction survey report was completed in June 2011 to assess the satisfaction of golfers' experiences at all three City operated courses during the 2010 calendar year period. The survey was developed by a firm that specializes in customer satisfaction surveys. City golf stakeholders were interviewed to determine the key drivers of golfer customer satisfaction at City courses, then a 42-question questionnaire was developed. A statistically representative group of 1,306 golfers participated by either completing an online survey using a privately issued Personal Identification Number

(PIN) or through a telephone survey. The results of the survey had a statistical margin of error of plus or minus 2.7%.

The customer satisfaction report provides the ratings for 22 areas of golfer satisfaction. The Business Plan recommendations incorporate actions that will address needed improvements as identified in the customer survey report. As customer service improvements are made, future comprehensive customer satisfaction surveys are planned to measure customer satisfaction levels. The primary findings from the report are listed in the table below.

Golf Course	Rating	Rating Aspects		
Balboa Park	Excellent	Course layout	Staff courtesy	Value for fee paid
	Areas for Improvement	Driving range	Pro Shop quality	Restrooms
Mission Bay	Excellent	Tee time availability	Golf carts	Staff courtesy
	Areas for Improvement	Restrooms	No Pro Shop	Quality of food
Torrey Pines Residents	Excellent	Course layout	Course conditions	Practice putting green
	Areas for Improvement	Tee-time availability	Pace of play	Driving range
Torrey Pines Non-Residents	Excellent	Course layout	Pro shop and carts	Course condition
	Areas for Improvement	Driving range	Value for fee paid	Tee-time availability

Marketing

At the present time, the Golf Division does not have a comprehensive marketing plan to increase rounds and revenue. The primary avenue to generate customer awareness for any of our facilities has been the televised coverage of the annual Farmers Insurance Open at Torrey Pines. This telecast focuses on the Torrey Pines Golf Complex and occasionally on San Diego itself. However, it does little for either the Balboa Park or Mission Bay Golf Complexes.

In addition to this telecast, the City's website provides locals and visitors with general course information but does little marketing outreach to entice golfers to the courses. The webpage is accessible through a link on the City's Park and Recreation website or visited

directly by those who know our website address. This passive approach offers limited results at best but offers a starting point to build upon.

In comparison, the competition generally has staff dedicated to monitor, execute and track marketing and promotional activities. Staff's efforts generally include strategic planning, utilization of social media, managing on-line reservations, advertising, booking golf and non-golf outings, monitoring and updating the website, communicating with existing customers, as well as other activities critical to successfully maintaining their position in the local market. Having a clearly defined roadmap and staffing to implement their marketing plans allows them to not only maximize revenue opportunities through promotions and specials, but also quickly adapt to operational needs. The ability to quickly adjust to market trends and execute various strategies allows them to ultimately increase revenue.

The recently completed competitive analysis gave the Golf Division insight to not only the competition's fees, programs and complex offerings, but also to their commitment to marketing. Based on our findings the time has come for the Golf Division to develop a comprehensive marketing plan, much like that recommended by the National Golf Foundation (NGF) in 2006. In order to make this commitment to marketing each of the complexes, the Golf Division will require staff to oversee the development and implementation of a marketing plan. This will be accomplished by hiring a full-time marketing person who will oversee these efforts under the direction of the Golf Division. This individual will work in conjunction with an outside consultant on the preparation of the plan and will then administer the implementation of the plan and recommend adjustments as needed in order to accomplish the overall marketing plan goals.

The San Diego Sports Commission has volunteered its time and expertise as the consultant, to assist the Golf Division in the creation of the Marketing Plan. This strategic partnership will allow the Golf Division to capitalize on the Commission's experience in designing and implementing marketing plans for sports clients. This relationship will ultimately allow staff to maximize the effectiveness of the marketing budget and create new avenues to enhance the exposure of the City of San Diego municipal golf system.

The marketing plan will include market research, course-specific branding, goals, strategic planning, implementation schedules, results tracking tools and follow-up

capabilities. The completed document will fully define the overall vision and scope of work and implemented in phases. The timeline of the phases will be determined by staffing, funding, Division needs, market trends and opportunities.

While the overall plan is in the development stage, and is being phased into daily operations, there are some immediate areas that will be implemented. Some of these strategies include:

- Local and national media coverage to announce the recent renovations and improvements
- Building and utilizing a usable customer database
- Expanding tournament play
- Implementing basic yield management techniques and systems to book under-utilized tee times
- Increasing communication with golfers via email and periodic newsletters
- Creating specials or promotional rates as appropriate at each complex

In addition to the preliminary steps above, staff needs to identify and develop strategic partnerships. Once established, these relationships will be an integral piece of the overall plan. Industry organizations such as Southern California Golf Association, PGA, GCSAA, golf manufactures and local/national golf publications routinely benefit from cross-marketing relationships and its time to begin to consider how the division may want to participate with these potential partners. Local businesses like the Convention & Visitors Bureau, the Convention Center, Hotel/Motel Associations, event coordinators and travel agencies are looking for quality destinations for their guests and the City of San Diego has facilities that meet their needs.

In addition, there are opportunities that are waiting to be cultivated within the City and the Park and Recreation Department. For example, the division has the chance to participate with other Balboa Park institutions and increase awareness of the Balboa Park Golf Complex. In the future, this could result in dual promotions for institutions and the golf complex. Other opportunities include making sure that the City golf courses are properly identified on all City promotional maps and guides. This type of marketing is simple and cost effective.

To help insure transparency of the Marketing Plan and to confirm the return on investment, the annual report to the Park and Recreation Board will include a review of the effectiveness of the implemented marketing strategies as well as recommendation for the coming year.

Photo Shoots

Due in part to the majestic views the City of San Diego operated golf complexes continue to be popular for photo and film shoots. The staff continues to receive numerous requests to use the golf courses for this purpose. Many of these activities can be beneficial to the City of San Diego's visibility and image as a premier golfing destination.



(Film Shoot at Balboa Park Golf Course in 2011)

Most photo/film shoots are required to go through a Right of Entry (ROE) application process. All direct costs incurred by the Golf Division and City will be reimbursed by the applicant regardless of the required permits. Potential charges to the applicant include, but are not limited to, the ROE application, additional course preparation fees, reimbursement for staff time on the course, and lost green fee revenues for any projected lost tee times.

Photo and film shoots can be time intensive and they generally require coordination by a Golf Course Manager or Supervisor. The applicant shall reimburse staff time for meetings and appointments prior to commencement of the ROE. If the photo-shoot impacts any amount of play the applicant is required to cover all potential lost revenue. It is important to note that while a Golf Course Manager or Supervisor will manage the event, additional staffing such as a Golf Starter may be required to escort the group, monitor progress and handle compliance issues. Staff time will be calculated based on the fully loaded costs for each classification that is needed for the event.

Some photo shoots offer promotional and marketing value, while others provide little to none. Taking this into consideration, the Deputy Director of the Golf Division will determine the importance of promotional and marketing value for each photo shoot and determine whether the fees can be reduced or waived.

Room Rentals

Golf courses are great sites for meeting and special events. Periodically the Golf Division receives requests to rent the facilities for these and other non-golf activities. In order to accommodate these requests (assuming they do not negatively impact golf operations) staff has developed room rental rates, which are outlined on the following page, for the limited spaces that exist within the Golf Division. At the present time the Clubhouse and Observation Rooms at the Balboa Park Golf Complex are the only facilities that are available for rent.

Any group affiliated with the City or conducting City business has the privilege of utilizing rooms at no charge, subject to availability. Those groups/organizations include: City of San Diego Departments for official City business and City sanctioned organizations such as Community Planning Groups and Park and Recreation Councils.

Balboa Park Golf Complex - Rental Fee Description				Non-Profit	Commercial
Clubhouse (Includes Great and Observation Rooms) 3 hour Minimum.					
First Three (3) Hours			\$100.00	\$300.00	
Every Additional Hour or part			\$25.00	\$100.00	
Cleaning Deposit			\$250.00	\$250.00	

Balboa Park Golf Complex

Background

The Balboa Park Golf Complex is located in the heart of Balboa Park, just minutes from downtown and is easily accessed by various freeways. The golf course, which was originally designed by renowned golf course architect William Bell, has been altered from its original design, but Bell's classic style is still evident at this unique jewel. The complex consists of 27 holes of golf with amenities such as the clubhouse, pro shop, Tobey's 19th Hole Restaurant, driving range, practice putting and chipping greens.

Recent work on the courses has them in excellent agronomic condition and they will continue to improve through diligent maintenance practices. These efforts have also enhanced one of the key features of this landmark facility, the panoramic views of the downtown skyline, Pt. Loma and beyond. As golf course conditions have improved and the number of rounds have increased, tournament and



(18th Hole at Balboa Park Golf Course circa 1945)

group-outing opportunities are being missed due to an antiquated clubhouse with limited event capabilities. Much of the supporting infrastructure including the clubhouse, parking lot, cart barn and practice areas are in need of capital investment and redesign.

The 18-hole course is a par 72, 6,281yard championship caliber layout within Balboa Park. The 18-hole course offers a challenging yet friendly golf experience with its undulating topography and tree lined fairways. Resident golfers treasure the course for its beauty, course layout, history and convenient location. Visitors enjoy the complex due in part to its close proximity to downtown's hotels, businesses and the Convention Center. In FY 2012, the 18-hole course had 49,928 rounds played, with 76% of those rounds being played by City Residents and 24% being played by visitors.

The 9-hole, par 32 executive course, is an ideal venue for juniors, seniors, beginners and experienced players of all ages who are looking to improve their short-game skills. With a layout of primarily par-3 holes, the course encourages players to walk over the relatively flat layout, although golf carts are available. The 9-hole course in FY 2012 had 48,768 rounds played, with 78% of those rounds being played City Residents and 22% being played by visitors.

Current Conditions

In general, the atmosphere shared by golfers around the property is one of genuine enthusiasm and optimism. The recent replacement of the entire irrigation system and extensive thinning of the foliage and fairway-lining shrubs has had a significant impact on public perception. A renewed trust has been instilled into the residential guests of the complex along with a genuine belief that ongoing maintenance programs and needed capital improvements will continue to enhance this historic gem. A great deal of work is still needed to restore the facility to a point that is necessary to attract and retain new golfers and achieve our desired number of rounds.

Vision

With a collaborative effort from all vested parties associated with the facility, future capital improvements and on-going maintenance practices, the Balboa Park Golf Complex should be able to achieve its target of 148,000 annual rounds, of which 70,000 will be earmarked for the 18-Hole Course and 78,000 being targeted for the 9-Hole Course. This goal will be realized with incremental improvements.

The proximity to downtown offers an excellent opportunity to develop relationships and marketing programs by targeting hotels, various conventions, businesses and the growing residential population. There is also plan to increase our participation in Balboa Park partnerships and activities to maximize all marketing opportunities and create an overall presence in the Balboa Park system. These goals will be most effective after: renovation/construction of a clubhouse; efforts by staff to solicit and manage tournament play; establishment of clearly defined marketing strategies; and the flexibility of Golf Operations to implement fee strategies to improve the number of rounds and overall revenues.



(1st hole at Balboa Park Golf Course circa 2012)

Rates – Competitive Analysis

The recent competitive analysis of the primary competition indicates that Resident green fees at Balboa Park are generally competitive and in-line with its competitors' posted *rack rates*. Having the ability to run promotions and offer specials allows the competition to attract golfers with various packages and discounted rounds of golf.

The competition has the ability to package programs due to multiple revenue streams such as food and beverage, driving range, cart rentals, merchandise, etc. They have not, however, invested in capital improvement projects nor have they enhanced their maintenance programs like the City's recent improvements at the Balboa Park and Mission Bay Golf Complexes. Recent trends have shown that while City of San Diego Residents are indeed concerned about their golfing dollar, they are not solely in search of the "deal of the day". This is evident in the recent increase in play at Balboa Park, which has resulted in a jump in revenue without an adjustment to green fees. This is a strong indicator that many of the rounds lost in the past few years at Balboa Park were due to the previous conditions of both the golf courses and the overall complex. Now that customers are becoming aware of recent improvements, they are back and enjoying our complex once again. It is believed these recent gains may be short-lived, given the limitations of the complex unless there is continued investment in the property.

Typical Promotional Programs

While there are a variety of promotional campaigns and specials that could be implemented once the targeted marketing plan and strategies are defined, the staff will initiate some preliminary promotions based on staff recommendations and recent customer feedback. Some of the programs that may be used during the first several months of the new Business Plan include:

- Mon – Wed: Non-Residents pay Resident rates
- Weekends: Create a Senior promotional rate for the 9-hole course
- Anytime: Offer a “Replay Special” – on the 9-hole course

The table on the following page outlines the current fees at Balboa Park Golf Course.

Balboa Park Golf Course
Current Rate Table ^{(1) (2)}

City of San Diego
Residents With Resident
I.D. Cards

Non-
Residents

18-Hole Championship Course		
GREEN FEES: WEEKDAYS (Mon - Fri)		
18 Holes	\$32.00	\$40.00
18 Holes Senior (62 and over)	\$22.00	N/A
18 Holes Junior (17 and under)	\$28.00	\$28.00
Twilight	\$19.00	\$24.00
GREEN FEES: WEEKENDS (Sat – Sun) / HOLIDAYS		
18 Holes	\$40.00	\$50.00
Twilight	\$24.00	\$30.00
9-Hole Executive Course		
GREEN FEES: WEEKDAYS (Mon - Fri)		
9 Holes	\$14.00	\$18.00
9 Holes Senior (62 and over)	\$10.00	N/A
9 Holes Junior (17 and under)	\$13.00	\$13.00
GREEN FEES: WEEKENDS (Sat – Sun) / HOLIDAYS		
9 Holes	\$18.00	\$23.00
City of San Diego		
Resident ID Card	\$25.00	
Junior Monthly (30 day) Ticket Residents 17 and under only.	\$10.50	

(1) Fees since July 2010

(2) Rates subject to change beginning in FY2014 per the fee adjustment policy (pg. 20)

Complex Review

While the Balboa Park Golf Complex appears to have nearly all of the necessary amenities to sufficiently compete in the marketplace, it falls short for a complex that is looking to successfully contend in the highly competitive local golf market.

When one considers the central location, views of the downtown skyline, and potential amenities that could be offered, this facility is a perfect location for daily play, special events, tournaments and other outings. Some of the key areas that need to be addressed to allow this complex to compete include:

1. The existing clubhouse, which has been registered as a historic structure in the California Register of Historical Resources, is in need of maintenance to preserve and enhance the building's historic character.
2. The food and beverage facility/offerings do not sufficiently meet the needs for full-field golf tournaments, weddings or special events that are often offered by the competition.
3. Golf cart storage and electrical service capacity limits the size of tournaments that can be played on a regular basis at Balboa Park.
4. Construction of a new cart path system throughout the course is needed. This will enhance the experience for golfers, as well as help to manage cart-traffic controls during periodic maintenance programs and rain events.

Recommendations

Many of the facility needs noted above will be addressed with the implementation of the City's Capital Improvements Program, including the ultimate build-out of the new clubhouse and refurbishment of the existing historical clubhouse. Once up and running, the new clubhouse and refurbished existing clubhouse will enable the Golf Division to compete at a higher level, accommodating the needs of larger groups (both golf and non-golf). There is a need to provide sit down food and beverage service for 150+ people. Until that time, needed infrastructure repairs will be completed on the existing clubhouse with focus on soliciting golf tournaments for between 20 and 40 people.



(Schematic Design for the Balboa Park Golf Course Master Plan)

Capital Improvements Program

As discussed in the Overall Golf Operations section, capital improvements are key to the overall success of the Division. Based on the priorities outlined in the section above, staff has developed a five-year CIP Plan, Appendix C that includes the Balboa Golf Course. The CIP Plan identifies “Current” projects that are partially funded and part of the published City-wide CIP and/or annual allocation process. The “Future” projects include potential needs that staff has identified by reviewing facilities, understanding the local market place, receiving customer feedback and addressing regulatory issues. “Future” projects do not have a precise scope of work nor a refined budget.

Prior to projects moving from the “Future” to “Current” lists, staff will work to refine the scope and goals for the project. Formal creation of new projects will occur through the budget process for new published CIP projects and others will be outlined in the annual review of the Golf Division presented to the Park and Recreation Board.



(14th hole at Balboa Park Golf Course)

Mission Bay Golf Complex

Background

The Mission Bay Golf Complex is ideally located in the heart of San Diego on Mission Bay, just ten minutes from downtown. Redesigned by Ted Robinson during the early 1960's, this 18-hole executive golf course measures 2,719 yards with an accompanying 30-stall driving range and short-game practice area.

It holds a unique position in the local golf market as the only night-lighted golf course and practice facility. The course layout and practice facilities make it an ideal venue for beginners, seniors and families. With improvements to the driving range, clubhouse and course infrastructure, Mission Bay should once again become an ideal destination for locals and visitors.



(3rd hole at Mission Bay Golf Course)

Current Conditions

Due to an enhanced maintenance program, golf course conditions and turf management on the driving range are the best they've been in years. New plantings have taken place in and around the clubhouse area to give the entrance a fresher look, the driving range has new furniture and some fencing has been replaced. The results have not gone unnoticed as positive reviews are received daily and public optimism is beginning to build regarding the future potential of the facility.

While the public perception is similar to that of Balboa Park Golf Complex, in that the public is witnessing course improvements and a renewed dedication by the Golf Division, staff should not misread these signals. The Mission Bay Golf Complex has a long way to go to once again gain the public confidence that is desperately needed to increase rounds and revenue.

Vision

With its location, ideal course design for beginners, practice facilities and potential for clubhouse amenities that can attract a broad scope of events and outings, the potential for The Mission Bay Golf Complex is very strong. Completion of the capital improvement projects will help the complex achieve the target of 75,000 annual rounds. Proper marketing and development will position Mission Bay as a "Golf Learning Center" capitalizing on the full potential of the property. Once the course infrastructure, practice facilities, clubhouse, restaurant and meeting spaces are built, Mission Bay should once again be known as a place to come for golf, food, music, personal events and corporate outings.

Rates – Competitive Analysis

The recent review of the primary competition shows that, while weekday Resident green fees are in-line with other facilities, non-Resident weekday and weekend rates are not competitive when compared to the competition's coupons, promotions and email specials for both weekdays and weekends.

While it is believed that price is only a part of why golfers choose a course and that course conditions and service are two equally important elements, there is a limit as to what golfers will consider a "value". Mission Bay has priced itself out of the value range in the minds of many golfers.

The competitive analysis also showed that the local competition has the ability to package programs due to multiple revenue streams such as; food and beverage, driving range, cart rentals and merchandise in the pro shop. They offer daily "specials" that appear very attractive to the consumer when they start to consider the value of their golf-dollar.

Typical Promotional Programs

There are a variety of promotional campaigns and specials that could be implemented once the targeted market and strategies are defined. The Golf Division should initiate some preliminary promotions based on feedback received from staff and various community members.

Some of the programs that may be used during the first several months of the new Business Plan should include:

- Weekends: Create a special for non-residents to pay resident rates
- Anytime: Create a replay special for either 9 or 18 holes
- Anytime: Create a 12 and under special when child plays with an adult

The table on the following page outlines the fees at Mission Bay Golf Course.

Complex Review

With the golf course and driving range turf conditions the best they have been in years, the immediate assessment of Mission Bay is similar to that of Balboa Park Golf Complex. At first glance, the property would appear to possess all of the necessary features of a quality golf complex; ample parking, driving range, clubhouse, playable golf course, practice putting green and well maintained turf conditions.

**Mission Bay Golf Course
Current Rate Table** ^{(1) (2)}

**City of San Diego
Residents With
Resident I.D. Cards**

**Non-
Residents**

18-Hole Executive Course		
GREEN FEES: WEEKDAYS (Mon - Fri)		
18 Holes	\$24.00	\$29.00
18 Holes Senior (62 and over)	\$17.00	N/A
18 Holes Junior (17 and under)	\$20.00	\$20.00
9 Holes	\$14.00	\$17.00
9 Holes Senior (62 and over)	\$10.00	N/A
9 Holes Junior (17 and under)	\$12.00	\$12.00
GREEN FEES: WEEKENDS (Sat – Sun) / HOLIDAYS		
18 Holes	\$30.00	\$36.00
9 Holes	\$18.00	\$22.00
PRACTICE RANGE BALLS		
Small	\$6.00	
Medium	\$8.00	
Large	\$10.00	
RENTALS		
Power Carts	\$11.50	
Pull Carts	\$4.00	
Clubs(per Set)	\$11.50	
City of San Diego		
Resident ID Card	\$25.00	
Junior Monthly (30 day) Ticket Residents 17 and under only.	\$10.50	

(1) Fees since July 2010

(2) Rates subject to change beginning in FY2014 per the fee adjustment policy (pg. 20)

Upon closer examination, some of the complex's deficiencies and antiquated infrastructure are apparent. Before the complex can once again attain the position of a full-service, family oriented complex these key areas must be addressed:

1. The clubhouse has significant, and numerous, structural issues that make it no longer feasible to invest in repairs.
2. The 50-year old irrigation system is in dire need of replacement.
3. The facility (including on-course and driving range) lighting system is old and in need of repair or replacement.
4. While ample in size, the parking lot is in need of repairs.
5. The driving range is not configured to maximize teaching opportunities, provide adequate targets greens or affords a quality short game area.



(View from 9 green at Mission Bay Golf Course)

Recommendations

In order for the complex to properly host small tournaments, attract new non-Resident play and maximize its potential, the complex needs a great deal of work. Unlike that of Balboa Park that has a clubhouse to work around, Mission Bay's buildings need to be demolished and a new structure put in its place. A new clubhouse will take several years to design, permit and construct. In the meantime, modular structures need to be brought in and installed near the footprint of the existing building.

The installation of a new (modular) clubhouse, that includes a Pro Shop, and restaurant, will have an immediate impact on the ability to attract tournaments, events, families and PGA Teaching Professionals. Not to be minimized are the branding and marketing opportunities that present themselves as Mission Bay takes the lead as a "Golf Learning Center".

While keeping up our current maintenance practices, it is essential to replace the old irrigation system with a water saving system such as was recently installed at Balboa Park. If the Golf Division is to be at the forefront as environmental stewards of the community, implementing a state-of-the-art irrigation system is a step in the right direction.

Along with the irrigation system, the electrical system for the lights on the golf course must be overhauled or replaced.

Capital Improvements Program

As discussed in the Overall Golf Operations, capital improvements are key to the overall success of the Division. Based on the priorities outlined in the section above, staff has developed a Five-Year CIP Plan, Appendix C that includes for the Mission Bay Golf Complex. The CIP Plan identifies "Current" projects that are partially funded and part of the published City-wide CIP and annual allocation process. The "Future" projects include potential needs that staff has identified by reviewing our facilities, understanding our local market place, receiving customer feedback and addressing regulatory issues. "Future" projects do not have a precise scope of work nor a refined budget.



(Mission Bay Club House)

Prior to projects moving from the “Future” to “Current” lists, staff will work to refine the scope and goals. Formal creation of new projects will occur through the budget process for new published CIP projects and others will be outlined in the annual review presented to the Park and Recreation Board.

Torrey Pines Golf Complex

Background

The Torrey Pines Golf Complex is the flagship of the City of San Diego Municipal Golf System since its inception in 1957. With 36 holes of championship caliber golf, Torrey Pines benefits from worldwide status as one of the finest seaside golf destinations in the world and gains its reputation directly as a result of hosting the annual Farmers Insurance Open PGA Tour event, the 2008 US Open, and the annual Callaway Junior World Golf Championships.

A few of the many accolades awarded to Torrey Pines include:

2013 Golf Magazine Top 100 U.S. Golf Courses

2013 Golf Magazine Top 100 U.S. Golf Courses – “You Can Play”

2013 Golf Digest Top 100 U.S. Public Courses

2012 Golfweek – “Best Municipal Golf Course”



(4th Hole on Torrey Pines South)

Due to the recognition, thousands of golfers from around the world are attracted to the coastline bluffs so they too can walk in the footsteps of the world's best golfers and experience golf like never before. Panoramic ocean views are offered from both the North and South Courses as hang-gliders soar in the skies above. This recognition creates year round demand for both courses at Torrey Pines. With its popularity among City residents, international and non-Resident golfers, Torrey Pines is the economic engine responsible for the long-term success of the City of San Diego Golf Division.

In 2001, the South Course was redesigned by world-renowned architect Rees Jones and was immediately awarded the 2008 United States Open Golf Championship. Commonly referred to by most as one of the most exciting and successful in history, the 2008 US Open Championship was not only an historic competitive event for golf, but it put Torrey Pines South Course on the worldwide radar as a “must play” golf venue.



(3rd Hole on Torrey Pines South)

The immense popularity of the US Open, as well as the annually televised Farmers Insurance Open, continues to have a large economic impact on the San Diego region as visitors travel worldwide to play these courses.

While the North Course has not obtained the same status as that of South, it continues to be an outstanding golf course in its own right. With its beautiful location on the coastline bluffs, the course has magnificent shoreline-views, PGA Tour history, a loyal resident clientele and a challenging, yet player friendly course design.



(4th Hole on Torrey Pines South)

Current Conditions

The consistent course maintenance program at both Torrey Pines' golf courses continues to be appreciated by all golfers and as a result, feedback regarding their experience on the golf course is one of excitement and enjoyment. Demand is high for advanced reservations and walkup play continues to be strong. Due to the comprehensive maintenance program, a PGA Tour agronomist during the 2012 Farmers Insurance Open stated that, "*the South Course at Torrey Pines is in the best condition I've ever seen*". These areas are key indicators that the Torrey Pines brand has maintained its premium position in the golf market with the future looking bright.

While the guests enjoy the manicured conditions, historic significance, coastline bluffs and views, the recent Customer Satisfaction Survey indicated that the level of customer

service and additional amenities generally experienced at other similarly priced facilities are not currently available at Torrey Pines. These include the absence of a bag-drop area and greeter, the lack of locker rooms and having to check in at two separate locations to pay green fees and rent a golf cart. While these extra amenities are not as important, local guests and many first time visitors are accustomed to a more comprehensive and seamless customer service experience.

Vision

With only a small increase in percentage of rounds needed to obtain the annual target of 146,800, (64,000 for the South Course and 82,800 for the North Course), the goals and objectives of Torrey Pines are more one of refinement than increasing the total number of rounds.



(Phil Mickelson during the 2013 Farmers Insurance Open)

The overall vision at Torrey Pines will be to continue to maintain and operate in a way that provides an excellent golf experience for all users while ensuring access for San Diego Residents, continuing to retain and attract professional events, and maximize strategic partnership opportunities.

Rates – Competitive Analysis

Rounds at Torrey Pines have fluctuated from 130,600 in FY10 to 141,200 in FY12. With the target at 146,800, actual rounds played were approximately 4% short of the goal.

In comparing rates to the competition, it is felt that both golf courses are reasonably priced. The South Course compares very favorably with other public golf courses that have held major golf championships. The Resident rate specifically, is one of the lowest for courses at this level. The North Course represents an excellent value as well for a seaside golf course with the weekday senior rate one of the best values in the industry.

Typical Promotional Programs

Due to the volume of play approaching its target capacity at Torrey Pines, promotional needs rest in the fine-tuning of the tee sheets to fill the occasional void and organizing events that help promote both the facility and the game of golf.

The goal of these promotional programs is to maximize the utilization of the tee sheet, which can be achieved through the use of Public Shotguns, emails to Residents and the promotion of unused tee times to the public. Some examples of potential events that would help to promote both the facility and the game include hosting local and regional amateur tournaments such as:

- Local California Interscholastic Federation (CIF) tournaments
- Collegiate tournaments
- California State Amateur Championships
- San Diego Junior Golf Tournaments

Other promotional opportunities could include:

- Offer special pricing through email to fill slow periods such as Sundays during football season.

- Offer a limited number special tournament rates to local groups. Over the past three years, the North Course has averaged only 2,820 tournament rounds annually. There is capacity to increase this total. In order to attract more local tournament play a special price could be offered to local golf groups.

It is also felt that the changes described in the Marketing section will be enough to keep Torrey Pines on its upward trend. However, if this trend doesn't continue and the economy or golf industry suffers additional unpredictable declines, it will require the flexibility to adjust to market trends.



(7th hole on Torrey Pines North)

The table on the following page outlines the fees at Torrey Pines.

Complex Review

The name Torrey Pines with its famed South Course, annual Farmers Insurance Open telecast and majestic views from both courses, will initially get visitors to the facility, but the overall experience is what will get them to return. If Torrey Pines is expected to continue to be considered a premium-level facility, improvements in the overall operations must take place as well as continuation of the improved maintenance programs.

Torrey Pines Golf Course

City of San Diego
Residents With
Resident I.D.
Cards

Non- Residents

Current Rate Table ^{(1) (2)}

North Course		
GREEN FEES: WEEKDAYS (Mon - Thurs)		
18 Holes	\$40.00	\$100.00
18 Holes Senior (62 and over)	\$28.00	N/A
18 Holes Junior (17 and under)	N/A	\$70.00
Twilight	\$24.00	\$60.00
9 Holes (Back 9)	\$24.00	\$60.00
GREEN FEES: WEEKENDS (Fri - Sun) / HOLIDAYS		
18 Holes	\$50.00	\$125.00
Twilight	\$30.00	\$75.00
9 Holes (Back 9)	\$30.00	\$75.00
South Course		
GREEN FEES: WEEKDAYS (Mon - Thurs)		
18 Holes	\$61.00	\$183.00
18 Holes Senior (62 and over)	\$43.00	N/A
18 Holes Junior (17 and under)	N/A	\$128.00
Twilight	\$37.00	\$110.00
GREEN FEES: WEEKENDS (Fri - Sun) / HOLIDAYS		
18 Holes	\$76.00	\$229.00
Twilight	\$46.00	\$137.00
City of San Diego		
Resident ID Card	\$25.00	
Junior Monthly (30 day) Ticket Residents 17 and under only.	\$10.50	

(1) Fees since July 2010

(2) Rates subject to change beginning in FY2014 per the fee adjustment policy (pg. 20)

As with the South Course, the North has limited non-Resident advanced reservations available and they frequently sell out well in advance. While the green fees on the North Course are significantly less than the South Course, expectations still remain high on the North for non-Residents as well as the loyal Residents.

An examination of the overall complex shows:

1. The golf courses themselves are in excellent condition offering a challenging round of golf for golfers of all skill levels. Favorable comments are routinely received from customers regarding the conditions and layout of the courses, as well as the scenic views.
2. The clubhouse that includes a Pro Shop, the Golf Division Administrative office, starter booth, public restrooms, public lounge, cart barn and storage areas are adequate to serve the needs of those competing for its space. However, there are lost opportunities to accommodate groups that desire additional amenities and many guests of the complex expect much more when they come to play Torrey Pines.

The clubhouse lacks proper amenities such as locker rooms, tournament facilities, and a seamless check-in process. Golfers must navigate their way through a confusing process of having to check-in at two separate locations, one to pay the green fees and one to rent a golf cart.

The Golf Division's administrative office can only accommodate about two-thirds of administrative staff while the other third is occupying space at the Mission Bay Golf Complex. At some point in the future the needs of both staff and the public will need to be addressed.

3. The practice facility is leased to Torrey Pines Club Corporation, (TPCC), by the City of San Diego Real Estate Assets Division. The configuration of this facility is poorly designed and lacking in the necessary amount of hitting stalls in order to maximize profitability.

4. Torrey Pines is lacking in a formal reception, “bag drop”, area. This level of service is expected by all golfers when arriving at a complex such as Torrey Pines. The bag drop area would also serve as an opportunity to welcome guests, answer initial questions and direct patrons on where to go and what to expect during their visit.
5. While the South Course has a complete cart path system the North Course has only partial cart paths throughout the course. This limitation only adds to the challenge during inclement days and/or course renovation for the golfers. Some have a difficult time navigating the course when they must walk a long distance due to roped-off areas, before or after the annual Farmers Insurance Open.
6. The Women's yardage on the North Course is the longest among the competitive set. The yardage is 743 yards longer than the average length of the courses surveyed. It also has the highest Par at 74.
7. In addition, the North Course is lacking a permanent, full service snack bar.

Recommendations

As noted in the Customer Satisfaction Survey, it is an important objective for Torrey Pines to continue to improve customer service to meet and exceed the needs of the guests. As discussed previously, a bag drop area needs to be implemented to properly greet the golfers as well as offering newer technology to book tee times. Other improvements include the need for a new up-to-date website for the facility. This will ensure that customers have easy to find, accurate information and player friendly policies and procedures regarding the courses. Redesigning the website in order to provide distinct Resident and non-Resident sections would help greatly. Using social media and emails to communicate up-to-date conditions and maintenance practices will be developed as part of the marketing plan.

Capital Improvements Program

As discussed in the Overall Golf Operations section, capital improvements are essential to the overall success of the Division. Based on the priorities outlined in the section above, staff has developed a Five-Year CIP Plan, Appendix C, which includes the Torrey Pines Golf Complex. The CIP Plan identifies “Current” projects that are partially funded and part of the published City-wide CIP and/or annual allocation process. The “Future” projects include potential needs that staff has identified by reviewing our facilities, understanding our local market place, receiving customer feedback and addressing regulatory issues. “Future” projects do not have a precise scope of work nor a refined budget.

Prior to projects moving from the "Future" to "Current" lists, staff will work to refine the scope and goals. Formal creation of new projects will occur through the budget process for new published CIP projects and others will be outlined in the annual review presented to the Park and Recreation Board.

Balboa Park – 18 Hole Course



Competitive Analysis - Rate Structure

Weekday Prices

	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
Balboa Park	\$40.00	\$18.00	\$32.00	\$14.00	\$40.00	\$18.00	\$22.00	\$10.00	Monthly Ticket	Monthly Ticket
Coronado GC	\$30.00	\$15.00	\$30.00	\$15.00						
Chula Vista GC	\$38.00 w/c		\$33.00 w/c				\$23.00 w/c			
Cottonwood GC	\$29.00 w/c		\$29.00 w/c		\$32.00 w/c		\$32.00 w/c		\$16.00	
Mission Trails GC	\$35.00 w/c		\$35.00 w/c				\$29.00 w/c			

Weekend Prices

	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
Balboa Park	\$50.00	\$23.00	\$40.00	\$18.00					\$28.00	\$13.00
Coronado GC	\$35.00	\$15.00	\$35.00	\$15.00						
Chula Vista GC	\$51.00 w/c		\$42.00 w/c							
Cottonwood GC	\$50.00 w/c		\$50.00 w/c							
Mission Trails GC	\$49.00 w/c		\$49.00 w/c							

Mission Bay Golf Course



Competitive Analysis - Rate Structure

Weekday Prices

	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Junior	
	18	9	18	9	18	9	18	9	18	9
Mission Bay Golf Course	\$ 29.00	\$ 17.00	\$ 24.00	\$ 14.00	\$ 29.00	\$ 17.00	\$ 17.00	\$ 10.00	\$ 20.00	\$ 12.00
Tecolote Canyon Golf Course	\$ 19.50				\$ 18.00		\$ 18.00		\$ 16.00	
Oaks North Golf Course	\$ 31.00	\$ 19.00		\$ 19.00	\$ 31.00	\$ 19.00			\$ 19.50	\$ 13.00
Lomas Santa Fe Golf Course	\$ 19.50				\$ 18.00		\$ 18.00		\$ 18.00	
Sail Ho Golf Course		\$ 13.00		\$ 12.00		\$ 10.00				\$ 10.00

Weekend Prices

	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Junior	
	18	9	18	9	18	9	18	9	18	9
Mission Bay Golf Course	\$ 36.00	\$ 22.00	\$ 30.00	\$ 18.00						
Tecolote Canyon Golf Course	\$ 25.00				\$ 23.00					
Oaks North Golf Course	\$ 35.00	\$ 20.00								
Lomas Santa Fe Golf Course	\$ 28.00				\$ 23.00		\$ 23.00		\$25 / \$18	
Sail Ho Golf Course		\$ 15.00		\$ 14.00		\$ 14.00		\$ 14.00	\$ 14.00	\$ 14.00

Torrey Pines
South Course



Competitive Analysis - Rate Structure

Weekday Prices	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
South Course	\$183.00		\$61.00				\$43.00		Monthly Ticket	Monthly Ticket
Bethpage Black	\$130.00		\$65.00				\$52.00			
Chambers Bay (Summer)	\$205.00		\$ 99.00				\$ 52.00		\$52.00	
Harding Park	\$155.00		\$ 52.00				\$ 37.00		\$20.00	
Pebble Beach	\$495.00									

Weekend Prices	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
South Course	\$229.00		\$ 76.00							
Bethpage Black	\$ 150.00		\$75.00							
Chambers Bay (Summer)	\$205.00		\$115.00							
Harding Park	\$175.00		\$66.00						\$25.00	
Pebble Beach	\$495.00									

Torrey Pines
South Course



Competitive Analysis - Rate Structure

<u>Weekday Prices</u>	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
South Course	\$183.00		\$61.00				\$43.00		Monthly Ticket	Monthly Ticket
Aviara	\$215.00									
Barona Creek	\$120.00									
La Costa	\$220.00									
Pelican Hill	\$250.00									

<u>Weekend Prices</u>	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
South Course	\$229.00		\$ 76.00							
Aviara	\$ 235.00									
Barona Creek	\$160.00									
La Costa	\$240.00									
Pelican Hill	\$250.00									

Torrey Pines
North Course



Competitive Analysis - Rate Structure

<u>Weekday Prices</u>	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
North Course	\$100.00		\$40.00				\$28.00		Monthly Ticket	Monthly Ticket
Arroyo Trabuco	\$72.00		\$59.00				\$55.00		\$20.00	
Encinitas Ranch	\$81.00		\$58.00						\$31.00	
Maderas	\$170.00		\$135.00							
Riverwalk	\$89.00		\$55.00							
The Crossings	\$90.00		\$60.00				\$49.00		\$30.00	

<u>Weekend Prices</u>	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
North Course	\$125.00		\$50.00							
Arroyo Trabuco	\$ 101.00		\$89.00				\$75.00		\$20.00	
Encinitas Ranch	\$103.00		\$75.00						\$46.00	
Maderas	\$210.00		\$165.00							
Riverwalk	\$99.00		\$69.00							
The Crossings	\$110.00		\$80.00				\$65.00		\$30.00	

City of San Diego, Golf Enterprise Fund Financial Forecast FY 2013 to FY 2018

	FY 2012 Actuals Estimated (1)	FY 2013 Budget (2)	FY 2013 Projected	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	Total (FY 2013 to FY 2018)
Beginning Balances and Reserves									
Balance from Prior Year	\$ 10,913,465	\$ 13,047,151	\$ 15,935,878	\$ 15,563,564	\$ 12,138,166	\$ 1,668,506	\$ 2,357,756	\$ 3,509,184	
Continuing Appropriations	\$ 8,799,439	\$ 8,314,969	\$ 5,988,558	\$ -	\$ -	\$ -	\$ -	\$ -	
Contingency Reserve	\$ 1,725,967	\$ 1,745,561	\$ 1,745,561	\$ 1,770,880	\$ 1,824,007	\$ 1,878,727	\$ 1,935,089	\$ 1,993,142	
Total	\$ 21,438,871	\$ 23,107,681	\$ 23,669,997	\$ 17,334,444	\$ 13,962,173	\$ 3,547,233	\$ 4,292,845	\$ 5,502,326	
Operating Revenue ⁽³⁾	\$ 17,699,864	\$ 16,558,714	\$ 18,230,860	\$ 18,777,786	\$ 19,341,119	\$ 19,921,353	\$ 20,518,993	\$ 21,134,563	\$ 135,624,539
Operating Expenses ⁽⁴⁾	\$ 14,225,320	\$ 14,757,337	\$ 14,757,337	\$ 15,200,057	\$ 15,656,059	\$ 16,125,741	\$ 16,609,513	\$ 17,107,798	\$ 109,681,825
Operating Income	\$ 3,474,544	\$ 1,801,377	\$ 3,473,523	\$ 3,577,729	\$ 3,685,060	\$ 3,795,612	\$ 3,909,481	\$ 4,026,765	\$ 25,942,714
CIP Expenditures	\$ 1,207,121	\$ 1,000,000	\$ 9,809,076	\$ 6,950,000	\$ 14,100,000	\$ 3,050,000	\$ 2,700,000	\$ 4,350,000	\$ 40,959,076
Reserves									
Continuing Appropriations	\$ 5,988,558	\$ 8,314,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Contingency Reserve ⁽⁵⁾	\$ 1,781,858	\$ 1,770,880	\$ 1,770,880	\$ 1,824,007	\$ 1,878,727	\$ 1,935,089	\$ 1,993,142	\$ 2,052,936	
Total	\$ 7,770,416	\$ 10,085,849	\$ 1,770,880	\$ 1,824,007	\$ 1,878,727	\$ 1,935,089	\$ 1,993,142	\$ 2,052,936	
Ending Balance	\$ 15,935,878	\$ 13,823,209	\$ 15,563,564	\$ 12,138,166	\$ 1,668,506	\$ 2,357,756	\$ 3,509,184	\$ 3,126,155	

(1) Source City of San Diego, SAP, Estimated, Unaudited

(2) Source City of San Diego FY 2013 Annual Budget

(3) FY 2013 Operating Revenue projection is the FY 2012 Actual Operating Revenue plus a 3% increase. Subsequent annual Operating Revenue forecasts include a 3% annual increase.

(4) FY 2013 Projected Operating Expenses are projected are the same amount as the FY 2013 Operating Expenses Budget.

Annual expenses starting in FY 2014 are forecasted to increase 3% annually thereafter.

(5) Contingency Reserve is 12% of annual Operating Expenses

GOLF DIVISION CAPITAL IMPROVEMENTS PROGRAM (CIP) PLAN - EXPENDITURES										
Work Description		FY 2013 Continuing Appropriations for Listed Current Projects	FY 2013 Projection	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	Total	
	Project Number									
Current Projects	B11100	Cart paths - replace and /or add cart paths to the entire 18 hole course	\$ 222,585	\$1,000,000					\$ 1,222,585	
	S00614	Master Plan, design and construct clubhouse, parking lot, circulation and nine hole golf course	\$ 754,977	\$1,600,000		\$ 9,000,000			\$ 11,354,977	
	B12019	Install fuel tanks	\$ 392,654	\$ 155,000					\$ 547,654	
Future Projects		Upgrade existing wash rack			\$ 150,000				\$ 150,000	
		Design and install Drainage on #1,2,3			\$ 200,000	\$ 200,000	\$1,500,000		\$ 1,900,000	
		Upgrade maintenance building					\$ 100,000	\$1,000,000	\$ 1,100,000	
		Re-evaluate configuration of hole #4 (Design Only)				\$ 100,000			\$ 100,000	
		Separate and heat staff break area			\$ 150,000				\$ 150,000	
		Fencing			\$ 100,000			\$ 100,000	\$ 200,000	
		18-hole Totals	\$ 1,370,216	\$2,755,000	\$ 450,000	\$ 9,450,000	\$1,500,000	\$ 100,000	\$1,100,000	\$ 16,725,216
Current Projects	B 12105	Construct screen walls on restrooms /ADA improvements.	\$ 60,000	\$ 250,000	\$ 250,000				\$ 560,000	
Future Projects		Upgrade Maintenance Building					\$ 100,000	\$ 300,000	\$ 400,000	
		Consider changing hole 5 as part of the clubhouse project		Cost included into the Clubhouse Project						\$ -
		9 hole totals	\$ 60,000	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ 100,000	\$ 300,000	\$ 960,000
		Balboa Park GC Totals	\$ 1,430,216	\$3,005,000	\$ 700,000	\$ 9,450,000	\$1,500,000	\$ 200,000	\$1,400,000	\$ 17,685,216

GOLF DIVISION CAPITAL IMPROVEMENTS PROGRAM (CIP) PLAN - EXPENDITURES									
Work Description		FY 2013 Continuing Appropriations for Listed Current Projects	FY 2013 Projection	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	Total
Current Projects	S01090	Demo existing clubhouse / replace with portables.	\$ 693,904	\$ 700,000					\$ 1,393,904
	S11010	Upgrade site infrastructure / Irrigation, Lighting and Tees	\$ 439,404		\$2,500,000				\$ 2,939,404
	B12003	Master plan facilities / driving range /parking lot / practice area / F and B / tournament area. RFP. (Design Only)	\$ 200,000	\$ 350,000		\$ 100,000			\$ 650,000
	B12020	Continue minor improvements: Fuel Tank, Tees, and parking lot paving	\$ 371,911	\$ 100,000	\$ 150,000				\$ 621,911
Future Projects		Construct / expand driving range and practice area				\$ 200,000		\$1,200,000	\$ 1,400,000
		Clean Drainage channel along Grand Ave.			\$ 200,000				\$ 200,000
		Upgrade Wash Rack						\$ 250,000	\$ 250,000
		Design of New Clubhouse (Design Only)					\$ 500,000	\$ 500,000	\$ 1,000,000
		Upgrade Maintenance Building				\$ 350,000		\$1,000,000	\$ 1,350,000
Mission Bay GC Totals		\$ 1,705,219	\$1,150,000	\$2,650,000	\$ 300,000	\$ 550,000	\$ 500,000	\$2,950,000	\$ 9,805,219

GOLF DIVISION CAPITAL IMPROVEMENTS PROGRAM (CIP) PLAN - EXPENDITURES										
Work Description			FY 2013 Continuing Appropriations for Listed Current Projects	FY 2013 Projection	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	Total
Current Projects	B12002	Master Plan North Course and practice facilities -Construct Cart Paths, Rebuild Fairway Bunkers, Reconstruct Greens, Redesign several greens, Rebuild Green side Bunkers, Level /construct Tees, replace irrigation heads/replace irrigation clocks	\$ 1,518,641	\$1,000,000	\$3,000,000	\$ 3,000,000				\$ 8,518,641
Future Projects		Re-evaluate configuration and location of Tournament Support Building				\$ 500,000				\$ 500,000
		Improve area behind #6 Tee				\$ 200,000				\$ 200,000
		Upgrade On-course Restrooms					\$ 500,000	\$ 500,000		\$ 1,000,000
		Replace/upgrade/expand Maintenance Building						\$ 500,000		\$ 500,000
		Torrey Pines North CG Totals	\$ 1,518,641	\$1,000,000	\$3,000,000	\$ 3,700,000	\$ 500,000	\$1,000,000	\$ -	\$ 10,718,641
Future Projects		Improve Drainage at Greens			\$ 300,000					\$ 300,000
		Improve Drainage at Bunkers				\$ 350,000				\$ 350,000
		Upgrade On-course Restrooms					\$ 500,000	\$ 500,000		\$ 1,000,000
		Upgrade/replace irrigation heads/clocks/pumps			\$ 300,000	\$ 300,000				\$ 600,000
		Upgrade Maintenance Building						\$ 500,000		\$ 500,000
		Torrey Pines South GC Totals	\$ -	\$ -	\$ 600,000	\$ 650,000	\$ 500,000	\$1,000,000	\$ -	\$ 2,750,000
		Total CIP Budget and Continuing Appropriations for Listed Projects	\$ 4,654,076	\$5,155,000	\$6,950,000	\$ 14,100,000	\$3,050,000	\$2,700,000	\$4,350,000	\$ 40,959,076

RESOLUTION NUMBER R- 307840

DATE OF FINAL PASSAGE NOV 16 2012

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING THE GOLF DIVISION BUSINESS
PLAN.

WHEREAS, since 2001, the City's golf program has operated under the procedure and guidelines outlined in the City Council approved 5-Year Business Plan (Plans) of 2001 and 2006; and

WHEREAS, these Plans have outlined key issues facing the daily operation of the City golf complexes as well as establishing the green fee structures for each of the five year terms covered by the plans; and

WHEREAS, to assist and provide an advisory role in the review of the new Golf Division Business Plan (Business Plan), an ad hoc advisory Business Plan Committee (Committee) was formed and met from September 2011 to May 2012; and

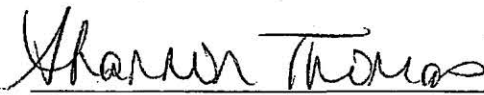
WHEREAS, the purpose of the proposed Business Plan for the Golf Division is to provide direction over the next several years; and

WHEREAS, in general, the plan provides a structure that will allow the Golf Division to successfully operate each of the golf complexes and provide excellent golfing opportunities to the public while ensuring that the golf complexes are properly maintained and the Golf Enterprise Fund continues to maintain its long term financial sustainability; NOW,
THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, that the Golf Division Business Plan, on file in the Office of the City Clerk as Document No. RR- 307840, be approved to provide future direction in the operation of the three municipal operated golf courses.

BE IT FURTHER RESOLVED, that the Golf Division Business Plan provide future direction in the operation of the three municipal operated golf courses, with the exception that the Municipal Golf Committee shall be appointed by the Mayor and confirmed by Council, and the qualifications of the Municipal Golf Committee shall be reviewed by the Natural Resources & Culture Committee; the City staff shall report out to NR&C annually on rate structure changes; and that the language on page 10 of the business plan shall be changed to read "each golf complex delivers the most affordable rates to residents of San Diego and competitive priced golf to visitors" (competitively priced golf shall be deleted).

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Shannon M. Thomas
Deputy City Attorney

SMT:als
10/05/12
11/14/12 REV.COPY
Or.Dept:Park & Rec.
Doc. No. 400868_2

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of NOV 13 2012.

ELIZABETH S. MALAND
City Clerk

By *Mary Zumaya*
Deputy City Clerk

Approved: 11/16/12
(date)

JST
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor



THE CITY OF SAN DIEGO



"We Enrich Lives Through Quality Parks and Programs"

Our Mission:

To acquire, develop, operate, and maintain a park and recreation system which enriches the quality of life for residents and visitors alike, and preserves it for future generations.