



THE CITY OF SAN DIEGO

MEMORANDUM

DATE: September 21, 2023
TO: Municipal Golf Committee
FROM: John Howard, Interim Deputy Director, Park and Recreation
SUBJECT: Golf Operations Division Business Plan Update

EXECUTIVE SUMMARY

For more than 100 years, the Golf Operations Division has been dedicated to serving patrons and players of all ages and abilities while enhancing their enjoyment of the game by providing high-quality golf experiences.

The Golf Operations Division is one of eight operating divisions of the Parks and Recreation Department and is comprised of approximately 120.0 full-time equivalent (FTEs) employees managed by a Deputy Director and supporting staff. The senior staff members include one Assistant Deputy Director, two Program Managers, two Golf Course Managers, two Golf Course Superintendents, and a Supervising Management Analyst. Collectively, this team is responsible for the management and delivery of golf course operations, turf maintenance, and performance of budgetary and administrative functions across three facilities.

The diverse properties provide a competitive advantage in the local market and is comprised of three golf complexes, Balboa Park Golf Course, Mission Bay Golf Course, and Torrey Pines Golf Course, that include two driving ranges, five golf courses, 81 holes of golf, and over 400 acres of highly manicured turfgrass.

STAKEHOLDERS

Throughout the golfing community, there are numerous groups that have a vested interest, be it financial, recreational or have missions that are closely aligned with the Golf Operations Division. We would be remiss not to mention them and thank them for their partnership. The following is a list of stakeholders in alphabetical order.

- Balboa Park Men’s Golf Club
- Balboa Park Women’s Golf Club
- Lion Golf Academy
- Mission Bay Women’s Golf Club
- Professional Golfers Association (PGA) Tour
- San Diego Junior Golf
- The Century Club of San Diego
- The Hilton La Jolla Torrey Pines
- The Lodge at Torrey Pines
- Torrey Pines Club Corporation
- Torrey Pines Men’s Golf Club
- Torrey Pines Women’s Golf Club

ABOUT THE BUSINESS PLAN

The City Council approved the current [Business Plan](#) on Nov. 13, 2012 as a “rolling plan” which is a form of planning that allows the Division to retain approved content and make annual updates rather than waiting for it to expire. The updates communicate the current state of the golf industry, changes to current programs, fee increases, and the health of the Golf Enterprise Fund. To ensure public input, City staff led an ad hoc volunteer committee, (the [Business Plan Update Committee](#)) appointed by the Parks and Recreation Department, to gather recommendations, and created the [Municipal Golf Committee](#). The purpose of the plan was to provide a framework that allows the Golf Division to:

- Successfully operate each of the golf complexes
- Provide high-quality golfing opportunities to the public
- Ensure that the golf complexes are properly maintained
- Maintain the Golf Enterprise Fund’s long-term financial sustainability

On an annual basis, the Division provides an informational update to the Municipal Golf Committee and the [Parks and Recreation Board](#), while every three years a report is presented to the City Council’s [Environment Committee](#).

CUSTOMER ENGAGEMENT

The first goal of the Business Plan is to provide golf opportunities for all skill levels at the best overall value with excellent customer service. Without the support of our customers, the Division would not be able to produce such memorable golf experiences.

Resident Access

Access to tee times for City of San Diego resident remains a high priority at each municipally operated golf facility and is monitored by staff daily. To ensure 70% of all tee times at Torrey Pines Golf Course are accessible to residents, staff has implemented reservation tee time templates so only current Resident ID Card holders can reserve them.

Accessibility Improvements

As stated in the Parks and Recreation Tactical Equity Plan, the Department strives to provide healthy, sustainable and enriching environments to all while connecting everyone to the City’s diverse world class park system. The Golf Division works to achieve the second goal, “developing and offering innovative recreational opportunities to meet the diverse needs of our communities,” by monitoring the customer base and implementing programs to ensure the sport is available to customers of all ages, genders, and abilities. These efforts have been demonstrated through an array of initiatives supported by the Division which include things like the P.L.A.Y. Golf youth program and junior golf clinics, tournaments like the Junior World

Golf Championship, the San Diego City Amateur Golf Championship, and the Torrey Pines Adaptive Golf Championship, and even staff support through the City of San Diego's Farmers Insurance Open Agronomy Program.

Customer Satisfaction

Since 2013, the City has conducted a biennial survey of customers to better assess public perception of City golf facilities. Overall, the [Customer Satisfaction Report](#) completed on September 20, 2022, showed satisfaction ranged between 92% and 98% for City-operated golf courses.

Marketing

The Division continued its successful strategy of utilizing internal marketing platforms, as well as traditional broadcast and social media to effectively promote each facility and provide customers with the latest information about general course and maintenance updates, new initiatives, and upcoming events. Customer engagement remains high with a distribution list of over 77,250 unique customers, 32,000 followers on social media channels, and 27,250 active downloads of the Division's mobile app.

GOLF ENTERPRISE FUND

The City of San Diego's Golf Enterprise Fund is a separate, interest-bearing account, similar to a private business, and was established in Fiscal Year 1992 to fund the three (3) municipally-operated golf complexes. Each of the five (5) municipal golf courses revenue and expenses are accounted for within the Golf Enterprise Fund.

The purpose in creating the Golf Enterprise Fund was to protect the City's General Fund from obligations or costs incurred by the operation of the golf courses. Doing so ensured that all revenues from the courses would go to their operation and maintenance and that no General Fund subsidies or resources would be needed to support the Division. In fact, the Division is treated much like a lessee, paying the General Fund for the use of all of City operated golf facilities and services. Doing so has allowed for the long-term stability of Golf Operations, thereby, providing golfers with a range of golfing opportunities at the best possible value.

Rounds and Revenue

Selling rounds of golf to the general public is the primary source of revenue for the Golf Division. Over the course of the last three years, demand has exceeded target rounds creating a challenge for golfers to secure tee times. This increase in demand has resulted in residents increasing their participation in the Advanced Reservation Program, which allows guests to book tee times up to 90 days in advance for an additional fee. System wide, overall rounds increased in Fiscal Year 2023, 1.3% to 407,226. Revenue subsequently increased to \$36.9 million, which represents a 12.2% increase from the prior fiscal year. With sustained revenue, it allows the Division to reinvest into the properties and provide staff with the resources necessary to provide a quality golf experience.

Budget

As long as revenue and demand are sustained, management is able to create better experiences and determine operating budgets to support golf operations, golf course maintenance, and administrative services alike. With an expense budget of \$22.9 million in Fiscal Year 2023, the Division is projected to add approximately \$14.0 million to fund balance, which will be

reinvested through the Capital Improvement Program. Link to Department of Finance Adopted Budget: <https://www.sandiego.gov/finance/annual>

Capital Improvements

Fiscal Year 2023 ended with \$8.6 million in four current capital improvement projects which include 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. Rising expenses, inflation, and supply chain issues have significantly reduced the buying power for the City of San Diego. To ensure the ability to fund these programs is not hindered, management will look for additional opportunities to raise capital.

Fee Increase

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

Fund Balance

The Golf Operations Division remains in good fiscal health and is projected to start Fiscal Year 2024 with a beginning budgetary fund balance of \$35.6 million. This includes a \$3.3 million operating reserve.

FUTURE OUTLOOK

Using the 2012 Business Plan as a guide, the City of San Diego Golf Division remains one of the most well-known and successfully operated municipal golf programs in the country. The Division will explore ways to improve the customer experience and continue to reach out to residents in underserved communities, while simultaneously servicing clients like the PGA Tour. Investment in infrastructure and pursuing sustainability efforts will remain a high priority to ensure its facilities are in excellent playing condition and maintained in accordance with the City's Climate Action Plan.

THIS SECTION LEFT INTENTIONALLY BLANK

BACKGROUND

GOLF COURSES

Since 1919, the City of San Diego has managed and operated a municipal golf program for residents and visitors in San Diego. Currently, the City (via the Golf Operations Division of the Parks and Recreation Department) operates three golf complexes: Balboa Park Golf Course, Mission Bay Golf Course, and Torrey Pines Golf Course.

- [Balboa Park Golf Course](#) is a historic facility, built in 1919, near downtown San Diego and located at 2600 Golf Course Drive, San Diego, 92102. It features an 18-hole championship course and a 9-hole executive course.
- [Mission Bay Golf Course](#) is San Diego's only night-lit 18-hole executive golf course and practice facility and hosts over 200,000 customers annually.
- [Torrey Pines Golf Course](#) is an award-winning golf complex containing two 18-hole golf courses known as the North and the South. It is home to the Farmers Insurance Open held by the Professional Golfers' Association (PGA) every January and has served as host for the U.S. Open held by the United States Golf Association (USGA) in 2008 and 2021.

BUSINESS PLAN

The City Council approved the current [Business Plan](#) on Nov. 13, 2012 as a “rolling plan” that could be updated on an annual basis. One significant change from the previous plan was that it allowed the Division to adjust to fluctuating market conditions by implementing increases or decreases to rates when demand changed. To ensure public input, City staff embarked on a yearlong process examining all aspects of the operation. Staff led an ad hoc volunteer committee, (the [Business Plan Update Committee](#)) appointed by the Parks and Recreation Department, to gather recommendations. The purpose of the plan was to provide a framework that allows the Golf Division to:

- Successfully operate each of the golf complexes
- Provide high-quality golfing opportunities to the public
- Ensure that the golf complexes are properly maintained
- Maintain the Golf Enterprise Fund's long-term financial sustainability

Annually, the Division provides an informational update to the Municipal Golf Committee and the Parks and Recreation Board, while every three years a report is presented to the City Council's Environment Committee. For reference and additional context, the [2021 Business Plan Presentation](#), is provided.

- **Mission-** The City of San Diego Golf Operations 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**
 1. To provide golf opportunities for all skill levels at the best overall value with excellent customer service.

2. To be the local and national leader in municipal golf operations and maintenance.
3. To be diligent stewards of the resources and finances within the Division, following the highest standards in transparency and accountability.
4. To continuously strive to improve our environmental practices, seeking to invest in long-term environmental sustainability at each of our facilities.
5. To recognize and invest in our employees.

Significant changes in the 2012 Business Plan included the creation two key components, the flexibility ([Business Plan](#), pg. 19) to increase or decrease rates and the adoption of a “rolling plan” ([Business Plan](#), pg. 21).

- **Flexibility** - 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.
- **Plan Duration** - the [Business Plan Update Committee](#) indicated that staff should not be constrained by a specific plan duration, as was the case with previous Business Plans. 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

The plan also focused the staff’s attention by creating written procedures for Club Play, Junior, High School and College events, Tournament Play, Golf Course Buyouts, Public Shotguns, Advanced Reservations, and the Farmers Insurance Open ([Business Plan](#), pg. 23)

THE MARKET

Interest in golf continues to track in the right direction. According to a recent [report](#) from the National Golf Foundation, online search activity for golf trips and vacations has reached some of the highest levels ever recorded in Google search history. Golf rounds in 2023 have increased nationwide as participation and demand for on-course and off-course golf continue to rise. The increasing interest and demand for all forms of golf has made it the fastest growing sport in America.

Female golfers are now participating at unprecedented levels and represent approximately 25% of on-course participation. As recently as 2022, the number of women and girls playing off-course forms of golf surpassed the number of green grass golfers for the first time in history, resulting in a female participant pool of over 13 million. Juniors are the most diverse segment of golf demographics with 37% of the 3.4 million participants being female and 29% being non-Caucasian.

To ensure accessibility for senior golfers, the Golf Division will continue to implement discounts on green fees to players 62 and over. The Division is also actively introducing the sport to the next generation through robust youth golf programs, targeting children and young adults.

In California, play is down approximately 7.5% in 2023 YTD when compared to the same time period from the prior year. This dip in participation is due in part to a rainier winter than years past. Fortunately, rounds in San Diego continue to be stable with a decrease of only less than 1%. Both Balboa Park and Mission Bay Golf Courses continue to see utilization rates that exceed yearly targeted projections matching Torrey Pines' consistently high numbers.

In Fiscal Year 2023, the Golf Division issued over 37,000 new resident ID cards to new and existing customers who could verify residency within San Diego city limits through its partnership with ID.me, an identity verification platform. New players continue to seek opportunities to play City municipal courses and take advantage of the lower resident rate.

The Golf Division, like many other businesses, experienced staff shortages and struggled to balance operational needs and customer service thresholds. Though these struggles encapsulated much of Fiscal Year 2023, 2024 looks promising as increased wages and seven (7) benefitted positions were added to the budget. This will hopefully have a positive impact on the City's ability to provide quality customer service and optimal course conditions.

- **Competitive Advantage** -The diverse portfolio of courses allows the City of San Diego to serve a wide variety of players in all areas of the county. To the division's benefit, Torrey Pines is the only municipal golf course that hosts a regular PGA Tour event and is the pinnacle of success in municipal golf operations. The success and notoriety of Torrey Pines helps subsidize its sister courses by covering all financial shortfalls and funding capital improvement projects that would otherwise be a drain on the General Fund. The public's overall positive image of the City's municipal golf facilities is reflected in the most recent public survey which was conducted by a reputable third-party organization in summer 2022. Overall customer satisfaction at all three facilities ranges between 92% and 98% and remains consistent with previous surveys measuring the public's overall experience.

OVERALL GOLF OPERATIONS

CUSTOMER ENGAGEMENT

Resident Access

The City of San Diego takes great pride in offering high quality golf experiences at competitive rates, while trying to simultaneously protect access for the primary users of these facilities, the residents of San Diego. At Torrey Pines Golf Course, staff actively manage tee sheets to ensure that residents with an active resident ID card have access to 70% of all tee times. With this goal in mind, the Golf Division has been able to meet the high demand from customers through numerous programing opportunities.

- **Advanced Reservations**
To meet the growing demand from customers to secure reservations and to reduce their reliance on third party tee time brokers, the Advanced Reservation Program was created in 2006 so customers could have the opportunity to book tee times at Torrey Pines up to 90 days in advance. Much of this demand has been driven by the increase in notoriety of the golf course since the announcement of the 2008 US Open, but it has also been fueled by rates set below market value. Since the inception of the program, management has implemented tee time templates, which are monitored and maintained daily, to ensure access is properly distributed between user groups.

Since May of 2020, the height of the global pandemic, the Golf Division has welcomed over 10,000 new residents to the Resident ID Card program. With golf being deemed one of the safest recreational activities at that time, the program saw a natural increase in demand for prearranged tee times. This demand has caused longtime residents to feel pressured into utilizing the program when previously that once was not the case. Management believes that this increased pressure is a cyclical, market driven demand cycle, which should subside over time. Management will monitor the usage and if necessary, will recommend programmatic changes to fees and the booking process.

In June of 2023, the Golf Division introduced a pilot program exclusively for residents, whereby they are now able to book reservations on the back 9 of the North Course up to 90 days in advance. Doing so has increased the supply of reservable tee times for residents, improved their ability to scheduled tee times, and streamlined processes, which enabled staff to enhance the customer experience.

- Club Play
Many golf course businesses models rely on Men's and Women's clubs to provide the foundation of a loyal customer base. Though this isn't necessarily the case at all City run golf facilities, the Division believes these clubs play a vital role in providing residents of San Diego a social and competitive recreational activity. To access tee times, Special Use Permits (SUP) are issued to each of the respective clubs and outlines their privileges while highlighting the benefits received by the City. Each club currently is allotted up to 180 hours annually of prescheduled tee times and are allowed to utilize that time in a variety of ways to serve the needs of their club.
- Golf Course Buyouts
A unique option born out of the 2006 Golf Division Business Plan allows customers to purchase the golf course for the day for a private event. Customers have the option to bring as little as two guests up to 288 players, depending on the specifications of the organizer. Though this is an option that generally lends itself to corporate outings, it is an option open to all users.
- Junior, High School, and Collegiate Play
The City of San Diego is focused on bringing equity and diversity to all its programs and the Junior Monthly Ticket encapsulates this sentiment better than any in the Division's portfolio. For nearly 20 years, the Division has offered the Junior Monthly Ticket for \$10.50 per month to all residents, 17 years old or younger, who have an active Resident ID Card. Once purchased, players can play for free during specified times at each course throughout the month. In Fiscal Year 2023, 2,400 rounds were played under the Junior Monthly Ticket program.

The Golf Division continues to support high school and colligate sports throughout the community. This past year, 24 local high school boys and girls teams utilized one of the three municipally operated golf courses as their home course. These teams were able to enjoy over 2,600 rounds of golf throughout the course of the year. To cap off the season, the Division hosted the San Diego City Conference Finals at Balboa Park Golf Course and for the second year in a row, Torrey Pines was host to the San Diego Section California Interscholastic Federation (CIF) Champions Tournament finals.

- **Public Shotguns**
When single day tournaments/events occupy the tee sheet at Torrey Pines, management maximizes the utilization of the golf course by offering public shotguns. This option allows residents to book tee times with no additional booking fees up to 90 days in advance, while simultaneously increasing access for residents.
- **Tournament Play**
Tournaments can be booked for 16 to 144 players, from four to 24 months in advance. It is estimated that twenty five percent of players who participate in these events are residents of San Diego. This percentage is calculated in the overall allotment of allocated to residents.

The Division will remain focused on providing an array of opportunities to the public while trying to continue to grow the game.

Accessibility, Equity, and Diversity

Golf remains one of the most popular activities in the U.S., and City of San Diego municipal golf courses serve as a vital access point to the sport in a market saturated with member-only private golf courses and higher-priced options. City-owned courses provide multifunctional, affordable, and accessible golf facilities at a variety of price points to make the sport available to any member of the community who wishes to play.

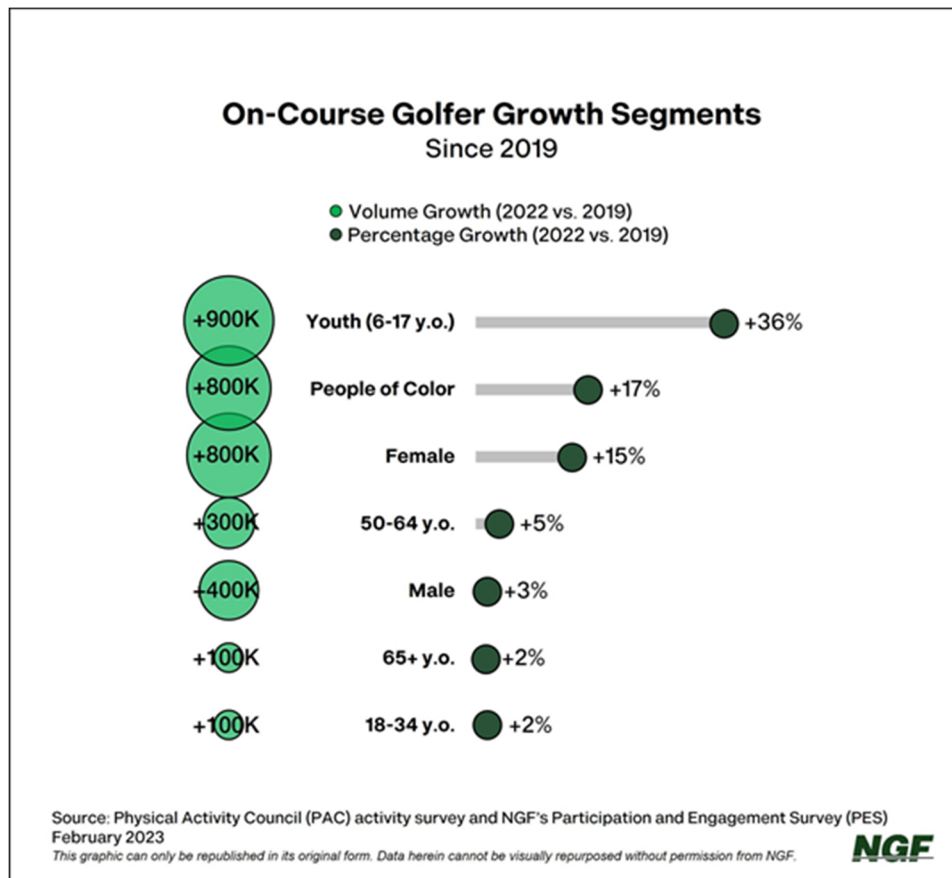


Figure 1

As depicted in Figure 1, the golf industry services a diverse segment of the community and is becoming more attractive, accessible, and inclusive to historically disadvantaged user groups. The Golf Division continues to monitor its customer base and implement programs to ensure the sport is available to customers of all ages, genders and abilities which include the following initiatives.

- **Accessibility Improvements**
To align with the City's [Age Friendly Action Plan](#) and specifically the first goal of Domain 2 that states, "Expand recreation and social activities for older adult to support healthy aging," the Division is taking steps to ensure senior golfers can still enjoy the sport by improving accessibility. To achieve this, the Division has installed additional forward tees at Torrey Pines to make the experience more enjoyable by reducing the yardage which makes the course more manageable for shorter hitters. Additionally, Mission Bay Golf Course and Balboa Park 9-Hole Golf Course are seeing increased play from older adults due in large part to the reduced yardages and less challenging layout. These courses allow elder members of our community to remain healthy and participate in an active, healthy lifestyle at an affordable price.
- **Adaptive Golf**
The Golf Division, in conjunction with the Parks and Recreation Department's Therapeutic Recreation Services program, celebrated the Inaugural Adaptive Golf Championship at Torrey Pines Golf Course on May 4, 2023. This event brought together 30 participants from across the country to compete and bring awareness to this special needs community. Due to the overwhelming success, the goal is to grow this tournament into a self-sustaining and cost recoverable event that will be celebrated for years to come.
- **Affiliate Clubs**
According to the [Southern California Golf Association](#) (SCGA), in 2022 there was a 25% increase in "affiliate golf clubs" whose members are linked or known to one another through a business, fraternal, ethnic or social organization. These clubs bring together like-minded golfers for fun, friendly competition and socialization both on and off the course. The Golf Division hosts a number of these affiliate groups at its courses and seeks additional opportunities to bring these clubs to its facilities.
- **Farmers Insurance Open Agronomy Program**
The City of San Diego Golf Division has partnered with the [Golf Course Superintendents Association of America](#) (GCSAA) and [Women in Turf](#) to select women and individuals from underserved communities to participate in the annual agronomy program. This program selects 26 golf course superintendents, assistant superintendents, and assistants in-training to assist in preparing the golf course for the annual PGA Tour event at Torrey Pines.
- **Golf Alternatives**
Mission Bay Golf Course offers footgolf and disc golf courses as an opportunity to promote alternative sports to the general public. Offering non-traditional golf options provides another opportunity to expose the sport and to a diverse population.

- Undertow Classic
The Golf Division continues to work in partnership with the San Diego Parks Foundation to facilitate the Undertow Classic: a charity golf tournament held at Torrey Pines with the proceeds benefitting Parks and Recreation General Fund programming. Now in its fourth year, the event has continued to sell out each year and has raised \$100,000 to help provide children in communities of concern with access to parks programming they may not otherwise be able to afford.
- Youth Golf
The Golf Division currently has more than 4,700 junior resident ID card holders and continues to offer several low-cost youth programs to encourage participation by future generations. The City’s popular Junior Monthly Ticket Program allows golfers 17 years of age or younger, who possess a valid resident ID card, to purchase a ticket for \$10.50 at any City-operated course, which will allow the golfer to play at no charge for 30 days in specified time frames. In Fiscal Year 2023, the Division issued 1140 cards to junior golfers.

The Golf Division’s P.L.A.Y. (Participate, Learn and Appreciate Youth) Golf program provides introductory golf activities from PGA-certified instructors to participants in the City’s Summer Camp program as part of its weekly recreation center programming. There is no additional cost to participate, and the program exposes the sport to youth throughout the City, including many located in communities of concern who might not have the opportunity to play.

Junior World Golf Championship – the Golf Division has hosted this prestigious youth golf event at its facilities since 1968 The championship is the largest international event in the world and is unique for its representation and cultural diversity. This year, the tournament boasted approximately 1250 participants in ages ranging from under 6 to 18 representing 56 countries and 42 states. Torrey Pines hosted the 15-18 year old age group.

CUSTOMER SATISFACTION

Since 2013, the City has conducted a biennial survey of resident ID card holders to better assess the public perception of City golf facilities. Feedback from the survey has been used to identify and take corrective actions to address concerns, prioritize customer service improvements and assist in planning. Below, table A, list the results of the most recent survey, which was completed early in Fiscal Year 2023.

Table A – Customer Satisfaction Comparison

	FY 2023	FY 2021	FY 2019
Balboa Park	96%	95%	90%
Mission Bay	92%	96%	93%
Torrey Pines North	97%	98%	93%
Torrey Pines South	98%	97%	93%

Overall customer satisfaction in the Fiscal Year 2023 report ranged between 92% and 98% for City-operated golf courses. The decrease in satisfaction at Mission Bay Golf Course was due to the major construction taking place at the facility to replace the clubhouse and irrigation system, which impacted course conditions and customers overall experience. Customer rating choices for satisfaction were: Excellent, Good, Fair, Poor, Very Poor or Not Sure. Ratings of Excellent, Good or Fair were deemed satisfied customers.

MARKETING AND BUSINESS DEVELOPMENT

The Division continued its successful strategy of utilizing internal marketing platforms, as well as traditional broadcast and social media, to effectively promote each facility and provide customers with the latest information about general course and maintenance updates, new initiatives, and upcoming events.

The Golf Divisions gift cards program continues to be a major success. The program has been in place since late December 2021 and to date, 2,335 physical and online gift cards have been sold, which generated over \$412,500 in additional revenue.

The Division also stayed focused on improving customer service and engagement via its in-house marketing platforms that include the “On the Tee” monthly e-newsletter, website, seven social media accounts, the sdcitygolf@sandiego.gov email for general inquiries, a mobile app, and the addition of online reservation messaging system.

Below is a synopsis of the marketing initiatives implemented:

- E-Newsletter
Since 2015, the monthly “On the Tee” e-newsletter, remains the primary form of communication with the City’s customer base. After a review of customer open rates, it was concluded that the e-newsletter was better received by resident golfers and the distribution list was modified to serve resident golfers with profiles in the ForeUp system. In Fiscal Year 2023, the newsletter was delivered to more than 77,000 recipients and still achieves an “open rate” of 61%, vastly surpassing the average open rate of mass emailing lists by more than 40%.
- Website
The Golf Division landing page <https://www.sandiego.gov/park-and-recreation/golf> continues to be the primary destination for residents and non-residents to find information about each course, its pricing and maintenance schedules, and the primary access point to the online reservation system to book available tee times. The redesign of the Torrey Pines webpage continues to be successful and the Division is considering redesigns of both the Mission Bay and Balboa Park web pages and will work with the City’s IT web team as needed.
- Social Media
Launched in early 2016, the Division continues to maintain seven social media accounts for all three City-operated golf courses and has a combined total of more than 37,700 followers. In compliance with A.R. 90.61, each course currently produces content for its own Facebook and Instagram account. Each account is designed to promote and market the courses both locally and nationally as well as build brand loyalty and engagement. The Torrey Pines Instagram account is the most popular of the City’s social media

accounts and recently surpassed over 29,500 followers. The Division has increased the frequency and engagement of content for all three facilities to capitalize on the increased interest in golf and build engagement and loyalty year-round.

- Email

The Division created a general email account, SDCityGolf@sandiego.gov, to provide customers an outlet to ask question regarding City golf facilities. The account receives thousands of emails each year and provides a direct connection to Division staff when phone lines are full.

- Mobile App

The “San Diego City Golf” mobile app provides golfers real-time access to online reservations, resident card purchases and renewals, and digital scorecard features complete with GPS functionality. To date, the app has received more than 64,000 downloads with more than 27,000 active users. This year, the Division utilized the app as the primary communication method to promote public shotguns with tremendous success. The Division continues to explore the possibility of incorporating additional features into the app for increased convenience including food and beverage purchase options, greens fee payments, and the creation of a digital resident card.

- Media Outreach

The Golf Division continues to secure local, national, and international media placements in daily and industry publications due in large part to the international reputation of Torrey Pines and its hosting of the annual PGA Tour event, currently known as the Farmers Insurance Open. The division will continue to seek opportunities to keep City golf facilities top of mind in the local and national media and support Farmers Insurance Open marketing and promotional initiatives as appropriate.

FARMERS INSURANCE OPEN

The 2024 [Farmers Insurance Open](#) marks the 57th the annual PGA Tour stop has been held at Torrey Pines Golf Course, and the 15th year Farmers Insurance has sponsored the tournament. Being San Diego’s only event that reaches a national and international audience, it serves as a valuable marketing tool for the Division and the community. Each year, the tournament infuses revenue into the local economy by typically hiring more than 200 vendors, recruiting more than 1,100 volunteers, and attracting fans from all 50 states and 17 countries, thereby generating an estimated \$34.3 million to the economy of the City of San Diego.

To achieve this success, the City of San Diego has partnered with [The Century Club of San Diego](#) who has been the local nonprofit organization for the tournament since 1961. The Century Club has used golf as the platform to showcase San Diego to an international audience, generate revenue for the city, and make a difference in our community by creating programs that benefit at-risk and underserved youth charities.

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 three municipally owned and operated golf courses. Doing so ensured that all revenues from the courses would go to their operation and

maintenance and that no General Fund subsidies or resources would be needed to support the division. In fact, the division is treated much like a lessee, paying the General Fund for the use of all of City operated golf facilities and services. With the construction of a new clubhouse at Mission Bay and Torrey Pines Golf Course, the division will explore new revenue streams and address staffing and budgetary constraints accordingly to ensure the long-term health of the Fund.

Golf Rounds

As shown in Table B, rounds played at all City-operated courses increased 1.3% to 407,226 in Fiscal Year 2023. The increase is due primarily to Torrey Pines North Course being open all year as compared to Fiscal Year 2022 when it was closed during August and September for repairs after the completion of the 2021 U.S. Open.

Table B – Annual Rounds Comparison

	FY 2023	FY 2022
Balboa 9 - Hole	74,883	77,024
Balboa 18 - Hole	76,998	80,352
Mission Bay	84,971	92,664
Torrey Pines North (1)	90,829	71,714
Torrey Pines South	79,545	80,189
Total (1)	407,226	401,943
Percentage Change	1.31%	
(1) North Course closed May-Sept 2021 for U.S. Open Championship preparation, and post tournament recovery.		

Overall, the numbers significantly exceed the targeted rounds at each facility and are indicative of the nationwide increase in demand. It is anticipated that rounds will remain higher than target numbers for the foreseeable future, which will keep the Division focused on customer service and retention to improve the overall experience at each facility.

Table C – Golf Division FY 2023 Annual Rounds

	Target Rounds	Actual Rounds	Difference	% of Target Met
Balboa 9 - Hole	60,000	74,883	14,883	125%
Balboa 18 - Hole	70,000	76,998	6,998	110%
Mission Bay	75,000	84,971	9,971	113%
Torrey Pines North (1)	82,800	90,829	8,029	110%
Torrey Pines South	64,000	79,545	15,545	124%
Total	351,800	407,226	55,426	116%
(1) North Course closed May-Sept 2021 for U.S. Open Championship preparation, and post tournament recovery.				

**Targets are based on historical averages as well as the optimal number of rounds played while being able to maintain a quality golf experience.*

Budget

The City of San Diego operates by Fiscal Year which runs from July 1 through June 30. There are many people and departments that play a role in formulation of the budget, including, the Mayor, City Council, City staff, Office of the Independent Budget Analyst and the residents of San Diego. The budget process generally begins in October and concludes in June.

In addition to the General Fund, The City of San Diego's annual adopted budget includes four other fund types, including the Enterprise Fund. Enterprise Funds apply to specific services that are funded directly through user fees and are intended to be fully self-supporting and not subsidized by the General Fund. Other examples of Enterprise Funds include Water, Sewer, Development Services, Refuse Disposal, Recycling and Airport Funds.

Capital Improvement Program

The City utilizes the Golf Enterprise Fund to upgrade each of its facilities, streamline operational expenses, improve golf course conditions, and the customer experience. Over the past year, the Golf Division continued to invest in capital improvements at its facilities. Recent capital improvement projects include:

- **Torrey Pines North Course – Repair Storm Drain Outfall**
The project was initiated to extend the existing storm drain located between 12 green and 13 tee boxes on the North Course to reduce the erosion of the cliff and was completed in August 2022.
- **Mission Bay Golf Course Clubhouse Replacement**
Golf Course Renovation and Reconstruction Improvements
Initiated in January 2022, this project consists of a new irrigation system to improve course conditions and use water more efficiently. There will be infrastructure improvements for the electrical system, grading of the driving range and construction of a new clubhouse and café to replace the existing 60-year-old building.
- **Torrey Pines Clubhouse and Maintenance Building**
Project to replace existing clubhouse and maintenance facilities that includes demolition of the current clubhouse and maintenance building, and relocation of the putting greens. The new clubhouse will include the golf shop (currently operated by a lessee), cart barn and office space for Golf Division management and administrative staff which are currently located at Mission Bay Golf Course. The design phase has begun and the City has been working to develop a Request for Proposal to create bridging documents for the project.
- **Balboa Park Golf Course Improvement Project**
Staff is coordinating with the Engineering and Capital Projects Department to realign the nine-hole course and develop a short game facility to comply with the Golf Course Drive Improvement Project, which will realign the road to create a safer path of travel and improved bike lanes for the community. Other areas of focus will work to improve drainage on the eighteen-hole course on holes three and four, and will address needed bunker liners throughout the property.

RATE OVERVIEW

Fee Increases

The Golf Division will be implementing fee increases for all City Operated Golf Courses on Jan. 1, 2024 (see Attachment 1). The increase is capped at 3% for residents and 5% for non-residents depending on the day of the week. These increases were based on improvements to the overall golf experience, year-over-year expense increases, and funding of future capital improvement projects.

Employee Eligibility

In this challenging labor market, the City of San Diego has been working to rebrand itself as an employer of choice throughout the region so it can attract and retain employees. The Division is proud to announce that City employees will now be eligible to purchase a resident ID card, which will allow staff to enjoy city operated golf courses at reduced rates. Doing so will hopefully improve their social and emotional wellbeing so they are better equipped to serve the citizens of San Diego.

Photo Shoot and Filming Activity Fee

Due to demand from media organizations and local event planners, the Golf Operations Division will begin charging site fees (Attachment 1) for photo shoots and filming activities on its golf courses. Requests will be considered and approved based on availability, the impact to golfers, effect on course conditions, time of day, requested length of time needed, and the number of people requested to be on the course at the time of the activity. Not all requests will be approved.

Fund Balance

Based on revenue and expenses, the net income to the Fund for Fiscal Year 2023 is projected to exceed \$14.0 million. The increase in revenue is attributed to the continued success of Balboa Park and Mission Bay Golf Course in being cost recoverable, which historically has not been the case, an increase in participation in the advanced reservation program, and continued demand of resident and non-resident play at all three facilities.

Table D – Golf Division Revenue vs. Expenses

	Revenue	Expenses	Net Revenue
FY 2023	\$36,931,438	\$22,896,067	\$14,035,371
FY 2022	\$32,929,968	\$20,774,712	\$12,155,256

Although rounds and revenues increased, expenses rose 10.2% (\$2,121,000) in Fiscal Year 2023, which remains a concern. These increases, as reported by the U.S. Bureau of Labor Statistics, are a result of the [Consumer Price Index](#) peaking in 2022 at 9.1%. Even though inflation has recently slowed, prices for goods and services will remain high, which is evident through recent negotiations with Recognized Employee Organizations. In April of 2024, the City of San Diego agreed to general salary wage increases of 21% over the next three years. With these trends anticipated to continue, the Division will work towards ensuring service levels are maintained and future capital funding needs are addressed accordingly.

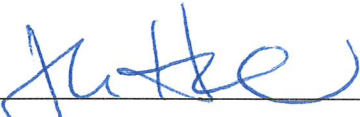
CONCLUSION

Using the 2012 Business Plan as a guide, 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.

Moving forward, the Golf Division will continue to invest in infrastructure improvements and pursue sustainability efforts to ensure its facilities are both in excellent playing condition and maintained in accordance with the City's Climate Action Plan. The Division will explore the purchase a fleet of an all-electric maintenance vehicles, make facilities more drought resistant, by looking at becoming more efficient with water usage, and deploy environmentally safe chemicals and pesticides.

From a customer service perspective, the Division will explore ways to further simplify the online reservation system and resident card renewal process and improve the customer experience to retain the thousands of new and returning golfers that have visited municipal courses over the past three years. Additionally, the Division will reach out to residents in underserved communities through its P.L.A.Y. Golf program and other initiatives to increase accessibility and introduce the sport to a new generation of players.

Respectfully submitted,



John Howard
Interim Deputy Director, Golf Operations Division

Attachments: 1. Proposed Rate Increases for Calendar Year 2024

cc: Andy Field, Director, Parks and Recreation
Karen Dennison, Assistant Director, Parks and Recreation
Sharon Ferguson, Supervising Management Analyst, Golf Operations Division

Proposed Rate Increases for Calendar Year 2024

BALBOA PARK 9 HOLE GOLF COURSE PROPOSED FEE INCREASES CY24		
TYPE OF FEE	Current Fees	New Fees *
RESIDENT	2023	2024
9 Holes – Weekdays Adult	\$16.50	\$17
9 Holes – Weekdays Junior	\$15.50	\$16
9 Holes – Weekdays Senior	\$12.50	\$13
9 Holes – Weekends / Holidays	\$22	\$22.50
NON-RESIDENT		
9 Holes – Weekdays Adult	\$22	\$23
9 Holes – Weekdays Junior	\$17	\$18
9 Holes – Weekends / Holidays	\$28	\$29
TOURNAMENTS		
Tournament – Weekdays – Tee Times	\$22	\$23
Tournament – Weekdays – Shotgun Start	\$22	\$23
Tournament – Weekends / Holidays – Tee Times	\$28	\$29
Tournament – Weekends / Holidays – Shotgun Start	\$28	\$29
BOOKING FEES		
Booking Fee – Consecutive Tee Time	\$5	\$5.50
Booking Fee – Shotgun Start	\$11	\$11
COURSE BUY-OUT FEES		
1 Day Course Buy-Out (Monday / Thursday)	\$17,850	\$18,743
1 Day Course Buy-Out (Friday/Sunday and Holidays)	\$21,000	\$22,050

*Posted rates are rounded to nearest half dollar.

BALBOA PARK 18 HOLE GOLF COURSE PROPOSED FEE INCREASES CY24		
TYPE OF FEE	Current Fees	New Fees*
RESIDENT	2023	2024
18 Holes – Weekdays Adult	\$36	\$37
18 Holes – Weekdays Junior	\$32	\$33
18 Holes – Weekdays Senior	\$26	\$27
18 Holes – Weekends / Holidays	\$45	\$46
Twilight Weekdays	\$23	\$23.50
Twilight Weekends	\$27.50	\$28
NON-RESIDENT		
18 Holes – Weekdays Adult	\$49	\$51
18 Holes – Weekdays Junior	\$34	\$35.50
18 Holes – Weekends / Holidays	\$61.50	\$64.50
Twilight Weekdays	\$29	\$30.50
Twilight Weekends	\$37	\$39
TOURNAMENTS		
Tournament – Weekdays – Tee Times**	\$49	\$51
Tournament – Weekends / Holidays – Tee Times**	\$61.50	\$64.50
BOOKING FEES		
Booking Fee – Consecutive Tee Time	\$5	\$5.50
Booking Fee – Shotgun Start	\$11	\$11
COURSE BUY-OUT FEES		
1 Day Course Buy-Out (Monday / Thursday)	\$19,950	\$20,948
1 Day Course Buy-Out (Friday/Sunday and Holidays)	\$25,200	\$26,460

*Posted rates are rounded to nearest half dollar.

**Tournaments at Balboa Park Require Cart Rental

MISSION BAY GOLF COURSE PROPOSED FEE INCREASES CY24		
TYPE OF FEE	Current Fees	New Fees *
RESIDENT	2023	2024
18 Holes – Weekdays Adult	\$27.50	\$28
18 Holes – Weekdays Senior	\$21	\$21
18 Holes – Weekends / Holidays	\$34	\$35
9-Holes Adult Weekday	\$16	\$16.50
9-Holes Senior Weekday	\$12	\$12
9-Holes Weekend/Holidays	\$22	\$22.50
NON-RESIDENT		
18 Holes – Weekdays Adult	\$35	\$36.50
18 Holes – Weekdays Junior	\$24.50	\$26
18 Holes – Weekdays Senior	\$35	\$36.50
18 Holes – Weekends / Holidays	\$44	\$46
9-Holes Adult Weekday	\$21	\$22
9-Holes –Weekdays Junior	\$14	\$15
9-Holes Senior Weekday	\$21	\$22
9-Holes Weekend/Holidays	\$27	\$28
TOURNAMENTS		
Tournament – Weekdays	\$35	\$36.50
Tournament – Weekends / Holidays	\$44	\$46
BOOKING FEES		
Booking Fee – Consecutive Tee Times	\$5	\$6
Booking Fee – Shotgun Start	\$10	\$11
COURSE BUY-OUT FEES		
1 Day Course Buy-Out (Mon-Thurs)	\$18,900	\$19,845
1 Day Course Buy-Out (Fri-Sun)	\$22,050	\$23,153

*Posted rates are rounded to nearest half dollar.

TORREY PINES NORTH COURSE PROPOSED FEE INCREASES CY24		
TYPE OF FEE	Current Fees	New Fees*
RESIDENT	2023	2024
18 Holes – Weekdays (Mon. – Thurs.) Adult	\$47	\$48
18 Holes – Weekdays (Mon. – Thurs.) Junior	\$47	\$48
18 Holes – Weekdays (Mon. – Thurs.) Senior	\$34	\$35
18 Holes – Weekends (Fri. – Sun.) / Holidays	\$62	\$64
Twilight Weekdays (Mon. – Thurs.)	\$30	\$31
Twilight Weekends (Fri. – Sun.)	\$36	\$37
9-Hole Only (back 9) – Weekends (Fri. – Sun.)/ Holidays	\$36	\$37
NON-RESIDENT		
18 Holes – Weekdays (Mon. – Thurs.) Adult	\$141	\$148
18 Holes – Weekdays (Mon. – Thurs.) Junior	\$98	\$103
18 Holes – Weekdays (Mon. – Thurs.) Senior	\$141	\$148
18 Holes – Weekends (Fri. – Sun.) / Holidays	\$176	\$185
Twilight Weekdays (Mon. – Thurs.)	\$84	\$88
Twilight Weekends (Fri. – Sun.)	\$106	\$111
9-Hole Only (back 9) – Weekends (Fri. – Sun.)/ Holidays	\$106	\$111
TOURNAMENTS		
Tournament – Weekdays (Mon. – Thurs.) **	\$141	\$141
Tournament – Weekends (Fri. – Sun.) / Holidays**	\$176	\$176
BOOKING FEES		
Resident	\$31	\$32
Non-Resident	\$47	\$50
Tournament Consecutive Tee Time	\$47	\$50
Tournament Shotgun Start	\$68	\$72
COURSE BUY-OUT FEES		
1 Day Course Buy-Out Weekday (M-Thur)	\$56,700	\$59,535
1 Day Course Buy-Out Weekend (F-Sun) Holidays	\$67,200	\$70,560

*Posted rates are rounded to nearest dollar.

** Tournaments at Torrey Pines Require Cart Rental

TORREY PINES SOUTH COURSE PROPOSED FEE INCREASES CY24		
TYPE OF FEE	Current Fees	New Fees*
RESIDENT	2023	2024
18 Holes – Weekdays (Mon. – Thurs.) Adult	\$67	\$69
18 Holes – Weekdays (Mon. – Thurs.) Junior	\$67	\$69
18 Holes – Weekdays (Mon. – Thurs.) Senior	\$47	\$48
18 Holes – Weekends (Fri. – Sun.) / Holidays	\$83	\$85
Twilight Weekdays (Mon. – Thurs.)	\$40	\$42
Twilight Weekends (Fri. – Sun.)	\$50	\$51
NON-RESIDENT		
18 Holes – Weekdays (Mon. – Thurs.) Adult	\$223	\$234
18 Holes – Weekdays (Mon. – Thurs.) Junior	\$155	\$163
18 Holes – Weekdays (Mon. – Thurs.) Senior	\$223	\$234
18 Holes – Weekends (Fri. – Sun.) / Holidays	\$278	\$292
Twilight Weekdays (Mon. – Thurs.)	\$135	\$141
Twilight Weekends (Fri. – Sun.)	\$167	\$176
TOURNAMENTS		
Tournament – Weekdays (Mon. – Thurs.) **	\$223	\$234
Tournament – Weekends (Fri. – Sun.) / Holidays**	\$278	\$292
BOOKING FEES		
Resident	\$31	\$32
Non-Resident	\$47	\$50
Tournament Consecutive Tee Time	\$47	\$50
Tournament Shotgun Start	\$68	\$72
COURSE BUY-OUT FEES		
1 Day Course Buy-Out Weekday (M-Thurs.)	\$85,050	\$89,303
1 Day Course Buy-Out Weekend (F-Sun) Holidays	\$98,700	\$103,635

* Posted rates are rounded to nearest dollar.

** Tournaments at Torrey Pines Require Cart Rental

PROPOSED GOLF OPERATIONS DIVISION PHOTO SHOOT AND FILMING ACTIVITY SITE FEES	
TYPE OF FEE	FEE CY24*
TORREY PINES GOLF COURSE -ACTIVITY WTH 10 PEOPLE OR LESS	
First Hour or Part Thereof	\$3,500
Additional Hours or Part Thereof	\$2,500
TORREY PINES GOLF COURSE - ACTIVITY WITH MORE THAN 10 PEOPLE	
First Hour or Part Thereof	\$5,000
Additional Hours or Part Thereof	\$3,750
BALBOA PARK GOLF COURSE	
First Hour or Part Thereof	\$2,000
Additional Hours or Part Thereof	\$1,500
MISSION BAY GOLF COURSE	
First Hour or Part Thereof	\$2,500
Additional Hours or Part Thereof	\$1,500
ADDITIONAL GOLF COURSE FEES	
Hourly Rate for City Staff Member to Accompany Film Shoot (Required)	\$50
Golf Cart Fees – Equal to 18-Hole Rate (4 Hour Usage or Part Thereof)	Varies
Displaced Green Fees (If Applicable, is Equal to the Total of the Non – Resident Green Fee Rate Plus the Advanced Reservation Fee for Each Person Displaced)	Varies

*RATES WILL NO BE PRORATED AND WILL BE CHARGED FOR ANY OF THE TIME PERIOD USED.

*ALL FEES, ONCE PAID, ARE NON-REFUNDABLE