



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: July 16, 2012

REPORT NO: 12-086

ATTENTION: Natural Resources and Culture Committee

SUBJECT: Golf Division Business Plan

REQUESTED ACTION:

This action is to approve the Golf Division Business Plan that will provide future direction in the operation of the three municipal operated golf courses.

STAFF RECOMMENDATION:

Approve Requested Action

SUMMARY:

Background

Since 2001, the City's golf program has operated under the procedures and guidelines outlined in the City Council approved 5-Year Business Plans (Plans) of 2001 and 2006. These Plans have outlined key issues facing the daily operation of the City golf complexes as well as establishing the green fee structures for each of the five year terms covered by the plans.

During the preparation of the current draft of the Golf Division Business Plan (Business Plan), Golf Operations staff has worked to review the current status of the Golf Division with the Committee. This input began in September of 2011. In all, the Committee met 11 times to discuss the goals and specifics of the proposed Business Plan.

Discussion

The primary purpose of the proposed Business Plan is to provide direction for the Golf Division over the next several years. In general, the plan provides a structure that will allow the Golf Division to successfully operate each of the golf complexes and provide excellent golfing opportunities to the public while ensuring that the golf complexes are properly maintained and the Golf Enterprise Fund continues to maintain its long term financial sustainability.

Throughout the term of the Business Plan, the Golf Division will implement unique, and course specific, marketing strategies as needed in order to address issues such as: revenue generation, yield management capabilities, tournament solicitation, etc.

Public and Stakeholder Input

An Ad Hoc Advisory Business Plan Committee (Committee) was formed in September 2011 to assist and provide an advisory role in the review of the Business Plan. This Committee of ten stakeholders, and one Chairperson, conducted 11 public meetings from September 22, 2011 to May 31, 2012 engaging in public dialogue pertaining to the Business Plan. Staff made informational presentations at a series of Committee meetings that were open to the public. The meeting dates and agenda subjects are listed below. A Committee web page was established and staff presentations and other related information was made available to the public at: www.sandiego.gov/park-and-recreation/general-info/golfbusinessplancommittee.shtml

Committee meeting dates and agendas:

- September 22, 2011 – Brown Act Guidelines / Division Status review
- October 6, 2011 – Customer Satisfaction Survey / Golf 2.0 (PGA presentation)
- October 20, 2011 – Goals and Objectives / Division Financial Position
- November 3, 2011 – Review of Balboa Park and Mission Bay Golf Courses
- November 17, 2011 – Review of Torrey Pines North and South Golf Courses
- December 1, 2011 – Division CIP / Marketing
- December 15, 2012 – Workshop
- February 9, 2012 – Revisit key issues discussed with the Committee
- March 8, 2012 – Revisit CIP and Marketing Plan
- May 17, 2012 – Review draft of the Business Plan
- May 31, 2012 – Committee motion and approval of the Business Plan

The Committee's May 31, 2012 motion and approval include the following:

- The Committee recommends approval of the Business Plan, with six modifications, by a vote of 5-0-1, with the Chairperson not voting.
- Committee approval of the Business Plan does not imply committee approval of the future Capital Improvements Projects listed in the Business Plan document.
- The Committee recommends that the Park and Recreation Board identify a month that the Business Plan would be reviewed annually on that same month of the year.

The Committee's May 31, 2012 modifications to the Business Plan included:

- Three additions and one change to sub-goals in the "Goals and Objectives" section;
- The Park and Recreation Board annually review Resident Golf Identification Card costs;
- Clarification that the current discounted monthly resident Junior Ticket is not valid on weekends and holidays; and
- Business Plan wording modification that Special Use Permits do not supersede legal settlement agreements. Since Special Use Permits do not supersede legal settlement agreements staff has not included this statement in the Business Plan.

Park and Recreation Board reviewed the Proposed Business Plan on June 21, 2012 and voted 8-0-2 to recommend approval of the Business Plan and added a recommendation to include formation of a committee to advise Golf Division.

Key components of the Business Plan are listed below.

Key Business Plan Areas

1. **Rate Overview:** There are no rate increases proposed and structured for any of the three courses within the Business Plan. Rate increases would not even be considered until after June 30, 2013 (FY 2014) including City of San Diego Resident ID Cards, currently at \$25.00 per year.
2. **Flexibility:** A key component of the proposed Business Plan is creating flexibility as it relates to golf green fee pricing in this competitive golf environment. To compete in this dynamic and changing golf market, the Business Plan gives authority to the Park and Recreation Director to decrease or increase prices within specified parameters while following prescribed procedures.
3. **Plan Duration:** The proposed Business Plan is a "rolling plan". The Committee made a specific recommendation that the City staff should not be constrained by a specific duration, as was the case with the current Business Plan (sunsetting in June 2011). The proposed Business Plan does discuss procedures allowing for updates rather than waiting for a plan to expire.
4. **Resident Access:** As in the past Business Plan, providing Resident access to tee times remains a high priority. Currently, among the three City courses, only at Torrey Pines is Resident access a concern. At Torrey Pines, the annual goal is to provide Residents with access to 70% of the available tee times. If and when needed at the other two courses, a mechanism would be created to ensure Resident access.
5. **Program Support:** Consistent with our Goals and Objectives, the Golf Division will continue to support and maintain our strong relationship with our Men's and Women's Clubs. Our support of junior and high school golf will also remain a high priority. In addition, the Golf Division will also look for ways to get involved with college golf, significant amateur golf competitions and events that, in general, are good for the game of golf.
6. **Marketing Plan:** The proposed Business Plan calls for the development of a Marketing Plan and the hiring of a full-time Public Information Officer. In order to compete in this golf market, the Golf Division must use today's technology to communicate with current and prospective customers to maintain and grow our customer base, ensuring the long-term stability of the Enterprise Fund.
7. **Capital Improvements:** For our golf courses to reach their full potential, the Golf Division must invest in their facilities. Discussed in the proposed Business Plan are

"Current" and "Future" capital improvements for each facility. The Golf Division is in a favorable position with the ability to make some of the much needed improvements that will give the courses a competitive advantage in the golf market.

Municipal Golf Committee

The Park and Recreation Director will create and appoint members to a standing committee, the Municipal Golf Committee (MGC), for the purpose of providing input on the implementation and monitoring of the Business Plan. It is anticipated that the committee will be formed, then first meet in March 2013, after completion of the Farmers Insurance Open Tournament.

FISCAL CONSIDERATIONS:

Each of the specific Business Plan recommendations has potential financial impacts affecting the financial viability of the Golf Enterprise Fund. It is estimated that the Flexibility plan proposal will result in an undetermined amount of future increased revenue. The results of additional revenue obtained from new marketing efforts and yield management golf green fee discounting will be evaluated and reported annually to the Park and Recreation Board.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None

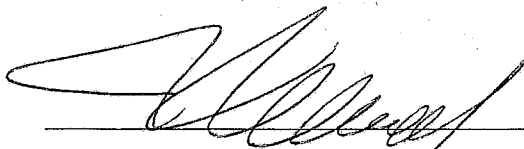
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Park and Recreation Board voted to recommend approval of the Business Plan with an additional recommendation to include formation of an advisory committee to advise Golf Division.

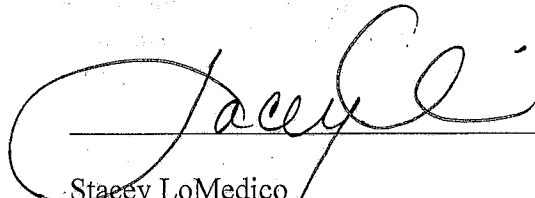
The ad hoc Golf Division Business Plan Committee voted to recommend approval of the Business Plan with modifications on May 31, 2012. The vote to approve was 5-0-1, with the Chairperson not voting.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Stakeholders include approximately 25,000 golfers who played a total of approximately 288,000 golf rounds in FY 2012 at Balboa Park, Mission Bay and Torrey Pines golf courses.



Mark Marney
Deputy Director, Golf Division



Stacey LoMedico
Director, Park and Recreation

Attachment: Golf Division Business Plan

CITY OF SAN DIEGO

Park and Recreation Department

Proposed Golf Division Business Plan

Prepared By:
Park and Recreation Department
Golf Division
July 16, 2012

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Executive Summary

Before reviewing the proposed Business Plan, it's important to understand the state of the golf industry since 2006. As documented in the plan, golf rounds have declined slightly and the local golf market has become very competitive putting an emphasis on creative marketing techniques. In the local market over the past 4 to 5 years, most every golf course has seen a significant loss of rounds and revenue.

In creating the proposed Business Plan, the City of San Diego Golf Division first developed its Goals and Objectives to serve as a guide. The Goals and Objectives were created to describe the core values under which the Golf Division operates. All areas of the proposed Business Plan are consistent with the Goals and Objectives ensuring continuity throughout.

In summary, the keys and critical issues contained in the proposed Business Plan for the successful operation of the City of San Diego Golf Division are described below. The items and issues were discussed at length by Ad Hoc Advisory Business Plan Committee (Committee).

Key Business Plan Areas

Rate Overview: There are no rate increases proposed and structured for any of the three courses within the Business Plan. Rate increases would not even be considered until after June 30, 2013 (FY 2014) including the cost of a City of San Diego Resident ID Card, currently at \$25.00 per year.

Flexibility: A key component of the proposed Business Plan is creating flexibility as it relates to golf green fee pricing in this competitive golf environment. To compete in this dynamic and changing golf market, the Business Plan gives authority to the Park and Recreation Director to decrease or increase prices within specified parameters while following prescribed procedures.

Plan Duration: The proposed Business Plan is a "rolling plan". The Committee made a specific recommendation that the City staff should not be constrained by a specific duration, as was the case with the current Business Plan (sunsetting in June 2011). The proposed Business Plan does discuss procedures allowing for updates rather than waiting for a plan to expire.

Resident Access: As in the past Business Plan, providing Resident access to tee times remains a high priority. Currently, among the three City courses, only at Torrey Pines is Resident access a concern. At Torrey Pines, the annual goal is to provide Residents with access to 70% of the available tee times. If and when needed at the other two courses, a mechanism would be created to ensure Resident access.

Program Support: Consistent with our Goals and Objectives, the Golf Division will continue to support and maintain our strong relationship with our Men's and Women's Clubs. Our support of junior and high school golf will also remain a high priority. In addition, the Golf Division will also look for ways to get involved with college golf, significant amateur golf competitions and events that are in general, good for the game golf.

Marketing Plan: The proposed Business Plan calls for the development of a Marketing Plan and the hiring of a full-time Public Information Officer. In order to compete in this golf market, the Golf Division must use today's technology to communicate with current and prospective customers to maintain and grow our customer base, ensuring the long term stability of the Enterprise Fund.

Capital Improvements: For our golf courses to reach their full potential, the Golf Division must invest in their facilities. Discussed in the proposed Business Plan are "Current" and "Future" capital improvements for each facility. The Golf Division is in a favorable position with the ability to make some of the much needed improvements that will give the courses a competitive advantage in the golf market.

Background

Market Place Context

As we look to the future Business Plan for the City of San Diego's municipal golf courses, we must first examine the current state of the local and national golf markets, including the latest economic trends which are shaping the overall golf industry.

Over the last several years, many things have changed in the local and national golf markets. Understanding these changes and how they have shaped the golfing industry gives us a better understanding of how the Golf Operations Division has arrived at its current state, as well as insight into planning the future of municipal golf in the City of San Diego.

National Golf Course Market

The two key issues that have significantly affected golf operations at a national level include:

1. The national economy
2. The stagnation of the number of individuals playing golf across the country

The economic downturn of the last several years has significantly impacted golf course operations. A recent article in GolfCourse Industry Magazine indicates “*bleak economic news doesn't make for a very good environment for our turf industry...Golf is discretionary spending and there simply isn't as much entertainment money around as in previous years.*” This recent article points out a core issue in golf operations: playing golf is a recreational choice and our customers have many other “recreational” choices that do not cost money and/or as much as golf.

Regarding the issue of stagnation within the industry, the National Golf Foundation (NGF), one of the leading golf consulting firms in the country, states that the number of golfers nationally has declined by 0.9% since 2000 (*2011 Golf Participation in the*

United States Report). Other agencies and organizations that study the golf industry show a small, recent increase in the rounds of golf played. However, we believe that, as with the rest of the economy, the immediately foreseeable future remains unstable.

Local Golf Course Market

Over the last several years, the same NGF report notes the number of golfers in the San Diego region has remained relatively constant. During this same time period several existing golf courses with previously private or restricted access have changed their policies to allow public play. This has resulted in an increased number of golfing facilities competing for the same limited number of public rounds. Two of the most recent facilities that have opened their courses for public play, in 2011, include: Miramar Memorial (18-hole) and Admiral Baker (36-hole) military golf courses.

As a result of the increase in supply and the general stagnation in demand, most daily fee golf courses in the San Diego region have struggled to attract and retain golfers. Today's golfers are seeking the best price, and they are willing to play any available course to get the best value. Golf facilities have had to become creative due to this increased competition. They have tried to protect their share of the market by reducing fees and/or packaging services. This has created a volatile market, where daily fee golfers have the luxury of moving from course to course, based on whichever facility is offering the best pricing each week. In addition, with the advent of web-based reservation systems and yield management pricing structures, local golfers can search for the best value, often just hours before teeing off.

Due to the structure of the current City Council adopted Business Plan, City of San Diego courses have fixed prices for each golf complex that are adjusted annually, without any price flexibility. Consequently, the Golf Operations Division has not applied these same golf standard strategies. In contrast to other non-City owned local golf courses over the last several years, City of San Diego golf courses have increased prices in a market where prices are being selectively reduced that has, in turn, driven golfers away to seek other courses.

Of the three courses within the municipal golf course system, two of the three, Balboa and Mission Bay, have experienced impacts similar to other golf courses in the local region; losing market share over the last several years.

Mission Bay has seen incremental improvements such as expanding tee and improving the conditions of the greens and improved turf conditions on the driving range, unfortunately, we do not believe we will see a significant increase in rounds at Mission Bay until we have additional flexibility on rates and we complete some of the more significant capital improvement projects.

With adoption of the proposed Business Plan we believe that we are well positioned for the coming years. Some of the indicators that bring us to this conclusion:

- We are in a strong position financially with operating reserves and a strong fund balance.
- We are continuing to invest in our facilities that will result in improved revenue potential in the coming years.
- Torrey Pines continues to be in high demand with play projected to be within three (3%) percent of our target for the facility.
- Improved course conditions along with the completion of recent capital projects at Balboa Park Golf Course are generating additional interest in the course.
- Demand for golf within the region is showing signs of increased demand.

Increased flexibility with the price structure will give staff additional tools to respond to customer and market demand much faster than we could previously.

Mission

The City of San Diego Golf Operations Division is dedicated to serving our patrons, players of all ages and abilities and enhancing their enjoyment of the game by providing a high quality golf experience.

Goals and Objectives

As we manage and operate the courses daily and plan for their futures, we need a clear program outlining how we plan to fulfill our Mission of providing a high-quality golf experience at all of our facilities. The following Goals and Objectives provide the structure needed to ensure that we have identified a definitive plan of action and have clearly articulated the necessary milestones to consistently monitor our position and progress towards meeting our objectives.

We have identified five key goals for the Golf Operations Division. These are consistent with the overall City and Park and Recreation Department Goals as well as the Golf Operations Division Mission. Along with each goal we have identified quantifiable objectives that can be monitored.

1. To provide golf opportunities for all skill levels at the best overall value with excellent customer service.

a. The primary users at all Golf Facilities are intended to be City of San Diego Residents.

- i. Monitor utilization at each golf course on an annual basis***
- ii. The goal for resident golfer's access to Torrey Pines Golf Course is to ensure that 70% of the tee times are made available to residents annually Promote golf to residents and others through enhanced communications using available technology***

- b. *Utilize flexibility to respond to market conditions including fees, programs and marketing.*
- c. *The Golf Operations Division supports local, national and international amateur golf.*
 - i. *Continue to host and support local Junior Golf, Junior World, High School, College, Men's and Women's Clubs and City Amateur tournaments and events*
- d. *Each Golf Complex delivers competitively priced golf to Residents and visitors of San Diego.*
 - i. *Continue to monitor costs associated with each course*
 - ii. *Benchmark appropriate competitors*
- e. *Resident golf fees will be established with consideration given to keeping rates as low as possible taking into account local market rates, operational costs at each complex, and the long-term sustainability of the Golf Operations Division.*
 - i. *Track all costs associated with each facility on an annual basis*
 - ii. *Adjust fees as required following the procedures outlined in the Flexibility section of this document*
 - iii. *Report to Park and Recreation Board annually on any proposed promotional rates lasting over 3 months as well as any increase*
- f. *Non-Resident golf fees will be established with consideration given to local and national (where appropriate) market rates, operational costs at each facility, capital needs for the Golf Operations Division, and the long-term sustainability of the Golf Operations Division.*
 - i. *Track all costs associated with each facility on an annual basis*
 - ii. *Adjust fees as required following the procedures outlined in the Flexibility section of this document*

- iii. *Report to Park and Recreation Board annually on any proposed promotional rates lasting over 3 months as well as any increase*
 - g. *Continue to conduct customer feedback surveys and strive to continually improve/expand customer services.*
 - i. *Formal surveys will be conducted every other year for each facility*
 - ii. *Surveys will be based on statistically valid samplings of existing golfers*
 - iii. *Results of the customer satisfaction surveys will be reported to the Park and Recreation Board as part of the annual review*

2. *To be Local and National Leader in Municipal Golf Operations and Maintenance.*

- a. *To be responsive to customer needs and desires and adapt with proactive marketing and operational solutions to address needs that maintain or improve our position within the market.*
 - i. *Continue to conduct satisfaction surveys, monitor competition and adjust to market demands*
 - ii. *Report results of these actions annually to the Park and Recreation Board*
- b. *To continuously seek to improve our operational and maintenance programs, striving to provide the best possible customer experience and course conditions.*
 - i. *Continue to work with the PGA, USGA, GCSAA and other industry leaders to identify opportunities and advancements within the industry*
 - ii. *Seek customer feedback as part of our customer satisfaction surveys*

c. To continue to host and seek a limited number of large-scale professional golf tournaments in order to maintain current national and international recognition.

- i. In conjunction with the Century Club, continue to work with the PGA Tour to improve Torrey Pines as a premier site for PGA tournament golf*
- ii. Continue to support the Junior World Championships*
- iii. Investigate potential future interest in hosting another “Major” golf Championship such as another US Open*

3. To be diligent stewards of the resources and finances within the Division, following the highest standards in transparency and accountability.

a. To proactively manage each golf complex to maximize its sustained success and the financial stability of the Golf Operations Division.

- i. Report the financial position of the Golf Operations Division annually to the Park and Recreation Board*

b. To work closely with all golf stakeholders to seek and implement policies and programs that best meet our customers’ needs while maintaining the financial stability of the Golf Operations Division.

- i. Receive feedback through the customer satisfaction surveys*

c. To invest in capital improvements at all facilities in order to address outdated infrastructure, deferred maintenance and to develop facilities that meet customer expectations.

- i. Continue to work with the Engineering and Capital Project section to develop and implement the Capital Improvement Program*
- ii. Report results annually to the Park and Recreation Board*

- d. *The focus of operational policies will be to improve consistency while providing simplicity and accountability in maintaining customer service.*
 - i. *Receive feedback through the customer satisfaction surveys*
- e. *To collect user information and proactively communicate with our customers to better understand their desires and trends as well as to inform them of current conditions within the division.*
 - i. *Develop tools to collect and create a database of user information in order to communicate with ALL customer types*
 - ii. *Report results annually to Park and Recreation Board*

4. To continuously strive to improve our environmental practices, seeking to invest in long-term environmental sustainability at each of our facilities.

- a. *Environmental sustainability is a priority. All purchases, contracts and construction projects will consider and strive to utilize materials, equipment and procurement procedures that support our desire to improve environmental sustainability at our facilities.*
- b. *Water efficiency is a significant priority at each of our facilities. Our irrigation watering schedules are based on Evaporation Transpiration rates which differ from season to season.*
 - i. *Staff to monitor and track water usage on a monthly basis*
- c. *Each of our facilities uses organic based fertilizers and alternative nutrient sources that balance soil and water chemistry and build a sustainable soil structure for turf-grass plants to thrive utilizing minimal use of chemicals.*
 - i. *Staff will continue to monitor and adjust our practices in accordance with industry standards, striving to maximize results with the lowest possible chemical use*

5. *To recognize value and invest in our employees.*

- a. The Golf Operation Division will continue to follow City, Department and Division standards and procedures as we recruit, develop and promote employees within the Golf Operations Division.*

Public Input

A key ingredient to the process of creating the Park and Recreation Department's Golf Operation's Business Plan is to make the process both transparent and inclusive to all of our stakeholders and the golfing public at large. We began by identifying a broad cross-section of stakeholders (i.e., Men's and Women's Clubs, Lessees, Hotels, etc), that have a long-term relationship with the Golf Operations Division and/or each of the City-operated golf complexes.

Ten (10) categories of individuals and groups were identified. Multiple individuals from each category of individuals and groups then voted for one (1) individual to represent their respective group. Along with a chairperson, these ten (10) representatives made up the eleven-member Ad-Hoc Business Plan Committee (Committee).

The Committee was formed to share their specific levels of expertise, evaluate staff recommendations and provide recommendations to City staff on the development of the Business Plan. The Committee held open meetings in accordance with the Brown Act and the public was invited to attend each meeting, providing comments and feedback. Twelve meetings were held between September 2011 and May 2012. The meeting agendas, presentation materials and minutes were posted on a City's website dedicated to the Business Plan. All meetings were publicly noticed. Approximately 10 to 20 members of the public were in attendance at each public hearing, offering input on a variety of subjects.

The first six (6) community meetings focused on reviewing each of the critical Business Plan elements. At meeting seven (7), community members were invited to participate in a
7/16/2012

workshop designed to allow for open dialog on any of the previously covered elements and topics. Meetings eight (8) and nine (9) refined these elements as discussed in previous meetings and focused on questions arising from meeting seven (7). The last meetings were held to review the proposed Business Plan. In addition to these meetings, written comments were received via e-mail and were collected and distributed to all members of the Committee throughout the public input process. These e-mails were also made available to the larger public by request.

Overall Golf Operations

Golf Enterprise Fund

The City of San Diego's Golf Enterprise Fund was established in 1992 and currently funds three (3) municipally-operated golf complexes: Balboa Park, and Mission Bay (which was operated by a private operator via a long term lease prior to 2003) and Torrey Pines. The Golf Enterprise Fund is a separate, interest-bearing account established for golf operations, similar to a private business enterprise. All three municipal golf courses' revenues and expenses are accounted for within the 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 golf courses. The creation of the Golf Enterprise Fund has ensured that all revenues from the course go to operation and maintenance of the courses and that no General Fund resources are used to support the golf courses. This, in turn, has allowed for long-term stability of the Golf Enterprise Fund, thereby, providing golfers with a range of golfing opportunities at the best possible value.

Based on current information, the Golf Enterprise Fund remains in good fiscal health, generating sufficient annual revenues to cover system-wide operations and planned capital improvements. The Golf Enterprise fund receives no annual subsidy from the City's General Fund. In fact, the Golf Enterprise Fund is treated much like a lessee, paying the General Fund for use of all of the City's golf facilities.

The following summary helps to better understand the complexities of the Enterprise Fund, its financial obligations and some key facts regarding its economic health:

- The Golf Enterprise Fund net operating income for FY 2011 was \$361,000 as reported in the FY 2011 Comprehensive Annual Financial Report (CAFR). The CAFR includes annual capital depreciation of \$1,095,000 for FY2011 and excludes interest earnings of \$300,811 for FY2011. This is the lowest CAFR operating income

in the past five fiscal years. Staff will continue to monitor future finances to ensure that annual operating expenditures do not exceed the annual operating income.

- The 2012 Golf Enterprise Fund's fiscal year budget (unaudited) has revenues of approximately \$15.9 million, with operating expenses of approximately \$14.8 million, resulting in a budgeted net operating income of \$1.1 million. The fiscal year-end projection for FY 2012 is consistent with this budget.
- In FY 2012 \$10.7 million is budgeted for funding ongoing and new capital improvement projects.
- A contingency reserve balance of \$1.7 million is currently available in the event there is a financial emergency. This balance is continuously maintained based on the recommendation of the City's Chief Financial Officer.
- There is a \$9.7 million unobligated fund balance. This balance is earmarked to fund future capital improvement project needs. A list of the proposed future capital improvements can be found in the review of each golf complex later in this document.
- As of spring 2011, golf play and associated revenue have been slowly increasing at all three of the City's municipal golf courses, and it is anticipated that revenues in FY2012 will exceed current projections by approximately \$1,000,000. This represents a 6.3% increase over budgeted projections.
- The Golf Enterprise Fund pays an annual land use fee to the City's General Fund. As approved by the City Council in FY 1994, this fee is calculated based on the acreage used by the Golf Operations Division along with a percentage of the gross revenues. Currently, this fee is equal to approximately 14% of the total gross revenues generated within the Golf Operations Division. In FY2012, the fee is projected to be \$2.4 million.

- In addition to the land use fee, the Golf Enterprise Fund will reimburse the General Fund approximately \$654,000 in FY 2012 for General Fund department services provided to the Golf Enterprise Fund such as accounting and personnel costs.

To ensure the financial stability of the Golf Enterprise Fund, revenues and expenses are monitored on an ongoing basis, with adjustments as necessary, in accordance with City standards and policies.

Rate Overview

Based on a recent review of operating costs, the Golf Operations Division does not plan to change the fees established in July of 2010. Minor fee modifications will only apply to “photo shoots” and expanded “course buyout rates.” Otherwise, the Golf Operations Division does not propose to raise any rates during FY2013. However, there is a desire to offer limited fee reductions to improve utilization and revenues by using the Flexibility Approach outlined in the section below.

As part of the preparation for the Business Plan we have reviewed the cost of services along with a competitive review and benchmarking for each of the municipal golf complexes. In general, this research has shown that although rates were raised annually from 2006 through 2010, most of the general rates structures are in-line with our cost of service and are competitive with “rack rates” charged by our competition. Rack rates are typically a posted rate and are used as a baseline to run specials and promotions, thereby giving the marketing perception that the consumer is saving money when they pay less than the rack rate.

Flexibility

One of the largest constraints of the current Business Plan is the inability of the Golf Operations Division to respond quickly to a dynamic and changing market place. As a result of the current economy, and an increase in golfing options within the San Diego County, many competitors adjust their “rack rates” and create programs and marketing

promotions to entice golfers to their courses. Many of these specials and/or promotions implemented by the competition are reductions in their “rack rates” and are made on a daily, weekly and/or monthly basis. This type of flexibility is not available in the City Council adopted Golf Business Plan of 2006.

This type of adaptable rate structure (strategy) is commonly used at most other local courses with similar conditions similar to Balboa Park and Mission Bay. Higher end facilities that compete directly with Torrey Pines do not use these programs as often. When our competitors run a promotional rate (which is less than their “rack rate”), their fees are often less than City-operated golf complexes. These promotional rates are usually focused on specific days or times of day that are underutilized. The flexibility to use a special or promotional rate during these slower times is a distinct advantage that our competition has enjoyed. With adoption of this Business Plan, we propose to include this approach for rate flexibility at each of our golf complexes. However, we anticipate that the promotions or specials will be used primarily at Balboa Park and Mission Bay due to the high demand currently being experienced at Torrey Pines.

These specials and/or promotions are something that local golfers have become accustomed to. The ability to offer similar programs on City-owned courses will make our operations more competitive with the practices at local privately-owned and other national golf courses which accept public play.

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 and will be created during development of a full marketing plan. Prior to the full marketing plan being developed, and after the Business Plan is adopted, there is an intent to begin to offer a select number of short-term specials at each golfing complex. These select specials can be found in each of the golf course review sections of this document.

In the coming years, this flexibility will also be available to increase fees if required. This is, however, not recommended until the market has stabilized and the demand for golf facilities has increased significantly.

The ability to make adjustments will be given to the Park and Recreation Department Director, or their designee, and provide him or her with the authority to reduce or increase fees as discussed below.

The Park and Recreation Department Director is authorized to reduce fees by as much as one half of the established regular published green fees (rack rates) under the following circumstances:

- (1) in order to promote increased use of a City golf course(s) during periods of low demand, and
- (2) as a marketing tool to entice golfers to specific City golf courses through special events, and
- (3) in the event that course conditions at a specific golf course(s) is such that it is in the best interests of the public to reduce green fees.

The Park and Recreation Department Director is authorized to increase fees annually by as much as five (5%) percent of the published green fees (rack rates) under the following circumstances:

- (1) after review by the Park and Recreation Board and ensuring public input, and
- (2) increases in golf fees will not be considered until July 1, 2013 (FY 2014), and
- (3) increases will be based on an annual review of increases to operational costs for the Golf Operations Division as well as a review of the consumer price index, and

(4) all fee modifications will be rounded to the nearest whole dollar.

Plan Duration

Prior to and during the development of this proposed Business Plan, staff has had the opportunity of utilizing the current Business Plan since its adoption in 2006. This knowledge, along with the additional management tools and the expertise of the Business Plan Committee, has provided the structure and framework for development of this proposed Business Plan. This knowledge and support, coupled with the flexibility that the new plan allows, will ensure the success of the Golf Operations Division for years to come. It will also give the Golf Operations Division the tools and capabilities needed to continue to provide an excellent golf experience for all levels of players.

The life span of the proposed Business Plan was discussed at length during the public meetings. In these discussions, the Business Plan Committee indicated that staff should not be constrained by a specific plan duration, as was the case with the current Business Plan. Rather, the discussion of a “rolling plan” was suggested as a way to revisit issues and make minor adjustments to the proposed Business Plan, rather than waiting for a plan to expire and then having to draft a new document.

It is imperative that the Business Plan maintain flexibility to adjust to market trends yet also have built-in mechanisms to monitor results and ensure that the program is achieving its identified goals. As opposed to a rigid “5 Year” plan that does not allow for any adjustment, this plan contains the flexibility to adapt to market trends by implementing subtle, yet sound business strategies as the market dictates.

To ensure that transparency is maintained within the Golf Operations Division, the Golf Operations Division will present annual updates to the Park and Recreation Board regarding the current status of operation and the current direction of the Golf Operations Division. The annual updates will also provide an additional conduit for public comment on the operations during the previous year. In addition to the overview of the Golf

Operations Division, the report will also include information on the current Golf Operations Division's customer satisfaction survey.

During the first five (5) years of this rolling plan, it is not anticipated that any updates will be needed. However, if an issue arises, staff will review and update the plan as necessary. After the proposed Business Plan is adopted, and after a period of five years, the need to create a new Business Plan will be re-evaluated annually as part of the Park and Recreation Board review. When plan adjustments are needed the Golf Operations Division will undertake the process of creating a new Business Plan. Until a new Golf Business Plan is needed, the Golf Operations Division will operate under the direction and flexibility of this rolling Plan and report to the Park and Recreation Board annually outlining achievements and the future plans for the coming year.

Resident Access

City of San Diego Resident access to all of the Golf Operations Division's municipally-operated golf complexes is a high priority and monitored by staff on a regular basis. Residents will continue to have access to tee time reservations seven (7) days in advance or less through the automated reservation phone line. A mechanism within the Marketing Plan will target Residents as our first priority in filling all unused tee time. This mechanism will communicate with Residents inside and outside of the seven (7) day window keeping them informed of tee time availability and course conditions. Filling tee times with non-Resident play is the last option.

With rounds at Torrey Pines currently at 97% of our target, maintaining adequate access for Residents is a priority. We will continue the successful criteria and procedures currently being used so that Residents have access to 70% of the tee times. Tee sheet templates are created ensuring 70% of the tee times will be available to Residents annually. If a similar need should arise at Balboa Park or Mission Bay, staff will develop a tool to ensure appropriate Resident access to tee times.

To allow for easier access to tee times, the Golf Operations Division will review newer technologies such as an online reservation system to add to the patron's convenience in making a reservation. Also, the cost to obtain the Resident ID Card will initially remain at \$25.00 per year and may be purchased by anyone proving City residency. The cost of the Resident ID card will be reviewed annually by the Park and Recreation Board.

Policies

The Golf Operations Division has a number of existing policies dealing with access to the City's courses. The Golf Operations Division also has standardized policies for various golf and non-golf activities. Several of these policies are outlined in the following section.

Club Play

The Golf Operations Division has an excellent relationship with the Women's and Men's Clubs at each of the City Golf Complexes. These groups have consistently utilized the City facilities and continue to organize and host Club tournaments throughout the year.

The Clubs each have Special Use Permits (SUP) that extends from 2010 – 2013. Each of these SUP's defines Club privileges and the appropriate City Resident green fees that their members will be charged by the City for Club play.

As part of the SUP's the clubs receive some special benefits, including:

1. Preferential scheduling
2. No cart requirements for Club tournaments.
3. Waiver of tournament rate requirements.
4. Resident rates for all Club members

Currently, the Men's and Women's Clubs' SUP's specify the number of times per month that the groups may use each facility. In general, the current terms work well for the Balboa Clubs due to the current volume of play. However, in order to ensure access by the general public, the Torrey Pines Clubs are limited based on the overall demand.

Moving forward with the proposed Business Plan, staff will maintain the current agreement at Torrey Pines, however, the Golf Operations Division may choose to expand play by offering these clubs access to another complex (Balboa Park, or Mission Bay) under the same conditions outlined in the Club's current SUP but at the current rates at each respective course. This will allow the Golf Operations Division to realize additional rounds of golf and will also accommodate the needs, as requested by the clubs, to schedule additional days of play for their Club tournaments. Any additional dates at any of the City courses will be approved on a case by case and year to year basis and they will not change the current SUP terms.

Junior / High School / College Play

It is an objective of the City of San Diego Golf Operations Division to support growth of the game by supporting local and international amateur golf. This includes providing affordable access to our City Golf Courses for local junior golf associations as well as high schools. Throughout the year, the San Diego Junior Golf Association holds various events at our City Golf Complexes. Each July, Torrey Pines hosts the Callaway Junior World Golf Championships for 15-17 year old boys and girls. It is the largest junior tournament in the world attracting over 1,100 players from 54 countries and 42 states.

The Golf Division also offers a Junior Monthly Ticket that is available to Junior Residents (17 and under) and high school students attending a school located within the City of San Diego. The Junior Monthly Ticket is an exceptional opportunity for the juniors to gain access to the City's golf courses. Unmatched in

the country, juniors may purchase a monthly ticket for \$10.50 which, along with a valid Resident I.D. Card, allows them to play unlimited golf for 30-days at any of the City of San Diego golf courses. This program is currently utilized by fifteen high school teams playing at our City Courses for both regular season and the California Interscholastic Federation (CIF) Championships, and during their matches visiting teams play at no-charge. In fiscal year 2011, the Golf Division sold 1,844 monthly tickets and 7,776 rounds were recorded by juniors through this program.

Allowable times of play at each complex with the Junior Monthly Ticket are as follows:

- Balboa Park:
 - Monday - Friday 1-hour after Twilight time
- Mission Bay:
 - Monday - Friday, Valid anytime
- Torrey Pines:
 - Monday - Thursday 1-hour after Twilight time

Note: The Junior Monthly Ticket is not valid on weekends and holidays.

In staying consistent with our objective, the Golf Division will explore opportunities to play host to college golf as well. Torrey Pines would be an excellent site for collegiate matches and regional/national tournaments.

Tournament Play

Tournament play is an important part of the overall makeup of rounds for the Golf Operations Division.

Each course has set a target for tournament rounds to be achieved during the next five years. Those targeted rounds are as follows:

Balboa Park Golf Complex - 8,000

Mission Bay Golf Complex - 5,000

Torrey Pines Golf Complex - 14,600 (Both North & South)

Tournament Rates:

Balboa Park Golf Complex

Mon-Fri:	18-Hole	\$52.00	9-Hole	\$26.00
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Sat, Sun and Holidays:	18-Hole	\$62.00	9-Hole	\$31.00
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*Shotgun Starts are an additional \$10.00 per player.

Mission Bay Golf Complex

Mon-Fri:	\$40.50
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Sat, Sun and Holidays:	\$47.50
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*Rates include optional golf cart fee

Torrey Pines Golf Complex

Mon-Thurs:	North	\$139.00	South	\$222.00
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Fri-Sun and Holidays:	North	\$164.00	South	\$267.00
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*Shotgun Starts are an additional \$20.00 per player.

Based on availability, the Golf Operations Division will have the ability to offer special rates to events/tournaments that benefit the City, promote the golf courses, support/promote junior golf and/or are good for the game of golf in general. The Park and Recreation Director, or designee, will determine the scope of the promotional/marketing value and decide whether the fees can be reduced in accordance with the approach to flexibility. Examples of these events could be: CIF Tournaments and Championships, Collegiate Tournaments, California State Amateur, Publinks events, etc.

Golf Course Buyouts

The Golf Course Buyout rates are a premium option available to those groups that desire the use of the golf course for more than half of the day's available rounds. The base rates below are for up to two hundred forty rounds and are inclusive of green fees, carts and basic tournament services, with the exception of Mission Bay, where the cart is optional. The base rates below will also be used to calculate half-day course buyouts.

Due to recent renovations and improvements, as well as future planned capital improvement projects, we believe that there will likely be a demand for Course Buyouts at both the Balboa Park and Mission Bay Golf Complexes where currently a rate does not exist. As such, we have established new Course Buyout Rates at these two golf courses.

Balboa Park Golf Complex

Mon-Thurs:	18-Hole	\$19,000	9-Hole	\$17,000
Fri-Sun:	18-Hole	\$24,000	9-Hole	\$20,000

Mission Bay Golf Complex

Mon-Thurs:	\$18,000
Fri-Sun:	\$21,000

To date, course buyouts for the Torrey Pines Courses have been utilized on a limited basis. To remain competitive and to help stimulate opportunities, the following rate changes will be implemented.

Torrey Pines Golf Complex

Mon-Thurs:	North	\$54,000	South	\$81,000
Fri-Sun:	North	\$64,000	South	\$94,000

Public Shotguns

Public Shotguns are an effective tool to maximize available tee times resulting in increased Resident access. In general, public shotguns are planned opposite of contracted full-field shotguns when the public shotgun format will provide additional players over normal tee times. The public shotgun is posted on our website and mentioned on the automated reservation phone message resulting in a large majority of the tee times being booked by City Residents. It is a convenient method for Residents to book tee times and maximizes their playing opportunities. There is no booking fee charged to book these times and each Resident may book up to a foursome. Standard Resident green fees apply to all Residents with a valid Resident ID Card.

Advanced Reservations

The Torrey Pines Golf Complex will continue offering advanced reservations 8 to 90 days in advance for both Residents and non-Residents. City of San Diego Residents with a Resident ID Card pay \$30.00 per person for their advanced reservation while non-Residents pay \$43.00 per person. Both are allowed to make tee times for up to eight (8) players per day. The fee is nonrefundable, nontransferable and does not apply to the green fee.

Currently, this program is heavily used by non-Residents that are planning a trip to San Diego and want to ensure they will have the opportunity to play Torrey Pines. The daily tee sheet templates reserves just 12% of the tee times for advance sale to non-residents and throughout the year, we sell a majority of these advanced times.

Although, the daily tee sheet templates reserve the same number of advance reservation tee times for Residents, it is estimated that only 25% of the available tee times are purchased. Staff plans to review this further as part of the marketing

plan and make a determination on how to make this process a more effective tool for Residents.

Farmers Insurance Open

An integral component to the overall accomplishments of the Golf Operations Division, and specifically the Torrey Pines Golf Complex, has been the long standing relationship with The Century Club, the PGA Tour, and Farmers Insurance. It is because of this highly successful and collaborative effort by all parties that Torrey Pines has been put on the world golf map as a 'must play venue' and has garnered multiple industry awards.

The yearly telecast draws millions of worldwide viewers and brings a great deal of attention to America's Finest City, its weather, visitor resources and of course, the seaside bluffs of Torrey Pines. There is no mistaking the positive impact that the Century Club, in conjunction with the Golf Operations Division, has on the San Diego region by bringing the PGA event to Torrey Pines annually. The Golf Operations Division continue to improve this relationship in the years to come and strive to create golf complexes that continue to be attractive to professional tournaments and special events.

Capital Improvement Programs

As the Golf Operations Division prepares to move forward in the coming years, the long-term sustainability of the Golf Operations Division will be due in large part to how well each complex can meet customer expectations and fully utilize opportunities. A structured and well-planned capital improvement program plays a key role in meeting these future expectations.

Each of our facilities has a list of key capital improvements proposed over the next 10 years. The majority of these improvements are needed at the Mission Bay complex, where nearly every element of the complex requires capital investment. Balboa Park is in

better condition with the recent completion of the comprehensive irrigation system. However, it has additional course needs along with the needs associated with the clubhouse and parking lots. A preliminary design for the clubhouse and parking lot is currently underway. Torrey Pines is in the best overall condition with the major focus for future work being on the North Course. Planning for this work will require careful coordination with all stakeholders.

Over the next several years, the Golf Operations Division will work closely with staff from the Public Works Department in order to ensure that the capital improvement needs of the Golf Operations Division are being addressed and that all required funding is in place to allow for the design and construction of the individual projects.

As part of the review of each complex in this document we have outlined a list of the "Current" and "Future" capital improvement projects for each facility. These lists will be re-evaluated by the Golf Operation's Division and Public Works Department on a regular basis to ensure that the proposed projects meet the needs of the patrons, as well as improve site conditions, operations conditions and amenities. Improvements will address long-standing deficiencies and allow each complex to better compete, and/or excel, in their respective markets.

Investment in capital improvements at all facilities will address outdated infrastructure and develop facilities that meet customer expectations and improve the long term sustainability of the Golf Operations Division. These improvements will allow the Golf Operations Division to ensure the best possible course conditions and to improve and create additional revenue streams.

The following funding policies will be followed as we plan for "future" capital improvement projects:

1. All capital improvement projects will be constructed on a cash basis

2. Capital improvement projects will not advance beyond the design process until full project funding can be identified
3. The Golf Operations Division will look to share the capital costs for improvements with lessees and strategic partners where appropriate
4. Our highest priorities include:
 - a. Improving course conditions
 - b. Addressing outdated infrastructures
 - c. Improving expanding revenue generation opportunities

Customer Satisfaction Survey

A customer satisfaction survey report was completed in June 2011 to assess the satisfaction of golfers' experiences at all three City operated courses during the 2010 calendar year period. The survey was developed by a firm that specializes in customer satisfaction surveys. City golf stakeholders were interviewed to determine the key drivers of golfer customer satisfaction at City courses and then a 42-question questionnaire was developed. A statistically representative group of 1,306 golfers participated by either completing an online survey using a privately issued Personal Identification Number (PIN) or through a telephone survey. The results of the survey had a statistical margin of error of plus or minus 2.7%. The report's primary findings are in the table below:

Golf Course	Rating	Rating Aspects		
Balboa Park	Excellent	Course layout	Staff courtesy	Value for fee paid
	Areas for Improvement	Driving range	Pro Shop quality	Restrooms
Mission Bay	Excellent	Tee time availability	Golf carts	Staff courtesy
	Areas for Improvement	Restrooms	No Pro Shop	Quality of food
Torrey Pines Residents	Excellent	Course layout	Course conditions	Practice putting green
	Areas for Improvement	Tee-time availability	Pace of play	Driving range
Torrey Pines Non-Residents	Excellent	Course layout	Pro shop and carts	Course condition
	Areas for Improvement	Driving range	Value for fee paid	Tee-time availability

The customer satisfaction report provides the ratings for 22 areas of golfer satisfaction. The Business Plan recommendations incorporate actions that will address needed improvements as identified in the customer survey report. As customer service improvements are made future comprehensive customer satisfaction surveys are planned to measure customer satisfaction levels.

Marketing

At the present time, the Golf Operations Division does not have a comprehensive marketing plan to increase rounds and revenue. The primary avenue to generate customer awareness for any of our facilities has been the televised coverage of the annual Farmers Insurance Open at Torrey Pines. This telecast focuses on the Torrey Pines Golf Complex and occasionally on San Diego itself. However, it does little for either the Balboa Park or Mission Bay golf complexes.

In addition to this telecast, the City's website provides locals and visitors with general course information but does little marketing outreach to entice golfers to the courses. The webpage is accessible through a link on the City's Park and Recreation website or visited directly by those who know our website address. This passive approach offers limited results at best but offers a starting point to build upon.

In comparison, the competition generally has staff dedicated to monitor, execute and track marketing and promotional activities. Their efforts generally include strategic planning, utilization of social media, managing on-line reservations, advertising, booking golf and non-golf outings, monitoring and updating their website, communicating with existing customers, as well as other activities critical to successfully maintaining their position in the local market. Having a clearly defined roadmap and staffing to implement their marketing plans allows them to not only maximize their revenue opportunities through promotions and specials, but also quickly adapt to operational needs. The ability to quickly adjust to market trends and execute various strategies allows them to ultimately increase revenue.

Our recently completed competitive analysis gave us insight to not only the competition's fees, programs and complex offerings, but also to their commitment to marketing. Based on our findings the time has come for the Golf Operations Division to develop a comprehensive marketing plan, much like that recommended by the National Golf Foundation (NGF) in 2006. In order to make this commitment to marketing each of our complexes, the Golf Operations Division will require staff to oversee the development

and implementation of our marketing plan. This will be accomplished by hiring a full-time Public Information Officer who will oversee these efforts under the direction of the Golf Operations Division. This individual will work in conjunction with an outside consultant on the preparation of the plan and will then administer the implementation of the plan and recommend adjustments as needed in order to accomplish the overall marketing plan goals.

The San Diego Sports Commission has volunteered its time and expertise as the consultant, to assist the Golf Operations Division in the creation of the Marketing Plan. This strategic partnership will allow the Golf Operations Division to capitalize on the Commission's experience in designing and implementing marketing plans for sports clients. This relationship will ultimately allow us to maximize the effectiveness of our marketing budget and create new avenues to enhance the exposure of our municipal golf system.

The marketing plan will include market research, course-specific branding, goals, strategic planning, implementation schedules, results tracking tools and follow-up capabilities. The completed document will fully define the overall vision and scope of work and implemented in phases. The timeline of the phases will be determined by staffing, funding, Division needs, market trends and opportunities.

While the overall plan is in the development stage, and is being phased into daily operations, there are some immediate areas that will be implemented. Some of these strategies include:

- Local and national media coverage to announce the recent renovations and improvements
- Building and utilizing a usable customer database
- Expanding tournament play
- Implementing basic yield management techniques and systems to book under-utilized tee times
- Increasing communication with current golfers via email and periodic newsletters.
- Creating specials or promotional rates as appropriate at each complex

In addition to the preliminary steps above, staff needs to identify and develop strategic partnerships. Once established, these relationships will be an integral piece of the overall plan. Industry organizations such as Southern California Golf Association, PGA, GCSAA, golf manufactures and local/national golf publications routinely benefit from cross-marketing relationships and its time that we begin to consider how we may want to participate with these potential partners. Local businesses like the Convention & Visitors Bureau, the Convention Center, Hotel/Motel Associations, event coordinators and travel agencies are looking for quality destinations for their guests and we have facilities that meet their needs.

In addition, there are opportunities that are waiting to be cultivated within the City and the Park and Recreation Department. For example, we have the chance to participate with other Balboa Park institutions and increase awareness of the Balboa Park Golf Complex. In the future this could result in dual promotions for institutions and the golf complex. Other opportunities include making sure that the City golf courses are properly identified on all City promotional maps and guides. This type of marketing is simple and cost effective.

To help insure transparency of the Marketing Plan and to confirm the return on investment, the annual report to the Park and Recreation Board will include a review of the effectiveness of the implemented marketing strategies as well as recommendation for the coming year.

Photo Shoots

Due in part to the majestic views the City of San Diego operated golf complexes continue to be popular for photo and film shoots. Our staff continues to receive numerous requests to use the golf courses for this purpose. Many of these activities can be beneficial to the City of San Diego's visibility and image as a premier golfing destination.

Most photo/film shoots are required to go through a Right of Entry (ROE) application process. All direct costs incurred by the Golf Operations Division and City will be reimbursed by the applicant regardless of the required permits. Potential charges to the applicant include, but are not limited to, the ROE application, additional course preparation fees, reimbursement for staff time on the course, and lost green fee revenues for any projected lost tee times.

Photo and film shoots can be time intensive and they generally require coordination by a Golf Course Manager or Supervisor. The applicant shall reimburse staff time for meetings and appointments prior to commencement of the ROE. If the photo-shoot impacts any amount of play the applicant is required to cover all potential lost revenue. It is important to note that while a Golf Course Manager or Supervisor will manage the event, additional staffing such as a Golf Starter may be required to escort the group, monitor progress and handle compliance issues. Staff time will be calculated based on the fully loaded costs for each classification that is needed for the event.

Some photo shoots offer promotional and marketing value, while others provide little to none. Taking this into consideration, the Deputy Director of Golf Operations will determine the importance of promotional and marketing value for each photo shoot and determine whether the fees can be reduced or waived.

Room Rentals

Golf courses are great sites for meeting and special events. Periodically we receive requests to rent our facilities for these and other non-golf activities. In order to accommodate these requests (assuming they do not negatively impact golf operations) staff has developed room rental rates for the limited spaces that currently exist within the Golf Operations Division. At the present time the Clubhouse and Observation Rooms at the Balboa Park Golf Complex are the only facilities that are available for rent.

Any group affiliated with the City or conducting City business has the privilege of utilizing rooms at no charge, subject to availability. Those groups/organizations include:

City of San Diego Departments for official City business and City sanctioned organizations such as Community Planning Groups and Park and Recreation Councils.

Balboa Park Golf Complex - Rental Fee					
Description					
Clubhouse (Includes Great and Observation Rooms) 3 hour Minimum.				Non- Profit	Commercial
First (3) Three Hours				\$100.00	\$300.00
Every Additional Hour or part				\$25.00	\$100.00
Cleaning Deposit				\$250.00	\$250.00

Balboa Park Golf Complex

Background

The Balboa Park Golf Complex is located in the heart of Balboa Park, just minutes from downtown and is easily accessed by various freeways. The golf course, which was originally designed by renowned golf course architect William Bell, has been altered from its original design, but Bell's classic style is still evident at this unique jewel. The complex consists of 27 holes of golf with amenities such as the clubhouse, pro shop, Tobey's 19th Hole Restaurant, driving range, practice putting and chipping greens.

Recent work on the courses has them in excellent condition and conditions continue to improve through diligent maintenance practices. These efforts have also enhanced one of the key features of this landmark facility, the panoramic views of the downtown skyline, Pt. Loma and beyond. As golf course conditions have improved and the number of rounds have increased, tournament and group-outing opportunities are currently being missed due to an antiquated clubhouse with limited event capabilities. Much of the supporting infrastructure including the clubhouse, parking lot, cart barn and practice areas are in need of capital investment and redesign.

The 18-hole course is a par 72, 6,281yard championship caliber layout within Balboa Park. The 18-hole course offers a challenging yet friendly golf experience with its undulating topography and tree lined fairways. Resident golfers treasure the course for its beauty, course layout, history and convenient location. Visitors enjoy the complex due in part to its close proximity to downtown's hotels, businesses and the Convention Center. In FY2011, the 18-hole course had 41,257 rounds played, with 77% of those rounds being played by City Residents and 23% being played by visitors.

The 9-hole, par 32 executive course, is an ideal venue for juniors, seniors, beginners and experienced players of all ages who are looking to improve their short-game skills. With a layout of primarily par 3 holes, the course encourages players to walk over the relatively flat layout, although golf carts are available. The 9-hole course in FY 2011 had 7/16/2012

47,392 rounds played, with 79% of those rounds being played City Residents and 21% being played by visitors.

Current Conditions

In general, the current atmosphere shared by golfers around the complex is one of genuine excitement, optimism and enthusiasm. The recent replacement of the entire irrigation system and extensive thinning of the foliage and fairway-lining shrubs has had a significant impact on public perception. A renewed trust has been instilled into the residential guests of the complex along with a genuine belief that ongoing maintenance programs and needed capital improvements will continue to enhance this historic gem.

Much more work still needs to be done, however, to restore the overall Balboa Park Golf Complex to the position that is necessary to attract and retain new golfers and achieve our desired number of rounds for the complex.

Vision

With a collaborative effort from all vested parties associated with the facility, future capital improvements and on-going maintenance practices, the Balboa Park Golf Complex should be able to achieve its target of 148,000 annual rounds, of which 70,000 will be earmarked for the 18-Hole Course and 78,000 being targeted for the 9-Hole Course. This goal will be realized with incremental improvements.

The proximity to downtown offers an excellent opportunity to develop relationships and marketing programs by targeting hotels, various conventions, businesses and the growing residential population. We also plan to increase our participation in Balboa Park partnerships and activities to maximize all marketing opportunities and create an overall presence in the Balboa Park system.

These goals will be most effective after: renovation/construction of a clubhouse; efforts by staff to solicit and manage tournament play; establishment of clearly defined

marketing strategies; and the flexibility of Golf Operations to implement fee strategies to improve the number of rounds and overall revenues.

Rates – Competitive Analysis

Our recent competitive analysis of the primary competition indicates that Resident green fees at Balboa Park are generally competitive and in-line with its competitors' posted "rack rates". Having the ability to run promotions and offer specials allows the competition to attract golfers with various packages and discounted rounds of golf.

The competition has the ability to package programs due to multiple revenue streams such as food and beverage, driving range, cart rentals, merchandise, etc. They have not, however, invested in capital improvement projects nor have they enhanced their maintenance programs like the City's recent improvements at the Balboa Park Golf Complex. Recent trends have shown that while Residents are indeed concerned about their golfing dollar, they are not solely in search of the "deal of the day". This is evident in the recent increase in play at Balboa Park, which has resulted in a jump in revenue without an adjustment to green fees. This is a strong indicator that many of the rounds lost in the past few years at Balboa Park were due to the previous conditions of both the golf course and the overall complex. Now that customers are becoming aware of recent improvements, they are back and enjoying our complex once again. We believe these recent gains may be short-lived, given the limitations of the complex unless there is continued investment in the property.

Typical Promotional Programs

While there are a variety of promotional campaigns and specials that could be implemented once the targeted marketing plan and strategies are defined, the staff will initiate some preliminary promotions based on staff recommendations and recent customer feedback. Some of the programs that we may use during the first several months of the new Business Plan will include:

- Mon – Wed: Non-Residents pay Resident rates
- Weekends: Create a Senior promotional rate for the 9 hole course
- Anytime: Offer a “Replay Special” – on the 9 hole course

Balboa Park Golf Course **Rate Table (1)**

	City of San Diego Residents With Resident I.D. Cards	Non- Residents
18 Hole Championship Course		
GREEN FEES: WEEKDAYS (Mon - Fri)		
18 Holes	\$32.00	\$40.00
18 Holes Senior (62 and over)	\$22.00	N/A
18 Holes Junior (17 and under)	\$28.00	\$28.00
Twilight	\$19.00	\$24.00
GREEN FEES: WEEKENDS (Sat – Sun) / HOLIDAYS		
18 Holes	\$40.00	\$50.00
Twilight	\$24.00	\$30.00
9 Hole Course		
GREEN FEES: WEEKDAYS (Mon - Fri)		
9 Holes	\$14.00	\$18.00
9 Holes Senior (62 and over)	\$10.00	N/A
9 Holes Junior (17 and under)	\$13.00	\$13.00
GREEN FEES: WEEKENDS (Sat – Sun) / HOLIDAYS		
9 Holes	\$18.00	\$23.00
City of San Diego		
Resident ID Card	\$25.00	
Junior Monthly (30 day) Ticket Residents 17 and under only.	\$10.50	

(1) Fees since July 2010

Complex Review

While the Balboa Park Golf Complex appears to have nearly all of the necessary amenities to sufficiently compete in the marketplace, it falls short for a complex that is looking to successfully contend in the highly competitive local golf market.

When one considers the central location, views of the downtown skyline, and potential amenities that could be offered, this facility is a perfect location for daily play, special events, tournaments and other outings. Some of the key areas that need to be addressed to allow this complex to compete in a highly competitive market include:

1. The existing clubhouse, which has been registered as a historic structure in the California Register of Historical Resources, is in need of maintenance to preserve and enhance the building's historic character.
2. The food and beverage facility/offerings do not sufficiently meet the needs for full-field golf tournaments, weddings or special events that are often offered by the competition.
3. Golf cart storage and electrical service capacity limits the size of tournaments that can be played on a regular basis at Balboa Park.
4. Construction of a new cart path system throughout the course is needed. This will enhance the experience for golfers, as well as help to manage cart-traffic controls during periodic maintenance programs and rain events.
5. The parking lot has recently undergone some minor repairs but additional work is required to adequately serve the complex and provide ample room for parking.

Recommendations

Many of the facility needs noted above will be addressed with the implementation of the City's current Capital Improvements Program, including the ultimate build-out of the new clubhouse and refurbishment of the existing historical clubhouse. Once up and running, the new clubhouse and refurbished existing clubhouse will enable the Golf Operations Division to compete at a higher level, accommodating the needs of larger groups (both golf and non-golf). There is a need to provide sit down food and beverage service for 150+ people. Until that time, needed infrastructure repairs will be completed on the existing clubhouse with focus on soliciting golf tournaments for between 20 and 40 people.

Capital Improvement Programs

As discussed in the Overall Golf Operations section, Capital Improvements are key to the overall success of the Division. Based on the priorities outlined in the section above, staff has developed the following list of projects for the Balboa Golf Course. The list identifies "Current" projects that are partially funded and part of the published City-wide CIP and/or annual allocation process. The "Future" project list includes potential needs that staff has identified by reviewing facilities, understanding the local market place, receiving customer feedback and addressing regulatory issues. Items on the "Future" list do not have a refined scope of work nor a proposed budget.

Prior to projects moving from the "Future" to "Current" lists, staff will work to refine the proposed scope and goals for the project. Formal creation of new projects will occur through the budget process for new published CIP projects and others will be outlined in the annual review of the Golf Operations Division presented to the Park and Recreation Board.

Current Projects

1. Install a complete cart path system and repair/replace stairs and handrails on the 18-hole golf course.
2. Design a new/renovated clubhouse and parking lot. Schematic Design has just begun in the spring 2012.
3. Install fuel tanks at the maintenance yard.

Future Projects

- Re-evaluate configuration of hole #4
- Construct screen walls on the 9-hole restroom
- Design and install drainage on #1,2,3 of the 18-hole course
- Separate and heat staff break area in the maintenance building
- Consider changing hole #5 of the nine hole course as part of the clubhouse project.
- Upgrade the existing wash rack
- Upgrade the maintenance building
- Examine existing, and the need for new fencing around the facility

Mission Bay Golf Complex

Background

Mission Bay Golf Complex and Practice Center is ideally located in the heart of San Diego on Mission Bay, just ten minutes from downtown. Redesigned by Ted Robinson during the early 1960's, this 18-hole executive golf course measures 2719 yards with an accompanying 30-stall driving range and short-game practice area.

It holds a unique position in the local golf market as the only night-lighted golf course and practice facility. The course layout and practice facilities make it an ideal venue for beginners, seniors and families. With improvements to the driving range, clubhouse and course infrastructure, Mission Bay should once again become an ideal destination for locals and visitors.

Current Conditions

Due to an enhanced maintenance program, golf course conditions and turf management on the driving range are the best they've been in years. New plantings have taken place in and around the clubhouse area to give the entrance a fresher look, the driving range has new furniture and some fencing has been replaced. The results have not gone unnoticed as positive reviews are received daily and public optimism is beginning to build regarding the future potential of the facility.

While the public perception is similar to that of Balboa Park Golf Complex, in that the public is witnessing course improvements and a renewed dedication by the Golf Operations Division, we should not misread these signals. The Mission Bay Golf Complex has a long way to go to once again gain the public confidence that is desperately needed to increase rounds and revenue.

Vision

With its location, ideal course design for beginners, practice facilities and potential for clubhouse amenities that can attract a broad scope of events and outings, the potential for the Mission Bay Golf Complex is very strong. Completion of the proposed capital improvement projects will help the complex achieve the target of 75,000 annual rounds. Proper marketing and development will position Mission Bay as a “Golf Learning Center” capitalizing on the full potential of the property. Once the course infrastructure, practice facilities, clubhouse, restaurant and meeting spaces are built, Mission Bay should once again be known as a place to come for golf, food, music, personal events and corporate outings.

Rates – Competitive Analysis

Our recent review of the primary competition shows that, while weekday Resident green fees are in-line with other facilities, non-Resident weekday and weekend rates are not competitive when compared to the competition’s coupons, promotions and email specials for both weekdays and weekends.

While it is believed that price is only a part of why golfers choose a complex and that course conditions and service are two equally important elements, there is a limit as to what golfers will consider a "value". Mission Bay has priced itself out of the value range in the minds of many golfers.

The competitive analysis also showed that the local competition has the ability to package programs due to multiple revenue streams such as; food and beverage, driving range, cart rentals and merchandise in the pro shop. They offer daily "specials" that appear very attractive to the consumer when they start to consider the value of their golf-dollar.

Typical Promotional Programs

There are a variety of promotional campaigns and specials that could be implemented once the targeted market and strategies are defined. We will initiate some preliminary promotions based on feedback received from staff and various community members.

Some of the programs that will be used during the first several months of the new Business Plan will include:

- Weekends: Create a special for non-residents to pay resident rates
- Anytime: Create a replay special for either 9 or 18 holes
- Anytime: Create a 12 and under special when child plays with an adult

**Mission Bay Golf Course
Rate Table (1)**

	City of San Diego Residents With Resident I.D. Cards	Non- Residents
18 Hole Executive Course		
GREEN FEES: WEEKDAYS (Mon - Fri)		
18 Holes	\$24.00	\$29.00
18 Holes Senior (62 and over)	\$17.00	N/A
18 Holes Junior (17 and under)	\$20.00	\$20.00
9 Holes	\$14.00	\$17.00
9 Holes Senior (62 and over)	\$10.00	N/A
9 Holes Junior (17 and under)	\$12.00	\$12.00
GREEN FEES: WEEKENDS (Sat – Sun) / HOLIDAYS		
18 Holes	\$30.00	\$36.00
9 Holes	\$18.00	\$22.00
PRACTICE RANGE BALLS		
Small	\$6.00	
Medium	\$8.00	
Large	\$10.00	
RENTALS		
Power Carts	\$11.50	
Pull Carts	\$4.00	
Clubs(perSet)	\$11.50	
City of San Diego		
Resident ID Card	\$25.00	
Junior Monthly (30 day) Ticket Residents 17 and under only .	\$10.50	

(1) Fees since July 2010

Complex Review

With the golf course and driving range turf conditions the best they have been in years, the immediate assessment of Mission Bay is similar to that of Balboa Park Golf Complex. At first glance, the property would appear to possess all of the necessary features of a quality golf complex; ample parking, driving range, clubhouse, playable golf course, practice putting green and well maintained turf conditions.

Upon closer examination, some of the complex's deficiencies and antiquated infrastructure are apparent. Before the complex can once again attain the position of a full-service, family oriented complex these key areas must be addressed:

1. The clubhouse has significant, and numerous, structural issues that make it no longer feasible to invest in repairs.
2. The 50-year old irrigation system is in dire need of replacement
3. The facility (including on-course and driving range) lighting system is old and in need of repair or replacement.
4. While ample in size, the parking lot is in need of repairs and new striping
5. The driving range is not configured to maximize teaching opportunities, provide adequate targets greens or affords a quality short game area.

Recommendations

In order for the complex to properly host small tournaments, attract new non-Resident play and maximize its potential, the complex needs a great deal of work. Unlike that of Balboa Park that has a clubhouse to work around, Mission Bay's current building needs to be demolished and a new structure put in its place. A new clubhouse will take several years to design permit and construct. In the meantime, modular structures need to be brought in and installed near the footprint of the current building.

The installation of a new (modular) clubhouse, that includes a Pro Shop, and restaurant, will have an immediate impact on the ability to attract tournaments, events, families and

PGA Teaching Professionals. Not to be minimized are the branding and marketing opportunities that present themselves as Mission Bay takes the lead as a “Golf Learning Center”.

While keeping up our current maintenance practices, we must replace the old irrigation system with a water saving system such as was recently installed at Balboa Park. If we are to be environmental stewards of the community, implementing a state-of-the-art irrigation system is a step in the right direction.

Along with the irrigation system, the electrical system for the lights on the golf course must be overhauled or replaced.

Capital Improvement Programs

As discussed in the Overall Golf Operations, Capital Improvements are keys to the overall success of the Division. Based on the priorities outlined in the section above, staff has developed the following list of projects for the Mission Bay Golf Complex. The list identifies “Current” projects that are partially funded and part of the published City-wide CIP and annual allocation process. The “Future” project list includes potential needs that staff has identified by reviewing our facilities, understanding our local market place, receiving customer feedback and addressing regulatory issues. Items on the “Future” list do not have a refined scope of work nor a proposed budget.

Prior to projects moving from the “Future” to “Current” lists, staff will work to refine the proposed scope and goals. Formal creation of new projects will occur through the budget process for new published CIP projects and others will be outlined in the annual review presented to the Park and Recreation Board.

Current Projects

1. Demolish existing clubhouse and replace with portable buildings for use over the next several years.

2. Upgrade site infrastructure, including the irrigation and electrical service for the facility, night lighting for the course and driving range.
3. Develop a Master plan for the new clubhouse, driving range, practice area and outdoor food and beverage areas
4. Continue to make minor complex improvements including;
 - a. Construct and level some tees
 - b. Replace fuel tanks
 - c. Seal and stripe parking lot

Future Projects

- Resolve drainage on the #18 fairway
- Upgrade drainage sump on #12 green
- Clean drainage channel along Grand Ave
- Upgrade wash rack
- Construct new clubhouse
- Upgrade maintenance building
- Upgrade/expand driving range and practice area

Torrey Pines Golf Complex

Background

The Torrey Pines Golf Complex is the flagship of the City of San Diego Municipal Golf System since its inception in 1957. With 36 holes of championship caliber golf, Torrey Pines benefits from worldwide status as one of the finest seaside golf destinations in the world and gains its reputation directly as a result of hosting the annual Farmers Insurance Open PGA Tour event, the 2008 US Open, and the Callaway Junior World Golf Championships.

A few of the many accolades awarded to Torrey Pines include:

- 2011 Golf Magazine Top 100 U.S. Golf Courses
- 2011 Golf Magazine Top 100 U.S. Golf Courses – “You Can Play”
- 2011 Golf Digest Top 100 U.S. Public Courses
- 2011 Golfweek – “Best Municipal Golf Course”

Due to the recognition, thousands of golfers from around the world are attracted to the coastline bluffs so they too can walk in the footsteps of the world’s best golfers and experience golf like never before. Panoramic ocean views are offered from both the North and South Courses as hang-gliders soar in the skies above. This celebrity creates year round demand for both courses at Torrey Pines. With its popularity among City residents, international and non-Resident golfers, Torrey Pines is the economic engine responsible for the long-term success of the City of San Diego Golf Operations Division.

In 2001, the South Course was redesigned by world-renowned architect Rees Jones and was immediately awarded the 2008 United States Open Golf Championship. Commonly referred to by most as one of the most exciting and successful in history, the 2008 US Open Championship was not only an historic competitive event for golf, but it put Torrey Pines South Course on the worldwide radar as a “must play” golf venue.

The immense popularity of the US Open, as well as the annually televised Farmers Insurance Open, continues to have a large economic impact on the San Diego region as visitors travel worldwide to play these courses.

While the North Course has not obtained the same status as that of South, it continues to be an outstanding golf course in its own right. With its beautiful location on the coastline bluffs, the course has magnificent shoreline-views, PGA Tour history, a loyal Resident clientele and a challenging, yet player friendly course design.

Current Conditions

The consistent course maintenance program at both Torrey Pines' golf courses continues to be appreciated by all golfers and as a result, feedback regarding their experience on the golf course is one of excitement and enjoyment. Demand is high for advanced reservations and walkup play continues to be strong. Due to the comprehensive maintenance program, a PGA Tour agronomist during the 2012 Farmers Open stated that, *"the South Course at Torrey Pines is in the best condition I've ever seen"*. These areas are key indicators that the Torrey Pines brand has maintained its premium position in the golf market with the future looking bright.

While the guests enjoy the manicured conditions, historic significance, coastline bluffs and views, the recent Customer Satisfaction Survey indicated that the level of customer service and additional amenities generally experienced at other similarly priced facilities are not currently available at Torrey Pines. These include the absence of a bag-drop area and greeter, the lack of locker rooms and having to check in at two separate locations to pay green fees and rent a golf cart. While these extra amenities are not as important to our local guests many first time visitors are accustomed to a more comprehensive and seamless customer service experience.

Vision

With only a small increase in percentage of rounds needed to obtain the annual target of 146,800, (64,000 for the South Course and 82,800 for the North Course), the goals and objectives of Torrey Pines is more one of refinement than increasing the total number of rounds.

The overall vision at Torrey Pines will be to continue to maintain and operate in a way that provides an excellent golf experience for all users while ensuring access for San Diego Residents, continuing to retain and attract professional events, and maximize strategic partnership opportunities.

Rates – Competitive Analysis

Over the past three years, rounds at Torrey Pines have fluctuated between 130,600 and 133,700. With our target at 146,800, we were approximately 11% short of our goal. Currently, in fiscal year 2012, we are experiencing an increase of play that will take rounds up over 140,000 to an estimated 142,000. If the trend continues, we will only be 3% short of our target.

In comparing our rates to the competition, it is felt that both golf courses are reasonably priced. The South Course compares very favorably with other public golf courses that have held major golf championships. The Resident rate specifically, is one of the lowest for courses at this level. The North Course represents an excellent value as well for a seaside golf course with the weekday senior rate one of the best values in the industry.

Typical Promotional Programs

Due to the current volume approaching the target capacity, Torrey Pines' promotional needs rest in the fine-tuning of the tee sheets to fill occasional voids and organizing events to help promote the complex and the game of golf.

Through the use of Public Shotguns, emails to Residents, the promoting of unused tee times to the public, etc., better manage the tee sheets would maximize revenue opportunities. Examples of events that would help to promote both the complex and the game include hosting local and regional amateur tournaments such as:

- Local CIF tournaments
- Collegiate tournaments
- California State Amateur Championships
- San Diego Junior Golf Tournaments

Other promotional opportunities could include:

- Offer special pricing through email to fill slow periods such as Sundays during football season.
- Offer a limited number special tournament rates to local groups. Over the past three years, the North Course has averaged only 2,425 tournament rounds. There is definitely room to increase this total. In order to attract more local tournament play a special price could be offered to local golf groups.

It is also felt that the changes described in the Marketing section will be enough to keep Torrey Pines on its upward trend. However, if this trend doesn't continue and the economy or golf industry suffers additional unpredictable declines, we will require the flexibility to adjust to market trends.

Torrey Pines Golf Course
Rate Table (1)

Torrey Pines Golf Course Rate Table (1)		City of San Diego Residents With Resident I.D. Cards	Non- Residents
North Course			
GREEN FEES: WEEKDAYS (Mon - Thurs)			
18 Holes	\$40.00		\$100.00
18 Holes Senior (62 and over)	\$28.00		N/A
18 Holes Junior (17 and under) Until Twilight	N/A		\$70.00
Twilight	\$24.00		\$60.00
9 Holes (Back 9)	\$24.00		\$60.00
GREEN FEES: WEEKENDS (Fri - Sun) / HOLIDAYS			
18 Holes	\$50.00		\$125.00
Twilight	\$30.00		\$75.00
9 Holes (Back 9)	\$30.00		\$75.00
South Course			
GREEN FEES: WEEKDAYS (Mon - Thurs)			
18 Holes	\$61.00		\$183.00
18 Holes Senior (62 and over)	\$43.00		N/A
18 Holes Junior (17 and under) Until Twilight	N/A		\$128.00
Twilight	\$37.00		\$110.00
GREEN FEES: WEEKENDS (Fri - Sun) / HOLIDAYS			
18 Holes	\$76.00		\$229.00
Twilight	\$46.00		\$137.00
City of San Diego			
Resident ID Card	\$25.00		
Junior Monthly (30 day) Ticket Residents 17 and under only .	\$10.50		

(1) Fees since July 2010

Complex Review

The name Torrey Pines with its famed South Course, annual Farmers Insurance Open telecast and majestic views from both courses, will initially get visitors to the facility, but the overall experience is what will get them to return. If Torrey Pines is expected to continue to be considered a premium-level facility, improvements in our overall offerings must take place as well as continuation of the existing maintenance programs.

As with the South Course, the North has limited non-Resident advanced reservations available and they frequently sell out well in advance. While the green fees on the North Course are significantly less than the South Course, expectations still remain high on the North for non-Residents as well as the loyal Residents.

An examination of the overall complex shows:

1. The golf courses themselves are in excellent condition offering a challenging round of golf for golfers of all skill levels. Favorable comments are routinely received from customers regarding the conditions and layout of the courses, as well as the views.
2. The clubhouse that includes a Pro Shop, the Golf Operations' Administrative offices, starter booth, public restrooms, public lounge, cart barn and storage areas are adequate to serve the needs of those competing for its space. However, we are losing opportunities to accommodate groups that desire additional amenities and many guests of the complex expect much more when they come to play Torrey Pines.

The clubhouse lacks proper amenities such as locker rooms, tournament facilities, a golfer's lounge and seamless check-in process. Golfers must currently navigate their way through a confusing process of having to check-in at two separate locations, one to pay the green fees and one to rent a golf cart.

The golf administrative office can only accommodate about two-thirds of the current staff with one-third of the staff occupying space at Mission Bay Golf Complex. At some point in the future the needs of both staff and the public will need to be addressed.

3. The practice facility is leased to Torrey Pines Club Corporation, (TPCC), by the City's San Diego Real Estate Assets Division. The configuration of this facility is poorly designed and lacking in the necessary amount of hitting stalls in order to maximize profitability.
4. Torrey Pines is lacking in a formal reception, "bag drop", area. This level of service is expected by all golfers when arriving at a complex such as Torrey Pines. The bag drop area would also serve as an opportunity to welcome guests, answer initial questions and direct patrons on where to go and what to expect during their visit.
5. While the South Course has a complete cart path system the North Course has only partial cart paths throughout the course. This limitation only adds to the challenge during inclement days and/or course renovation for the golfers. Some have a difficult time navigating the course when they must walk a long distance due to roped off areas.
6. The Women's yardage on the North Course is the longest among the competitive set. The yardage is 743 yards longer than the average length of the courses surveyed. It is also has the highest Par at 74 in the same group.
7. In addition, the North Course is lacking a permanent, full service snack bar.

Recommendations

As noted in the Customer Satisfaction Survey, it is an important objective for Torrey Pines to continue to improve customer service to meet and exceed the needs of our

guests. As discussed above, a bag drop area needs to be implemented to properly greet the golfers as well as offering newer technology to book tee times.

Other improvements include the need for a new up-to-date website for the facility. This will ensure that customers have easy to find, accurate information and player friendly policies and procedures regarding the courses. Redesigning the website providing distinct Resident and non-Resident sections would help greatly. Using social media and emails to communicate current conditions and maintenance practices will be developed as part of the marketing plan.

Capital Improvement Programs

As discussed in the Overall Golf Operations section, Capital Improvements are key to the overall success of the Division. Based on the priorities outlined in the section above, staff has developed the following list of projects for the Torrey Pines Golf Complex. The list identifies “Current” projects that are partially funded and part of the published City-wide CIP and/or annual allocation process. The “Future” project list includes potential needs that staff has identified by reviewing our facilities, understanding our local market place, receiving customer feedback and addressing regulatory issues. Items on the “Future” list do not have a refined scope of work nor a proposed budget.

Prior to projects moving from the "Future" to "Current" lists, staff will work to refine the proposed scope and goals. Formal creation of new projects will occur through the budget process for new published CIP projects and others will be outlined in the annual review presented to the Park and Recreation Board.

Current Projects

1. North Course rehabilitation – this project includes several components and we have not determined the best way to move forward with this work. This work could be completed in phases or all at one time and it could include the following core elements:
 - a. Design a complete cart path system

- b. Rebuild fairway bunkers
- c. Reconstruct all greens to USGA specifications
- d. Redesign the configuration of several existing greens to allow for improved tournament conditions
- e. Rebuild green side bunkers
- f. Level/construct new tees

Future Projects

North Course

- Upgrade irrigation system and replace heads
- Design and construct tournament support building
- Improve area behind #6 tees
- Upgrade on course restrooms
- Replace/upgrade/expand maintenance building
- Evaluate need for a new clubhouse and practice putting greens

South Course

- Improve drainage on greens
- Improve drainage in bunkers
- Upgrade on-course restrooms
- Irrigation system and pump upgrades
- Upgrade maintenance building

Appendix

Benchmarking

Balboa Park - 18 Hole Course



Balboa Park Golf Course

Competitive Analysis - Rate Structure

Weekday Prices

	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
Balboa Park	\$40.00	\$18.00	\$32.00	\$14.00	\$40.00	\$18.00	\$22.00	\$10.00	Monthly Ticket	Monthly Ticket
Coronado GC	\$30.00	\$15.00	\$ 30.00	\$15.00						
Chula Vista GC	\$38.00 w/c		\$ 33.00 w/c				\$ 23.00 w/c			
Cottonwood GC	\$ 45.00 w/c		\$ 45.00 w/c		\$ 32.00 w/c		\$ 32.00 w/c			
Mission Trails GC	\$ 35.00 w/c		\$ 35.00 w/c				\$ 29.00 w/c			

Weekend Prices

	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
Balboa Park	\$ 50.00	\$ 23.00	\$ 40.00	\$ 18.00					\$ 28.00	\$ 13.00
Coronado GC	\$ 35.00	\$ 15.00	\$ 35.00	\$ 15.00						
Chula Vista GC	\$ 51.00 w/c		\$ 42.00 w/c							
Cottonwood GC	\$ 55.00 w/c		\$ 55.00 w/c							
Mission Trails GC	\$ 49.00 w/c		\$ 49.00 w/c							

Mission Bay



Competitive Analysis - Rate Structure

<u>Weekday Prices</u>	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Junior	
	18	9	18	9	18	9	18	9	18	9
Mission Bay Golf Course	\$ 29.00	\$ 17.00	\$ 24.00	\$ 14.00	\$ 29.00	\$ 17.00	\$ 17.00	\$ 10.00	\$ 20.00	\$ 12.00
Tecolote Canyon Golf Course	\$ 19.50				\$ 18.00				\$ 16.00	
Oaks North Golf Course	\$ 31.00	\$ 19.00			\$ 31.00	\$ 19.00			\$ 19.00	\$ 13.00
Lomas Santa Fe Golf Course	\$ 19.50								\$ 18.00	
Sail Ho Golf Course		\$ 13.00		\$ 12.00		\$ 10.00				\$ 10.00

<u>Weekend Prices</u>	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Junior	
	18	9	18	9	18	9	18	9	18	9
Mission Bay Golf Course	\$ 36.00	\$ 22.00	\$ 30.00	\$ 18.00						
Tecolote Canyon Golf Course	\$ 25.00				\$ 23.00					
Oaks North Golf Course	\$ 35.00	\$ 20.00								
Lomas Santa Fe Golf Course	\$ 28.00				\$ 26.00				\$26 / \$18	
Sail Ho Golf Course		\$ 15.00		\$ 14.00		\$ 14.00			\$ 14.00	

Torrey Pines

South Course



Competitive Analysis - Rate Structure

<u>Weekday Prices</u>	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
South Course	\$183.00		\$61.00				\$43.00		Monthly Ticket	Monthly Ticket
Bethpage Black	\$130.00		\$65.00				\$52.00			
Chambers Bay	\$145.00		\$ 85.00				\$ 52.00		\$52.00	
Harding Park	\$150.00		\$ 47.00				\$ 32.00		\$15.00	
Pebble Beach	\$495.00									

<u>Weekend Prices</u>	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
South Course	\$229.00		\$ 76.00							
Bethpage Black	\$ 150.00		\$75.00							
Chambers Bay	\$165.00		\$95.00							
Harding Park	\$170.00		\$61.00						\$21.00	
Pebble Beach	\$495.00									



Competitive Analysis - Rate Structure

<u>Weekday Prices</u>	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
South Course	\$183.00		\$61.00				\$43.00		Monthly Ticket	Monthly Ticket
Aviara	\$215.00									
Barona Creek	\$120.00									
La Costa	\$210.00									
Pelican Hill	\$250.00									

<u>Weekend Prices</u>	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
South Course	\$229.00		\$ 76.00							
Aviara	\$ 235.00									
Barona Creek	\$160.00									
La Costa	\$225.00									
Pelican Hill	\$270.00									

North Course



Competitive Analysis - Rate Structure

Weekday Prices	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
North Course	\$100.00		\$40.00				\$28.00		Monthly Ticket	Monthly Ticket
Arroyo Trabuco	\$80.00		\$70.00				\$65.00		\$30.00	
Encinitas Ranch	\$67.00		\$44.00						\$31.00	
Maderas	\$170.00		\$135.00							
Riverwalk	\$89.00		\$55.00							
The Crossings	\$90.00		\$60.00				\$45.00		\$30.00	

Weekend Prices	Non-Resident		Resident		Non-Resident Senior		Resident Senior		Resident Junior	
	18	9	18	9	18	9	18	9	18	9
North Course	\$125.00		\$50.00							
Arroyo Trabuco	\$100.00		\$90.00				\$85.00		\$50.00	
Encinitas Ranch	\$89.00		\$61.00						\$46.00	
Maderas	\$210.00		\$165.00							
Riverwalk	\$99.00		\$69.00							
The Crossings	\$110.00		\$80.00				\$60.00		\$30.00	