

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: January 24, 2011
	Agenda Item No. 45 Roll Call No. <u>11-0128</u> Communication No. <u>11-045</u> Submitted by: Donald M. Tripp Director of Park and Recreation

AGENDA HEADING:

Approval to amend Chapter 74 of the City Code for golf fees.

SYNOPSIS:

Staff recommends approval of the proposed amended fees for golf operations.

FISCAL IMPACT:

Amount: Projected City revenue increase of up to \$6,338 based on historical greens fees and badge pass averages over the past five years and revenue percentages received by the City per agreements with C-Corporation.

Funding Source: FY2010-2011 Golf operations fund, EN201 PKS010700 page 218.

ADDITIONAL INFORMATION:

The Des Moines Park and Recreation Department is recommending that the attached fee structure be recommended to the Des Moines City Council regarding various fees within the Park and Recreation Department’s golf operations.

In 2006, the City of Des Moines dramatically reduced the daily green fees in an effort to increase rounds and therefore increase revenue through additional volume. On December 17, 2007, by Roll Call 07-2398, the City Council approved selective, modest fee adjustments for the golf operation. The results of this pricing strategy have had a positive impact on the Golf Enterprise Fund.

Under the current golf management contracts that went into effect on January 15, 2010, the management corporation, C-Corporation is responsible to propose fee changes. C-Corporation’s proposed golf fee recommendations were recommended for approval to the Park and Recreation Board, by the Citizen Golf Advisory Committee at their November 3, 2010 meeting. The Citizen Golf Advisory Committee members unanimously approved the proposed fee increases with one member being absent. A detailed breakdown of all proposed fees and charges for the golf course operations are attached to the Roll Call with the recommended changes shown in yellow highlights.

C-Corporation is also proposing a package pricing for green fees and a cart that will be used for special promotional offers as determined by market needs on a limited basis. These proposed changes to the package pricing include:

- Increase of \$1.00 for 18 holes with cart and \$2.00 for 9 holes with cart at A.H. Blank Golf Course
- Increase of \$3.00 for 18 holes with cart and \$4.00 for 9 holes with cart at Grandview Golf Course
- No changes at Waveland Golf Course for package pricing

An example of how this has been utilized in the past is the fall season promotion. Golf typically begins to decline in the fall; however specials have been extended with success to reduce pricing during slower business periods that have resulted in increased participation.

In addition to the proposed fee increases, C-Corporation and the Citizen Golf Advisory Committee have recommended the following new seasonal pass policy changes:

- Seven day passes eligible at any of the City's three golf courses with a seasonal cart pass for \$1,795 per season. Limited to the first 30 sold or February 28 of each year, whichever arrives first.
- Seven day passes eligible at any of the City's three golf courses without a seasonal cart pass for \$1,000 per season. Limited to the first 30 sold or February 28 of each year, whichever arrives first.
- Seven day pass for seniors, eligible at any of the three City golf courses for \$680 per season. Limited to first 30 sold or February 28 each year, whichever arrives first.

Many golf courses offer similar specials that are incentives for "early bird" pass purchasers.

Also in this recommendation is the elimination of the college discount. Currently the college discount is a 25% reduction from weekday green fees. C-Corporation has noted that the proposed fees will still be the lowest fees among the metro area competitors and the proposed elimination of the college discount was taken into their recommendation for the proposed fees as presented.

Finally, C-Corporation has requested authorization to implement a \$1.00 per nine holes, \$2.00 per 18 holes (per person) increase for carts rentals only at Waveland Golf Course, if the operator can finalize a contract to implement a Global Positioning System (GPS). This fee would only be increased under this proposal should there be a GPS system installed at Waveland golf course for the 2011 season.

On January 15, 2010, the City entered into a management agreement with C-Corporation for the operation and management of Waveland and Grandview golf courses (C-Corporation also manages A.H. Blank golf course from a previous competitive RFP process). In general, the three City of Des Moines' municipal golf courses are in good physical condition. The facilities are maintained at competitive or standard levels. The level of customer service and the efficiency of the golf operations at each course also are outstanding. Visitors to the City's golf course have increasingly been complimentary about the health of the course and quality of their experience. The three year (2007 – 2009) average of golf rounds at A.H. Blank, Grandview and Waveland golf course totaled 100,172. This past season (2010), the combined rounds of golf totaled 86,908. This decrease in golf rounds is a direct result of the number of rain days this past season in addition to the construction of a new green at Grandview golf course.

PREVIOUS COUNCIL ACTION(S):

Date: December 1, 2007

Roll Call Number: 07-2398

Action: [Amending](#) Chapter 74 of the Municipal Code regarding fees for golf courses, lodges, park shelters and other park rentals, pool rental, Brenton Skating Plaza, Simon Estes Riverfront Amphitheater and vendors. ([Council Communication No. 07-753](#)) Moved by Hensley that this ordinance be considered and given first vote for passage. Motion Carried 6-1.

BOARD/COMMISSION ACTION(S):

Board: Parks and Recreation Board

Date: December 28, 2010

Resolution Number: 10-103

Action: Approval of the proposed fees for golf operations

Board: Parks and Recreation Board

Date: November 23, 2010

Resolution Number: 10-093

Action: Receive and file proposed fees for golf operations

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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