



Edwin M. Lee, Mayor
Philip A. Ginsburg, General Manager

Date: August 1, 2013
To: Recreation and Park Commission
From: Tom Hart *TH*
Through: Nicholas Kinsey *NK*
Re: Harding Park Golf Course – Temporary Fee Structure

Agenda Item Wording:

Discussion and possible action to recommend that the Board of Supervisors approve a temporary greens fee structure, including flexible pricing, for Harding Park Golf Course during the period of the greens renovation beginning December 2, 2013 and ending no later than May 31, 2014.

Background:

Harding Park and Fleming Golf Courses were reopened after an extensive renovation on August 22, 2003. Since that time, Harding Park has gained a reputation as one of the finest 18-hole public golf courses in the country. Since the reopening, Harding Park has hosted the American Express Championship in 2005, The President's Cup in 2009, the Charles Schwab Championship ("Schwab Cup") in 2011 and will again host the Schwab this fall. The Third Amendment to the Master Tournament Agreement between the City and PGA TOUR, approved last year, assures premium tournaments at Harding Park through 2021.

Maintaining the course, especially the greens, at a high level of play, is not only a requirement in the Master Tournament Agreement between the City and the PGA TOUR but it is paramount in continuing to offer a premium golf experience to the public. Continued regular use of the course combined with intrusion of native grass species and parasitic infestations will compromise the health of the greens with time. The City grounds crew continues to keep Harding in the best possible condition but greens renovation, or "regrassing", is a process that all high-end courses are faced with eventually. The plans have been in place for some time to renovate the greens at Harding and the project is expected to begin December 2, 2013.

At the beginning of November, immediately following the Schwab Cup, the grounds crew will begin preparing temporary greens at the ends of the fairways. Care will be taken to provide a product that will offer a good golfing experience. However, since these temporary greens cannot match a seasoned, mature putting surface, staff has worked with the Tournament Players Club ("TPC") staff to develop a sensible rate structure during this period.

Reduced greens fee revenue at Harding was taken into account when preparing the Department budget for the 2013-14 FY. Department staff met with the TPC staff to develop a rate structure that would maintain a reasonable level of rounds played and offer the players a fair price for playing on temporary greens during the period of construction. The more continued traffic we have during this period will not only keep the green fee revenue stable but will also maintain reasonable golf shop and food and beverage sales.



The following chart shows the proposed discounted fees along with the current rates.

HARDING PARK <i>Classification</i>	PROPOSED RATES		CURRENT RATES	
	<i>Weekday</i>	<i>Weekend</i>	<i>Weekday</i>	<i>Weekend</i>
SF Resident Card Holder <i>73% of our play</i>	\$30	\$40	\$52	\$66
Bay Area <i>14% of our play</i>	\$45	\$50	\$90	\$100
Non Resident <i>3% of our play</i>	\$50	\$55	\$155	\$175
SF Resident Card Holder- Senior <i>5% of our play</i>	\$25	\$40	\$37	\$66
Tournament <i>3% of our play</i>	\$70	\$80	\$125	\$135
Junior <i>1% of our play</i>	\$15	\$20	\$20	\$25

*Carts are not included in any of the above rates, except for
Tournament Rate*

Staff is requesting that flexible pricing, as stipulated in the Park Code Sec. 12.12(d), remain in force during this period to allow management all available marketing tools to react to supply and demand. The nine-hole Fleming Golf Course will remain open during the Harding greens renovation and will afford the public an alternative to the temporary greens on Harding. The Fleming rates will remain the same.

Recommendation:

Department management and staff support a recommendation from the Commission to the Board of Supervisors to approve a temporary greens fee rate structure, including flexible pricing, at Harding Park Golf Course beginning December 2, 2013 and ending no later than May 31, 2013 during the period of greens renovation.

Financial Impact:

The proposed rate structure will result in a reduction of approximately \$850,000 in greens fees at Harding Park. This difference is reflected in the approved 2013-14 budget.

Supported By:

Department management and staff
TPC of California, Inc. management

Opposed By:

None known

People to Contact:

This item has been posted at Harding Park Golf Course