

**CITY COUNCIL
COMMUNICATION:**

02-491

AGENDA:

SEPTEMBER 9, 2002

SUBJECT:

WAVELAND GOLF
COURSE CART
PATH
CONSTRUCTION

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

DONALD M. TRIPP
PARK AND
RECREATION
DIRECTOR

ITEM 11

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

SYNOPSIS —

Ordering construction, setting dates for receiving bids and holding a public hearing for the construction of the Waveland Golf Course Cart Paths, and financing for the project.

FISCAL IMPACT —

Construction of the five-mile golf cart path will cost approximately \$545,000. The Parking Enterprise Fund will provide a loan, available from current fund balance, to the Golf Enterprise Fund. The loan will be repaid over a ten-year term, with an interest rate charged equivalent to what the City pays on the Governmental Lease-Purchase Master Agreement with Banc of America. This project will be included in the revised 2003-04/2008-09 Capital Improvements Program and in the Waveland Golf Course Operating Budget. Golf course fees will be proposed to be increased during the term of the loan to ensure funds are available for repayment.

RECOMMENDATION —

Approval.

BACKGROUND —

The Citizen Golf Advisory Committee and Park and Recreation Department staff have prepared a ten-year business plan to make Des Moines' municipal golf courses profitable. The components of this plan are:

- Establishing different fees at Blank, Grandview, and Waveland based on market conditions.
- Maintaining the \$2 irrigation fee per round dedicated to retire the General Fund debt and to support future capital improvements.
- Reinvesting in the golf courses' infrastructure and playing conditions to maintain and increase current golf market share.
- Debt finance cart path construction at Waveland and cash finance all future improvements.
- Establish an emergency reserve fund from net revenues beginning in 2006, after the General Fund debt is retired (approximately \$45,000

annually).

- Hire a Golf Course Architect to evaluate course conditions and infrastructure at Grandview and Waveland. Both courses are over 100 years old.
- Development of a specific business plan for Grandview Golf Course with input from Citizen Golf Advisory Committee and Grandview golfers. Grandview Golf Course is not profitable.

Fees were increased for the 2002 and 2003 golf season by Roll Call No. 02-724 at the March 18, 2002 City Council meeting. This proposed improvement at Waveland has prompted the Golf Committee to recommend a fee increase of \$2 a year for at least five years at Waveland Golf Course. The City's Finance Department has calculated that as much as \$20,000 in additional revenue may be realized annually with this improvement at Waveland from additional play that is currently lost due to wet conditions at Waveland Golf Course.

The Golf Course Business Plan proposed fee structure includes:

- Increasing fees at Waveland by \$2 every year for five years and every other year for years 6-10.
- Increasing fees at Blank by \$1 every year for five years with the exception of an increase of \$2 in 2004 and 2009 to maintain an equal fee separation between the three municipal courses. Increase fees by \$1 every other year for years 6-10.
- Increasing fees at Grandview by \$1 every other year for ten years. This will maintain an entry-level fee structure to introduce the sport and provide a more affordable alternative in the Des Moines metropolitan area golf market.
- Development of a comprehensive business plan specifically for Grandview Golf Course to improve profitability.
- Continue to secure outside funding to subsidize fees for Seniors at Des Moines' municipal golf courses. This includes \$1 reduction per round in irrigation fee charges, \$1 reduction per round in private cart user fees, and maintaining the senior badge fee at the 2002 rate of \$350, based on the outside funding sources.

A copy of the proposed ten-year fee structure is attached. The shaded columns identify the approved fees for the 2002 and 2003 golf seasons.

It is critical to the future of golf in Des Moines to support the business plan outlined in this communication. The minimal fee increases, along with the needed reinvestment of the cart paths at Waveland, will establish a sound financial footing for the golf enterprise fund. The recommended improvement

will show the City's commitment to improving the course conditions thereby maintaining and increasing our share of the golf market.

Attachment

Des Moines City Golf Courses Fee Proposal (January '02)

Item	Current	2002	2003	2004	2005	2006
9 hole weekday	\$13.00	GV \$13.00 B \$14.00 W \$15.00	GV \$14.00 B \$15.00 W \$17.00	GV \$14.00 B \$17.00 W \$19.00	GV \$15.00 B \$18.00 W \$21.00	GV \$15.00 B \$19.00 W \$23.00
18 hole weekday	\$16.00	GV \$16.00 B \$17.00 W \$18.00	GV \$17.00 B \$18.00 W \$20.00	GV \$17.00 B \$20.00 W \$22.00	GV \$18.00 B \$21.00 W \$24.00	GV \$18.00 B \$22.00 W \$26.00
9 hole weekend	\$15.00	GV \$15.00 B \$16.00 W \$17.00	GV \$16.00 B \$17.00 W \$19.00	GV \$16.00 B \$19.00 W \$21.00X	GV \$17.00 B \$20.00 W \$23.00X	GV \$17.00 B \$21.00 W \$25.00X
18 hole weekend	\$20.00	GV \$20.00 B \$21.00 W \$22.00	GV \$21.00 B \$22.00 W \$24.00	GV \$21.00 B \$24.00 W \$26.00	GV \$22.00 B \$25.00 W \$28.00	GV \$22.00 B \$26.00 W \$30.00
Jr. / Sr. 9 hole	GV \$8.00 B&W \$10.00	GV \$8.00 B \$10.00 W \$12.00	GV \$9.00 B \$11.00 W \$14.00	GV \$9.00 B \$13.00 W \$16.00	GV \$10.00 B \$14.00 W \$18.00	GV \$10.00 B \$15.00 W \$20.00
Jr. / Sr. 18 hole	GV \$10.00 B&W \$12.00	GV \$10.00 B \$12.00 W \$14.00	GV \$11.00 B \$13.00 W \$16.00	GV \$11.00 B \$15.00 W \$17.00	GV \$12.00 B \$16.00 W \$19.00	GV \$12.00 B \$17.00 W \$21.00
Twilight Rate	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00	\$27.00
Jr. / Sr. Badge H20	\$2.00	\$2.00	\$2.00	\$2.00 *	\$2.00	\$2.00
Trail Fee	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
3 rd nine/4 th nine	\$9.00 / \$11.00	\$10.00 / \$12.00	\$10.00 / \$12.00	\$11.00 / \$13.00x	\$12.00 / \$14.00	\$12.00 / \$14.00
Private Cart Reg	\$50.00	\$75.00	\$75.00	\$80.00	\$80.00	\$80.00
9 hole cart	\$15.00	\$16.00	\$17.00	\$17.00	\$17.00	\$18.00
18 hole cart	\$22.00	\$23.00	\$24.00	\$24.00	\$24.00	\$25.00
9 hole special	\$12.00	\$13.00	\$14.00	\$14.00	\$14.00	\$15.00
18 hole special	\$17.00	\$18.00	\$19.00	\$19.00	\$19.00	\$20.00
½ cart 9 hole	\$8.00	\$9.00	\$10.00	\$10.00	\$10.00	\$11.00
½ cart 18 hole	\$11.50	\$12.00	\$13.00	\$13.00	\$13.00	\$14.00
½ cart 9 hole special	\$6.00 X	\$6.50 X	\$7.00 X	\$7.00 X	\$7.00 X	\$7.50 X
½ cart 18 hole special	\$8.50 X	\$9.00 X	\$9.50 X	\$9.50 X	\$9.50 X	\$10.00 X
Restricted Badge	\$475.00 (30)	\$550.00 (32)	\$600.00 (33)	\$650.00 (33)	\$700.00 (33)	\$750.00 (34)
H/W Badge (25%)	\$775.00	\$850.00	\$900.00	\$975.00	\$1,050.00	\$1,125.00

Sr. Badge	\$350.00	\$375.00 (31)	\$400.00 (31)	\$450.00 (30)	\$475.00 (30)	\$525.00 (31)
Sr. H/W Badge (25%)	\$525.00	\$550.00	\$600.00	\$675.00	\$700.00	\$775.00
Jr. Badge	\$125.00	\$125.00	\$125.00	\$150.00	\$150.00	\$150.00
Dis. Green Card (10%)	\$150.00	\$165.00	\$180.00	\$200.00	\$220.00	\$240.00
9 hole weekday (30%)	\$9.00	\$10.00	\$10.50	\$12.00	\$12.50	\$13.25
18 hole weekday (30%)	\$11.00	\$12.00	\$12.50	\$14.00	\$14.75	\$15.50
9 hole weekend (30%)	\$11.25	\$11.25	\$12.00	\$13.50	\$14.00	\$14.75
18 hole weekend (30%)	\$14.50	\$14.75	\$15.50	\$16.75	\$17.50	\$18.00

- Replace irrigation fee to support capital improvements.

Des Moines City Golf Courses Fee Proposal

Item	Current	2007	2008	2009	2010	2011
9 hole weekday	GV \$15.00 B \$19.00 W \$23.00	GV \$16.00 B \$20.00X W \$25.00X	GV \$16.00 B \$20.00 W \$25.00	GV \$17.00 B \$22.00X W \$27.00X	GV \$17.00X B \$22.00 W \$27.00	GV \$18.00X B \$23.00X W \$29.00X
18 hole weekday	GV \$18.00 B \$22.00 W \$26.00	GV \$19.00 B \$23.00X W \$28.00X	GV \$19.00 B \$23.00 W \$28.00	GV \$20.00 B \$25.00X W \$30.00X	GV \$20.00X B \$25.00 W \$30.00	GV \$21.00X B \$26.00X W \$32.00X
9 hole weekend	GV \$17.00 B \$21.00 W \$25.00	GV \$18.00 B \$22.00X W \$27.00X	GV \$18.00 B \$22.00 W \$27.00X	GV \$19.00 B \$24.00X W \$29.00X	GV \$19.00X B \$24.00 W \$29.00X	GV \$20.00X B \$25.00X W \$30.00X
18 hole weekend	GV \$22.00 B \$26.00 W \$30.00	GV \$23.00 B \$27.00X W \$32.00X	GV \$23.00 B \$27.00X W \$32.00	GV \$24.00 B \$29.00X W \$34.00X	GV \$24.00X B \$29.00X W \$34.00	GV \$25.00X B \$30.00X W \$36.00X
Jr. / Sr. 9 hole	GV \$10.00 B \$15.00 W \$20.00	GV \$11.00 B \$16.00X W \$22.00X	GV \$11.00 B \$16.00 W \$22.00	GV \$12.00 B \$18.00X W \$24.00X	GV \$12.00X B \$18.00 W \$24.00	GV \$13.00X B \$19.00X W \$26.00X
Jr. / Sr. 18 hole	GV \$12.00 B \$17.00 W \$21.00	GV \$13.00 B \$18.00X W \$23.00X	GV \$13.00 B \$18.00 W \$23.00	GV \$14.00 B \$20.00X W \$25.00X	GV \$14.00X B \$20.00X W \$25.00	GV \$15.00X B \$21.00X W \$27.00X
Twilight Rate	\$27.00	\$28.00	\$28.00	\$29.00	\$30.00	\$31.00
CIP fee *	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Trail Fee	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
3 rd nine/4 th nine	\$12.00 / \$14.00	\$12.00 / \$14.00	\$13.00 / \$15.00x	\$13.00 / \$15.00x	\$13.00 / \$15.00x	\$13.00 / \$15.00x
Private Cart Reg	\$80.00	\$80.00	\$85.00	\$85.00	\$90.00	\$90.00
9 hole cart	\$18.00	\$18.00	\$18.00	\$19.00	\$19.00	\$19.00
18 hole cart	\$25.00	\$25.00	\$25.00	\$26.00	\$26.00	\$26.00
9 hole special	\$15.00	\$15.00	\$15.00	\$16.00	\$16.00	\$16.00
18 hole special	\$20.00	\$20.00	\$20.00	\$21.00	\$21.00	\$21.00
½ cart 9 hole	\$11.00	\$11.00	\$11.00	\$12.00	\$12.00	\$12.00
½ cart 18 hole	\$14.00	\$14.00	\$14.00	\$15.00	\$15.00	\$15.00
½ cart 9 hole special	\$7.50 X	\$7.50 X	\$7.50 X	\$8.00 X	\$8.00 X	\$8.00 X
½ cart 18 hole special	\$10.00 X	\$10.00 X	\$10.00 X	\$10.50 X	\$10.50 X	\$10.50 X
Restricted Badge	\$750.00 (34)	\$775.00 (34)X	\$775.00 (34)	\$850.00 (34)X	\$850.00 (34)	\$875.00 (34)X
H/W Badge (25%)	\$1,125.00	\$1,150.00X	\$1,150.00	\$1,275.00X	\$1,275.00X	\$1,300.00X

Sr. Badge	\$525.00 (31)	\$550.00 (31)X	\$550.00 (31)	\$600.00 (31)X	\$600.00 (31)X	\$650.00 (31)X
Sr. H/W Badge (25%)	\$775.00	\$825.00X	\$825.00	\$900.00X	\$900.00X	\$975.00X
Jr. Badge	\$150.00	\$150.00	\$175.00	\$175.00	\$200.00	\$200.00
Dis. Green Card (10%)	\$240.00	\$240.00	\$265.00	\$265.00	\$290.00	\$290.00
9 hole weekday (30%)	\$13.25	\$13.25	\$14.00	\$14.00	\$14.75	\$14.75
18 hole weekday (30%)	\$15.50	\$15.50	\$16.00	\$16.00	\$16.75	\$16.75
9 hole weekend (30%)	\$14.75	\$14.75	\$15.50	\$15.50	\$16.00	\$16.00
18 hole weekend (30%)	\$18.00	\$18.00	\$19.00	\$19.00	\$19.50	\$19.50

* Replaced irrigation fee to support capital improvements.