



REPORT

THE CITY OF SAN DIEGO TO THE PARKS AND RECREATION BOARD

DATE ISSUED: October 13, 2023

REPORT NO.: 201

ATTENTION: Parks and Recreation Board
Agenda of October 19, 2023

SUBJECT: 2023 Golf Division Business Plan Update

SUMMARY

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

BACKGROUND

In June 2001, the City Council adopted the City of San Diego's first Five Year Business Plan governing the management and operation of City-maintained golf courses. The Plan outlined operational issues, identified capital needs, and established a greens fee structure for the five-year timeframe.

Since then, two Five-Year Business Plans followed – one in 2006 and the other in 2012. Both documents continued planning for the operation, maintenance, and capital improvement of the three golf complexes (Balboa Park Golf Course, Mission Bay Golf Course, and Torrey Pines Golf Course) for a five-year period.

When the 2006 Five-Year Business Plan expired, it was determined that City staff should not be constrained by utilizing a specific duration (i.e. five years), as was the case with previous plans. As a result, a “rolling plan” approach was implemented in 2012 to revisit issues and make minor adjustments to the Business Plan. This was to be accomplished via an annual update. This update (known as the “Business Plan Update”) is prepared by the Golf Operations Division (“Division”) and presented as an informational item to both the [Municipal Golf Committee](#) and the [Parks and Recreation Board](#). This item (“Report 201: 2023 Golf Division Business Plan Update”) meets part of this requirement.

DISCUSSION

The following are some key highlights from the 2023 Golf Division Business Plan Update. To view this document in its entirety, please see Attachment A for more details.

Industry and Market Conditions

Golf rounds in 2023 increased nationwide as participation and demand for on-course and off-course golf continue to rise. This surge in demand has made it the fastest growing sport in America.

In California, play decreased approximately 7.5% in 2023 from prior year. This decline was due in part to rainier winter conditions than years past. Fortunately, rounds in San Diego remained stable with a decrease of less than 1%. Both Balboa Park and Mission Bay Golf Courses continued to see utilization rates that exceeded yearly targeted projections matching Torrey Pines' consistently high numbers.

In Fiscal Year 2023, the Division issued over 37,000 resident ID cards to new and existing customers. New players continue to seek opportunities to play City municipal courses and take advantage of the lower resident rate.

Resident Access

Access to tee times for City of San Diego resident remains a high priority for the Division. Staff closely monitor and manage tee times on a daily basis. To ensure 70% of all tee times at Torrey Pines Golf Course are accessible to residents, staff created and implemented reservation tee time templates for the exclusive use of current Resident ID Card holders, ensuring only residents are able to book those times.

Rounds and Revenue

Selling rounds of golf to the general public is the primary source of revenue for the Division. Rounds played at all City-operated courses increased 1.3% to 407,226 in Fiscal Year 2023 resulting in \$36.9 million of revenue. This represents a 12.2% increase from the prior fiscal year. Over the past three years, demand has exceeded target rounds creating a challenge for golfers to secure tee times. The Division has seen greater resident participation in the Advanced Reservation Program, a program which allows guests to book tee times up to 90 days in advance for an additional fee.

Budget

Although rounds and revenues increased, expenses rose 10.2% in Fiscal Year 2023 primarily as a result of the Consumer Price Index peaking in 2022 at 9.1%. Despite increased expenses, the Division projected an additional \$14.0 million in fund balance to be used towards capital improvements.

Capital Improvements

Fiscal Year 2023 ended with \$8.6 million in the following capital improvement projects – the new construction of a clubhouse and improved irrigation and electrical systems at Mission Bay Golf Course, the new construction of a clubhouse and maintenance building at Torrey Pines, and changes to the 9-hole course at Balboa Park Golf Course to address changes made the Golf Course Drive Improvement project.

Fee Increase

To ensure the long-term financial sustainability of the Golf Enterprise Fund, green fees will be increased on January 1, 2024 and capped at 3% for residents and 5% for non-residents per the Fee Adjustment Policy outlined on page 20 of the [Business Plan](#).

Conclusion

The City of San Diego Golf Division remains one of the most well-known and successfully operated municipal golf programs in the country. Infrastructure investments, sound fiscal stewardship, and a dedication to providing an enjoyable experience that caters to golfers of all ages and abilities have produced record numbers of rounds played at all three facilities.

The Division will continue to ensure that the City's residents have primary access to the City's golf courses and programs, the City's courses are maintained in excellent playing condition, and efforts are made to grow the game of golf, especially with those in under-served communities.

Respectfully submitted,



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KD/dl

Attachment: A. 2023 Golf Division Business Plan

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