



REPORT

THE CITY OF SAN DIEGO TO THE PARKS AND RECREATION BOARD

DATE ISSUED: October 16, 2025

REPORT NO.: 201

ATTENTION: Parks and Recreation Board
Agenda of October 16, 2025

SUBJECT: 2025 Golf Operations Division Business Plan

SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE BOARD.

BACKGROUND

Since 1919, the City of San Diego has managed and operated a municipal golf program serving both residents and visitors alike. The City currently operates three golf complexes: Balboa Park Golf Course, Mission Bay Golf Course, and Torrey Pines Golf Course.

On November 13, 2012, the City Council approved the Golf Operations Division Business Plan ("Plan"), establishing a framework for operating and managing these facilities. The Plan has since guided staff efforts to enhance customer service, market City golf facilities effectively, and ensure the long-term financial stability of the Golf Enterprise Fund.

Core goals outlined in the Plan include providing excellent public playing opportunities, maintaining facilities to high standards, and preserving financial sustainability. The Plan also provides for regular advisory input from the Municipal Golf Committee and requires updates to be presented to the Municipal Golf Committee, the Park and Recreation Board (annually), and the City Council's Environment Committee (triennially).

DISCUSSION

Business Plan

The current Golf Operations Division Business Plan was developed through a collaborative process involving members of the public and key stakeholders, who evaluated all aspects of City golf operations. An ad hoc Business Plan Update Committee, appointed by the Parks and Recreation Department, worked with staff to gather and assess recommendations.

With its approval by the City Council on November 13, 2012, the updated Plan introduced two key changes from the 2006 version.

- Flexibility – Allows staff to tailor marketing, promotions, and scheduling to specific audiences and periods of low demand, with short- or long-term promotions customized to the unique needs of each facility.
- Rolling Plan Model – Replaces a fixed expiration date with a system of continuous review and adjustment, enabling more responsive management practices and removing the need for a complete plan rewrite.

The Plan also formalizes procedures for club play, junior, high school, and college events, tournament play, golf course buyouts, public shotguns, advanced reservations, and the PGA Tour's Farmers Insurance Open.

Market Conditions

Interest in golf remains strong and continues to grow both nationally and locally. According to the 2025 *Graffis Report* from the National Golf Foundation, the sport's total reach has expanded to more than 138 million Americans—an increase of 28% since 2019—and total participation has grown by over 38% during the same period, reaching 47.2 million participants. Total golf rounds increased again, reflecting heightened demand for both on-course and off-course experiences.

Key national demographic trends include:

- Female Participation – Female golfer participation has grown for five consecutive years, totaling nearly eight million golfers and representing more than 28% of all on-course players.
- Increased Diversity – The number of Asian, Hispanic, and Black on-course golfers has risen to nearly seven million participants, accounting for 25% of on-course golfers—the highest proportion on record.

Local market conditions reflect these national trends. At midyear 2025, U.S. rounds played were tracking 2% higher than the previous year, while rounds at San Diego's City-operated courses increased 1.8% year-over-year. Utilization rates at Balboa Park and Mission Bay Golf Courses continue to exceed targets, complementing consistently strong numbers at Torrey Pines.

Golf Enterprise Fund

The Golf Enterprise Fund ensures that the City's three municipally owned golf courses operate independently from the City's General Fund. Revenues generated through golf operations are reinvested directly into the maintenance, staffing, and improvement of city-operated golf facilities, with a portion contributed to the General Fund as required for operating within City limits. The Division ended Fiscal Year 2025 on strong financial ground, with the projected ending fund balance of over \$53 million.

With the recent construction of a new clubhouse at Mission Bay, the Division is proactively seeking a long-term lease with an operator for the food and beverage component of the facility. Once secured, this will generate new revenue streams that will assist in addressing budgetary needs and safeguarding the Fund's long-term sustainability. As new opportunities

arise, such as the development of the Torrey Pines campus, the Division will evaluate the feasibility of scaling these new services to the public and continue to look for ways to diversify revenue streams while balancing affordability for resident golfers.

Golf Rounds

As shown in the chart below, total rounds played across City-operated courses increased 1.8% in Fiscal Year 2025 as compared to the previous year, reaching 427,508 rounds, consistent with regional trends. Overall, rounds played significantly exceeded target goals, reflecting sustained national growth in golf participation. Demand is expected to remain strong, keeping the Division focused on customer service, customer retention, course conditions, and enhancing the player experience.

	FY 2025	FY 2024	FY 2023
Balboa 9 - Hole	84,703	80,638	74,883
Balboa 18 - Hole	86,926	80,367	76,998
Mission Bay	86,662	83,071	84,971
Torrey Pines North	91,193	93,932	91,476
Torrey Pines South	78,024	81,835	80,395
Total	427,508	419,843	408,723

Revenue and Expenses

Revenue growth was driven by strong participation at Balboa Park and Mission Bay Golf Courses, continued use of the advanced reservation program at Torrey Pines, high demand from both resident and non-resident golfers across all facilities, and increased payments from pooled investments.

As detailed in the chart below, revenue increased \$2.9 million (+7.3%), while expenses also rose by \$2.9 million (+11.4%). Personnel costs and other non-discretionary expenses, such as electricity, water, and other essential operating costs, account for the majority of the expense increases. These expenditures are largely outside of the Department's direct control, as they are driven by contractual obligations, negotiated wage and benefit agreements, utility rate adjustments, and market conditions. As a result, much of the rise in expenses is attributable to these unavoidable factors rather than discretionary spending. Despite these rising operational costs, the Golf Operations Division continues to demonstrate strong financial performance, enabling reinvestment in City golf facilities and supporting the Golf Enterprise Fund's mission.

	Revenue	Expenses	Net Revenue
FY 2025	\$42,297,680	\$28,193,604	\$14,104,076
FY 2024	\$39,436,562	\$25,312,525	\$14,124,037
FY 2023	\$36,931,439	\$22,896,067	\$14,035,372

Rate Overview

To support ongoing improvements and address rising operational costs, the Golf Operations Division will implement a fee increase across all City-operated golf courses effective January 1, 2026 (see Attachment 1).

- Resident Rates: Capped at a 3% increase
- Non-Resident Rates: Capped at a 5% increase

These adjustments reflect investments in the overall golf experience, year-over-year expense increases, and the necessity to fund future capital projects.

Additionally, the Division is looking to expand the Advanced Reservation Program to Balboa and Mission Bay Golf Courses in calendar year 2026. This program will allow customers to book reservations up to 90 days in advance, like Torrey Pines, for an additional service fee of \$10 per player.

Capital Improvement Program

The City of San Diego continues to leverage the Golf Enterprise Fund to invest in facility upgrades, course improvements, and enhanced customer experiences. Recent and ongoing capital projects include:

- Mission Bay Golf Course Clubhouse Replacement and Renovation
In 2023, a new irrigation system was installed to improve course conditions and optimize water efficiency. Major infrastructure upgrades included a new electrical system for the driving range and construction of a new clubhouse. The build-out of the food and beverage facility is anticipated to be completed in December 2025.
- Torrey Pines Clubhouse and Maintenance Building Replacement
A major project is underway to replace the existing clubhouse and maintenance facilities, including demolition of current structures and relocation of putting greens. The new clubhouse will feature a golf shop, a 150-space cart barn, and office space for Golf Division management and administration. An architect has been selected, and work is currently underway on the facilities master plan.
- Balboa Park Golf Course 9-Hole Improvement Project
Coordination with the Engineering and Capital Projects Department continues on realigning the 9-hole course and developing a new short-game facility. This work is part of the Golf Course Drive Improvement Project, which will realign the adjacent road to improve safety for golfers and pedestrians.
- Future Projects
The Division has identified the following projects for evaluation in future years.
 - Balboa Park Golf Course Clubhouse Renovation
 - Balboa Park Golf Course Maintenance Electrification
 - Mission Bay Cart Path Installation
 - Mission Bay Administration and Maintenance Building Construction

- Torrey Pines North and South Course Greens Surrounds and Bunker Restoration

Marketing and Business Development

The Golf Operations Division continues to execute a comprehensive, multi-channel marketing strategy to promote its facilities, increase public engagement and provide timely customer communication. Key initiatives include the monthly “On the Tee” e-newsletter, which expanded in December 2024 to reach more than 125,000 subscribers and maintains open rates surpassing 60%; ongoing website enhancements; and an active social media presence across seven accounts with a combined following exceeding 52,000 users.

The Division also maintains a dedicated customer service email account, operates the San Diego City Golf mobile app—downloaded over 78,000 times and actively used by more than 29,000 golfers—and sustains robust media relations efforts leveraging Torrey Pines’ international profile through the PGA Tour’s Farmers Insurance Open. Future priorities include expanding mobile app functionality, enhancing digital engagement tools, and increasing media coverage to further promote the City’s golf facilities and events.

Golf Programming and Accessibility Initiatives

The City of San Diego Golf Operations Division strives to provide affordable, high-quality golf experiences while prioritizing resident access and inclusivity. In Fiscal Year 2025, the Golf Division issued over 41,000 new Resident ID Cards, up from 37,700 in the prior year. The popular program providers offer cardholders reduced rates and access to 70% of tee times at Torrey Pines, which are reserved for residents with valid Resident ID cards.

Additional discounts on green fees remain available for senior golfers (62 and older) with a valid Resident ID card, ensuring continued affordability and wellness opportunities for older residents.

The Division also continues to invest in youth opportunities with affordable year-long and monthly options to play golf at City-operated golf facilities (\$75 a year or \$10.50 per month for youth ages 17 and under) with the purchase of a Resident ID card. The Division also regularly hosts local boys and girls high school golf team matches and offers introductory golf programming through its PLAY Golf initiative at recreation centers throughout the city.

From an accessibility perspective, the Division continued to champion inclusion as hosts of the annual Torrey Pines Adaptive Golf Championship event, proudly hosted marquee junior events such as the CIF Boys’ and Girls’ Championships and the internationally renowned Junior World Golf Championships and fostered local competitive spirit with its continued coordination of the annual San Diego City Amateur Championship. Together, these events reflect the Division’s dedication to providing diverse opportunities for golfers of all ages, abilities, and skill levels, while reinforcing San Diego’s reputation as a vibrant and inclusive golf destination.

Farmers Insurance Open

The 2025 Farmers Insurance Open celebrated its 58th consecutive year as a prestigious PGA Tour event hosted at Torrey Pines Golf Course, marking the 16th year of a successful partnership with title sponsor Farmers Insurance. This highly anticipated tournament attracted a global audience, broadcasting to over 17.3 million viewers worldwide, and continues to serve as an exceptional marketing platform that elevates both the Golf Division and the City of San Diego's profile. The event solidifies Torrey Pines' standing as a world-class golf destination, showcasing its championship-caliber courses on an international stage.

In addition to extensive media exposure, the Farmers Insurance Open generates a significant economic impact for the region. The event supports local businesses and employment by engaging over 200 vendors and mobilizing more than 1,100 dedicated volunteers. It draws passionate fans from all 50 U.S. states and 17 countries, contributing to a vibrant and diverse spectator community.

The tournament's presence stimulates tourism, hospitality, and related sectors, culminating in an estimated \$67.5 million total economic impact for San Diego County. This infusion bolsters the local economy, supports community initiatives, and reinforces the city's reputation as a premier sports and leisure destination.

Genesis Invitational

In January 2025, Torrey Pines Golf Course was honored to be selected as the host course for the Genesis Invitational, which needed to be relocated in response to the unprecedented wildfires impacting the Los Angeles area. This swift adjustment underscored Torrey Pines' capability as a premier venue able to host high-profile PGA Tour events on short notice, reinforcing its status as a world-class golf facility.

The tournament attracted elite players and fans from across the nation, delivering exceptional competitive golf amidst challenging circumstances. The City of San Diego and the Golf Division collaborated closely with PGA Tour officials to ensure a seamless transition, prioritizing player safety, spectator experience, and community engagement.

The successful staging of the Genesis Invitational at Torrey Pines highlighted the resilience and adaptability of the region's golf infrastructure and brought additional national attention and economic benefits to San Diego during a time of regional crisis.

Conclusion

Guided by the 2012 Business Plan, the City of San Diego Golf Operations Division continues to be recognized as a national leader in municipal golf operations. Through strategic infrastructure investments, sound fiscal management, and a steadfast commitment to delivering an inclusive, high-quality golf experience, the Division achieved a record number of rounds played in Fiscal Year 2025.

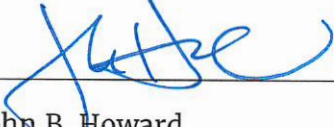
With golf's sustained surge in popularity, revenue projections remain strong. The Division plans to reinvest net proceeds into facility improvements and sustainability initiatives aligned with the City's Climate Action Plan.

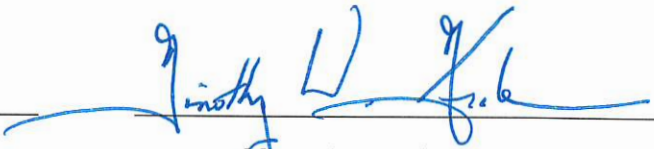
From a customer service standpoint, efforts will focus on simplifying the online reservation system and streamlining the Resident ID Card renewal process to enhance accessibility and the overall user experience. Additionally, the Division will expand opportunities for participation through programs such as P.L.A.Y. Golf and adaptive golf initiatives.

Looking ahead to Fiscal Year 2026, the City intends to engage a consultant to develop a new, comprehensive Business Plan. The new plan will build upon the successes and lessons learned from the 2012 Plan and incorporate public input and stakeholder collaboration.

Upon completion, the draft plan will be presented to the Municipal Golf Committee, the Parks and Recreation Board, and Environment Committee for review and feedback before being submitted to the City Council for final approval.

Respectfully submitted,



John B. Howard
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JH/tg

Attachment(s): 1. Proposed Rate Increases for Calendar Year 2026

cc: Andy Field, Director, Parks and Recreation Department
Karen Dennison, Assistant Director, Parks and Recreation Department