



COUNCIL BUDGET STAFF REPORT

CITY COUNCIL *of* SALT LAKE CITY

www.slccouncil.com/city-budget

TO: City Council Members

FROM: Jennifer Bruno, Deputy Director
Allison Rowland, Policy Analyst

DATE: August 7, 2014 at 4:23 PM

RE: Long-Term Golf Fund Budget Issues

Project Timeline:

Briefing: July 15, 29, and August 12, 2014

Hearings: August 12, 2014

Potential Action: August 12, 2104

ISSUE AT-A-GLANCE

This is the fourth staff report relating to the Council's on-going conversation about the long-term sustainability of the Golf Fund. In May, the Administration forwarded the [attached transmittal](#) outlining the long-term financial issues facing the Golf Fund. If the status quo continues, the Golf Fund will be in an operating deficit position, which gets worse as time goes on. This financial situation worsens despite the best efforts of the Golf Division staff at developing new players and attracting existing players to the City's courses.

Relevant

The Council briefly discussed this matter during the FY 2015 Golf budget discussions, and during Council briefings on [June 10](#), [July 15](#) and [July 29](#), 2014 (click to access staff reports). The Council straw polled a series of guiding policy principles, which staff has consolidated for the sake of readability. To date the Council staff has received no concerns or corrections from Council Members to the [streamlined version](#). The Council may wish to straw poll these edited policy principles or direct staff to return to the original draft. At the July 29 meeting, the Administration requested that the Council conclude any efforts to re-align the business plan of the Golf Fund by February 1, 2015, in order to give the Mayor time to incorporate any new ideas into the Fiscal Year 2016 Budget (*although the budget is presented to the Council in the beginning of May, the Administration begins work on balancing budget needs in February*).

Status Update on Straw Polls

The Council discussed a number of items at the July 29 work session. The following is a list of straw polls, with additional information about each item below. Where additional clarification is needed, staff has included questions. Throughout this report Staff has highlighted the decisions and direction needed in yellow.

1. The Council will discuss all Golf Fund issues as a full group (discontinue subcommittee).
2. Continue with \$1 per round fee increase trial, and one discount per transaction, effective September 1.
 - o An [ordinance](#) has been prepared and a Public Hearing is scheduled for August 12, 2014, with potential action this same night. In order for the Administration to implement the fee by September 1, the Council would need to adopt the revised ordinance by August 12, 2014.



- o Council staff will request that the Administration publicize this fee increase to “help support your local public golf course.”
 - o **Question – Should junior and senior pricing be considered a “discount” not to be combined with other discounts?**
 - o **Question – the Administration is working on a pricing plan that would be closer to a “demand pricing” model, where prices are increased during times of peak demand. This model is not yet fully developed, and the Administration would need additional time to refine it. The Administration is also looking at all current discount programs and how fees and discounts should work together to maximize play opportunities and gross sales. Does the Council wish to straw poll pursuing this kind of pricing model rather than the across-the-board \$1 per round fee increase (note: the soonest effective date of an alternate pricing model would be January 1, 2015, which would mean that the Council would not have the benefit of data prior to making decisions by the Administration’s February 1 timeline).**
3. The Council will issue a public “call for ideas,” rather than holding an official contest, on approaches to help the Golf Fund achieve financial sustainability.
- o Council staff will work with the Administration and compile information that has been made public to date (financials, data, etc), to make a “resource library” available online.
 - o The Council may wish to review the following parameters and criteria, and decide on a timeline:
 - Potential timeline
 - September 1 – Publish info sheet and data resource library online
 - November 3 – Deadline for submissions
 - November 18 – Council review of Public Call for ideas
 - Potential Parameters
 - Data resource library will be extensive and will include information reviewed and requested by Council to date.
 - Due to time constraints, Staff suggests that the Council request that Administration hold a single orientation for any members of the public, but will not expect that the Administration will work individually with each member of the public to develop scenarios and provide detailed information beyond what is currently available.
 - All approaches must be submitted electronically to the Council by Monday, November 3.
4. Opinion ballot issue on hold pending further discussion
- o Council Staff has reviewed both the City’s biannual resident survey and the 2012 Parks and Recreation Needs Assessment conducted by Utah State University on behalf of SL County. Staff has highlighted some of the key elements from these surveys that might be of interest to the Council:
 - Salt Lake City [Bi-annual survey](#) summary of findings
 - 2012 Salt Lake County Parks and Recreation Needs Assessment [summary of findings](#) in Salt Lake City study area (SLC Resident population)
 - Link to full 2012 [Salt Lake County Parks and Recreation Needs Assessment](#) – Note: County Staff has indicated that they will be requesting time on an upcoming Council agenda to more fully update the Council on this information.
 - o City-wide poll will be finalized mid-September
 - o Does the Council wish to develop a question(s) to put to a public mail-in ballot? If the Council decides on a question by mid-September, the soonest a question could be mailed to the public would be mid-December.
5. Keep CIP revenues (previously collected, etc.) for CIP purposes and add to Guiding Policy Principles
- o Staff has added this statement, in addition to revising other policy principles for clarity. See [attached](#).
6. Approved ESCO for FY 2015 (secondary water at Rose Park and Glendale, irrigation system at Bonneville, pilot well at Bonneville).

Pending Information Requests and New Concepts Raised

- **Property purchase in lieu of General Fund loan** - Address FY 2014 and FY 2015 deficit through purchase of peripheral Golf Course Property not needed for Golf Operations - Administration is progressing with this idea and will report to the Council soon. See page 5 for more information.
 - o The Administration will include an estimate of maintenance costs in this analysis.

- **Golf Carts** – Based on questions from Council Members and feedback from the Administration, Council Staff understands that the Administration will carefully evaluate before committing to purchasing golf carts in the Spring.
- **Blue Ribbon Committee** – One Council Member has raised the idea based on a constituent suggestion, **of forming a “Blue Ribbon Committee,” comprised of respected business individuals in the community and other key stakeholders, to review the relevant information (including potentially any approaches raised in the “Public Call for Ideas”) and make a recommendation to the Council.**
 - This Committee would require staff time to coordinate and facilitate information and meetings.
 - **Is the Council interested in this approach?**
- **Specialized Consulting Work – Ask one of the Council’s** auditing firms (or go out for public RFP) to have an independent consultant review the municipal management aspect of golf operations, considering golf as one element of all City activities (previous studies have looked only at internal golf operations rather than placing it in the broader context).
 - Council staff would request an estimate from on-contract firms to gauge what a study like this might cost.
 - This could potentially provide information to the Blue Ribbon Committee as well.
 - **Is the Council interested in this approach?**
- **Partner with Salt Lake County** – Initiate discussion with Salt Lake County to identify:
 - Best practices for Golf Operations;
 - Clarify their approach to managing Golf as an enterprise fund;
 - Opportunities for collaboration.
- Continue efforts to quantify Open Space maintenance costs.
- Learn more about the Davis County model (former SLC model) of Golf Operations – Golf Pros as entrepreneurs incentivized to market courses.
- Public/Private partnerships for Capital Improvements.
- Given the February 1 decision timeline, the Council may need to revisit their initial decision of not closing Courses (besides the Jordan River Par 3) before an alternate use plan is developed. It is possible that the Council will decide whether or not to re-purpose a course by that point, or have some ideas relating to re-use by that time period, but it does not seem feasible to develop a full re-use plan given that time frame.

Calendar of Events and Decisions needed

Based on a request from the Council Chair, staff has prepared a draft timeline with the February 1 Administrative Deadline in mind
(decision points highlighted in yellow)

- **August 12 – decide on Fee Increase & Discounting Ordinance (Public Hearing)**
- **August 12/September 1 – Finalize “Public Call for Ideas” timeline**
- September 1 – Fee increase effective
- September 1/September 8 – **Publish “Public Call for Ideas” info-sheet and data resource library**
- **September 2 – decide on public opinion ballot**
- **September 2 or September 16 – City-wide biannual poll questions finalized – decide, in collaboration with the Administration, if any questions should be added to City-wide poll**
- **September – Budget Amendment to address FY 2014 and FY 2015 deficit (Administration’s recommendation to purchase peripheral land at golf courses, and confirm independent status of Golf CIP funds)**
- November 3 – **deadline for “public call for ideas”**
- November 18 – Council review of public ideas
- Late November – public opinion ballot is sent out (if decided upon by Sept 2) – deadline to return is late December
- February 1 – Mayor’s deadline for decision

Additional Decisions Needed – Staff has summarized decisions referenced in the timeline in the following chart:

	Decision	Decision Needed By	Notes
1	Review Revised Policy Statements	ASAP – August 12	These Policy Statements will guide any work done by the Public/Consultants/Blue Ribbon Committee
2	Fee Increase Ordinance – yes, no, or	ASAP – August 12	Alternate fee proposal – demand

	alternate proposal <i>Sub-question – are Senior and Junior pricing considered a discount?</i>	<i>(unless pursuing alternate proposal)</i>	pricing (will take more time – would not be able to be implemented for Sept 1, which means that the Council would not have data prior to the Feb 1 decision deadline requested by the Admin)
3	Public Call for Ideas – Decide Timeline and Parameters (see section above)	ASAP – August 12 or September 1	If Public Call for ideas is to be published on September 1, Council would need to finalize Parameters/Timeline in August. If Council decides at September 2 meeting, this could be published by September 8.
4	Add questions to the City-wide biannual poll	September 2	
5	City-wide mail-in ballot – decide on question	September 2	This would enable ballots to go out after Thanksgiving, to be returned and tabulated by January 1
6	New Idea – Blue Ribbon Committee	?	November-January timeframe?
7	New Idea – Independent Consultant to focus on Municipal Golf Operations	?	November timeframe? Send results to blue Ribbon Committee?

New Attachments

- [Revised Policy Principles](#)
- [Ordinance Amending Golf Fees and Discounts](#)
- [Summary of Relevant City-wide Bi-Annual Poll Questions](#)
- [Summary of Relevant 2012 Salt Lake County Recreation Needs Assessment Questions](#)

The following information was provided in a previous Council Staff report. It is provided again for reference.

Previous Straw Polls – July Work Sessions:

- Do not close courses until a firm plan is in place;
- Pursue an opinion ballot, mailed to every registered voter, asking about a range of open space, recreation, and golf-related issues;
- **Issue a call for business plan ideas via a “Golf System Business Plan Competition.” Ensure input from all individual courses is considered;**
- Establish a 1-year fee increase of \$1 per round, effective between September 1, 2014 and September 1, 2015. Junior Golf Fee exempt from fee increase. Track rounds, overall revenue, and revenue-per-round over the course of the year to see if there is any appreciable impact on the Golf Fund’s financial situation.
 - The Administration has conducted an analysis of this option (raw data attached [here](#)).
 - If the fee increases has no impact on rounds played, it could generate an additional \$300,000 in revenue.
 - If the fee increase reduces the number of people paying for full-fare rounds by 6%, it could generate an additional \$70,000 in revenue. The 6% decrease projection is based on historical data collected by Golf staff relative to previous fee increases.
- Clarify City policy of one discount per transaction (is Senior pricing considered a discount or a separate rate?).

New Information from the Administration:

Since the Council's last discussion, the Administration has been exploring an alternative idea to address the FY 2014 and FY 2015 deficit. The Administration has raised the possibility of purchasing small pieces of land from the Golf Fund (not required for Golf Operations) and transferring money from the general fund to the Golf Fund to pay for that land. This would eliminate the need for a loan but would mean that land would be owned by the General Fund instead of the Golf Fund. The Administration indicates that they strongly oppose a loan or alternative General Fund subsidy as a solution to the current Operations Fund deficit. Administrative staff will be investigating this idea further over the next few days. Hopefully in time for the July 29th discussion the Administration will have an idea of which pieces of land will be transferred as well as what impact this might have in terms of solving the Golf Fund's long-term issues.

ADDITIONAL INFORMATION

A. **Opinion Ballot** – At the July 15th meeting the Council straw-poll support for issuing a mail-in ballot to every registered voter to gauge support on a range of topics relating to recreation, open space, and transit. It is staff's understanding that the results from this mail-in ballot could be used to formulate a public General Obligation Bond ballot question fall of 2015. Staff has put together a preliminary **DRAFT** of the kinds of questions that could be included, although any questions would be reviewed with a professional polling firm prior to inclusion. The Administration indicates they support issuing an opinion ballot that would also include broad topics focused on City recreation programming, open space management and development, bike transit, trails, dog parks and a full range of sport field needs.

B. **Golf Business Plan Competition** – At the July 15th meeting, the Council straw polled support of a public competition for a new business plan for the Golf Fund. Since then, Council Staff has done some preliminary research of the types of information needed, as well as typical components and timelines of these types of competitions, and has put together the attached **DRAFT information sheet** for the Salt Lake City Golf Business Plan Competition. The Council may wish to discuss this concept further and clarify the issues below:

- o Review draft Golf Business Plan Competition Outline (**attached**)
- o How many should serve on evaluation panel?
- o Specific skill set needed?
- o Cash Prize – In preliminary research, Council Staff has observed that nearly all of these competitions have some sort of cash (or in-kind value) prize for the winning plan, and sometimes for finalists, in order to attract people to compete. Council Staff has plugged in a cash prize of \$20,000 for the winning entry, and \$5,000 for the two runners-up. Is the Council interested in offering a cash prize. Typically the City would spend at least \$50,000 hiring a consultant to do similar work.

C. Other Golf Operations Issues

- o **ESCO for FY 2015** – The Council received the **following transmittal** detailing plans for the FY 2015 ESCO projects totaling \$6.2 million (secondary water at Glendale and Rose Park, Replacement Irrigation System for Bonneville, pilot well for secondary water at Bonneville). In the Public Services communication memo dated July 15th to the City Council, the department provided the project details and financing of the Golf ESCO project.
 - o It was noted in the information that the project accounted for the secondary water savings for 9 holes in the project, and that the remaining 9 holes for water savings would help the operational bottom line of the Rose Park golf course.
 - o The Council may want to consider having the savings for the entire 18 holes accounted for in the ESCO project financial terms, with the major benefit being a reduction to the debt term of the project. **This scenario's** cash flow information will be provided to the Council shortly. Another benefit would be that the ESCO guarantee would then be applied to the water savings on all 18 holes.
 - o **The Council may wish to straw poll this proposal to gauge support so that the Administration can begin the work on this if the Council wishes to move forward.**
- o **FY 2014 Budget wrap up** – Council Staff will confirm the final amount that the General Fund (or other fund) will need to loan the Golf Fund to offset the FY 2014 deficit. Previous estimates showed FY

2014 ending with a \$1,400,000 operating deficit. The Administration will finalize this amount in the coming weeks, and will return to the Council with a proposal.

- o **FY 2015 Budget clarification** - The Council adopted a “balanced” FY 2015 budget. Although the budget is balanced from an accounting perspective, this is achieved by counting CIP Funds (\$1 per round CIP fee that the Council adopted in 2012) to offset the projected \$383,000 operational deficit. If the Council does not want to use the CIP fund, the operational deficit **from FY 2015 would be added** to the operational deficit from FY 2014.

		Notes
FY 2014 Operating Deficit	\$ 1,400,000	<i>This amount will be finalized in the coming weeks.</i>
FY 2015 Operating Deficit	\$ 383,000	
	\$ 1,783,000	
Golf Fund CIP Funds accumulated <i>(\$1 per round charged since 2012), as of the end of FY 2015</i>	\$900,000	<i>The Council could decide to use these funds to reduce the amount needed to be “loaned” to the Golf Fund, although this would fundamentally change the purpose for which these funds were charged.</i>

The Council may wish to clarify how it would like to handle a loan (if any) from any other City fund, and if it is acceptable to use funds in the current year. The Council may also wish to further discuss the Administration’s new proposal of a Land Transfer idea (described above).

- o **Operational straw polls** – The Council took the following straw polls at the July 15 meeting that relate to Golf Fund operations:
 - \$1 per round fee increase (excluding Junior Golf Fee) – Pilot program effective September 1, 2014 to September 1, 2015.
 - One discount per transaction (Confirm if Senior fee is treated as a discount)
 - ADDITIONAL IDEAS TO DISCUSS – the Council may wish to straw poll the following additional ideas relating to Golf Fund operations:
 - Establish a different fee for non-resident players (NGF recommendation)
 - Establish a “budget” or “ceiling” amount for discounts provided (clarification needed on how to divide this out per course and through-out season)
- o **Expected Measurements for FY 2015** – The Council has stated that the following are particularly important measurements over the next year:
 - Revenue per round
 - Number of rounds
 - Amount/Value of rounds discounted

D. Other Issues

- o **Secondary Water** – Staff has requested a comprehensive briefing from Public Utilities and the Public Services Department to address how and if secondary water can be brought to all of the City’s open spaces. It is also possible that the opinion ballot will address this issue.
- o Analysis of secondary water projects at Golf Courses – The Administration has previously submitted [this analysis](#) to the Council for review, outlining costs and payback periods for different projects.

INFORMATION PREVIOUSLY PROVIDED AT THE JULY 15, 2014 WORK SESSION

- **Recommendations from the Golf Advisory Board** – The Golf Advisory Board prepared the [attached](#) document in response to the recent public discussions held by the Council.

- **Recommendations from the Mayor's Golf Citizen Task Force** – this Committee was convened by the Mayor in 2011 to study financial issues relating to the Golf Fund. The [attached memo](#) from March 2012 covers the recommendations of the committee.
- **Maintenance Costs** – The Administration has provided more detailed information on current costs to maintain different types of open space, based on current actual budgets. This analysis is summarized in the following chart:

Open Space Maintenance Costs			
	Costs	Acres	Cost per Acre
Golf	\$4,873,857	980	\$4,973
General Fund*			
Natural Open Space	\$419,033	1168	\$359
Developed Open Space	\$7,006,037	661	\$10,599
Total General Fund	\$7,425,070	1829	\$4,060
<i>*note: includes costs associated with Forestry. The Golf Fund does not have a corresponding Forestry program to take care of trees, so the comparison is not entirely equal.</i>			

There are many other ways that this analysis can be summarized and presented. The Council may wish to schedule a separate briefing on this topic to get a better understanding of this complex issue. The recently-approved Public Services work order management system will also aid in this conversation.

- **CIP Needs** – Golf Fund and Administrative Staff have gone through the full list of CIP projects and prioritized it according to three areas – Asset Preservation, Financial (projects with potential revenue and expense reduction impacts), and Safety. The full list of projects by course and by category is attached [here](#). ***The Council may wish to ask the Administration to discuss in further detail, the assumptions used in calculating payback periods as well as the overall philosophy in prioritizing projects.***

Below is a summary chart by category:

	0-2 Years	3-5 Years	6-10 Years	11-20 Years	TBD	Total
Asset Preservation	\$ 2,296,800	\$ 1,218,400	\$ 1,380,700	\$1,082,800	\$ 152,300	\$ 6,131,000
Financial	\$ 6,854,100	\$ 3,777,060	-	\$ 578,800	\$ 6,774,903	\$ 17,984,863
Safety	\$ 731,000	\$ 1,218,400	\$ 609,200	-		\$ 2,558,600
Total	\$ 9,881,900	\$ 6,213,860	\$ 1,989,900	\$ 1,661,600	\$6,927,203	\$26,674,463

Staff has also included below the ranking of projects from the NGF study. There are a few differences in how the NGF recommended the Golf Fund prioritize projects and how the Administration is recommending prioritization.

	Low Estimate	High Estimate
<u>High Priority</u>		
Bonneville Renovation <i>(not including proposed clubhouse)</i>	\$ 6,350,000	\$ 7,065,000
Reconfigure Jordan River/Rose Park Golf Course <i>(close Jordan River and potentially make Rose Park to an executive course – sell excess land)</i>	\$ 2,630,000	\$ 3,160,000
Nibley Park Reconfiguration	\$ 490,000	\$ 640,000
Glendale (Irrigation, pavilion, maintenance facility)	\$ 315,000	\$ 362,000
Mountain Dell Irrigation	\$ 295,000	\$ 320,000
Forest Dale Irrigation	\$ 335,000	\$ 400,000
Wingpointe Irrigation	\$ 150,000	\$ 160,000
Subtotal High Priority	\$ 10,565,000	\$ 12,107,000
<u>Other High Priority – Revenue Generating</u>		
Clubhouse renovation at Mountain Dell	\$ 1,700,000	\$ 1,900,000
Front Lawn Project at Nibley	\$ 250,000	\$ 290,000
Subtotal Other High Priority-Revenue Generating	\$ 1,950,000	\$ 2,190,000
<u>Lower Priority Projects</u>		
Bonneville Clubhouse	\$ 4,000,000	\$ 4,400,000
Rose Park GC Remaining Projects	\$ 1,595,000	\$ 1,740,000
Nibley Park Remaining Projects	\$ 1,180,000	\$ 1,440,000
Glendale Remaining Projects	\$ 315,000	\$ 360,000
Mountain Dell Remaining Projects	\$ 1,330,000	\$ 1,490,000
Forest Dale Remaining Projects	\$ 990,000	\$ 1,195,000
Wingpointe Remaining Projects	\$ 660,000	\$ 790,000
Subtotal Lower Priority	\$ 10,070,000	\$ 11,415,000
Total All Projects	\$22,585,000	\$25,712,000

ATTACHMENTS FOR JULY 29, 2014 BRIEFING

Attachment 5 – Initial Guiding Policy Principles (note: this draft is now out of date)

Attachment 6 – Draft Opinion Ballot Questions

Attachment 7 – Draft Golf Business Plan Competition Outline

Attachment 8a – Fee Analysis raw data – Assumption: No Change in Rounds Played

Attachment 8b – Fee Analysis raw data – Assumption: 6% decline in full-fare Rounds Played

ATTACHMENTS FROM JULY 15, 2014 BRIEFING

Attachment 1 – Re-prioritized list of Golf Fund CIP projects

Attachment 2 – Calculation of costs and potential savings to install secondary water at all Golf Courses

Attachment 3 – Golf Advisory Board Position Paper (July 2014)

Attachment 4 – Golf Ad Hoc Committee recommendation to City Council (March 2012)

GUIDING POLICY PRINCIPLES – REVISED 8-1-14

At the Council's June 10th meeting, the Council straw polled support of the following guiding policy principles. Council Staff has attempted to refine and clarify these statements (while keeping the intent of each statement). Because these principles were adopted early in the conversation, the Council may wish to discuss and/or refine these principles based on the latest information:

1. Make decisions based on the best interest of Salt Lake City residents
2. The status quo is not financially sustainable.
3. The Golf Fund should be self-sustaining and without general fund.
4. Making changes to the status quo operation plan **improves the Golf Fund's financial position** but does not position it well enough for long-term financial independence, nor would it allow any Capital Improvement needs to be met. This includes measures like:
 - reducing water usage,
 - converting course irrigation systems to secondary water sources,
 - increasing rounds of golf played,
 - raising fees nominally and tweaking other operation expense budgets
5. All City courses are valuable and serve a distinct clientele and niche in the market. All have the potential to draw more customers as there are no courses that are 100% utilized.
6. The increase in the number of golf courses in the past 25 years relative to the number of golfers, makes it difficult to significantly improve the financial position of the Golf Fund.
7. Oversupply puts a downward pressure on pricing for all golf courses in the market.
8. It is possible that reducing the number of golf courses may improve the overall financial **sustainability of the region's golf market.**
9. Neighborhood quality of life is enhanced by adjacent Open Space, regardless of use, and therefore should be protected.
10. Commercial development on open space should be avoided wherever possible.
11. It is the fiduciary responsibility of the City Council to provide guidance to solve the Golf **Fund's long term financial problems.**
12. Any re-purposing of golf courses should add value for the neighborhood and its residents, and benefit residents through high quality amenities.
13. **All solutions for the golf fund's financial issues** will be evaluated on a 10 Year basis.
14. Individual courses will be evaluated based on the following criteria:
 - rate of change of rounds (growth or decline)
 - revenue per round.
15. Investigate innovative financing and zoning to support economic development and revenue generation adjacent to golf courses.
16. Funds generated through the \$1 per round CIP Fee, shall be dedicated to CIP purposes, and not used to balance the operational deficit.

The Council also discussed the possibility of establishing criteria for evaluating a course. The following list is based on that discussion, and **has not been officially straw polled by the Council**:

1. Proximity to other amenities
2. Proximity to major roads or ease of traffic access
3. Traffic impact to surrounding neighborhoods
4. Surrounded by neighborhoods
5. Does the course make money (support the system)
6. Does the course lose money (draw on the system)
7. Rounds played
8. Revenue per round
9. Momentum of rounds played (rate of change)

SALT LAKE CITY ORDINANCE
No. of ____ 2014

(Golf fee increases on the Salt Lake City Consolidated Fee Schedule)

An ordinance amending the Salt Lake City Consolidated Fee Schedule to increase certain golf fees.

WHEREAS, the Salt Lake City Consolidated Fee Schedule is proposed to be amended in order to increase certain golf fees as shown in the attached Exhibit "A"; and

WHEREAS, the Salt Lake City Council finds (i) the fees set forth in Exhibit "A" are necessary, reasonable, and equitable in relation to the costs incurred by the City; and (ii) adoption of this ordinance reasonably furthers the health, safety, and general welfare of the citizens of Salt Lake City.

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. That the Salt Lake City Consolidated Fee Schedule shall be, and hereby is amended, in pertinent part, to reflect the increased golf fees set forth in the attached Exhibit "A."

SECTION 2. That the official copy of the Salt Lake City Consolidated Fee Schedule shall be revised to include the increased golf fees set forth in the attached Exhibit "A" and a copy of thereof shall be published on the official Salt Lake City website.

SECTION 3. That this ordinance shall become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this __ day of _____, 2014.

CHAIRPERSON

ATTEST:

CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CITY RECORDER

(SEAL)

Bill No. _____ of 2014.

Published: _____

APPROVED AS TO FORM	
Date:	8-11-14
By:	<i>Boyd Ferguson</i>

HB_ATTYY-#40288-v1-Consolidated_Fee_Schedule_-_golf_fees_2014.DOCX

EXHIBIT "A"

GOLF										
For questions regarding Golf Fees Contact: 801.485.7730										
Service		Fee			Additional Information				Section	
Advance Tee Time Reservations										
0-8 days in advance		No fee			Minimum 18 holes				15.16.031	
9 days to one year in		\$5			Per player, minimum 18 holes				15.16.031	
Discount Cards and Passports		Regular	Junior (17 years old or younger)		Senior (60 year old and older)					
LoyalTee Discount Cards		\$45	\$30		\$45		Plus tax, See Section 15.16.031 A 6			
Birdie Passports		\$1,195	NA		\$955		Plus tax, See Section 15.16.031 A 7			
Corporate VIP Passport (up to 2 players)		\$4,999	NA		NA		Plus tax, See Section 16.16.031 A11			
Corporate VIP Passport (up to 4 players)		\$9,599	NA		NA		Plus tax, See Section 16.16.031 A11			
Double Eagle Passports		\$1,845	NA		\$1,475		Plus tax, See Section 15.16.031 A 13			
Junior Eagle (Annual) Passport		NA	\$550		NA		Plus tax, See Section 15.16.031 A 10			
Junior Par (Summer) Passport		NA	\$275		NA		Plus tax, See Section 15.16.031 A 9			
Wingpointe/Rose Park Passport		\$795	NA		\$645		Plus tax, See Section 15.16.031 A 13			
Lost or stolen discount card or passport		\$5	\$5		\$5		15.16.031			
Golf Cart Rentals		9 Holes		18 Holes						
Double rider		\$14		\$28		15.16.031				
Single rider		\$7		\$14		15.16.031				
Private cart trail fee		\$5		\$10		15.16.031				
Cover rental		\$5		\$10		15.16.031				
Golf Club Rentals		9 Holes		18 Holes						
Regular		\$7		\$14		15.16.031				
Premium		\$15		\$30		15.16.031				
USGA grant Jr. Clubs		\$3		\$6		15.16.031				
Jordan River Par-3		\$3		NA		15.16.031				
Grandfathered Senior Season Golf Passes		9 Holes		18 Holes						
Base fee		\$400				See Section 15.16.031 A 2				15.16.031
Resident surcharge		\$3		\$6.00		On all pass rounds				15.16.031
Nonresident surcharge		\$4		\$8.00		On all pass rounds				15.16.031
Green Fees		Regular (2)		Senior(1)(2) (65 60 years old or older)			Junior (1)(2) (17 years old or younger)			
Course:	6 Holes (3)	9 Holes	18 Holes	6 Holes (3)	9 Holes	18 Holes	6 Holes (3)	9 Holes	18 Holes	
Bonneville		19.50	37.00		16.50	31.00		8.00	16.00	15.16.031
Forest Dale	11.50	15.00	NA	10.00	13.00	NA	6.00	8.00	NA	15.16.031
Glendale		16.00	32.00		14.00	28.00		8.00	16.00	15.16.031
Jordan River Par-3		9.00	NA		8.00	NA		6.00	NA	15.16.031
Mountain Dell Canyon		19.50	37.00		16.50	31.00		8.00	16.00	15.16.031
Mountain Dell Lake		19.50	37.00		16.50	31.00		8.00	16.00	15.16.031
Nibbley Park		14.00	NA		12.00	NA		8.00	NA	15.16.031
Rose Park	11.50	15.00	30.00	10.00	13.00	26.00	6.00	8.00	16.00	15.16.031
Wingpointe		18.00	35.00		15.00	29.00		8.00	16.00	15.16.031
(1) Senior fees shall be valid Monday through Friday										
all day and Saturday, Sunday and recognized holidays after 12:00 noon										
2) As of January 1, 2012 \$1.00 per nine hole round less sales tax and \$2.00 per eighteen hole round less sales tax will be allocated to a dedicated Golf CIP fund to be used exclusively for golf improvement projects at all courses										
(3) Availability of 6-hole times will be determined by each course and may change at various times of the year.										
Group Reservations					See Section 15.16.035					
High Cart Rental		9 Holes		18 Holes						
Regular		\$2		\$4		15.16.031				
Premium		\$3.50		\$7		15.16.031				
Jordan River Par-3		\$1		NA		15.16.031				
Range Balls										

18.50	35.00	15.50	29.00
10.50	14.00	NA	9.00
15.00	30.00	13.00	26.00
8.00	NA	7.00	NA
18.50	35.00	15.50	29.00
18.50	35.00	15.50	29.00
13.00	NA	11.00	NA
10.50	14.00	28.00	9.00
17.00	33.00	14.00	27.00

Small bucket	\$5	Per bucket	15.16.031
Large bucket	\$8	Per bucket	15.16.031
Range pass	\$50	10 large buckets	15.16.031

chool golf team

9 holes	\$8		15.16.031
18 holes	\$16		15.16.031
Large bucket of range balls	\$5	Per bucket	15.16.031

ournament Fees

9 holes	\$5 minimum	Per person, plus green fees	15.16.035
18 holes	\$10 minimum	Per person, plus green fees	15.16.035
Jordan River Par-3	\$3 minimum	Per person, plus green fees	15.16.035

EXHIBIT "A"

GOLF										
For questions regarding Golf Fees Contact: 801.485.7730										
Service		Fee			Additional Information				Section	
Advance Tee Time Reservations										
0-8 days in advance		No fee			Minimum 18 holes				15.16.031	
9 days to one year in		\$5			Per player, minimum 18 holes				15.16.031	
Discount Cards and Passports		Regular	Junior (17 years old or younger)		Senior (60 year old and older)					
LoyalTee Discount Cards		\$45	\$30		\$45		Plus tax, See Section 15.16.031 A 6			
Birdie Passports		\$1,195	NA		\$955		Plus tax, See Section 15.16.031 A 7			
Corporate VIP Passport (up to 2 players)		\$4,999	NA		NA		Plus tax, See Section 16.16.031 A11			
Corporate VIP Passport (up to 4 players)		\$9,599	NA		NA		Plus tax, See Section 16.16.031 A11			
Double Eagle Passports		\$1,845	NA		\$1,475		Plus tax, See Section 15.16.031 A 13			
Junior Eagle (Annual) Passport		NA	\$550		NA		Plus tax, See Section 15.16.031 A 10			
Junior Par (Summer) Passport		NA	\$275		NA		Plus tax, See Section 15.16.031 A 9			
Wingpointe/Rose Park Passport		\$795	NA		\$645		Plus tax, See Section 15.16.031 A 13			
Lost or stolen discount card or passport		\$5	\$5		\$5		15.16.031			
Golf Cart Rentals		9 Holes		18 Holes						
Double rider		\$14		\$28		15.16.031				
Single rider		\$7		\$14		15.16.031				
Private cart trail fee		\$5		\$10		15.16.031				
Cover rental		\$5		\$10		15.16.031				
Golf Club Rentals		9 Holes		18 Holes						
Regular		\$7		\$14		15.16.031				
Premium		\$15		\$30		15.16.031				
USGA grant Jr. Clubs		\$3		\$6		15.16.031				
Jordan River Par-3		\$3		NA		15.16.031				
Grandfathered Senior Season Golf Passes		9 Holes		18 Holes						
Base fee		\$400				See Section 15.16.031 A 2				15.16.031
Resident surcharge		\$3		\$6.00		On all pass rounds				15.16.031
Nonresident surcharge		\$4		\$8.00		On all pass rounds				15.16.031
Green Fees		Regular (2)		Senior(1)(2) (65 60 years old or older)			Junior (1)(2) (17 years old or younger)			
Course:	6 Holes (3)	9 Holes	18 Holes	6 Holes (3)	9 Holes	18 Holes	6 Holes (3)	9 Holes	18 Holes	
Bonneville		19.50	37.00		16.50	31.00		8.00	16.00	15.16.031
Forest Dale	11.50	15.00	NA	\$10.00	13.00	NA	6.00	8.00	NA	15.16.031
Glendale		16.00	32.00		14.00	28.00		8.00	16.00	15.16.031
Jordan River Par-3		9.00	NA		8.00	NA		6.00	NA	15.16.031
Mountain Dell Canyon		19.50	37.00		16.50	31.00		8.00	16.00	15.16.031
Mountain Dell Lake		19.50	37.00		16.50	31.00		8.00	16.00	15.16.031
Nibbley Park		14.00	NA		12.00	NA		8.00	NA	15.16.031
Rose Park	11.50	15.00	30.00	\$10.00	13.00	26.00	6.00	8.00	16.00	15.16.031
Wingpointe		18.00	35.00		15.00	29.00		8.00	16.00	15.16.031
(1) Senior fees shall be valid Monday through Friday all day and Saturday, Sunday and recognized holidays after 12:00 noon										
(2) As of January 1, 2012 \$1.00 per nine hole round less sales tax and \$2.00 per eighteen hole round less sales tax will be allocated to a dedicated Golf CIP fund to be used exclusively for golf improvement projects at all courses										
(3) Availability of 6-hole times will be determined by each course and may change at various times of the year.										
Group Reservations					See Section 15.16.035					
Golf Cart Rental		9 Holes		18 Holes						
Regular		\$2		\$4		15.16.031				
Premium		\$3.50		\$7		15.16.031				
Jordan River Par-3		\$1		NA		15.16.031				
Large Balls										

(1) Senior fees shall be valid Monday through Friday

all day and Saturday, Sunday and recognized holidays after 12:00 noon

(2) As of January 1, 2012 \$1.00 per nine hole round less sales tax and \$2.00 per eighteen hole round less sales tax will be allocated to a dedicated Golf CIP fund to be used exclusively for golf improvement projects at all courses

(3) Availability of 6-hole times will be determined by each course and may change at various times of the year.

Group Reservations				See Section 15.16.035
Mini Cart Rental		9 Holes	18 Holes	
Regular	\$2	\$4		15.16.031
Premium	\$3.50	\$7		15.16.031
Jordan River Par-3	\$1	NA		15.16.031
Range Balls				

10.50	18.50	35.00		15.50	29.00
	14.00	NA	9.00	12.00	NA
	15.00	30.00		13.00	26.00
	8.00	NA		7.00	NA
	18.50	35.00		15.50	29.00
	18.50	35.00		15.50	29.00
	13.00	NA		11.00	NA
10.50	14.00	28.00	9.00	12.00	24.00
	17.00	33.00		14.00	27.00

Small bucket	\$5	Per bucket	15.16.031
Large bucket	\$8	Per bucket	15.16.031
Range pass	\$50	10 large buckets	15.16.031
chool golf team			
9 holes	\$8		15.16.031
18 holes	\$16		15.16.031
Large bucket of range balls	\$5	Per bucket	15.16.031
ournament Fees			
9 holes	\$5 minimum	Per person, plus green fees	15.16.035
18 holes	\$10 minimum	Per person, plus green fees	15.16.035
Jordan River Par-3	\$3 minimum	Per person, plus green fees	15.16.035

EXHIBIT "A"

GOLF												
For questions regarding Golf Fees Contact: 801.485.7730												
Service		Fee					Additional Information				Section	
Advance Tee Time Reservations												
	0-8 days in advance	No fee					Minimum 18 holes				15.16.031	
	9 days to one year in advance	\$5					Per player, minimum 18 holes				15.16.031	
Discount Cards and Passports		Regular	Junior (17 years old or younger)		Senior (60 year old and older)							
	LoyalTee Discount Cards	\$45	\$30		\$45		Plus tax, See Section 15.16.031 A 6				15.16.031	
	Birdie Passports	\$1,195	NA		\$955		Plus tax, See Section 15.16.031 A 7				15.16.031	
	Corporate VIP Passport (up to 2 players)	\$4,999	NA		NA		Plus tax, See Section 16.16.031 A11				15.16.031	
	Corporate VIP Passport (up to 4 players)	\$9,599	NA		NA		Plus tax, See Section 16.16.031 A11				15.16.031	
	Double Eagle Passports	\$1,845	NA		\$1,475		Plus tax, See Section 15.16.031 A 13				15.16.031	
	Junior Eagle (Annual) Passport	NA	\$550		NA		Plus tax, See Section 15.16.031 A 10				15.16.031	
	Junior Par (Summer) Passport	NA	\$275		NA		Plus tax, See Section 15.16.031 A 9				15.16.031	
	Wingpointe/Rose Park Passport	\$795	NA		\$645		Plus tax, See Section 15.16.031 A 13				15.16.031	
	Lost or stolen discount card or passport	\$5	\$5		\$5						15.16.031	
Golf Cart Rentals		9 Holes			18 Holes							
	Double rider	\$14			\$28							15.16.031
	Single rider	\$7			\$14							15.16.031
	Private cart trail fee	\$5			\$10							15.16.031
	Cover rental	\$5			\$10							15.16.031
Golf Club Rentals												
	Regular	\$7			\$14							15.16.031
	Premium	\$15			\$30							15.16.031
	USGA grant Jr. Clubs	\$3			\$6							15.16.031
	Jordan River Par-3	\$3			NA							15.16.031
Grandfathered Senior Season Golf Passes		9 Holes			18 Holes							
	Base fee	\$400					See Section 15.16.031 A 2				15.16.031	
	Resident surcharge	\$3			\$6.00			On all pass rounds				15.16.031
	Nonresident surcharge	\$4			\$8.00			On all pass rounds				15.16.031
Green Fees		Regular (2)			Senior(1)(2) (65 60 years old or older)			Junior (1)(2) (17 years old or younger)				
Course:		6 Holes (3)	9 Holes	18 Holes	6 Holes (3)	9 Holes	18 Holes	6 Holes (3)	9 Holes	18 Holes		
	Bonneville		19.50	37.00		16.50	31.00		8.00	16.00	15.16.031	
	Forest Dale	11.50	15.00	NA	\$10.00	13.00	NA	6.00	8.00	NA	15.16.031	
	Glendale		16.00	32.00		14.00	28.00		8.00	16.00	15.16.031	
	Jordan River Par-3		9.00	NA		8.00	NA		6.00	NA	15.16.031	

Mountain Dell Canyon		19.50	37.00		16.50	31.00		8.00	16.00	<u>15.16.031</u>
Mountain Dell Lake		19.50	37.00		16.50	31.00		8.00	16.00	<u>15.16.031</u>
Nibley Park		14.00	NA		12.00	NA		8.00	NA	<u>15.16.031</u>
Rose Park	11.50	15.00	30.00	\$10.00	13.00	26.00	6.00	8.00	16.00	<u>15.16.031</u>
Wingpointe		18.00	35.00		15.00	29.00		8.00	16.00	<u>15.16.031</u>

(1) Senior fees shall be valid Monday through Friday

all day and Saturday, Sunday and recognized holidays after 12:00 noon

(2) As of January 1, 2012 \$1.00 per nine hole round less sales tax and \$2.00 per eighteen hole round less sales tax will be allocated to a dedicated Golf CIP fund to be used exclusively for golf improvement projects at all courses

(3) Availability of 6-hole times will be determined by each course and may change at various times of the year.

Group Reservations				See Section 15.16.035
Pull Cart Rental		9 Holes	18 Holes	
	Regular	\$2	\$4	<u>15.16.031</u>
	Premium	\$3.50	\$7	<u>15.16.031</u>
	Jordan River Par-3	\$1	NA	<u>15.16.031</u>
Range Balls				
	Small bucket	\$5	Per bucket	<u>15.16.031</u>
	Large bucket	\$8	Per bucket	<u>15.16.031</u>
	Range pass	\$50	10 large buckets	<u>15.16.031</u>
School golf team				
	9 holes	\$8		<u>15.16.031</u>
	18 holes	\$16		<u>15.16.031</u>
	Large bucket of range balls	\$5	Per bucket	<u>15.16.031</u>
Tournament Fees				
	9 holes	\$5 minimum	Per person, plus green fees	<u>15.16.035</u>
	18 holes	\$10 minimum	Per person, plus green fees	<u>15.16.035</u>
	Jordan River Par-3	\$3 minimum	Per person, plus green fees	<u>15.16.035</u>

EXHIBIT "A"

GOLF

For questions regarding Golf Fees Contact: 801.485.7730

Service		Fee			Additional Information		Section				
Advance Tee Time Reservations											
	0-8 days in advance	No fee			Minimum 18 holes		15.16.031				
	9 days to one year in advance	\$5			Per player, minimum 18 holes		15.16.031				
Discount Cards and Passports		Regular	Junior (17 years old or younger)		Senior (60 year old and older)						
	LoyalTee Discount Cards	\$45	\$30		\$45		Plus tax, See Section 15.16.031 A 6 15.16.031				
	Birdie Passports	\$1,195	NA		\$955		Plus tax, See Section 15.16.031 A 7 15.16.031				
	Corporate VIP Passport (up to 2 players)	\$4,999	NA		NA		Plus tax, See Section 16.16.031 A11 15.16.031				
	Corporate VIP Passport (up to 4 players)	\$9,599	NA		NA		Plus tax, See Section 16.16.031 A11 15.16.031				
	Double Eagle Passports	\$1,845	NA		\$1,475		Plus tax, See Section 15.16.031 A 13 15.16.031				
	Junior Eagle (Annual) Passport	NA	\$550		NA		Plus tax, See Section 15.16.031 A 10 15.16.031				
	Junior Par (Summer) Passport	NA	\$275		NA		Plus tax, See Section 15.16.031 A 9 15.16.031				
	Wingpointe/Rose Park Passport	\$795	NA		\$645		Plus tax, See Section 15.16.031 A 13 15.16.031				
	Lost or stolen discount card or passport	\$5	\$5		\$5		15.16.031				
Golf Cart Rentals		9 Holes		18 Holes							
	Double rider	\$14		\$28		15.16.031					
	Single rider	\$7		\$14		15.16.031					
	Private cart trail fee	\$5		\$10		15.16.031					
	Cover rental	\$5		\$10		15.16.031					
Golf Club Rentals											
	Regular	\$7		\$14		15.16.031					
	Premium	\$15		\$30		15.16.031					
	USGA grant Jr. Clubs	\$3		\$6		15.16.031					
	Jordan River Par-3	\$3		NA		15.16.031					
Grandfathered Senior Season Golf Passes		9 Holes		18 Holes							
	Base fee	\$400			See Section 15.16.031 A 2		15.16.031				
	Resident surcharge	\$3		\$6.00		On all pass rounds		15.16.031			
	Nonresident surcharge	\$4		\$8.00		On all pass rounds		15.16.031			
Green Fees		Regular (2)		Senior(1)(2) (65 60 years old or older)			Junior (1)(2) (17 years old or younger)				
Course:		6 Holes (3)	9 Holes	18 Holes	6 Holes (3)	9 Holes	18 Holes	6 Holes (3)	9 Holes	18 Holes	
	Bonneville		19.50	37.00		16.50	31.00		8.00	16.00	15.16.031
	Forest Dale	11.50	15.00	NA	\$10.00	13.00	NA	6.00	8.00	NA	15.16.031
	Glendale		16.00	32.00		14.00	28.00		8.00	16.00	15.16.031
	Jordan River Par-3		9.00	NA		8.00	NA		6.00	NA	15.16.031

Mountain Dell Canyon		19.50	37.00		16.50	31.00		8.00	16.00	<u>15.16.031</u>
Mountain Dell Lake		19.50	37.00		16.50	31.00		8.00	16.00	<u>15.16.031</u>
Nibley Park		14.00	NA		12.00	NA		8.00	NA	<u>15.16.031</u>
Rose Park	11.50	15.00	30.00	\$10.00	13.00	26.00	6.00	8.00	16.00	<u>15.16.031</u>
Wingpointe		18.00	35.00		15.00	29.00		8.00	16.00	<u>15.16.031</u>

(1) Senior fees shall be valid Monday through Friday

all day and Saturday, Sunday and recognized holidays after 12:00 noon

(2) As of January 1, 2012 \$1.00 per nine hole round less sales tax and \$2.00 per eighteen hole round less sales tax will be allocated to a dedicated Golf CIP fund to be used exclusively for golf improvement projects at all courses

(3) Availability of 6-hole times will be determined by each course and may change at various times of the year.

Group Reservations				See Section 15.16.035
Pull Cart Rental		9 Holes	18 Holes	
	Regular	\$2	\$4	<u>15.16.031</u>
	Premium	\$3.50	\$7	<u>15.16.031</u>
	Jordan River Par-3	\$1	NA	<u>15.16.031</u>

Range Balls

	Small bucket	\$5	Per bucket	<u>15.16.031</u>
	Large bucket	\$8	Per bucket	<u>15.16.031</u>
	Range pass	\$50	10 large buckets	<u>15.16.031</u>

School golf team

	9 holes	\$8		<u>15.16.031</u>
	18 holes	\$16		<u>15.16.031</u>
	Large bucket of range balls	\$5	Per bucket	<u>15.16.031</u>

Tournament Fees

	9 holes	\$5 minimum	Per person, plus green fees	<u>15.16.035</u>
	18 holes	\$10 minimum	Per person, plus green fees	<u>15.16.035</u>
	Jordan River Par-3	\$3 minimum	Per person, plus green fees	<u>15.16.035</u>

SALT LAKE CITY ORDINANCE

No. __ of 2014

(Golf courses, green fees, and group reservations)

An ordinance amending Sections 15.16.031 and 15.16.035 of the Salt Lake City Code, relating to golf courses and green fees and group reservations.

Be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. That Section 15.16.031 of the Salt Lake City Code, relating to golf course and green fees be, and the same hereby is, amended as follows:

15.16.031: GOLF COURSES; GREEN FEES:

A. Fees Imposed: There shall be imposed on any person playing golf at any of the city golf courses the fees shown on the Salt Lake City consolidated fee schedule. Fees and policies listed in this section shall become effective January-September 1, 2014~~2~~. All fees include sales tax unless otherwise noted.

1. Green Fees: Senior green fees shall be valid Monday through Friday all day and Saturday, Sunday, and recognized holidays after twelve o'clock (12:00) noon. No time restrictions apply to junior green fees. [Senior green fees and junior green fees shall not be considered discounts for purposes of this section.]
2. Grandfathered Senior Season Golf Passes: In 1997, the decision was made by the Salt Lake City golf division, with the approval of the city council, to phase out the senior season pass program and to effectively grandfather the senior season pass program for qualified senior season pass holders based on their continued participation. Senior season passes for calendar years subsequent to 1997 were available solely to those individuals who had purchased calendar 1997 senior season passes on or before June 30, 1997. No other senior season passes were issued after this date. Senior season pass holders were required to renew their passes annually in order to remain eligible for a senior season pass. Any senior season pass holder who failed to renew a senior season pass for any year would not be eligible for any further senior season pass. Grandfathered senior season golf passes may not be used Fridays through Sundays, on defined holidays, or for group reservation play. The fees pertaining to the grandfathered senior season pass program are shown on the Salt Lake City consolidated fee schedule. [Grandfathered senior season golf passes shall be considered discounts for purposes of this section.]

3. School Golf Teams: Green fees for school golf team special play (high school and collegiate golf teams) shall be as shown on the Salt Lake City consolidated fee schedule.
4. Tee Times: Green fees for advance tee time reservations (minimum 18 holes) shall be as shown on the Salt Lake City consolidated fee schedule.
5. Tee Time Cancellations: The department of public services, with concurrence of the mayor, may set reasonable regulations with regard to amounts of refunds for cancellations and time in which cancellations must be made.
6. LoyalTee Discount Card (Nontransferable): Golfers may purchase at any Salt Lake City Golf pro shop a nontransferable LoyalTee Discount Card, subject to the following terms and conditions:
 - a. The annual purchase price of the card is shown on the Salt Lake City consolidated fee schedule, plus tax.
 - b. The card is valid at all city operated golf courses.
 - c. The card is valid for one calendar year from the date of purchase.
 - d. Cardholders shall receive a ten percent (10%) to thirty percent (30%) discount from the standard adult, senior, or junior green fee rate for which the cardholder qualifies based on the day and time of play.
 - e. Cardholders shall receive a twenty percent (20%) discount on the purchase of range balls at any time.
 - f. Discounted fees shall be rounded up to the next twenty five cent (\$0.25) increment.
 - g. The card shall be presented at time of play in order to receive green fee or range ball discounts.
 - h. ~~Except for junior and senior discounts, the card is not valid with any other discount offer or pass, including any discount related to PEHP.~~ The card is not valid with any other discount offer or pass, including any discount related to PEHP.
 - i. The card is not valid for use for tournament or group play.
 - j. Lost or stolen cards shall be subject to the replacement fee shown on the Salt Lake City consolidated fee schedule.
7. Birdie Passport (Weekday 9-Course): Golfers may purchase at any Salt Lake City Golf pro shop a nontransferable annual card called the birdie passport to be presented at the golf course in lieu of payment for green fees. This annual passport is subject to the following terms and conditions:
 - a. The card may be used at any time Monday through Thursday and Friday until twelve o'clock (12:00) noon at the following courses: Bonneville, Forest Dale, Glendale,

Jordan River Par-3, Mountain Dell Lake, Mountain Dell Canyon, Nibley Park, Rose Park, and Wingpointe.

- b. The adult price for the card is shown on the Salt Lake City consolidated fee schedule, plus tax.
 - c. The senior price for the card is shown on the Salt Lake City consolidated fee schedule, plus tax.
 - d. The card is valid for one year from the date of purchase.
 - e. The card is not valid on holidays.
 - f. The purchase price for the card and program availability are subject to change annually.
 - g. Lost or stolen cards shall be subject to the replacement fee shown on the Salt Lake City consolidated fee schedule.
8. Double Eagle Passport (Unlimited 9-Course): Golfers may purchase at any Salt Lake City Golf pro shop a nontransferable annual card called the double eagle passport to be presented at the golf course in lieu of payment for green fees. This annual passport is subject to the following terms and conditions:
- a. The card may be used at any time seven (7) days a week (including holidays) at the following courses: Bonneville, Forest Dale, Glendale, Jordan River Par-3, Mountain Dell Lake, Mountain Dell Canyon, Nibley Park, Rose Park, and Wingpointe.
 - b. The adult price for the card is shown on the Salt Lake City consolidated fee schedule, plus tax.
 - c. The senior price for the card is shown on the Salt Lake City consolidated fee schedule, plus tax.
 - d. The card is valid for one year from the date of purchase.
 - e. The purchase price for the card and program availability are subject to change annually.
 - f. Lost or stolen cards shall be subject to the replacement fee shown on the Salt Lake City consolidated fee schedule.
9. Junior Par Passport (May Through August): Junior golfers may purchase at any Salt Lake City Golf pro shop a nontransferable card called the junior par passport to be presented at the golf course in lieu of payment for green fees. This passport is subject to the following terms and conditions:
- a. The card may be used May 1 through August 31.

- b. The card may be used at any time Monday through Thursday, Friday before twelve o'clock (12:00) noon and Saturday and Sunday after twelve o'clock (12:00) noon at all Salt Lake City golf courses.
 - c. The card is not valid on holidays.
 - d. The junior price for the card is shown on the Salt Lake City consolidated fee schedule, plus tax.
 - e. The purchase price for the card and program availability are subject to change annually.
 - f. Lost or stolen cards shall be subject to the replacement fee shown on the Salt Lake City consolidated fee schedule.
10. Junior Eagle Passport (Annual): Junior golfers may purchase at any Salt Lake City Golf pro shop a nontransferable annual card called the junior eagle passport to be presented at the golf course in lieu of payment for green fees. This annual passport is subject to the following terms and conditions:
- a. The card may be used May 1 through August 31 at any time Monday through Thursday, Friday before twelve o'clock (12:00) noon, and Saturday and Sunday after twelve o'clock (12:00) noon at all Salt Lake City golf courses.
 - b. The card may be used September 1 through April 30 after twelve o'clock (12:00) noon Monday through Thursday and Saturday and Sunday. The card is not valid on Fridays.
 - c. The card is valid for one year from the date of purchase.
 - d. The junior price for the card is shown on the Salt Lake City consolidated fee schedule, plus tax.
 - e. The card is not valid on holidays.
 - f. The purchase price for the card and program availability are subject to change annually.
 - g. Lost or stolen cards shall be subject to the replacement fee shown on the Salt Lake City consolidated fee schedule.
11. Corporate VIP Passport (Annual): Any corporation or other business entity may purchase at any Salt Lake City Golf pro shop an annual card called the corporate VIP passport to be presented at the golf course in lieu of payment for green fees. This annual passport is subject to the following terms and conditions:

- a. The card is transferable within the business entity, but a player may not transfer the passport to another employee of the entity until the first player's golf round has been completed.
- b. The card will be issued in the name of the business entity.
- c. The card is valid for one year from the date of purchase.
- d. The price for the card is shown on the Salt Lake City consolidated fee schedule, plus tax.
- e. Each player using a corporate VIP passport is entitled to a golf cart rental and one small bucket of range balls at no additional charge.

12. Private Lessons: Private lesson fees may be established by the individual teacher. Private lesson fees shall be approved annually by Salt Lake City Golf Program administration.

13. Six-Hole Rate at Forest Dale and Rose Park: Forest Dale Golf Course and Rose Park Golf Course shall offer a six-hole green fee rate as specified in the Salt Lake City consolidated fee schedule, plus tax. The Salt Lake City Golf Program will determine the times when the six-hole rate is available, and may change those times during the year. The Salt Lake City Golf Program may offer at any golf course green fee rates for any number of holes other than nine or 18, depending on the layout of the particular course involved.

B. Use Of Senior Discount Green Fees: Senior ~~discount~~ green fees provided for in this chapter may not be used for group reservation play, or before twelve o'clock (12:00) noon on Saturdays, Sundays, or recognized holidays.

C. Golf CIP Fund: One dollar (\$1.00) less sales tax per nine (9) hole round at each golf course for all green fee types shall be allocated to a dedicated golf capital improvement fund. Nine percent (9%) of all passport annual fees shall be allocated to this fund.

D. Definitions:

JUNIOR: Any person seventeen (17) years of age or younger.

RECOGNIZED HOLIDAYS: Memorial Day, Independence Day, Pioneer Day, and Labor Day.

SENIOR: Any person sixty (60) years of age or older.

E. Adjustment Of Fees: Subject to Section 15.16.031(F), The director of public services, with the approval of the mayor or the mayor's designee, shall have the authority, at any time, to reduce the fees listed in this section for any city golf course, if the director deems it necessary to reduce fees in order to increase the use of the golf course.

F. Prohibition on Use of More than One Discount or Pass: With respect to the green fee for any round of golf, a golfer may not benefit from more than one kind of discount or pass. For example, a golfer with a grandfathered senior season golf pass, a birdie passport, a double eagle passport, or a corporate VIP passport may not also use, for a particular round of golf, a LoyalTee discount card or a PEHP discount.

SECTION 2. That Section 15.16.035 of the Salt Lake City Code, relating to golf course and group reservations be, and the same hereby is, amended as follows:

15.16.035: GOLF COURSES; GROUP RESERVATIONS:

Reservations for exclusive use of a course such as for group play or tournaments shall be allowed in accordance with the following guidelines:

A. Tournament Fees: Additional fees above and beyond the regular green and cart fees shall be required for group play or tournaments.

A per person minimum tournament fee shall be charged as shown on the Salt Lake City consolidated fee schedule.

1. One hundred percent (100%) of the per person tournament fee shall be credited toward pro shop merchandise certificates for the group with the following exception: The golf course shall have the option of designating up to twenty percent (20%) of the tournament fee as a scoring fee for groups requiring scoreboard or scorekeeping services from or arranged by the city's golf staff. For groups paying the scoring fee, the balance of the per player tournament fee shall be credited toward pro shop merchandise certificates.

B. Green Fees: Green fees shown on the Salt Lake City consolidated fee schedule shall be charged for each participant.

C. Reasonable Regulations Set By Department Of Public Services: The department of public services may set reasonable regulations with regard to:

1. How many days in advance of the date for which the facility is reserved that all reservation and green fees must be paid;
2. Amounts of refunds for cancellations and time in which cancellations must be made;
3. Rescheduling "rainouts";
4. Minimum and maximum number of golfers;
5. Cart reservations;
6. Minimum and maximum numbers of holes to be reserved for group play;
7. Dates and times for taking group reservations;

8. Golf courses for which group reservations may be made;
9. Fees for special services requested of the city over and above services normally provided; however, such costs shall reflect actual city costs, including overhead;
10. How many group reservations a person or group can make in a single calendar year;
11. How many group reservations a person can make per request;
12. Making reservations by phone or in person.

| D. Adjustment Of Fees: Subject to Section 15.16.031(F), The director of public services, with the approval of the mayor or the mayor's designee, shall have the authority, at any time, to reduce the fees listed in this section for any city golf course, if the director deems it necessary to reduce fees in order to increase the use of the golf course.

SECTION 3. That this ordinance shall take effect immediately upon the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this ____ day of ____, 2014.

CHAIRPERSON

ATTEST:

CITY RECORDER

APPROVED AS TO FORM
Salt Lake City Attorney's Office

Date 8-11-14

By [Signature]

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

ATTEST:

CITY RECORDER

(SEAL)

Bill No. _____ of 2014.

Published: _____.

HB_ATTYY-#40239-v1-Amending_15_16_031_re_Golf_Fees_2014_second.DOCX

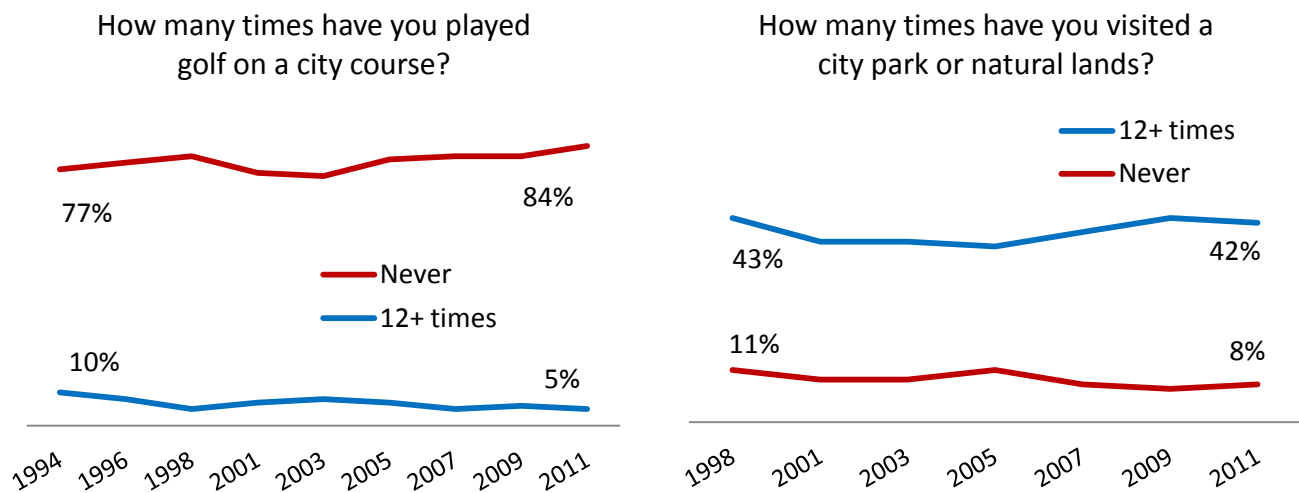
Relevant Results from Salt Lake City Biannual Survey

The City conducts a poll of residents every second year to gauge their opinions on quality of life in the City. It includes questions on perception of City services, safety, participation in City events and activities, residents' transportation habits, awareness of City programs, and concerns about future issues. The most recent survey was conducted in 2011. It had a margin of error 3.75%, and n=724.

Results of questions on Parks/Open Space and Golf

- 73% support a tax increase to *purchase and maintain more parks and natural lands*.
- 75% support *conserving natural lands* over more *developed parks*. (Note, however, that the wording of the question does not specify what is meant by "natural lands." It is not known whether respondents were thinking of the foothills, the Wasatch canyons, the Jordan River, or other areas.)
- Charts:

Within the past 12 months...



Cautions with these survey results

- In recent years, demographics of respondents might not reflect a representative sample of Salt Lake City residents:
 - The share of respondents over age 55 rose to 48% in 2011 (Question 79). According to the 2010 Census, only 18% of SLC residents are over 55.
 - The share of White respondents rose to 89% in 2011 (Question 80). According to the 2010 Census 65% of SLC residents are White alone.
 - The share of respondents who earned less than \$45,000 was 38% (Question 85). According to the 2010 Census, 50% of SLC residents are in this category.
- Figures for geographic distribution of respondents among Council Districts are not reported in 2011 (Question 88).

Survey questions and results referred to on previous page

38. Would you support or oppose a tax increase to purchase and maintain more developed parks and conserve natural lands?

Definitely support	38%
Probably support	35%
Probably oppose	13%
Definitely oppose	12%

39. IF SUPPORT (n=527): Which would be a higher priority developed parks or conserve natural lands?
[sic]

Definitely develop parks	10%
Probably develop parks	10%
Probably conserve natural lands	22%
Definitely conserve natural lands	53%

49. Within the past 12 months, approximately how many times have you done the following in Salt Lake City: Played golf on a city course?

	1994	1996	1998	2001	2003	2005	2007	2009	2011
Never	77%	79%	81%	76%	75%	80%	81%	81%	84%
Once	2%	3%	3%	4%	3%	3%	5%	3%	3%
2-5 times	5%	8%	7%	7%	9%	7%	6%	6%	6%
6-12 times	4%	3%	3%	5%	5%	3%	3%	4%	2%
12+ times	10%	8%	5%	7%	8%	7%	5%	6%	5%
Don't know (VOL)	0%	0%	0%	0%	0%	<1%	1%	0%	<1%

50. Within the past 12 months, approximately how many times have you done the following in Salt Lake City: Visited a park or natural lands?

	1994	1996	1998	2001	2003	2005	2007	2009	2011
Never	--	--	11%	9%	9%	11%	8%	7%	8%
Once	--	--	4%	5%	4%	6%	5%	4%	4%
2-5 times	--	--	26%	28%	28%	28%	27%	26%	23%
6-12 times	--	--	16%	19%	20%	19%	20%	20%	23%
12+ times	--	--	43%	38%	38%	37%	40%	43%	42%
Don't know (VOL)	--	--	1%	1%	0%	<1%	0%	0%	1%

Relevant results from Salt Lake County Parks & Recreation Needs Assessment

In 2012, Salt Lake County worked with Utah State University Extension to poll residents on their priority and satisfaction levels with the County's Parks and Recreation Division. The results cited here are from the County's North Planning District, which captures most Salt Lake City residents and very few non-residents. This mail-in survey was conducted in 2012, and had a response rate of 15%, with n= 575.

Results from questions that mention golf specifically

- In a list of eleven types of sports amenities, *Golf course* was considered a High Priority by 16% of respondents, and Not a Priority by 30%. No other sports amenity on the list was considered Not a Priority by even half that number. An additional 31% considered Golf course a Low Priority. (Q-7)
- In a list of sixteen items of potential actions, *Higher level of golf course maintenance* had the second-highest share of Not a Priority (24%) and second-lowest share of High Priority (9%). In both cases, *golf course maintenance* was surpassed only by *Convert natural turf grass sports fields to synthetic turf*. (Q-21)

Cautions on using this survey

- The County is mentioned in all questions, but it is unknown whether respondents distinguished between County and City services in their responses.

Summary of other key findings

Park amenities most frequently considered High Priority (Q-5):

- Lawn area, open un-programmed: 61%
- Access to facilities for the disabled: 59%
- Children's playground (nature, etc.): 57%
- Children's playground (traditional): 57%

Sports amenities most frequently considered High Priority (Q-7):

- Soccer/ Football/ Rugby field: 38%
- Basketball court, outdoor: 34%
- Tennis court, outdoor: 32%

Note: *Golf course* was considered a High Priority by 16%, but Not a Priority by 30%. No other sports amenity on the list was considered Not a Priority by even half that number of respondents. An additional 31% considered *Golf course* a Low Priority.

Recreation amenities most frequently considered High Priority (Q-8):

- Trail, walking / running / bike: 86%
- Natural areas / wildlife habitat: 64%

Note: No other recreation amenity was considered a High Priority by more than 50% of respondents. The number of respondents who ranked *Trails* as Not a Priority was statistically 0%, and only 2% ranked it as Low. The number who ranked *Natural areas / wildlife habitat* as Not a Priority was 2%, with another 6% ranking it as Low.

Potential actions to improve recreation, parks, and community activities most frequently considered High Priority (Q-21)

- Purchase land to preserve natural areas, open space: 66%
- Build new walking, hiking and biking trails: 59%
- Improve regional trails (Jordan River, Bonneville Shoreline, etc.): 56%
- Purchase land for regional trails 50%

Note: *Higher level of golf course maintenance* had the second-highest share of Not a Priority (24%) and the second-highest combined share of Low Priority. *Golf course maintenance* also had the second-lowest share of High Priority (9%). In all three measures, *golf course maintenance* was surpassed only by *Convert natural turf grass sports fields to synthetic turf*.

Benefits of Salt Lake County Parks and Recreation facilities and programs, statements with most frequent agreement (Q-26)

	Agreement total (Strong + Mild)	Strongly Agree	Mildly Agree
Makes Salt Lake County a better place to live	96%	76%	20%
Improves physical health and wellness	92%	68%	24%
Preserves open space	91%	64%	27%
Improves mental health and reduces stress	91%	64%	27%
Increases cultural and community interaction	85%	52%	33%
Increases property values in surrounding areas	83%	54%	29%
Protects the environment	81%	52%	29%

\$1 Fee Increase for Study Period With No Impact on Rounds

	9 Hole Rate		
Proposed Rate for Bonneville	19.50	Total Base Rounds (FY14 less JRP)	411,913
Proposed Rate for Forest Dale	15.00	Total Base Revenue (FY14 less JRP)	\$5,321,013.92
Proposed Rate for Glendale	16.00	Card Revenue (FY14)	\$308,257.50
Proposed Rate for Mtn Dell	19.50	Total Rounds	411,913
Proposed rate for Nibley Park	14.00	Total Revenue	\$5,649,814.17
Proposed rate for Rose Park	15.00		
Proposed rate for Wingpointe	18.00		

Other Revenue			
	FY14	Impact	Adjusted Revenue
Cart	\$1,592,608.00	0%	\$0.00
Range	\$296,135.00	0%	\$0.00
Retail	\$814,096.00	0%	\$0.00
Concessions	\$90,293.00	0%	\$0.00
Total FY14	\$2,793,132.00		\$0.00

Total FY14	\$8,114,145.92	Budget Difference	\$19.70
NEW TOTAL	\$8,442,946.17	\$328,800.25	\$20.50

Inputs			
Rate Increase	\$1	Rounds Impact	
Bonneville, Mtn Dell Effective Increase per round for LoyalTee Program	\$0.50	Discount	0%
Forest Dale, Rose Park, Wingpointe Effective Increase per round for LoyalTee Program	\$0.75	LoyalTee	0%
Glendale, Nibley Effective Increase per round for LoyalTee Program	\$1.00	Rack Rate	0%

	Bonneville								
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Reduction	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	1,178	\$4,178.00	1.59%	\$3.55	0%	0	1,178	\$4,178.00	
DISCOUNTS	5,290	\$65,409.50	7.16%	\$12.36	0%	0	5,290	\$70,699.50	
EMPLOYEE COMP GOLF	2,497	\$2,497.00	3.38%	\$1.00	0%	0	2,497	\$2,497.00	
GOLF PASSES	3,172	\$166.00	4.29%	\$0.05	0%	0	3,172	\$0.00	
LOYALTY PROGRAMS	21,166	\$291,977.25	28.64%	\$13.79	0%	0	21,166	\$302,560.25	
POS TRADE (EZLINKS)	1,950	\$0.00	2.64%	\$0.00	0%	0	1,950	\$0.00	
RACK RATE	37,173	\$627,588.00	50.30%	\$16.88	0%	0	37,173	\$664,761.00	
UGA TOURNAMENTS	1,476	\$1,476.00	2.00%	\$1.00	0%	0	1,476	\$1,476.00	
Totals	73,902	\$993,292		\$13.44	0.00%	0	73,902	\$1,046,171.75	\$52,880.00

Forest Dale									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Reduction	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	263	\$242.00	0.64%	\$0.92	0%	0	263	\$242.00	
DISCOUNTS	3,718	\$34,352.00	8.98%	\$9.24	0%	0	3,718	\$38,070.00	
EMPLOYEE COMP GOLF	1,237	\$1,237.00	2.99%	\$1.00	0%	0	1,237	\$1,237.00	
GOLF PASSES	1,239	\$65.00	2.99%	\$0.05	0%	0	1,239	\$0.00	
LOYALTY PROGRAMS	11,311	\$121,569.25	27.33%	\$10.75	0%	0	11,311	\$130,052.50	
POS TRADE (EZLINKS)	627	\$0.00	1.52%	\$0.00	0%	0	627	\$0.00	
RACK RATE	22,987	\$307,827.00	55.55%	\$13.39	0%	0	22,987	\$330,814.00	
Totals	41,382	\$465,292		\$11.24	0.00%	0	41,382	\$500,415.50	\$35,123.25

	Glendale								
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Reduction	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	602	\$2,092.00	0.90%	\$3.48	0%	0	602	\$2,092.00	
DISCOUNTS	5,387	\$53,058.00	8.06%	\$9.85	0%	0	5,387	\$58,445.00	
EMPLOYEE COMP GOLF	1,394	\$1,394.00	2.09%	\$1.00	0%	0	1,394	\$1,394.00	
GOLF PASSES	4,155	\$85.00	6.22%	\$0.02	0%	0	4,155	\$0.00	
LOYALTY PROGRAMS	18,480	\$215,815.50	27.66%	\$11.68	0%	0	18,480	\$234,295.50	
POS TRADE (EZLINKS)	1,724	\$0.00	2.58%	\$0.00	0%	0	1,724	\$0.00	
RACK RATE	33,776	\$479,697.00	50.55%	\$14.20	0%	0	33,776	\$513,473.00	
UGA TOURNAMENTS	1,294	\$1,294.00	1.94%	\$1.00	0%	0	1,294	\$1,294.00	
Totals	66,812	\$753,436		\$11.28	0.00%	0	66,812	\$810,993.50	\$57,558.00

Mountain Dell									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Reduction	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	269	\$761.00	0.29%	\$2.83	0%	0	269	\$761.00	
DISCOUNTS	13,005	\$177,141.00	14.00%	\$13.62	0%	0	13,005	\$190,146.00	
EMPLOYEE COMP GOLF	2,395	\$2,626.00	2.58%	\$1.10	0%	0	2,395	\$2,395.00	
GOLF PASSES	2,392	\$670.00	2.57%	\$0.28	0%	0	2,392	\$0.00	
LOYALTY PROGRAMS	21,503	\$286,156.70	23.14%	\$13.31	0%	0	21,503	\$296,908.20	
POS TRADE (EZLINKS)	1,930	\$0.00	2.08%	\$0.00	0%	0	1,930	\$0.00	
RACK RATE	51,412	\$840,561.50	55.34%	\$16.35	0%	0	51,412	\$891,973.50	
UGA TOURNAMENTS	2	\$2.00	0.00%	\$1.00	0%	0	2	\$2.00	
Totals	92,908	\$1,307,918		\$14.08	0.00%	0	92,908	\$1,382,185.70	\$74,267.50

Nibley Park									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Reduction	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	429	\$1,608.00	1.33%	\$3.75	0%	0	429	\$1,608.00	
DISCOUNTS	1,631	\$12,901.00	5.07%	\$7.91	0%	0	1,631	\$14,532.00	
EMPLOYEE COMP GOLF	717	\$717.00	2.23%	\$1.00	0%	0	717	\$717.00	
GOLF PASSES	424	\$16.00	1.32%	\$0.04	0%	0	424	\$0.00	
LOYALTY PROGRAMS	7,714	\$77,063.00	23.97%	\$9.99	0%	0	7,714	\$84,777.00	
POS TRADE (EZLINKS)	403	\$0.00	1.25%	\$0.00	0%	0	403	\$0.00	
RACK RATE	20,423	\$250,755.00	63.47%	\$12.28	0%	0	20,423	\$271,178.00	
UGA TOURNAMENTS	436	\$436.00	1.36%	\$1.00	0%	0	436	\$436.00	
Totals	32,177	\$343,496		\$10.68	0.00%	0	32,177	\$373,248.00	\$29,752.00

Rose Park									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Reduction	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	732	\$1,003.00	1.41%	\$1.37	0%	0	732	\$1,003.00	
DISCOUNTS	5,367	\$48,935.95	10.35%	\$9.12	0%	0	5,367	\$54,302.95	
EMPLOYEE COMP GOLF	1,260	\$1,260.00	2.43%	\$1.00	0%	0	1,260	\$1,260.00	
GOLF PASSES	4,321	\$22.00	8.33%	\$0.01	0%	0	4,321	\$0.00	
LOYALTY PROGRAMS	13,139	\$143,205.01	25.34%	\$10.90	0%	0	13,139	\$153,059.26	
POS TRADE (EZLINKS)	1,440	\$0.00	2.78%	\$0.00	0%	0	1,440	\$0.00	
RACK RATE	24,035	\$316,013.75	46.36%	\$13.15	0%	0	24,035	\$340,048.75	
UGA TOURNAMENTS	1,554	\$1,554.00	3.00%	\$1.00	0%	0	1,554	\$1,554.00	
Totals	51,848	\$511,994		\$9.87	0.00%	0	51,848	\$551,227.96	\$39,234.25

Wingpointe									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Reduction	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	500	\$1,606.00	0.96%	\$3.21	0%	0	500	\$1,606.00	
DISCOUNTS	4,029	\$49,616.00	7.77%	\$12.31	0%	0	4,029	\$53,645.00	
EMPLOYEE COMP GOLF	1,281	\$1,281.00	2.47%	\$1.00	0%	0	1,281	\$1,281.00	
GOLF PASSES	5,619	\$28.00	10.84%	\$0.00	0%	0	5,619	\$0.00	
LOYALTY PROGRAMS	12,715	\$166,587.01	24.52%	\$13.10	0%	0	12,715	\$176,123.26	
POS TRADE (EZLINKS)	1,206	\$0.00	2.33%	\$0.00	0%	0	1,206	\$0.00	
RACK RATE	26,448	\$417,125.00	51.01%	\$15.77	0%	0	26,448	\$443,573.00	
UGA TOURNAMENTS	1,086	\$1,086.00	2.09%	\$1.00	0%	0	1,086	\$1,086.00	
Totals	52,884	\$637,329		\$12.05	0.00%	0	52,884	\$677,314.26	\$39,985.25

Assumptions
No change in play from 2014
\$1 increase to listed green fees and discount offers
Jordan River Par-3 is closed
Wingpointe remains open

Back to Staff Report

\$1 Fee Increase for Study Period with Decline in Rounds Impacts

9 Hole Rate		Total Base Rounds (FY14 less JRP3)	411,913	Other Revenue				
				FY14	% Impact	Adjusted Revenue		
Proposed Rate for Bonneville	19.50	Total Base Revenue (FY14 less JRP3)	\$5,321,013.92	Cart	\$1,592,608.00	-3%	-\$47,778.24	
Proposed Rate for Forest Dale	15.00			Range	\$296,135.00	2%	\$5,922.70	
Proposed Rate for Glendale	16.00	Card Revenue (FY14)	\$308,257.50	Retail	\$814,096.00	-1%	-\$8,140.96	
Proposed Rate for Mtn Dell	19.50	Total Rounds	399,137	(12,776)	Concessions	\$90,293.00	-3%	-\$2,708.79
Proposed rate for Nibley Park	14.00	Total Revenue	\$5,446,028.39	Total FY14	\$2,793,132.00		-\$52,705.29	
Proposed rate for Rose Park	15.00							
Proposed rate for Wingpointe	18.00							

Total FY14	\$8,114,145.92	Budget Difference	\$19.70
NEW TOTAL	\$8,186,455.10	\$72,309.18	\$20.51

Inputs		
Rate Increase	\$1	Rounds Impact
Bonneville, Mtn Dell Effective Increase per round for LoyalTee Program	\$0.50	Discount
Forest Dale, Rose Park, Wingpointe Effective Increase per round for LoyalTee Program	\$0.75	LoyalTee
Glendale, Nibley Effective Increase per round for LoyalTee Program	\$1.00	Rack Rate

Bonneville									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Impact	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	1,178	\$4,178.00	1.59%	\$3.55	0%	0	1,178	\$4,178.00	
DISCOUNTS	5,290	\$65,409.50	7.16%	\$12.36	-5%	-265	5,026	\$67,164.53	
EMPLOYEE COMP GOLF	2,497	\$2,497.00	3.38%	\$1.00	0%	0	2,497	\$2,497.00	
GOLF PASSES	3,172	\$166.00	4.29%	\$0.05	0%	0	3,172	\$0.00	
LOYALTY PROGRAMS	21,166	\$291,977.25	28.64%	\$13.79	2%	423	21,589	\$308,611.46	
POS TRADE (EZLINKS)	1,950	\$0.00	2.64%	\$0.00	0%	0	1,950	\$0.00	
RACK RATE	37,173	\$627,588.00	50.30%	\$16.88	-6%	-2,230	34,943	\$624,875.34	
UGA TOURNAMENTS	1,476	\$1,476.00	2.00%	\$1.00	0%	0	1,476	\$1,476.00	
Totals	73,902	\$993,292		\$13.44	-2.80%	-2,072	71,830	\$1,008,802.32	\$15,510.57

Forest Dale									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Impact	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	263	\$242.00	0.64%	\$0.92	0%	0	263	\$242.00	
DISCOUNTS	3,718	\$34,352.00	8.98%	\$9.24	-5%	-186	3,532	\$36,166.50	
EMPLOYEE COMP GOLF	1,237	\$1,237.00	2.99%	\$1.00	0%	0	1,237	\$1,237.00	
GOLF PASSES	1,239	\$65.00	2.99%	\$0.05	0%	0	1,239	\$0.00	
LOYALTY PROGRAMS	11,311	\$121,569.25	27.33%	\$10.75	2%	226	11,537	\$132,653.55	
POS TRADE (EZLINKS)	627	\$0.00	1.52%	\$0.00	0%	0	627	\$0.00	
RACK RATE	22,987	\$307,827.00	55.55%	\$13.39	-6%	-1,379	21,608	\$310,965.16	
Totals	41,382	\$465,292		\$11.24	-3.24%	-1,339	40,043	\$481,264.21	\$15,971.96

Glendale									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Impact	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	602	\$2,092.00	0.90%	\$3.48	0%	0	602	\$2,092.00	
DISCOUNTS	5,387	\$53,058.00	8.06%	\$9.85	-5%	-269	5,118	\$55,522.75	
EMPLOYEE COMP GOLF	1,394	\$1,394.00	2.09%	\$1.00	0%	0	1,394	\$1,394.00	
GOLF PASSES	4,155	\$85.00	6.22%	\$0.02	0%	0	4,155	\$0.00	
LOYALTY PROGRAMS	18,480	\$215,815.50	27.66%	\$11.68	2%	370	18,850	\$238,981.41	
POS TRADE (EZLINKS)	1,724	\$0.00	2.58%	\$0.00	0%	0	1,724	\$0.00	
RACK RATE	33,776	\$479,697.00	50.55%	\$14.20	-6%	-2,027	31,749	\$482,664.62	
UGA TOURNAMENTS	1,294	\$1,294.00	1.94%	\$1.00	0%	0	1,294	\$1,294.00	
Totals	66,812	\$753,436		\$11.28	-2.88%	-1,926	64,886	\$781,948.78	\$28,513.28

Mountain Dell									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Impact	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	269	\$761.00	0.29%	\$2.83	0%	0	269	\$761.00	
DISCOUNTS	13,005	\$177,141.00	14.00%	\$13.62	-5%	-650	12,355	\$180,638.70	
EMPLOYEE COMP GOLF	2,395	\$2,626.00	2.58%	\$1.10	0%	0	2,395	\$2,395.00	
GOLF PASSES	2,392	\$670.00	2.57%	\$0.28	0%	0	2,392	\$0.00	
LOYALTY PROGRAMS	21,503	\$286,156.70	23.14%	\$13.31	2%	430	21,933	\$302,846.36	
POS TRADE (EZLINKS)	1,930	\$0.00	2.08%	\$0.00	0%	0	1,930	\$0.00	
RACK RATE	51,412	\$840,561.50	55.34%	\$16.35	-6%	-3,085	48,327	\$838,455.09	
UGA TOURNAMENTS	2	\$2.00	0.00%	\$1.00	0%	0	2	\$2.00	
Totals	92,908	\$1,307,918		\$14.08	-3.56%	-3,305	89,603	\$1,325,098.15	\$17,179.95

Nibley Park									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Impact	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	429	\$1,608.00	1.33%	\$3.75	0%	0	429	\$1,608.00	
DISCOUNTS	1,631	\$12,901.00	5.07%	\$7.91	-5%	-82	1,549	\$13,805.40	
EMPLOYEE COMP GOLF	717	\$717.00	2.23%	\$1.00	0%	0	717	\$717.00	
GOLF PASSES	424	\$16.00	1.32%	\$0.04	0%	0	424	\$0.00	
LOYALTY PROGRAMS	7,714	\$77,063.00	23.97%	\$9.99	2%	154	7,868	\$86,472.54	
POS TRADE (EZLINKS)	403	\$0.00	1.25%	\$0.00	0%	0	403	\$0.00	
RACK RATE	20,423	\$250,755.00	63.47%	\$12.28	-6%	-1,225	19,198	\$254,907.32	
UGA TOURNAMENTS	436	\$436.00	1.36%	\$1.00	0%	0	436	\$436.00	
Totals	32,177	\$343,496		\$10.68	-3.58%	-1,153	31,024	\$357,946.26	\$14,450.26

Rose Park									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Impact	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	732	\$1,003.00	1.41%	\$1.37	0%	0	732	\$1,003.00	
DISCOUNTS	5,367	\$48,935.95	10.35%	\$9.12	-5%	-268	5,099	\$51,587.80	
EMPLOYEE COMP GOLF	1,260	\$1,260.00	2.43%	\$1.00	0%	0	1,260	\$1,260.00	
GOLF PASSES	4,321	\$22.00	8.33%	\$0.01	0%	0	4,321	\$0.00	
LOYALTY PROGRAMS	13,139	\$143,205.01	25.34%	\$10.90	2%	263	13,402	\$156,120.45	
POS TRADE (EZLINKS)	1,440	\$0.00	2.78%	\$0.00	0%	0	1,440	\$0.00	
RACK RATE	24,035	\$316,013.75	46.36%	\$13.15	-6%	-1,442	22,593	\$319,645.83	
UGA TOURNAMENTS	1,554	\$1,554.00	3.00%	\$1.00	0%	0	1,554	\$1,554.00	
Totals	51,848	\$511,994		\$9.87	-2.79%	-1,448	50,400	\$531,171.07	\$19,177.36

Wingpointe									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Impact	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	500	\$1,606.00	0.96%	\$3.21	0%	0	500	\$1,606.00	
DISCOUNTS	4,029	\$49,616.00	7.77%	\$12.31	-5%	-201	3,828	\$50,962.75	
EMPLOYEE COMP GOLF	1,281	\$1,281.00	2.47%	\$1.00	0%	0	1,281	\$1,281.00	
GOLF PASSES	5,619	\$28.00	10.84%	\$0.00	0%	0	5,619	\$0.00	
LOYALTY PROGRAMS	12,715	\$166,587.01	24.52%	\$13.10	2%	254	12,969	\$179,645.73	
POS TRADE (EZLINKS)	1,206	\$0.00	2.33%	\$0.00	0%	0	1,206	\$0.00	
RACK RATE	26,448	\$417,125.00	51.01%	\$15.77	-6%	-1,587	24,861	\$416,958.62	
UGA TOURNAMENTS	1,086	\$1,086.00	2.09%	\$1.00	0%	0	1,086	\$1,086.00	
Totals	52,884	\$637,329		\$12.05	-2.90%	-1,534	51,350	\$651,540.10	\$14,211.09

Assumptions
Play baseline based on FY14 play
\$1 increase to listed green fees and discount offers
Jordan River Par-3 is closed
Wingpointe remains open

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Bond Options

	Option A	Option A1	Option B
Components			
	Purchase Land from Golf Fund at Open Space Rate, Glendale as 100% Natural Open Space Forest Dale to Improved Open Space (passive & active) Funding for Trans Valley Corridor	Purchase Land from Golf Fund at Open Space Rate, Glendale as 100% Natural Open Space Forest Dale to Improved Open Space (passive & active) Funding for Trans Valley Corridor	Purchase Land from Golf Fund at Open Space Rate, Bonneville Baseball fields Glendale as 50% Natural Open Space/50% Improved Forest Dale to Improved Open Space (passive & active) Funding for Trans Valley Corridor
Glendale			
Purchase Glendale at Open Space Rate	\$ 2,080,000	\$ 2,080,000	\$ 2,080,000
Improve Glendale as 100% Natural Open Space	\$ 9,600,000		
Improve Glendale as 50% active open space/50% natural open space		\$ 44,800,000	\$ 44,800,000
Forest Dale			
Purchase Forest Dale at Open Space Rate	\$ 1,925,000	\$ 1,925,000	\$ 1,925,000
Improve Forest Dale as Improved Open Space (45 acres passive, 10 acres active)	\$ 7,700,000	\$ 7,700,000	\$ 7,700,000
Bonneville			
Purchase 10 Acres along foothill			\$ 350,000
Reconfigure Bonneville			\$ 2,000,000
develop additional baseball fields			\$ 2,500,000
Other			
McClelland Trail - Final Improvements	TBD	TBD	TBD
Other Trail Enhancements (potentially Trans Valley Corridor)	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Jordan River Par 3 as Botanical Center	TBD	TBD	TBD
Other - Warm Springs, Cemetery ?	TBD	TBD	TBD
Total Bond	\$ 26,305,000	\$ 61,505,000	\$ 66,355,000
Annual cost of Bond Proposal	4850000		
\$200,000 home			
\$1m business			
On-going General Fund Maintenance Costs			
Notes	General Fund maintain Glendale (after 10 acres sold) as 100% natural open space. Forest Dale as improved open space.	General Fund maintain Glendale (after 10 acres sold) as 50%/50% natural vs. programmed open space. Forest Dale as improved open space.	General Fund maintain Glendale (after 10 acres sold) as 100% natural open space. Forest Dale as improved open space. Bonneville as Baseball fields.
Numbers:			
Glendale - natural open space - 160 acres	\$ 416,000	\$ 416,000	\$ 416,000
Forest Dale - improved open space - 55 acres	\$ 429,000	\$ 429,000	\$ 429,000
Bonneville Baseball Fields - 10 acres along foothill			\$ 78,000
Improved Trail Right-of-Way - x miles?	TBD	TBD	TBD
Total	\$ 845,000	\$ 845,000	\$ 923,000

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RICHARD GRAHAM
PUBLIC SERVICES DIRECTOR

SALT LAKE CITY CORPORATION
DEPARTMENT OF PUBLIC SERVICES
DIRECTORS OFFICE

RALPH BECKER
MAYOR

MEMORANDUM

TO: Cindy Gust Jensen – Council Staff Director
David Everitt - Chief of Staff
Gina Chamness – Finance Director
Rick Graham – PS Department Director

FROM: Alden Breinholt – PS Operation Division Director

DATE: July 15, 2014

SUBJECT: GOLF ESCO AUDIT /PROJECT DETAILS

As part of Golf's FY 15 Budget submission a Golf ESCO project and associated financing via a municipal lease is included. The Council had approved the budget including the ESCO work, but requested that Public Services provide the ESCO project details before proceeding. This memorandum provides the details and key information for the project.

It is important to receive the final go ahead of the project, so that the additional work of finalizing the financing and project contracts work can be completed allowing construction begin in September 2014. Please advise when Golf may proceed or what additional questions need to be addressed.

Project Financial Highlights:

Total project implementation cost	\$ 6,141,572
Cumulative project cost (over term)	\$10,077,943
Cumulative savings including escalation	\$10,196,484
Term	20 years
Net positive cash flow over term	\$ 118,542
Estimated utility incentives (included in cash flow)	\$ 15,629

Background/Discussion: Salt Lake City has been a proponent and a leader in better environmental stewardship, conservation of natural resources and reduction in energy consumption. Both the Mayor and Council have goals to reduce water use, increase air quality and conserve natural resources. Salt Lake City has used investment grade audits as performed by Siemens Industry Inc. to identify improvement areas, and to make the needed improvements to aging infrastructure that leads to reductions in water, electrical use and operational resources.

LOCATION: 451 SOUTH STATE STREET, ROOM 138, SALT LAKE CITY, UTAH 84111-3104

MAILING ADDRESS: PO BOX 145469, SALT LAKE CITY, UTAH 84114-5469

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Since 2007 SLC has used Siemens (an ESCO) to perform these investment grade audits on properties and used the savings from utilities to make capital improvements in aging equipment, lighting and irrigation systems. The City has completed a building lighting and heating ventilation and air-conditioning (HVAC) improvement project, Parks lighting and irrigation improvement project and now a lighting, HVAC, and solar hot water improvement project. The investment grade audit allows the City to enter into a municipal lease at a low interest rate to pay for the upfront improvements, but incurring debt over time. The cost for the debt payments is taken from the utility savings to produce a budget neutral transaction.

Scope of Project:

The Golf ESCO project currently is configured to provide for the following improvements.

- Infrastructure equipment for secondary water source at Rose Park
- Infrastructure equipment for secondary water source at Glendale
- Pilot well at Bonneville, to determine if a secondary water source is available at this course.
- Irrigation piping replacement at Bonneville, digital controls and wiring.
- Lighting upgrades on interior and exterior locations at Rose Park, Glendale and Bonneville.

Benefits:

The major environmental benefits from this project are use of secondary water vs culinary which comes with lower water rates and the reduction in water and electrical usage. The project will save 220,267,700 gallons of water annually, which is the equivalent usage of 2,065 households. In addition the project is estimated to save 148,143 kwh annually.

Project Savings

Water Expense Savings

- Annual Estimated Savings**
 - Rose Park – (based on 9 holes)* \$ 87,068
(\$158,907 for 18 holes not included in cash flow)
 - Glendale \$171,929
 - Bonneville –irrigation system based \$ 41,841
 - Bonneville efficiency- reduced acreage \$ 9,653

Other Project Savings

- Annual Estimated Savings
 - Electricity savings \$ 9,202
 - Operational savings \$ 43,009

Total Annual Project Savings \$362,702*

*Estimate take a conservative approach with a 9 hole scope of work.

**Estimates are based on first year savings prior to annual escalation.

Project Assumptions:

1. Energy escalation rate weighted average per year - 3.5%
 - a. Electricity 5%
 - b. Water 3%
2. Operations and maintenance escalation per year - 3.0%
3. Current estimated indicative interest rate - 3.6%
4. Water resource cost - \$115/Acre Foot – Based on new PU secondary water rate that has been provided to Public Services and Golf.
 - a. \$65 water resource cost
 - b. \$50 water delivery cost
5. This project will have a twelve month construction cycle.
 - a. \$100,000 estimated construction savings
 - b. \$100,000 estimated revenue loss from reduced rounds due to construction.
6. Savings calculations are based on Rose Park converting to 9 holes. The entire 18 holes will be irrigated with secondary water savings, however 9 holes of water savings is going to help improve the Golf bottom line.
7. Project Guarantee – On an ESCO project, one of the big financial advantages is that the ESCO will guarantee the savings projection it has generated and will monitor and verify these savings each year during the course of the financed term. In the case of the Golf ESCO the guarantee on water savings is limited to availability of secondary water.

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SECONDARY WATER ANALYSIS

SLC Golf

	<u>Current Water Budget</u>	<u>Estimated New Water Budget</u>	<u>Estimated Annual Savings</u>	<u>Estimated Cost of Construction</u>	<u>Estimated Simple Payback yrs.</u>	<u>Estim Annual Debt Service for 20 yrs</u>
Additional to ESCO						
Bonneville	\$ 265,000	\$ 25,797	\$ 239,203	\$ 2,310,000	9.7	\$ 179,000
Forest Dale			\$ 39,189	\$ 1,161,267	29.6	\$ 90,000
Mtn. Dell - can rate be changed to secondary water resource fee?				\$ -		
Nibley			\$ 33,068	\$ 1,268,736	38.4	\$ 98,000
Wingpointe	\$ 226,000	\$ 41,606	\$ 184,394	\$ 2,750,000	14.9	\$ 213,000
Total			<u>\$ 495,854</u>	<u>\$ 7,490,003</u>		<u>\$ 580,000</u>
In ESCO						
Glendale			\$ 152,826	\$ 837,803	5.5	
Rose Park			\$ 158,907	\$ 1,117,399	7.0	
			<u>\$ 311,733</u>	<u>\$ 1,955,202</u>		
All projects			<u><u>\$ 807,587</u></u>	<u><u>\$ 9,445,205</u></u>		

NOTES

Bonneville construction cost is rough estimate provided by Siemens

Bonneville water savings estimate was prepared by PS Dept based on PU info and doesn't include costs of electricity and operational impacts. The water flow capacity is unknown.

Forest Dale - figures are from Siemens.

Glendale numbers are from Siemens and are included in first ESCO for Golf

Nibley - figures are from Siemens.

Rose Park numbers are from Siemens and are included in first ESCO for Golf

Wingpointe construction cost is rough estimate provided by Siemens. Water availability, quality, and rights are undetermined.

Wingpointe water savings estimate was prepared by PS Dept and doesn't include costs of electricity and operational costs.



**SALT LAKE CITY GOLF ENTERPRISE FUND ADVISORY BOARD
POSITION STATEMENTS ON CURRENT ISSUES
RELATED TO LONG-TERM GOLF FUND BUDGET SOLVENCY**

July 8, 2014

City Council, Mayor Becker, and Public Services Officials,

Please accept these position statements from the Salt Lake City Golf Enterprise Fund Advisory Board (a majority of the board). These statements are in response to a request from City Council to understand the GAB's position on the key issues and options currently under consideration relative to the Golf Fund's projected long-term operating deficit and negative cash balance. We have developed these statements from our on-going evaluation of the operations and facility conditions at SLC's eight public golf courses.

While we work closely with the SLC Golf Administration, we are citizens who play these golf courses regularly, and are speaking with an independent voice in taking the following positions on critical issues that will impact the future of public golf in our city; and, as a result of Salt Lake City's century-long history as a leader in providing quality, affordable public golf, will impact the future of public golf throughout the state.

- 1. The various SLC Golf Fund budget-balancing scenarios currently under evaluation by the Salt Lake City Council include options to “repurpose” Glendale and/or Forest Dale along with closing Wingpointe and reducing Rose Park to nine holes and the practice area.**

What is your position on closing and/or reducing the number of holes at Salt Lake City Golf Courses?

We do not want any of Salt Lake City's diverse selection of public courses closed. All other long-term Golf Fund balancing options should be thoroughly evaluated by City Council with input from the public, the Golf Advisory Board, and Golf and Public Services management. The current negative cash position in the Golf Fund was projected years ago in budget pro forma documents. The Golf Advisory Board asks City Council to take a long-term approach in solving this issue, and to avoid hastily moving to close these community treasures; closure should be a last resort only after all benefits to the community generated from the operation of this quality and diverse selection of public golf courses are taken into account.

It is projected that the population along the Wasatch Front will significantly increase over the next decade. Utah has one of the highest per capita golf participation rates in the country at approximately 15%. The percentage of golfers in the market compares favorably with the percentage of the local population that utilizes public recreation centers, patronizes art and cultural facilities and events, and takes advantage of the greatest snow on earth. We also request that City Council verify that the FAA is actually mandating a market rate annual property lease payment at Wingpointe Golf Course as we encourage the City, if possible, to return to the terms of the original MOU that provided for a century of operations free of any property lease payment.

2. The golf course closure scenarios being reviewed by City Council do not include an analysis of the maximum savings potential from a conversion to secondary water at all golf courses with options for all, some, or none of the initial capital infrastructure investment to come from funding sources outside the Golf Fund operating budget.

A. Where should this analysis of secondary water savings and options regarding the upfront capital investment be positioned in the City Council's process?

Completing the capital infrastructure to move every Salt Lake City golf course to the available secondary water source(s) should be THE PRIMARY focus. As stated above, considering course closures or reduction of holes should happen only as a measure of last resort, and that evaluation should be based on the long-term solvency of the Golf Fund, not as a result of a short-term perspective. The move to secondary water needs to be accomplished from both a financial solvency perspective as well as to further the city's water conservation efforts. Getting this done is the environmentally responsible action that must be taken now. While we agree that capital projects should be evaluated and prioritized based on the financial return in either reducing expenses or raising capital funds/increasing ongoing operating revenue, some projects must be evaluated and prioritized based on other factors. The move to secondary water at every golf course is one of those issues. In fact, given the limited funding available for golf course capital improvements, secondary water and irrigation system work should be the sole focus of available capital funds other than in relation to projects that can be funded by partnership revenue or have payback periods of not more than ten years from date of project completion. But, even with an excellent ROI, water projects must be the priority.

B. You have made a statement in the past supporting the use of surplus golf property to help fund capital improvement priorities. What is your position on a subsidy or loan from the City General Fund?

In keeping with the Golf Enterprise Fund's long history of providing a quality, diverse selection of public golf facilities and subsidy-free urban green spaces that have a significant positive impact on our environment, it is the Golf Advisory Board's goal to avoid any type of general fund/taxpayer assistance for the city's public golf system. That is why we submitted the attached letter a few years ago recommending the difficult option of selling (or leasing long-term) some surplus golf course property at market valuation to maximize the proceeds available to complete these critical golf capital projects with the understanding that this is a unique situation worthy of such a one-time solution to the deferred maintenance and improvement issue, as confirmed in the NGF's report. Please remember that this budget/capital situation is over thirty years in the making. Therefore, if part of solution, again, focusing on facilitating a move to secondary water at every golf course, requires general fund support, then we ask the City Council to consider a long-term, no-interest or very low-interest loan to facilitate the completion of this critical capital infrastructure work.

C. What is your position on attempting to generate some capital funding through a green fee and cart rental fee increase?

The green fee price point at each Salt Lake City golf course is at the high end of the scale compared to courses of similar quality in the market. As a result, we are concerned that any increase in green fees right now will result in a loss of play that will, at a minimum, negate the potential increase in revenue. In fact, such a move right now might actually result in a decrease in total revenue given that our experience the past 2 1/2 years has shown there is price sensitivity given all market factors. These market factors could result in a significant percentage of golfers electing to play their golf outside of Salt Lake City's system if fees are

increased. Right now, if anything, some green fees at some courses during slow time periods may need to be discounted to attract more play and maximize total operating revenue.

- 3. A key part of the City Council's proposal to provide the necessary capital funding for the SLC Golf Program is going to SLC taxpayers with a general obligation bond vote. Their position is that a bond vote focused solely on providing one-time capital funding to improve City golf courses most likely will fail given that 15% of the public play golf. Therefore, one option being considered is to "repurpose" all or portions of Forest Dale, Glendale, and/or Rose Park into other outdoor recreation facilities, and go the public with a general obligation bond with the purpose of providing increased recreation facilities throughout the city plus providing the Golf Fund with its necessary capital infusion.**

What is your position on this concept for a general obligation bond to fund the development of outdoor recreation facilities on property that used to be Glendale GC and Forest Dale GC?

As stated above, we are strongly opposed to closing these valuable community assets. This proposed general obligation bond plan does not resolve the never-ending subsidy the City will experience with non-revenue producing parks and/or ball fields occupying those repurposed former golf courses, AND the cost of this plan to public golf in Salt Lake City is potentially giving up the historic Forest Dale Golf Course that is not a financial drain on the Golf Fund, and Glendale, the perfect "core" municipal golf course that generally stands on its own financially. Losing these two outstanding golf courses that cater to different segments of the local public golf market is too high a price to pay. And, these properties should be irrigated with secondary water regardless of whether they are golf courses or parks.

- 4. As you know, a component of our capital funding proposal includes potential partnerships with golf associations, educational institutions, businesses, and individual donors. As the focus of these partnerships is to provide funding for facility improvements as well as ongoing incremental operating revenue, until I can tell potential partners exactly what facility improvements we will be making, no further progress can be made toward any agreement.**

A. Are you in favor of proceeding with these partnerships if each makes sense for Salt Lake City Golf in terms of generating CIP funding as well as on-going incremental operating revenue?

Win/win partnerships will be critical in the effort to fund capital improvements beyond those projects focusing on a resolution to the current water cost problem. Partnerships should be considered that provide funding specifically for capital work, have potential to increase ongoing operating revenues, and enhance the quality of our golf courses.

B. What is the board's position as to future changes in supply and demand we may see that impact public golf rounds played at Salt Lake City's golf courses?

As long as green fees at Salt Lake City golf courses are competitive, we see demand for public golf increasing simply due to the projected population increase over the next decade. Our board's position is that SLC Golf should continue to focus on building new golfers 1) by the continuation of the excellent Youth on Course Program and expanding that program to expand demand among the next generation of potential golfers, 2) by maintaining the junior green fee that is mandatory to build future full fee paying adults, 3) by expanding the highly successful Adult Golf 101/201 and related adult instruction programming, 4) by the continuation of a senior green fee as it is a standard pricing policy in the industry and SLC

would alienate that significant group of customers if that rate were eliminated, and 5) by providing a golf fee incentive for loyal SLC Golf customers and City residents.

We also think that budget increases for marketing and promotion are important. While SLC Golf has done an exceptional job developing promotional programs and events, and has received national recognition for that work, the current focus on social media and direct marketing must be paired with additional media to properly communicate fee discounts and value added promotions, instructional programs, and tournaments and special events.



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TO: Mayor Ralph Becker
David Everitt, Chief of Staff

FR: Mike Akerlow
Deputy Director, Housing and Neighborhood Development

RE: Mayor's Golf Citizen Task Force Recommendations

DATE: 3/22/12

Beginning in September of 2011, the Mayor's Golf Citizen Task Force (CTF) met biweekly with the instruction to evaluate the City's golf program, the proposed capital improvement projects, and the funding of those projects. The CTF began their meetings with an overview presented by Rick Graham and David Terry so that the group could get an understanding of the current status of the program as well as its needs. After their initial presentation at subsequent meetings, the CTF discussed whether the City should be involved in the golf business, the number of and condition of the City's courses, the proposed capital improvement projects, and proposed funding resources. The CTF's findings and subsequent recommendations are discussed below.

Discussion of the City Golf Program and Courses

The CTF recognizes the golf courses and program as a valuable and needed amenity to the City. While the courses themselves provide open, green areas in our neighborhoods, one of their primary uses is to provide a unique recreational opportunity for the citizens of Salt Lake City. Frederick Law Olmsted believed parks achieve a higher social vision *"as the source of health inspiration – through mental, physical and social recreation – the parks provide a respite to the stresses of modern city life. They provide spaces where people come together to create a stronger community"*. This vision should span the strata of all social, cultural, racial, gender and economic levels of our City. Golf is a sport that accommodates multiple levels of physical and mental abilities and provides for inter-generational interaction. Golf provides an outdoor laboratory to teach and experience sportsmanship and team building on the course in a way that no other sport can do.

Currently, the City operates eight public golf facilities including Mountain Dell, Bonneville, Glendale, Rose Park, Wingpointe, Forest Dale, Nibley Park, and Jordan River Par Three. These courses are operated as an enterprise fund free of tax subsidy. The Salt Lake City Golf Enterprise Fund pays all costs associated with operating these eight facilities with operating revenues. Expenses include all personnel costs, materials and supplies costs, capital equipment and improvement project investment, charges and services costs including the same water rates the public pays and a quarterly billing for time spent by City General Fund employees on golf issues. However, based on information supplied by the Golf Division, some of the City's courses do not appear to be financially viable.

City staff working with the CTF has contacted other municipalities outside of the state regarding their golf programs. The response staff received was that Salt Lake City has more golf courses than can be sustained by their population. It must also be considered that over the past fifteen years there has been

significant growth in the number of courses developed by neighboring cities, the County, and private developers. The CTF recommends that as part of a thorough study of the golf program, which will be discussed in more detail below, that each individual City-owned course be evaluated to determine its financial viability, its current physical condition, its needs for capital improvements, and whether there would be a financial return to the City if such improvements were implemented. If a course does not meet established criteria, the course would be repurposed or sold to the private sector.

Water

The CTF met with the City's golf Superintendents and Professionals to discuss with them a number of items regarding the golf program. The message that was clearly communicated to the CTF from the Supers and Pros was that the biggest issue facing the golf courses is the expense of water and the inefficiencies of the irrigation systems. Doug Vilven, owner of Golf in the Round Learning Center (in addition Mr. Vilven is also a Master PGA Professional, PGA of America Adjunct Faculty, former PGA of American Board of Director 2002-2005, and former member of the PGA Rules Committee) also met with the CTF and informed them of Golf in the Round's ability to significantly save funds each year from using secondary water. Jerry Brewster, the County representative on the CTF, also stated that they see a savings from using secondary water on their golf courses.

Based on the information supplied to the CTF by the Golf Division, the CTF supports the ESCO proposal of \$3.35 Million to upgrade the irrigation systems at Bonneville, Rose Park, and Glendale. Furthermore, the \$5 Million Golf Fund Revenue Bond would be a necessary source of funding to change the current system of culinary water use to secondary water at Bonneville, Forest Dale, Nibley Park, Rose Park, and Wingpointe. This improvement would reduce costs, increase revenues, and promote environmental responsibility. Savings from the irrigation system upgrade would be used to pay for the ESCO contract and the Bond, with remaining funds being used for other maintenance projects. It is the conclusion of the CTF that the irrigation system changes should be the top infrastructure priority at each course so that there can be an immediate increase in savings, as well as a beneficial impact on the city's water use. It should be noted that if Wingpointe were to be closed as a result of the airport expansion, no funds ought to be allocated to the irrigation system, and all other improvements would be approved on an as-needed basis.

However, as will be explained below, the CTF does not recommend that the City move forward with the approval of the ESCO contract or the bond until a more thorough analysis is performed on the actual costs of these programs, what the debt service will be, and how much will actually be saved by making these improvements.

Final Recommendations

During the six months that the CTF convened, they met with, as mentioned previously, the City's golf Superintendents and Professionals, a golf professional from the private sector, the City's Golf Division Manager, and received information researched by City staff. From these meetings and further discussion, the CTF was able to recognize a number of issues surrounding the golf program and make

the following recommendations that they believe will create a positive impact in addressing both the short term and long term needs of the golf program.

1. *The City hire an independent consultant experienced in the golf industry to perform a financial analysis on each individual course and a study on the proposed capital improvement projects and proposed funding sources for those projects.* After reviewing a series of revised pro formas created by the Golf Division, the CTF recommends that the hired consultant gather and analyze current data from the golf program to determine whether the proposed pro formas are viable. During the review of these pro formas by the CTF and other financial analysts in the City, a number of errors were discovered that affected the eventual outcome of each proposal. The CTF believes a consultant should examine the assumptions used in the pro formas and create a pro forma that will give an accurate depiction of the impact of the proposed CIP and funding of those projects.
2. *As part of the consultant's study, a 5-year economic model be created for the City's golf program.* Personal responsibility on the part of the golf courses themselves will be critical if efficiency is to be maintained throughout the improvement process. Therefore, it is the recommendation of the CTF that an economic model be developed that would state the needs of each golf course in the city. This model would also aid the Council and the Golf Division in keeping up with the assessed need for repairs, upgrades, required modifications, modernization of equipment and technology and would assist in identifying options to address these issues as they appear. It is the belief of the CTF that this newly developed economic model would prioritize the needs of each facility and set a known baseline for capital investments. A 5-year plan is recommended to better track progress in spending, benefit to the general population, monitor any environmental impacts, and determine whether the courses are fulfilling their purpose and maintaining viability. The economic model would also outline what measures will be put in place to correct issues affecting the financial condition of the courses as well as the playability. If a new organizational structure for the courses were to become needed in order to increase efficiency, the 5-year model would seek to address it. It should also be noted that a public relations and effective marketing program for the City's courses as well as community outreach will be critical to the improvement plan. Any model developed by the courses would include a strategic marketing plan defining how they will work with their different communities to provide educational platforms in order to teach the art of sportsmanship and team building with the City's youth, as well as exercise and learning for the mature members of our community.
3. *Based on the results of the financial analysis from the consultant, the City approve the ESCO contract and bond in order to improve the irrigation systems and change from culinary water to a secondary water system.* As mentioned previously, while the CTF believes this is one of the primary objectives to be addressed, the CTF also recommends that this not be approved until the consultant has determined that both the costs and the savings projected are reasonable.

4. *The Golf Division should further explore other options on all proposed funding resources.* The CTF recommends the Golf Division consider whether they have explored all options regarding possible funding sources, such as:

- The Golf Division is proposing a partnership with the University of Utah for \$2,500,000 which would give naming rights and a property lease for the period of 10 years. The CTF is concerned that other partnerships have not been explored. A partnership with a larger financial institution for a shorter period of time would bring a different clientele to the courses and allow flexibility to renew that agreement more often.
- The Golf Division is proposing facility improvements that would increase the usability of the courses for weddings, special events, etc. The concern is that the proposed costs of these additions may not be adequate to fully build to a standard that would attract potential users.

5. *Create a “culture” within the City’s Golf Program to benefit the community.* In order to bring about the change necessary to improving golfing conditions in Salt Lake City, a shift in culture should be incorporated in any plan of action. This would mean a change in the management structure and staff participation in the operation of the courses. Golf professionals and course superintendents should work together for the success of the courses, and develop an incentive program to promote investment in their courses. Moreover, employees should be encouraged to use the courses for play when they are not working. In addition to internal improvements, community outreach and involvement is vital to the overall sustainability of the courses themselves. City leagues and youth programs would help attract community investment, as well as other activities popular amongst the citizenry. For example, the use of courses for off-season sports such as snow-shoeing and cross-country skiing, walking in the evenings, and family gatherings should all be investigated. Furthermore, a strong focus should be placed on the development of on-course facilities so that they can be used for multiple purposes, such as corporate events and weddings. The possibilities for each of the City’s golf courses are many and should be improved upon so that maximum efficiency can be achieved.

Conclusion

The CTF recognizes that the golf courses are of great value to the City by providing open areas and a place for people to recreate. The courses can be a source of many uses that bring the community together, whether it is through the game of golf, or off-hour recreation, or for events. The experience that an individual has at the golf course is of great importance. If that experience is positive, it results in return visits, growth in revenue, and maximizing the use of the course. There is definite need to improve the courses, but there is also the need for additional, more creative ways to reach out to the community and introduce them to the game of golf. If both of these things can be accomplished, the City’s courses become of real value to the golfer and non-golfer and to the citizens of Salt Lake City.

Attachment 1 - Prioritization of Golf CIP Needs

Main Reason	Total w/o ESCO Apr 2014	Years 0 - 2	Years 3 - 5	Years 6 - 10	Years 11 - 20	Years TBD	Total of All Years
Asset preserv							
Bonneville							
Cart Path - repair and installation	182,800	182,800	-	-	-	-	182,800
Irrigation System	-	-	-	-	-	-	-
Irrigation system efficiency	-	-	-	-	-	-	-
Bonneville Total	182,800	182,800	-	-	-	-	182,800
Forest Dale							
Clubhouse Restroom/Pro Shop Counter	60,900	-	-	60,900	-	-	60,900
Greens, Bunker rebuild / Upgrade, Drain	900,000	-	-	-	900,000	-	900,000
HVAC	100,000	100,000	-	-	-	-	100,000
Irrigation Control Replacement	121,800	-	-	121,800	-	-	121,800
Lake Bank Stabilization	91,400	-	-	-	91,400	-	91,400
Forest Dale Total	1,274,100	100,000	-	182,700	991,400	-	1,274,100
Glendale							
Cart Path - repair and installation	182,800	-	-	182,800	-	-	182,800
Clubhouse Restroom/Pro Shop Counter	30,900	-	-	30,900	-	-	30,900
Lake Bank Stabilization	-	-	-	-	-	-	-
Glendale Total	213,700	-	-	213,700	-	-	213,700
Mountain Dell							
Cart Path - repair and installation	182,800	-	-	182,800	-	-	182,800
Clubhouse Infrastructure Improvements	243,700	243,700	-	-	-	-	243,700
Clubhouse Restroom/Pro Shop Counter	60,900	-	-	60,900	-	-	60,900
Irrigation Control Replacement	243,700	-	-	243,700	-	-	243,700
Irrigation System - Canyon Course (\$2,500)	-	-	-	-	-	-	-
Irrigation System - Lake Course (\$2,500)	-	-	-	-	-	-	-
Practice Tee & Range Improvements	121,800	-	121,800	-	-	-	121,800
Pro Shop Counter	-	-	-	-	-	-	-
Mountain Dell Total	852,900	243,700	121,800	487,400	-	-	852,900
Nibley							
Cart Path - repair and installation	60,900	-	-	60,900	-	-	60,900
Clubhouse Restroom/Pro Shop Counter	100,900	-	-	100,900	-	-	100,900
Irrigation System	1,496,600	1,496,600	-	-	-	-	1,496,600
Lake Bank Stabilization	91,400	-	-	-	91,400	-	91,400
Perimeter Fencing Improvements, Entry	151,800	151,800	-	-	-	-	151,800
Piping of Streams through Fairway Corridor	30,500	30,500	-	-	-	-	30,500
Nibley Total	1,932,100	1,678,900	-	161,800	91,400	-	1,932,100
Rose Park							

Attachment 1 - Prioritization of Golf CIP Needs

Main Reason	Total w/o ESCO Apr 2014	Years 0 - 2	Years 3 - 5	Years 6 - 10	Years 11 - 20	Years TBD	Total of All Years
Cart Path - repair and installation	182,800	-	-	182,800	-	-	182,800
Irrigation System Imprvmnts (not complete)	1,096,600	-	1,096,600	-	-	-	1,096,600
Rose Park Total	1,279,400	-	1,096,600	182,800	-	-	1,279,400
Wingpointe							
Cart Path - repair and installation	121,800	-	-	121,800	-	-	121,800
Clubhouse Restroom Improvements	30,500	-	-	30,500	-	-	30,500
Clubhouse Roof and Siding Improvement	91,400	91,400	-	-	-	-	91,400
Lake Bank Stabilization	152,300	-	-	-	-	152,300	152,300
Lake fountains	-	-	-	-	-	-	-
Wingpointe Total	396,000	91,400	-	152,300	-	152,300	396,000
Financial							
Bonneville							
3 New Holes (Dependent on Driving Range)	1,218,400	-	-	-	-	1,218,400	1,218,400
Clubhouse - U of U partnership	-	-	-	-	-	-	-
Clubhouse - UGA and Utah PGA partnership	-	-	-	-	-	-	-
Clubhouse (including banquet space)	2,680,500	-	2,680,500	-	-	-	2,680,500
Driving Range & Short Game Areas	609,200	609,200	-	-	-	-	609,200
Entrance Road (new) & Parking Lot Improvement	504,600	-	-	-	-	504,600	504,600
Food & Beverage on course (dependent on Master Plan)	182,760	-	182,760	-	-	-	182,760
Master Plan	40,000	40,000	-	-	-	-	40,000
Secondary water - Pilot well only	-	-	-	-	-	-	-
Secondary water project (Pumps, Wells)	2,300,000	2,300,000	-	-	-	-	2,300,000
Tee/Green/Bunker Improvements, Perimeter	1,827,600	1,827,600	-	-	-	-	1,827,600
Restrooms on-course (#2/#4/#11/#17 and #18)	182,800	182,800	-	-	-	-	182,800
Bonneville Total	9,545,860	4,959,600	2,863,260	-	-	1,723,000	9,545,860
Forest Dale							
Piping of Drainage Streams through Fairways	91,400	91,400	-	-	-	-	91,400
Practice Hitting Net	30,500	-	-	-	-	30,500	30,500
Restroom on course (#4/#6)	91,400	-	-	-	91,400	-	91,400
Secondary water project (Pumps, Wells)	1,161,267	-	-	-	-	1,161,267	1,161,267
Forest Dale Total	1,374,567	91,400	-	-	91,400	1,191,767	1,374,567
Glendale							
Banquet Pavilion	213,200	213,200	-	-	-	-	213,200
Ladies Tee Addition, Bunker Renovation	121,800	121,800	-	-	-	-	121,800
Master Plan - predicated upon course closure	22,000	22,000	-	-	-	-	22,000
Secondary water project (Pumps, Wells)	-	-	-	-	-	-	-
Restroom on-course (#7/#12)	91,400	91,400	-	-	-	-	91,400

Attachment 1 - Prioritization of Golf CIP Needs

Main Reason	Total w/o ESCO Apr 2014	Years 0 - 2	Years 3 - 5	Years 6 - 10	Years 11 - 20	Years TBD	Total of All Years
Glendale Total	448,400	448,400	-	-	-	-	448,400
Mountain Dell							
Canyon:12,14,15 / Lake: Retaining Wall	609,200	-	609,200	-	-	-	609,200
Patio Deck Extension, Clubhouse renov	493,700	493,700	-	-	-	-	493,700
Tee Leveling and Ladies Tee Addition	304,600	304,600	-	-	-	-	304,600
Mountain Dell Total	1,407,500	798,300	609,200	-	-	-	1,407,500
Nibley							
Batting Cages (\$200,000 estim)	-	-	-	-	-	-	-
Miniature Golf Course (\$650,000 projec	-	-	-	-	-	-	-
Mobile Office Building Retrofit for SLC C	50,000	50,000	-	-	-	-	50,000
Range Tee, Fence, related Improvemer	365,500	365,500	-	-	-	-	365,500
Secondary water project (Pumps, Wells	1,268,736	-	-	-	-	1,268,736	1,268,736
Short Game Practice Area, additional p	100,900	100,900	-	-	-	-	100,900
Restroom on-course (#3/#7)	91,400	-	-	-	91,400	-	91,400
Nibley Total	1,876,536	516,400	-	-	91,400	1,268,736	1,876,536
Rose Park							
Banquet Pavilion (\$175,000 estim)	-	-	-	-	-	-	-
Clubhouse Improvements and Cart Stor	304,600	-	-	-	304,600	-	304,600
Ladies Tee Addition on Select Holes, B	304,600	-	304,600	-	-	-	304,600
Master Plan - predicated upon course cl	40,000	40,000	-	-	-	-	40,000
Range Improvements	-	-	-	-	-	-	-
Restroom on course (#14/#16)	-	-	-	-	-	-	-
Restroom On-Course (#5/#9)	91,400	-	-	-	91,400	-	91,400
Secondary water project (Pumps, Wells	-	-	-	-	-	-	-
Rose Park Total	740,600	40,000	304,600	-	396,000	-	740,600
Various							
Audit of energy projects	-	-	-	-	-	-	-
Development & PA setup	-	-	-	-	-	-	-
Lighting	-	-	-	-	-	-	-
Measurement & Verification (M&V)	-	-	-	-	-	-	-
Project Management (PM)	-	-	-	-	-	-	-
Revenue loss during construction	-	-	-	-	-	-	-
Warranty	-	-	-	-	-	-	-
Various Total	-	-	-	-	-	-	-
Wingpointe							
All projects removed if course closed - E	-	-	-	-	-	-	-
Café Sliding Glass Doors, Wind Breaks	60,900	-	-	-	-	60,900	60,900

Attachment 1 - Prioritization of Golf CIP Needs

Main Reason	Total w/o ESCO Apr 2014	Years 0 - 2	Years 3 - 5	Years 6 - 10	Years 11 - 20	Years TBD	Total of All Years
Secondary water project (Pumps, Wells Shelters on course (#6 and #16)	2,500,000 30,500	- -	- -	- -	- -	2,500,000 30,500	2,500,000 30,500
All projects removed - Financial	-	-	-	-	-	-	-
All projects removed - Asset preserv	-	-	-	-	-	-	-
Wingpointe Total	2,591,400	-	-	-	-	2,591,400	2,591,400
Safety							
Bonneville							
Maintenance Facility Relocation & imprc	731,000	731,000	-	-	-	-	731,000
Bonneville Total	731,000	731,000	-	-	-	-	731,000
Forest Dale							
Cart Path - repair and installation	121,800	-	121,800	-	-	-	121,800
Maintnc Bldg Imprvmnts, Wash Bays, Sa	182,800	-	-	182,800	-	-	182,800
Forest Dale Total	304,600	-	121,800	182,800	-	-	304,600
Glendale							
Maintnc Bldg imprvmnts, Wash Bays, Pe	182,800	-	182,800	-	-	-	182,800
Range Fence Repairs	-	-	-	-	-	-	-
Glendale Total	182,800	-	182,800	-	-	-	182,800
Mountain Dell							
Maint Bldg Imprvmnts, Wash Bays, Sand	731,000	-	731,000	-	-	-	731,000
Mountain Dell Total	731,000	-	731,000	-	-	-	731,000
Nibley							
Maintnc Bldg Imprvmnts, Wash Bays, Sa	182,800	-	182,800	-	-	-	182,800
Nibley Total	182,800	-	182,800	-	-	-	182,800
Rose Park							
Maintnc Bldg Imprvmnts, Wash Bays, Sa	304,600	-	-	304,600	-	-	304,600
Rose Park Total	304,600	-	-	304,600	-	-	304,600
Wingpointe							
Maintnc Bldg Imprvmnts, Wash Bays, Sa	121,800	-	-	121,800	-	-	121,800
Wingpointe Total	121,800	-	-	121,800	-	-	121,800
Grand Total	26,674,463	9,881,900	6,213,860	1,989,900	1,661,600	6,927,203	26,674,463

INITIAL GUIDING POLICY PRINCIPLES

At the Council's June 10th meeting, the Council straw polled support of the following guiding policy principles. Because these principles were adopted early in the conversation, the Council may wish to discuss and/or refine these principles based on the latest information:

1. The status quo is not a financially sustainable model.
2. The Golf Fund should be self-sustaining and without general fund subsidy – may do a loan but not a long-term ongoing loan.
3. Making changes to the status quo operation plan (reducing water usage, converting course irrigation systems to secondary water sources, increasing rounds of golf played, raising fees nominally and tweaking other operation expense budgets) improves the Golf Fund's financial position but does not position it well enough for long-term financial independence, nor would it allow any Capital Improvement needs to be met.
4. All City courses are valuable and serve a distinct clientele and niche in the market. While all have the potential to draw more customers (as there are no courses that are 100% utilized), as a group, given this market, it is difficult to significantly improve the financial position of the Golf Fund.
5. Open Space is a valuable asset in neighborhoods, regardless of use, as it enhances Neighborhood Quality of Life, an adopted Council Priority area.
6. Open space is especially valuable when surrounded by neighborhoods, and should be protected.
7. Commercial Development on Open Space should be avoided wherever possible.
8. It is the fiduciary responsibility of the City Council to provide guidance to solve the Golf Fund's long term financial problems.
9. Given the increase in number of Golf Courses in the immediate region in the past 15 years, the market may be saturated to the point where the number of courses cannot be self-sustaining (over-supply puts a downward pressure on pricing). It is possible that the re-purposing of one or more courses may improve the financial stability of the overall Golf market.
10. Any re-purposing of golf courses should be high quality amenities that would add value for the area of the City in which they are located, and benefit residents.
11. Establishing a timeframe horizon for success of 10 Years (within 10 Years a financing plan is in place).
12. Include rate of change of rounds (growth or decline) as a criteria for evaluation of closing a course.
13. Include revenue per round as a criteria for evaluation of closing a course.
14. Investigate innovative financing and zoning to support economic development and revenue adjacent to golf courses.
15. Make decisions based on the best interest of Salt Lake City residents.

The Council also discussed the possibility of establishing criteria for evaluating a course. The following list is based on that discussion, and has not been officially straw polled by the Council:

1. Proximity to other amenities
2. Proximity to major roads or ease of traffic access
3. Traffic impact to surrounding neighborhoods
4. Surrounded by neighborhoods
5. Does the course make money (support the system)
6. Does the course lose money (draw on the system)
7. Rounds played
8. Revenue per round
9. Momentum of rounds played (rate of change)

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Potential Opinion Ballot Questions

Overall Issues/Questions

- For reference - related Council Priorities: They include Air quality, Trails, City efficiency (Acela improvements), Cemetery, Sidewalk snow removal, Campaign finance. Also – could review Master Plans for implementation projects.
- Could this ballot also serve as a needs assessment for recreation in Salt Lake City?
- Who does the Council wish to have participate in the ballot: Households? Property owners? Registered voters? Previous vote-by-mail was mailed to every registered voter resident of the City (not necessarily property owner). Should non-SLC-resident voters be able to participate in the ballot on-line or at a Library, for example, property owners who live elsewhere?

DRAFT – Potential Ballot questions

1. Salt Lake City has eight public golf courses. In recent years they have not been completely self-sufficient. Do you support using tax dollars to improve, maintain and operate golf courses?
☐ Yes
☐ No
☐ I'm not sure
2. Would you be willing to pay higher taxes to retain Salt Lake City's eight golf courses?
☐ Yes
☐ No
☐ I'm not sure
3. Would you be willing to pay higher taxes to add more public parks and open space to the city?
☐ Yes
☐ No
☐ I'm not sure
4. Salt Lake City can't add park space or improve golf courses with existing funding. Would you vote for a bond to: *(please choose all that apply)*
☐ Use water from rivers and wells on golf courses and parks, in place of drinking water (this would require investment in new equipment)
☐ Add more acres of public park space in Salt Lake City
☐ Add restrooms at public parks in Salt Lake City
☐ Add restrooms at golf courses in Salt Lake City
☐ Add restrooms in natural open space in Salt Lake City (like Parley's Historic Nature Park)
☐ Add restrooms along trails in Salt Lake City (like the Jordan River trail)
☐ Increase the City's bike and walking trails in the City
☐ Increase public transit options in neighborhood like buses and streetcar?
5. Would you be willing to pay higher taxes for improvements to: *(please choose no more than three)*
☐ Street repairs
☐ Neighborhood parks
☐ Youth activity opportunities

- ☐ After-school programs for low-income children
- ☐ Sidewalks, including maintenance and snow removal
- ☐ Golf courses
- ☐ Police patrol
- ☐ Fire response time
- ☐ Bike lanes painted on roads
- ☐ Bike lanes protected from traffic with barriers
- ☐ Pedestrian safety, like crosswalks, special crossing signals
- ☐ Enforcement of laws that improve the look of neighborhoods
- ☐ Tennis courts
- ☐ Soccer fields
- ☐ Baseball fields
- ☐ Lacrosse fields
- ☐ Pickle ball courts
- ☐ Maintenance and improvements to Salt Lake City Cemetery
- ☐ Conservation, sustainability and environmental projects (like more local food production, or more incentives for energy and water conservation)
- ☐ Bringing streams back to the surface and adding trails along them
- ☐ More special programs or events in City parks (like concerts or organized recreation)
- ☐ More bus service in neighborhoods
- ☐ More light rail
- ☐ More street cars
- ☐ More dog off-leash parks
- ☐ More trails
- ☐ I do not support raising taxes for any of these purposes

6. Does Salt Lake City currently have enough parks and open space?

- ☐ Yes
- ☐ No
- ☐ I'm not sure

7. If a golf course were closed, what would you support doing with the property?

- ☐ Selling the property for private development
- ☐ Retaining the property as a public park or open space
- ☐ I'm not sure

8. (more of a needs assessment question) - Which types of open space does Salt Lake City need more of: (please choose no more than 3)

- ☐ Golf
- ☐ Dog Parks
- ☐ Parks (like Liberty Park)
- ☐ Natural open spaces (like Parley's Historic Nature Park)
- ☐ Fields for sports (baseball, soccer, lacrosse, football, disc golf)
- ☐ Courts for sports (tennis, basketball, pickleball)
- ☐ Walking trails
- ☐ Trails for bikes (mountain bikes, road bikes)
- ☐ Playgrounds and other areas for small children

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Draft Outline/Information Sheet

Call for Business Plans for the Salt Lake City Golf Fund

You can help shape the future of Salt Lake City's public golf system!

The Salt Lake City Council is soliciting business plans that address the golf system's financial and operational problems. Use of the public courses has declined in recent years and without changes, the system will lose an average of \$800,000 per year just in the course of normal business. In addition, after many years of neglected maintenance the courses need about \$20 million in upgrades over the next 10-15 years.

The winning business plan in this competition will provide a model that resolves both the short- and long-term problems in Salt Lake City's public golf system, without relying on general tax dollars. Three finalists will be selected from among all entries by a panel of business and investment experts. These finalists will present their models to the Council in November, and the Council will vote to determine the winning business plan. The winning plan will receive a \$20,000 prize, and the other two runners-up will receive \$5,000 each. The deadline for submission is September 30, 2014.

Criteria

Plans will be judged on the following criteria:

1. Articulation of the market need. The plan clearly describes the market need for each course in Salt Lake City's golf system and a strategy for taking advantage of that market.
2. Distinctive competence. The plan identifies the novel or unique qualities of each course in Salt Lake City's golf system that gives it a competitive advantage in their market.
3. Financial understanding. The plan demonstrates a solid understanding of the financial problems of Salt Lake City's golf system and offers a credible solution to its current problems.
4. Presentation. The business plan is presented in a logical, persuasive manner, and its author(s) adequately answer(s) Council questions regarding the plan.

Resource Library

The following documents will be available to competitors in electronic format on the Council website:

- Complete listing of the budget, by course and by other details to be defined
- Complete historical review of rounds, revenues, and expenses by course
- Administration's budget projections
- All relevant staff reports
- National Golf Foundation study
- Analysis of Secondary Water Projects (ESCO)
- Other?

Call for Evaluation Panel Members

The City Council has created a competition to solicit business plans to help resolve the City's Golf Fund financial issues. The City seeks a panel of 7-9 independent judges to serve on an Evaluation Panel to review entries to this competition and narrow the submissions to three finalists which will be reviewed by the Council. Judges will ideally have expertise in any or all of the following areas:

- Reviewing and evaluating business plans for accuracy and viability;
- Planning and managing large public entities;
- Other?

Please submit your name and resume to Jennifer.bruno@slcgov.com by September 1, 2014.

Potential Timeline

	Consult with business expert on viability of competition?
July 31	Finalize call for business plans
July 31	Finalize call (formal or informal?) for evaluation panel
August 15	Assemble document "library" for online access
August 15	Call for business plans published
September 15	Selection of evaluation panel
September 20	Meet with evaluation panel for review of criteria, questions, etc.
September 30	Deadline for submission of plans
October 31	Deadline for evaluation panel to select top three plans
November	Council Work Session with presentations and decision.

\$1 Fee Increase for Study Period With No Impact on Rounds

	9 Hole Rate		
Proposed Rate for Bonneville	19.50	Total Base Rounds (FY14 less JRP)	411,913
Proposed Rate for Forest Dale	15.00	Total Base Revenue (FY14 less JRP)	\$5,321,013.92
Proposed Rate for Glendale	16.00	Card Revenue (FY14)	\$308,257.50
Proposed Rate for Mtn Dell	19.50	Total Rounds	411,913
Proposed rate for Nibley Park	14.00	Total Revenue	\$5,649,814.17
Proposed rate for Rose Park	15.00		
Proposed rate for Wingpointe	18.00		

Other Revenue			
	FY14	Impact	Adjusted Revenue
Cart	\$1,592,608.00	0%	\$0.00
Range	\$296,135.00	0%	\$0.00
Retail	\$814,096.00	0%	\$0.00
Concessions	\$90,293.00	0%	\$0.00
Total FY14	\$2,793,132.00		\$0.00

Total FY14	\$8,114,145.92	Budget Difference	\$19.70
NEW TOTAL	\$8,442,946.17	\$328,800.25	\$20.50

Inputs			
Rate Increase	\$1	Rounds Impact	
Bonneville, Mtn Dell Effective Increase per round for LoyalTee Program	\$0.50	Discount	0%
Forest Dale, Rose Park, Wingpointe Effective Increase per round for LoyalTee Program	\$0.75	LoyalTee	0%
Glendale, Nibley Effective Increase per round for LoyalTee Program	\$1.00	Rack Rate	0%

	Bonneville								
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Reduction	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	1,178	\$4,178.00	1.59%	\$3.55	0%	0	1,178	\$4,178.00	
DISCOUNTS	5,290	\$65,409.50	7.16%	\$12.36	0%	0	5,290	\$70,699.50	
EMPLOYEE COMP GOLF	2,497	\$2,497.00	3.38%	\$1.00	0%	0	2,497	\$2,497.00	
GOLF PASSES	3,172	\$166.00	4.29%	\$0.05	0%	0	3,172	\$0.00	
LOYALTY PROGRAMS	21,166	\$291,977.25	28.64%	\$13.79	0%	0	21,166	\$302,560.25	
POS TRADE (EZLINKS)	1,950	\$0.00	2.64%	\$0.00	0%	0	1,950	\$0.00	
RACK RATE	37,173	\$627,588.00	50.30%	\$16.88	0%	0	37,173	\$664,761.00	
UGA TOURNAMENTS	1,476	\$1,476.00	2.00%	\$1.00	0%	0	1,476	\$1,476.00	
Totals	73,902	\$993,292		\$13.44	0.00%	0	73,902	\$1,046,171.75	\$52,880.00

Forest Dale									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Reduction	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	263	\$242.00	0.64%	\$0.92	0%	0	263	\$242.00	
DISCOUNTS	3,718	\$34,352.00	8.98%	\$9.24	0%	0	3,718	\$38,070.00	
EMPLOYEE COMP GOLF	1,237	\$1,237.00	2.99%	\$1.00	0%	0	1,237	\$1,237.00	
GOLF PASSES	1,239	\$65.00	2.99%	\$0.05	0%	0	1,239	\$0.00	
LOYALTY PROGRAMS	11,311	\$121,569.25	27.33%	\$10.75	0%	0	11,311	\$130,052.50	
POS TRADE (EZLINKS)	627	\$0.00	1.52%	\$0.00	0%	0	627	\$0.00	
RACK RATE	22,987	\$307,827.00	55.55%	\$13.39	0%	0	22,987	\$330,814.00	
Totals	41,382	\$465,292		\$11.24	0.00%	0	41,382	\$500,415.50	\$35,123.25

	Glendale								
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Reduction	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	602	\$2,092.00	0.90%	\$3.48	0%	0	602	\$2,092.00	
DISCOUNTS	5,387	\$53,058.00	8.06%	\$9.85	0%	0	5,387	\$58,445.00	
EMPLOYEE COMP GOLF	1,394	\$1,394.00	2.09%	\$1.00	0%	0	1,394	\$1,394.00	
GOLF PASSES	4,155	\$85.00	6.22%	\$0.02	0%	0	4,155	\$0.00	
LOYALTY PROGRAMS	18,480	\$215,815.50	27.66%	\$11.68	0%	0	18,480	\$234,295.50	
POS TRADE (EZLINKS)	1,724	\$0.00	2.58%	\$0.00	0%	0	1,724	\$0.00	
RACK RATE	33,776	\$479,697.00	50.55%	\$14.20	0%	0	33,776	\$513,473.00	
UGA TOURNAMENTS	1,294	\$1,294.00	1.94%	\$1.00	0%	0	1,294	\$1,294.00	
Totals	66,812	\$753,436		\$11.28	0.00%	0	66,812	\$810,993.50	\$57,558.00

	Mountain Dell								
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Reduction	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	269	\$761.00	0.29%	\$2.83	0%	0	269	\$761.00	
DISCOUNTS	13,005	\$177,141.00	14.00%	\$13.62	0%	0	13,005	\$190,146.00	
EMPLOYEE COMP GOLF	2,395	\$2,626.00	2.58%	\$1.10	0%	0	2,395	\$2,395.00	
GOLF PASSES	2,392	\$670.00	2.57%	\$0.28	0%	0	2,392	\$0.00	
LOYALTY PROGRAMS	21,503	\$286,156.70	23.14%	\$13.31	0%	0	21,503	\$296,908.20	
POS TRADE (EZLINKS)	1,930	\$0.00	2.08%	\$0.00	0%	0	1,930	\$0.00	
RACK RATE	51,412	\$840,561.50	55.34%	\$16.35	0%	0	51,412	\$891,973.50	
UGA TOURNAMENTS	2	\$2.00	0.00%	\$1.00	0%	0	2	\$2.00	
Totals	92,908	\$1,307,918		\$14.08	0.00%	0	92,908	\$1,382,185.70	\$74,267.50

Nibley Park									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Reduction	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	429	\$1,608.00	1.33%	\$3.75	0%	0	429	\$1,608.00	
DISCOUNTS	1,631	\$12,901.00	5.07%	\$7.91	0%	0	1,631	\$14,532.00	
EMPLOYEE COMP GOLF	717	\$717.00	2.23%	\$1.00	0%	0	717	\$717.00	
GOLF PASSES	424	\$16.00	1.32%	\$0.04	0%	0	424	\$0.00	
LOYALTY PROGRAMS	7,714	\$77,063.00	23.97%	\$9.99	0%	0	7,714	\$84,777.00	
POS TRADE (EZLINKS)	403	\$0.00	1.25%	\$0.00	0%	0	403	\$0.00	
RACK RATE	20,423	\$250,755.00	63.47%	\$12.28	0%	0	20,423	\$271,178.00	
UGA TOURNAMENTS	436	\$436.00	1.36%	\$1.00	0%	0	436	\$436.00	
Totals	32,177	\$343,496		\$10.68	0.00%	0	32,177	\$373,248.00	\$29,752.00

	Rose Park								
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Reduction	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	732	\$1,003.00	1.41%	\$1.37	0%	0	732	\$1,003.00	
DISCOUNTS	5,367	\$48,935.95	10.35%	\$9.12	0%	0	5,367	\$54,302.95	
EMPLOYEE COMP GOLF	1,260	\$1,260.00	2.43%	\$1.00	0%	0	1,260	\$1,260.00	
GOLF PASSES	4,321	\$22.00	8.33%	\$0.01	0%	0	4,321	\$0.00	
LOYALTY PROGRAMS	13,139	\$143,205.01	25.34%	\$10.90	0%	0	13,139	\$153,059.26	
POS TRADE (EZLINKS)	1,440	\$0.00	2.78%	\$0.00	0%	0	1,440	\$0.00	
RACK RATE	24,035	\$316,013.75	46.36%	\$13.15	0%	0	24,035	\$340,048.75	
UGA TOURNAMENTS	1,554	\$1,554.00	3.00%	\$1.00	0%	0	1,554	\$1,554.00	
Totals	51,848	\$511,994		\$9.87	0.00%	0	51,848	\$551,227.96	\$39,234.25

Wingpointe									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Reduction	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	500	\$1,606.00	0.96%	\$3.21	0%	0	500	\$1,606.00	
DISCOUNTS	4,029	\$49,616.00	7.77%	\$12.31	0%	0	4,029	\$53,645.00	
EMPLOYEE COMP GOLF	1,281	\$1,281.00	2.47%	\$1.00	0%	0	1,281	\$1,281.00	
GOLF PASSES	5,619	\$28.00	10.84%	\$0.00	0%	0	5,619	\$0.00	
LOYALTY PROGRAMS	12,715	\$166,587.01	24.52%	\$13.10	0%	0	12,715	\$176,123.26	
POS TRADE (EZLINKS)	1,206	\$0.00	2.33%	\$0.00	0%	0	1,206	\$0.00	
RACK RATE	26,448	\$417,125.00	51.01%	\$15.77	0%	0	26,448	\$443,573.00	
UGA TOURNAMENTS	1,086	\$1,086.00	2.09%	\$1.00	0%	0	1,086	\$1,086.00	
Totals	52,884	\$637,329		\$12.05	0.00%	0	52,884	\$677,314.26	\$39,985.25

Assumptions
No change in play from 2014
\$1 increase to listed green fees and discount offers
Jordan River Par-3 is closed
Wingpointe remains open

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\$1 Fee Increase for Study Period with Decline in Rounds Impacts

9 Hole Rate		Total Base Rounds (FY14 less JRP3)	411,913	Other Revenue				
				FY14	% Impact	Adjusted Revenue		
Proposed Rate for Bonneville	19.50	Total Base Revenue (FY14 less JRP3)	\$5,321,013.92	Cart	\$1,592,608.00	-3%	-\$47,778.24	
Proposed Rate for Forest Dale	15.00			Range	\$296,135.00	2%	\$5,922.70	
Proposed Rate for Glendale	16.00	Card Revenue (FY14)	\$308,257.50	Retail	\$814,096.00	-1%	-\$8,140.96	
Proposed Rate for Mtn Dell	19.50	Total Rounds	399,137	(12,776)	Concessions	\$90,293.00	-3%	-\$2,708.79
Proposed rate for Nibley Park	14.00	Total Revenue	\$5,446,028.39	Total FY14	\$2,793,132.00		-\$52,705.29	
Proposed rate for Rose Park	15.00							
Proposed rate for Wingpointe	18.00							

Total FY14	\$8,114,145.92	Budget Difference	\$19.70
NEW TOTAL	\$8,186,455.10	\$72,309.18	\$20.51

Inputs			
Rate Increase	\$1	Rounds Impact	
Bonneville, Mtn Dell Effective Increase per round for LoyalTee Program	\$0.50	Discount	-5%
Forest Dale, Rose Park, Wingpointe Effective Increase per round for LoyalTee Program	\$0.75	LoyalTee	2%
Glendale, Nibley Effective Increase per round for LoyalTee Program	\$1.00	Rack Rate	-6%

Bonneville									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Impact	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	1,178	\$4,178.00	1.59%	\$3.55	0%	0	1,178	\$4,178.00	
DISCOUNTS	5,290	\$65,409.50	7.16%	\$12.36	-5%	-265	5,026	\$67,164.53	
EMPLOYEE COMP GOLF	2,497	\$2,497.00	3.38%	\$1.00	0%	0	2,497	\$2,497.00	
GOLF PASSES	3,172	\$166.00	4.29%	\$0.05	0%	0	3,172	\$0.00	
LOYALTY PROGRAMS	21,166	\$291,977.25	28.64%	\$13.79	2%	423	21,589	\$308,611.46	
POS TRADE (EZLINKS)	1,950	\$0.00	2.64%	\$0.00	0%	0	1,950	\$0.00	
RACK RATE	37,173	\$627,588.00	50.30%	\$16.88	-6%	-2,230	34,943	\$624,875.34	
UGA TOURNAMENTS	1,476	\$1,476.00	2.00%	\$1.00	0%	0	1,476	\$1,476.00	
Totals	73,902	\$993,292		\$13.44	-2.80%	-2,072	71,830	\$1,008,802.32	\$15,510.57

Forest Dale									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Impact	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	263	\$242.00	0.64%	\$0.92	0%	0	263	\$242.00	
DISCOUNTS	3,718	\$34,352.00	8.98%	\$9.24	-5%	-186	3,532	\$36,166.50	
EMPLOYEE COMP GOLF	1,237	\$1,237.00	2.99%	\$1.00	0%	0	1,237	\$1,237.00	
GOLF PASSES	1,239	\$65.00	2.99%	\$0.05	0%	0	1,239	\$0.00	
LOYALTY PROGRAMS	11,311	\$121,569.25	27.33%	\$10.75	2%	226	11,537	\$132,653.55	
POS TRADE (EZLINKS)	627	\$0.00	1.52%	\$0.00	0%	0	627	\$0.00	
RACK RATE	22,987	\$307,827.00	55.55%	\$13.39	-6%	-1,379	21,608	\$310,965.16	
Totals	41,382	\$465,292		\$11.24	-3.24%	-1,339	40,043	\$481,264.21	\$15,971.96

Glendale									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Impact	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	602	\$2,092.00	0.90%	\$3.48	0%	0	602	\$2,092.00	
DISCOUNTS	5,387	\$53,058.00	8.06%	\$9.85	-5%	-269	5,118	\$55,522.75	
EMPLOYEE COMP GOLF	1,394	\$1,394.00	2.09%	\$1.00	0%	0	1,394	\$1,394.00	
GOLF PASSES	4,155	\$85.00	6.22%	\$0.02	0%	0	4,155	\$0.00	
LOYALTY PROGRAMS	18,480	\$215,815.50	27.66%	\$11.68	2%	370	18,850	\$238,981.41	
POS TRADE (EZLINKS)	1,724	\$0.00	2.58%	\$0.00	0%	0	1,724	\$0.00	
RACK RATE	33,776	\$479,697.00	50.55%	\$14.20	-6%	-2,027	31,749	\$482,664.62	
UGA TOURNAMENTS	1,294	\$1,294.00	1.94%	\$1.00	0%	0	1,294	\$1,294.00	
Totals	66,812	\$753,436		\$11.28	-2.88%	-1,926	64,886	\$781,948.78	\$28,513.28

Mountain Dell									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Impact	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	269	\$761.00	0.29%	\$2.83	0%	0	269	\$761.00	
DISCOUNTS	13,005	\$177,141.00	14.00%	\$13.62	-5%	-650	12,355	\$180,638.70	
EMPLOYEE COMP GOLF	2,395	\$2,626.00	2.58%	\$1.10	0%	0	2,395	\$2,395.00	
GOLF PASSES	2,392	\$670.00	2.57%	\$0.28	0%	0	2,392	\$0.00	
LOYALTY PROGRAMS	21,503	\$286,156.70	23.14%	\$13.31	2%	430	21,933	\$302,846.36	
POS TRADE (EZLINKS)	1,930	\$0.00	2.08%	\$0.00	0%	0	1,930	\$0.00	
RACK RATE	51,412	\$840,561.50	55.34%	\$16.35	-6%	-3,085	48,327	\$838,455.09	
UGA TOURNAMENTS	2	\$2.00	0.00%	\$1.00	0%	0	2	\$2.00	
Totals	92,908	\$1,307,918		\$14.08	-3.56%	-3,305	89,603	\$1,325,098.15	\$17,179.95

Nibley Park									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Impact	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	429	\$1,608.00	1.33%	\$3.75	0%	0	429	\$1,608.00	
DISCOUNTS	1,631	\$12,901.00	5.07%	\$7.91	-5%	-82	1,549	\$13,805.40	
EMPLOYEE COMP GOLF	717	\$717.00	2.23%	\$1.00	0%	0	717	\$717.00	
GOLF PASSES	424	\$16.00	1.32%	\$0.04	0%	0	424	\$0.00	
LOYALTY PROGRAMS	7,714	\$77,063.00	23.97%	\$9.99	2%	154	7,868	\$86,472.54	
POS TRADE (EZLINKS)	403	\$0.00	1.25%	\$0.00	0%	0	403	\$0.00	
RACK RATE	20,423	\$250,755.00	63.47%	\$12.28	-6%	-1,225	19,198	\$254,907.32	
UGA TOURNAMENTS	436	\$436.00	1.36%	\$1.00	0%	0	436	\$436.00	
Totals	32,177	\$343,496		\$10.68	-3.58%	-1,153	31,024	\$357,946.26	\$14,450.26

Rose Park									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Impact	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	732	\$1,003.00	1.41%	\$1.37	0%	0	732	\$1,003.00	
DISCOUNTS	5,367	\$48,935.95	10.35%	\$9.12	-5%	-268	5,099	\$51,587.80	
EMPLOYEE COMP GOLF	1,260	\$1,260.00	2.43%	\$1.00	0%	0	1,260	\$1,260.00	
GOLF PASSES	4,321	\$22.00	8.33%	\$0.01	0%	0	4,321	\$0.00	
LOYALTY PROGRAMS	13,139	\$143,205.01	25.34%	\$10.90	2%	263	13,402	\$156,120.45	
POS TRADE (EZLINKS)	1,440	\$0.00	2.78%	\$0.00	0%	0	1,440	\$0.00	
RACK RATE	24,035	\$316,013.75	46.36%	\$13.15	-6%	-1,442	22,593	\$319,645.83	
UGA TOURNAMENTS	1,554	\$1,554.00	3.00%	\$1.00	0%	0	1,554	\$1,554.00	
Totals	51,848	\$511,994		\$9.87	-2.79%	-1,448	50,400	\$531,171.07	\$19,177.36

Wingpointe									
Round Type	Current				Projected w/ Increase				+/-
	Rounds	Revenue	% of total	Rev/Rnd	% Impact	Rnds +/-	Adj Rnds	Revenue	
COMP OTHER	500	\$1,606.00	0.96%	\$3.21	0%	0	500	\$1,606.00	
DISCOUNTS	4,029	\$49,616.00	7.77%	\$12.31	-5%	-201	3,828	\$50,962.75	
EMPLOYEE COMP GOLF	1,281	\$1,281.00	2.47%	\$1.00	0%	0	1,281	\$1,281.00	
GOLF PASSES	5,619	\$28.00	10.84%	\$0.00	0%	0	5,619	\$0.00	
LOYALTY PROGRAMS	12,715	\$166,587.01	24.52%	\$13.10	2%	254	12,969	\$179,645.73	
POS TRADE (EZLINKS)	1,206	\$0.00	2.33%	\$0.00	0%	0	1,206	\$0.00	
RACK RATE	26,448	\$417,125.00	51.01%	\$15.77	-6%	-1,587	24,861	\$416,958.62	
UGA TOURNAMENTS	1,086	\$1,086.00	2.09%	\$1.00	0%	0	1,086	\$1,086.00	
Totals	52,884	\$637,329		\$12.05	-2.90%	-1,534	51,350	\$651,540.10	\$14,211.09

Assumptions
Play baseline based on FY14 play
\$1 increase to listed green fees and discount offers
Jordan River Par-3 is closed
Wingpointe remains open

Attachment 1 - Prioritization of Golf CIP Needs

Main Reason	Total w/o ESCO Apr 2014	Years 0 - 2	Years 3 - 5	Years 6 - 10	Years 11 - 20	Years TBD	Total of All Years
Asset preserv							
Bonneville							
Cart Path - repair and installation	182,800	182,800	-	-	-	-	182,800
Irrigation System	-	-	-	-	-	-	-
Irrigation system efficiency	-	-	-	-	-	-	-
Bonneville Total	182,800	182,800	-	-	-	-	182,800
Forest Dale							
Clubhouse Restroom/Pro Shop Counter	60,900	-	-	60,900	-	-	60,900
Greens, Bunker rebuild / Upgrade, Drair	900,000	-	-	-	900,000	-	900,000
HVAC	100,000	100,000	-	-	-	-	100,000
Irrigation Control Replacement	121,800	-	-	121,800	-	-	121,800
Lake Bank Stabilization	91,400	-	-	-	91,400	-	91,400
Forest Dale Total	1,274,100	100,000	-	182,700	991,400	-	1,274,100
Glendale							
Cart Path - repair and installation	182,800	-	-	182,800	-	-	182,800
Clubhouse Restroom/Pro Shop Counter	30,900	-	-	30,900	-	-	30,900
Lake Bank Stabilization	-	-	-	-	-	-	-
Glendale Total	213,700	-	-	213,700	-	-	213,700
Mountain Dell							
Cart Path - repair and installation	182,800	-	-	182,800	-	-	182,800
Clubhouse Infrastructure Improvements	243,700	243,700	-	-	-	-	243,700
Clubhouse Restroom/Pro Shop Counter	60,900	-	-	60,900	-	-	60,900
Irrigation Control Replacement	243,700	-	-	243,700	-	-	243,700
Irrigation System - Canyon Course (\$2,500)	-	-	-	-	-	-	-
Irrigation System - Lake Course (\$2,500)	-	-	-	-	-	-	-
Practice Tee & Range Improvements	121,800	-	121,800	-	-	-	121,800
Pro Shop Counter	-	-	-	-	-	-	-
Mountain Dell Total	852,900	243,700	121,800	487,400	-	-	852,900
Nibley							
Cart Path - repair and installation	60,900	-	-	60,900	-	-	60,900
Clubhouse Restroom/Pro Shop Counter	100,900	-	-	100,900	-	-	100,900
Irrigation System	1,496,600	1,496,600	-	-	-	-	1,496,600
Lake Bank Stabilization	91,400	-	-	-	91,400	-	91,400
Perimeter Fencing Improvements, Entry	151,800	151,800	-	-	-	-	151,800
Piping of Streams through Fairway Corr	30,500	30,500	-	-	-	-	30,500
Nibley Total	1,932,100	1,678,900	-	161,800	91,400	-	1,932,100
Rose Park							

Attachment 1 - Prioritization of Golf CIP Needs

Main Reason	Total w/o ESCO Apr 2014	Years 0 - 2	Years 3 - 5	Years 6 - 10	Years 11 - 20	Years TBD	Total of All Years
Cart Path - repair and installation	182,800	-	-	182,800	-	-	182,800
Irrigation System Imprvmnts (not complete)	1,096,600	-	1,096,600	-	-	-	1,096,600
Rose Park Total	1,279,400	-	1,096,600	182,800	-	-	1,279,400
Wingpointe							
Cart Path - repair and installation	121,800	-	-	121,800	-	-	121,800
Clubhouse Restroom Improvements	30,500	-	-	30,500	-	-	30,500
Clubhouse Roof and Siding Improvement	91,400	91,400	-	-	-	-	91,400
Lake Bank Stabilization	152,300	-	-	-	-	152,300	152,300
Lake fountains	-	-	-	-	-	-	-
Wingpointe Total	396,000	91,400	-	152,300	-	152,300	396,000
Financial							
Bonneville							
3 New Holes (Dependent on Driving Range)	1,218,400	-	-	-	-	1,218,400	1,218,400
Clubhouse - U of U partnership	-	-	-	-	-	-	-
Clubhouse - UGA and Utah PGA partnership	-	-	-	-	-	-	-
Clubhouse (including banquet space)	2,680,500	-	2,680,500	-	-	-	2,680,500
Driving Range & Short Game Areas	609,200	609,200	-	-	-	-	609,200
Entrance Road (new) & Parking Lot Improvement	504,600	-	-	-	-	504,600	504,600
Food & Beverage on course (dependent on revenue)	182,760	-	182,760	-	-	-	182,760
Master Plan	40,000	40,000	-	-	-	-	40,000
Secondary water - Pilot well only	-	-	-	-	-	-	-
Secondary water project (Pumps, Wells)	2,300,000	2,300,000	-	-	-	-	2,300,000
Tee/Green/Bunker Improvements, Perimeter	1,827,600	1,827,600	-	-	-	-	1,827,600
Restrooms on-course (#2/#4/#11/#17 and #18)	182,800	182,800	-	-	-	-	182,800
Bonneville Total	9,545,860	4,959,600	2,863,260	-	-	1,723,000	9,545,860
Forest Dale							
Piping of Drainage Streams through Fairways	91,400	91,400	-	-	-	-	91,400
Practice Hitting Net	30,500	-	-	-	-	30,500	30,500
Restroom on course (#4/#6)	91,400	-	-	-	91,400	-	91,400
Secondary water project (Pumps, Wells)	1,161,267	-	-	-	-	1,161,267	1,161,267
Forest Dale Total	1,374,567	91,400	-	-	91,400	1,191,767	1,374,567
Glendale							
Banquet Pavilion	213,200	213,200	-	-	-	-	213,200
Ladies Tee Addition, Bunker Renovation	121,800	121,800	-	-	-	-	121,800
Master Plan - predicated upon course closure	22,000	22,000	-	-	-	-	22,000
Secondary water project (Pumps, Wells)	-	-	-	-	-	-	-
Restroom on-course (#7/#12)	91,400	91,400	-	-	-	-	91,400

Attachment 1 - Prioritization of Golf CIP Needs

Main Reason	Total w/o ESCO Apr 2014	Years 0 - 2	Years 3 - 5	Years 6 - 10	Years 11 - 20	Years TBD	Total of All Years
Glendale Total	448,400	448,400	-	-	-	-	448,400
Mountain Dell							
Canyon:12,14,15 / Lake: Retaining Wall	609,200	-	609,200	-	-	-	609,200
Patio Deck Extension, Clubhouse renov	493,700	493,700	-	-	-	-	493,700
Tee Leveling and Ladies Tee Addition	304,600	304,600	-	-	-	-	304,600
Mountain Dell Total	1,407,500	798,300	609,200	-	-	-	1,407,500
Nibley							
Batting Cages (\$200,000 estim)	-	-	-	-	-	-	-
Miniature Golf Course (\$650,000 projec	-	-	-	-	-	-	-
Mobile Office Building Retrofit for SLC C	50,000	50,000	-	-	-	-	50,000
Range Tee, Fence, related Improvemer	365,500	365,500	-	-	-	-	365,500
Secondary water project (Pumps, Wells	1,268,736	-	-	-	-	1,268,736	1,268,736
Short Game Practice Area, additional p	100,900	100,900	-	-	-	-	100,900
Restroom on-course (#3/#7)	91,400	-	-	-	91,400	-	91,400
Nibley Total	1,876,536	516,400	-	-	91,400	1,268,736	1,876,536
Rose Park							
Banquet Pavilion (\$175,000 estim)	-	-	-	-	-	-	-
Clubhouse Improvements and Cart Stor	304,600	-	-	-	304,600	-	304,600
Ladies Tee Addition on Select Holes, B	304,600	-	304,600	-	-	-	304,600
Master Plan - predicated upon course cl	40,000	40,000	-	-	-	-	40,000
Range Improvements	-	-	-	-	-	-	-
Restroom on course (#14/#16)	-	-	-	-	-	-	-
Restroom On-Course (#5/#9)	91,400	-	-	-	91,400	-	91,400
Secondary water project (Pumps, Wells	-	-	-	-	-	-	-
Rose Park Total	740,600	40,000	304,600	-	396,000	-	740,600
Various							
Audit of energy projects	-	-	-	-	-	-	-
Development & PA setup	-	-	-	-	-	-	-
Lighting	-	-	-	-	-	-	-
Measurement & Verification (M&V)	-	-	-	-	-	-	-
Project Management (PM)	-	-	-	-	-	-	-
Revenue loss during construction	-	-	-	-	-	-	-
Warranty	-	-	-	-	-	-	-
Various Total	-	-	-	-	-	-	-
Wingpointe							
All projects removed if course closed - E	-	-	-	-	-	-	-
Café Sliding Glass Doors, Wind Breaks	60,900	-	-	-	-	60,900	60,900

Attachment 1 - Prioritization of Golf CIP Needs

Main Reason	Total w/o ESCO Apr 2014	Years 0 - 2	Years 3 - 5	Years 6 - 10	Years 11 - 20	Years TBD	Total of All Years
Secondary water project (Pumps, Wells Shelters on course (#6 and #16)	2,500,000 30,500	- -	- -	- -	- -	2,500,000 30,500	2,500,000 30,500
All projects removed - Financial	-	-	-	-	-	-	-
All projects removed - Asset preserv	-	-	-	-	-	-	-
Wingpointe Total	2,591,400	-	-	-	-	2,591,400	2,591,400
Safety							
Bonneville							
Maintenance Facility Relocation & imprc	731,000	731,000	-	-	-	-	731,000
Bonneville Total	731,000	731,000	-	-	-	-	731,000
Forest Dale							
Cart Path - repair and installation	121,800	-	121,800	-	-	-	121,800
Maintnc Bldg Imprvmnts, Wash Bays, Sa	182,800	-	-	182,800	-	-	182,800
Forest Dale Total	304,600	-	121,800	182,800	-	-	304,600
Glendale							
Maintnc Bldg imprvmnts, Wash Bays, Pe	182,800	-	182,800	-	-	-	182,800
Range Fence Repairs	-	-	-	-	-	-	-
Glendale Total	182,800	-	182,800	-	-	-	182,800
Mountain Dell							
Maint Bldg Imprvmnts, Wash Bays, Sand	731,000	-	731,000	-	-	-	731,000
Mountain Dell Total	731,000	-	731,000	-	-	-	731,000
Nibley							
Maintnc Bldg Imprvmnts, Wash Bays, Sa	182,800	-	182,800	-	-	-	182,800
Nibley Total	182,800	-	182,800	-	-	-	182,800
Rose Park							
Maintnc Bldg Imprvmnts, Wash Bays, Sa	304,600	-	-	304,600	-	-	304,600
Rose Park Total	304,600	-	-	304,600	-	-	304,600
Wingpointe							
Maintnc Bldg Imprvmnts, Wash Bays, Sa	121,800	-	-	121,800	-	-	121,800
Wingpointe Total	121,800	-	-	121,800	-	-	121,800
Grand Total	26,674,463	9,881,900	6,213,860	1,989,900	1,661,600	6,927,203	26,674,463

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SECONDARY WATER ANALYSIS

SLC Golf

	<u>Current Water Budget</u>	<u>Estimated New Water Budget</u>	<u>Estimated Annual Savings</u>	<u>Estimated Cost of Construction</u>	<u>Estimated Simple Payback yrs.</u>	<u>Estim Annual Debt Service for 20 yrs</u>
Additional to ESCO						
Bonneville	\$ 265,000	\$ 25,797	\$ 239,203	\$ 2,310,000	9.7	\$ 179,000
Forest Dale			\$ 39,189	\$ 1,161,267	29.6	\$ 90,000
Mtn. Dell - can rate be changed to secondary water resource fee?				\$ -		
Nibley			\$ 33,068	\$ 1,268,736	38.4	\$ 98,000
Wingpointe	\$ 226,000	\$ 41,606	\$ 184,394	\$ 2,750,000	14.9	\$ 213,000
Total			<u>\$ 495,854</u>	<u>\$ 7,490,003</u>		<u>\$ 580,000</u>
In ESCO						
Glendale			\$ 152,826	\$ 837,803	5.5	
Rose Park			\$ 158,907	\$ 1,117,399	7.0	
			<u>\$ 311,733</u>	<u>\$ 1,955,202</u>		
All projects			<u><u>\$ 807,587</u></u>	<u><u>\$ 9,445,205</u></u>		

NOTES

Bonneville construction cost is rough estimate provided by Siemens

Bonneville water savings estimate was prepared by PS Dept based on PU info and doesn't include costs of electricity and operational impacts. The water flow capacity is unknown.

Forest Dale - figures are from Siemens.

Glendale numbers are from Siemens and are included in first ESCO for Golf

Nibley - figures are from Siemens.

Rose Park numbers are from Siemens and are included in first ESCO for Golf

Wingpointe construction cost is rough estimate provided by Siemens. Water availability, quality, and rights are undetermined.

Wingpointe water savings estimate was prepared by PS Dept and doesn't include costs of electricity and operational costs.

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SECONDARY WATER ANALYSIS

SLC Golf

	<u>Current Water Budget</u>	<u>Estimated New Water Budget</u>	<u>Estimated Annual Savings</u>	<u>Estimated Cost of Construction</u>	<u>Estimated Simple Payback yrs.</u>	<u>Estim Annual Debt Service for 20 yrs</u>
Additional to ESCO						
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**SALT LAKE CITY GOLF ENTERPRISE FUND ADVISORY BOARD
POSITION STATEMENTS ON CURRENT ISSUES
RELATED TO LONG-TERM GOLF FUND BUDGET SOLVENCY**

July 8, 2014

City Council, Mayor Becker, and Public Services Officials,

Please accept these position statements from the Salt Lake City Golf Enterprise Fund Advisory Board (a majority of the board). These statements are in response to a request from City Council to understand the GAB's position on the key issues and options currently under consideration relative to the Golf Fund's projected long-term operating deficit and negative cash balance. We have developed these statements from our on-going evaluation of the operations and facility conditions at SLC's eight public golf courses.

While we work closely with the SLC Golf Administration, we are citizens who play these golf courses regularly, and are speaking with an independent voice in taking the following positions on critical issues that will impact the future of public golf in our city; and, as a result of Salt Lake City's century-long history as a leader in providing quality, affordable public golf, will impact the future of public golf throughout the state.

- 1. The various SLC Golf Fund budget-balancing scenarios currently under evaluation by the Salt Lake City Council include options to “repurpose” Glendale and/or Forest Dale along with closing Wingpointe and reducing Rose Park to nine holes and the practice area.**

What is your position on closing and/or reducing the number of holes at Salt Lake City Golf Courses?

We do not want any of Salt Lake City's diverse selection of public courses closed. All other long-term Golf Fund balancing options should be thoroughly evaluated by City Council with input from the public, the Golf Advisory Board, and Golf and Public Services management. The current negative cash position in the Golf Fund was projected years ago in budget pro forma documents. The Golf Advisory Board asks City Council to take a long-term approach in solving this issue, and to avoid hastily moving to close these community treasures; closure should be a last resort only after all benefits to the community generated from the operation of this quality and diverse selection of public golf courses are taken into account.

It is projected that the population along the Wasatch Front will significantly increase over the next decade. Utah has one of the highest per capita golf participation rates in the country at approximately 15%. The percentage of golfers in the market compares favorably with the percentage of the local population that utilizes public recreation centers, patronizes art and cultural facilities and events, and takes advantage of the greatest snow on earth. We also request that City Council verify that the FAA is actually mandating a market rate annual property lease payment at Wingpointe Golf Course as we encourage the City, if possible, to return to the terms of the original MOU that provided for a century of operations free of any property lease payment.

- 2. The golf course closure scenarios being reviewed by City Council do not include an analysis of the maximum savings potential from a conversion to secondary water at all golf courses with options for all, some, or none of the initial capital infrastructure investment to come from funding sources outside the Golf Fund operating budget.**

A. Where should this analysis of secondary water savings and options regarding the upfront capital investment be positioned in the City Council's process?

Completing the capital infrastructure to move every Salt Lake City golf course to the available secondary water source(s) should be THE PRIMARY focus. As stated above, considering course closures or reduction of holes should happen only as a measure of last resort, and that evaluation should be based on the long-term solvency of the Golf Fund, not as a result of a short-term perspective. The move to secondary water needs to be accomplished from both a financial solvency perspective as well as to further the city's water conservation efforts. Getting this done is the environmentally responsible action that must be taken now. While we agree that capital projects should be evaluated and prioritized based on the financial return in either reducing expenses or raising capital funds/increasing ongoing operating revenue, some projects must be evaluated and prioritized based on other factors. The move to secondary water at every golf course is one of those issues. In fact, given the limited funding available for golf course capital improvements, secondary water and irrigation system work should be the sole focus of available capital funds other than in relation to projects that can be funded by partnership revenue or have payback periods of not more than ten years from date of project completion. But, even with an excellent ROI, water projects must be the priority.

B. You have made a statement in the past supporting the use of surplus golf property to help fund capital improvement priorities. What is your position on a subsidy or loan from the City General Fund?

In keeping with the Golf Enterprise Fund's long history of providing a quality, diverse selection of public golf facilities and subsidy-free urban green spaces that have a significant positive impact on our environment, it is the Golf Advisory Board's goal to avoid any type of general fund/taxpayer assistance for the city's public golf system. That is why we submitted the attached letter a few years ago recommending the difficult option of selling (or leasing long-term) some surplus golf course property at market valuation to maximize the proceeds available to complete these critical golf capital projects with the understanding that this is a unique situation worthy of such a one-time solution to the deferred maintenance and improvement issue, as confirmed in the NGF's report. Please remember that this budget/capital situation is over thirty years in the making. Therefore, if part of solution, again, focusing on facilitating a move to secondary water at every golf course, requires general fund support, then we ask the City Council to consider a long-term, no-interest or very low-interest loan to facilitate the completion of this critical capital infrastructure work.

C. What is your position on attempting to generate some capital funding through a green fee and cart rental fee increase?

The green fee price point at each Salt Lake City golf course is at the high end of the scale compared to courses of similar quality in the market. As a result, we are concerned that any increase in green fees right now will result in a loss of play that will, at a minimum, negate the potential increase in revenue. In fact, such a move right now might actually result in a decrease in total revenue given that our experience the past 2 1/2 years has shown there is price sensitivity given all market factors. These market factors could result in a significant percentage of golfers electing to play their golf outside of Salt Lake City's system if fees are

increased. Right now, if anything, some green fees at some courses during slow time periods may need to be discounted to attract more play and maximize total operating revenue.

- 3. A key part of the City Council's proposal to provide the necessary capital funding for the SLC Golf Program is going to SLC taxpayers with a general obligation bond vote. Their position is that a bond vote focused solely on providing one-time capital funding to improve City golf courses most likely will fail given that 15% of the public play golf. Therefore, one option being considered is to "repurpose" all or portions of Forest Dale, Glendale, and/or Rose Park into other outdoor recreation facilities, and go the public with a general obligation bond with the purpose of providing increased recreation facilities throughout the city plus providing the Golf Fund with its necessary capital infusion.**

What is your position on this concept for a general obligation bond to fund the development of outdoor recreation facilities on property that used to be Glendale GC and Forest Dale GC?

As stated above, we are strongly opposed to closing these valuable community assets. This proposed general obligation bond plan does not resolve the never-ending subsidy the City will experience with non-revenue producing parks and/or ball fields occupying those repurposed former golf courses, AND the cost of this plan to public golf in Salt Lake City is potentially giving up the historic Forest Dale Golf Course that is not a financial drain on the Golf Fund, and Glendale, the perfect "core" municipal golf course that generally stands on its own financially. Losing these two outstanding golf courses that cater to different segments of the local public golf market is too high a price to pay. And, these properties should be irrigated with secondary water regardless of whether they are golf courses or parks.

- 4. As you know, a component of our capital funding proposal includes potential partnerships with golf associations, educational institutions, businesses, and individual donors. As the focus of these partnerships is to provide funding for facility improvements as well as ongoing incremental operating revenue, until I can tell potential partners exactly what facility improvements we will be making, no further progress can be made toward any agreement.**

A. Are you in favor of proceeding with these partnerships if each makes sense for Salt Lake City Golf in terms of generating CIP funding as well as on-going incremental operating revenue?

Win/win partnerships will be critical in the effort to fund capital improvements beyond those projects focusing on a resolution to the current water cost problem. Partnerships should be considered that provide funding specifically for capital work, have potential to increase ongoing operating revenues, and enhance the quality of our golf courses.

B. What is the board's position as to future changes in supply and demand we may see that impact public golf rounds played at Salt Lake City's golf courses?

As long as green fees at Salt Lake City golf courses are competitive, we see demand for public golf increasing simply due to the projected population increase over the next decade. Our board's position is that SLC Golf should continue to focus on building new golfers 1) by the continuation of the excellent Youth on Course Program and expanding that program to expand demand among the next generation of potential golfers, 2) by maintaining the junior green fee that is mandatory to build future full fee paying adults, 3) by expanding the highly successful Adult Golf 101/201 and related adult instruction programming, 4) by the continuation of a senior green fee as it is a standard pricing policy in the industry and SLC

would alienate that significant group of customers if that rate were eliminated, and 5) by providing a golf fee incentive for loyal SLC Golf customers and City residents.

We also think that budget increases for marketing and promotion are important. While SLC Golf has done an exceptional job developing promotional programs and events, and has received national recognition for that work, the current focus on social media and direct marketing must be paired with additional media to properly communicate fee discounts and value added promotions, instructional programs, and tournaments and special events.



Return to Staff Report

TO: Mayor Ralph Becker
David Everitt, Chief of Staff

FR: Mike Akerlow
Deputy Director, Housing and Neighborhood Development

RE: Mayor's Golf Citizen Task Force Recommendations

DATE: 3/22/12

Beginning in September of 2011, the Mayor's Golf Citizen Task Force (CTF) met biweekly with the instruction to evaluate the City's golf program, the proposed capital improvement projects, and the funding of those projects. The CTF began their meetings with an overview presented by Rick Graham and David Terry so that the group could get an understanding of the current status of the program as well as its needs. After their initial presentation at subsequent meetings, the CTF discussed whether the City should be involved in the golf business, the number of and condition of the City's courses, the proposed capital improvement projects, and proposed funding resources. The CTF's findings and subsequent recommendations are discussed below.

Discussion of the City Golf Program and Courses

The CTF recognizes the golf courses and program as a valuable and needed amenity to the City. While the courses themselves provide open, green areas in our neighborhoods, one of their primary uses is to provide a unique recreational opportunity for the citizens of Salt Lake City. Frederick Law Olmsted believed parks achieve a higher social vision *"as the source of health inspiration – through mental, physical and social recreation – the parks provide a respite to the stresses of modern city life. They provide spaces where people come together to create a stronger community"*. This vision should span the strata of all social, cultural, racial, gender and economic levels of our City. Golf is a sport that accommodates multiple levels of physical and mental abilities and provides for inter-generational interaction. Golf provides an outdoor laboratory to teach and experience sportsmanship and team building on the course in a way that no other sport can do.

Currently, the City operates eight public golf facilities including Mountain Dell, Bonneville, Glendale, Rose Park, Wingpointe, Forest Dale, Nibley Park, and Jordan River Par Three. These courses are operated as an enterprise fund free of tax subsidy. The Salt Lake City Golf Enterprise Fund pays all costs associated with operating these eight facilities with operating revenues. Expenses include all personnel costs, materials and supplies costs, capital equipment and improvement project investment, charges and services costs including the same water rates the public pays and a quarterly billing for time spent by City General Fund employees on golf issues. However, based on information supplied by the Golf Division, some of the City's courses do not appear to be financially viable.

City staff working with the CTF has contacted other municipalities outside of the state regarding their golf programs. The response staff received was that Salt Lake City has more golf courses than can be sustained by their population. It must also be considered that over the past fifteen years there has been

significant growth in the number of courses developed by neighboring cities, the County, and private developers. The CTF recommends that as part of a thorough study of the golf program, which will be discussed in more detail below, that each individual City-owned course be evaluated to determine its financial viability, its current physical condition, its needs for capital improvements, and whether there would be a financial return to the City if such improvements were implemented. If a course does not meet established criteria, the course would be repurposed or sold to the private sector.

Water

The CTF met with the City's golf Superintendents and Professionals to discuss with them a number of items regarding the golf program. The message that was clearly communicated to the CTF from the Supers and Pros was that the biggest issue facing the golf courses is the expense of water and the inefficiencies of the irrigation systems. Doug Vilven, owner of Golf in the Round Learning Center (in addition Mr. Vilven is also a Master PGA Professional, PGA of America Adjunct Faculty, former PGA of American Board of Director 2002-2005, and former member of the PGA Rules Committee) also met with the CTF and informed them of Golf in the Round's ability to significantly save funds each year from using secondary water. Jerry Brewster, the County representative on the CTF, also stated that they see a savings from using secondary water on their golf courses.

Based on the information supplied to the CTF by the Golf Division, the CTF supports the ESCO proposal of \$3.35 Million to upgrade the irrigation systems at Bonneville, Rose Park, and Glendale. Furthermore, the \$5 Million Golf Fund Revenue Bond would be a necessary source of funding to change the current system of culinary water use to secondary water at Bonneville, Forest Dale, Nibley Park, Rose Park, and Wingpointe. This improvement would reduce costs, increase revenues, and promote environmental responsibility. Savings from the irrigation system upgrade would be used to pay for the ESCO contract and the Bond, with remaining funds being used for other maintenance projects. It is the conclusion of the CTF that the irrigation system changes should be the top infrastructure priority at each course so that there can be an immediate increase in savings, as well as a beneficial impact on the city's water use. It should be noted that if Wingpointe were to be closed as a result of the airport expansion, no funds ought to be allocated to the irrigation system, and all other improvements would be approved on an as-needed basis.

However, as will be explained below, the CTF does not recommend that the City move forward with the approval of the ESCO contract or the bond until a more thorough analysis is performed on the actual costs of these programs, what the debt service will be, and how much will actually be saved by making these improvements.

Final Recommendations

During the six months that the CTF convened, they met with, as mentioned previously, the City's golf Superintendents and Professionals, a golf professional from the private sector, the City's Golf Division Manager, and received information researched by City staff. From these meetings and further discussion, the CTF was able to recognize a number of issues surrounding the golf program and make

the following recommendations that they believe will create a positive impact in addressing both the short term and long term needs of the golf program.

1. *The City hire an independent consultant experienced in the golf industry to perform a financial analysis on each individual course and a study on the proposed capital improvement projects and proposed funding sources for those projects.* After reviewing a series of revised pro formas created by the Golf Division, the CTF recommends that the hired consultant gather and analyze current data from the golf program to determine whether the proposed pro formas are viable. During the review of these pro formas by the CTF and other financial analysts in the City, a number of errors were discovered that affected the eventual outcome of each proposal. The CTF believes a consultant should examine the assumptions used in the pro formas and create a pro forma that will give an accurate depiction of the impact of the proposed CIP and funding of those projects.
2. *As part of the consultant's study, a 5-year economic model be created for the City's golf program.* Personal responsibility on the part of the golf courses themselves will be critical if efficiency is to be maintained throughout the improvement process. Therefore, it is the recommendation of the CTF that an economic model be developed that would state the needs of each golf course in the city. This model would also aid the Council and the Golf Division in keeping up with the assessed need for repairs, upgrades, required modifications, modernization of equipment and technology and would assist in identifying options to address these issues as they appear. It is the belief of the CTF that this newly developed economic model would prioritize the needs of each facility and set a known baseline for capital investments. A 5-year plan is recommended to better track progress in spending, benefit to the general population, monitor any environmental impacts, and determine whether the courses are fulfilling their purpose and maintaining viability. The economic model would also outline what measures will be put in place to correct issues affecting the financial condition of the courses as well as the playability. If a new organizational structure for the courses were to become needed in order to increase efficiency, the 5-year model would seek to address it. It should also be noted that a public relations and effective marketing program for the City's courses as well as community outreach will be critical to the improvement plan. Any model developed by the courses would include a strategic marketing plan defining how they will work with their different communities to provide educational platforms in order to teach the art of sportsmanship and team building with the City's youth, as well as exercise and learning for the mature members of our community.
3. *Based on the results of the financial analysis from the consultant, the City approve the ESCO contract and bond in order to improve the irrigation systems and change from culinary water to a secondary water system.* As mentioned previously, while the CTF believes this is one of the primary objectives to be addressed, the CTF also recommends that this not be approved until the consultant has determined that both the costs and the savings projected are reasonable.

4. *The Golf Division should further explore other options on all proposed funding resources.* The CTF recommends the Golf Division consider whether they have explored all options regarding possible funding sources, such as:

- The Golf Division is proposing a partnership with the University of Utah for \$2,500,000 which would give naming rights and a property lease for the period of 10 years. The CTF is concerned that other partnerships have not been explored. A partnership with a larger financial institution for a shorter period of time would bring a different clientele to the courses and allow flexibility to renew that agreement more often.
- The Golf Division is proposing facility improvements that would increase the usability of the courses for weddings, special events, etc. The concern is that the proposed costs of these additions may not be adequate to fully build to a standard that would attract potential users.

5. *Create a “culture” within the City’s Golf Program to benefit the community.* In order to bring about the change necessary to improving golfing conditions in Salt Lake City, a shift in culture should be incorporated in any plan of action. This would mean a change in the management structure and staff participation in the operation of the courses. Golf professionals and course superintendents should work together for the success of the courses, and develop an incentive program to promote investment in their courses. Moreover, employees should be encouraged to use the courses for play when they are not working. In addition to internal improvements, community outreach and involvement is vital to the overall sustainability of the courses themselves. City leagues and youth programs would help attract community investment, as well as other activities popular amongst the citizenry. For example, the use of courses for off-season sports such as snow-shoeing and cross-country skiing, walking in the evenings, and family gatherings should all be investigated. Furthermore, a strong focus should be placed on the development of on-course facilities so that they can be used for multiple purposes, such as corporate events and weddings. The possibilities for each of the City’s golf courses are many and should be improved upon so that maximum efficiency can be achieved.

Conclusion

The CTF recognizes that the golf courses are of great value to the City by providing open areas and a place for people to recreate. The courses can be a source of many uses that bring the community together, whether it is through the game of golf, or off-hour recreation, or for events. The experience that an individual has at the golf course is of great importance. If that experience is positive, it results in return visits, growth in revenue, and maximizing the use of the course. There is definite need to improve the courses, but there is also the need for additional, more creative ways to reach out to the community and introduce them to the game of golf. If both of these things can be accomplished, the City’s courses become of real value to the golfer and non-golfer and to the citizens of Salt Lake City.