



Mayor Mark Farrell  
Phil Ginsburg, General Manager

**DATE:** May 3, 2018

**TO:** Recreation and Park Commission  
Operations Committee

**THRU:** Philip A. Ginsburg, General Manager

**FROM:** Dana Ketcham, Director of Property Management

**RE:** Park Code Changes Related to Golf Fees

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### **Agenda Wording**

Golf Fees- Discussion and possible action to recommend that the Board of Supervisors approve an ordinance that would restructure fees for golf courses to: (i) preserve all fees for resident cardholders and City-sponsored tournaments and allow the Department to set all other fees by dynamic pricing based on demand, course conditions and comparable rates; (ii) create a \$2 per 9 hole fee (except for junior players) for Harding, Fleming, Sharp Park, Lincoln and Golden Gate Courses that will be placed in a maintenance fund for course improvements for the particular course; (iv) update the advanced booking fee based on the Consumer Price Index (CPI) and authorize automatic CPI increases going forward for all golf course fees; and (v) and make other related changes.

### **Strategic Plan Reference**

**Strategy 1** – Inspire Public Space

**Objective 1.2** Strengthen the quality of existing parks and facilities

**Objective 1.4** Preserve and celebrate historic and cultural resources

**Strategy 2** – Inspire Play

**Objective 2.1** Strengthen the quality, responsiveness, and accessibility of recreation programs

**Strategy 3** – Inspire Investment

### **Background**

The Park Code has a complex and elaborate fee structure for every type of golf rate and related service. Since the Park Code fees were set, golf fees throughout the industry have become much more dynamic and flexible due to new technology that allows fees to be adjusted based on factors such as supply and demand and course condition. Currently the Park Code sets the fees for Resident Cardholders, Bay Area Residents and other players (Standard) and offers varying rates base on dates and time of play. See Exhibit A for a list of current golf course rates.

Staff believes that it is important to retain the set course fees for Resident Cardholders to assure affordable golf options for Resident Cardholders. At the same time, the Department needs more flexibility to work with golf operators to adjust prices in all other categories to strengthen revenues from other players. In 2014, the Park Code was amended to provide some flexibility allowing rates to be increased or decreased, but is still based on base rates and limits the Department’s flexibility to provide dynamic pricing. Moreover, the existing structure is very complex and has created confusion for users.



With the PGA Tournament coming to San Francisco in 2020, the Department believes it should have greater flexibility to set rates.

## Proposed Changes

In order to implement these changes, the Department is proposing the following modifications:

1. **Golf Fees:** The following fees in Park Code Section 12.12 are preserved (in each case as amended and described below):
  - a. Resident Cardholder Rates (including for youth and seniors)
  - b. Resident Cardholder Advance Booking Fee
  - c. SF Tournament Fees

For all other fees and charges, the fees would be replaced with a provision that allows the General Manager or his or her designee to set a fee based on fluctuations in customer demand, type of use, comparable rates and conditions of the course. The ability to dynamically adjust the Resident Cardholder fees will remain unchanged except that the Department will be authorized to provide a greater discount (50% rather than the existing 25%), and will be able to provide this discount at all courses rather than just Harding Park, McLaren Park, Sharp Park, and Lincoln Park. In addition, the Resident Cardholder Rate must always be equal to or less than any other fee offered at the time of booking.

2. **Creation of Resident Cardholder Rates for Gleneagles:** Gleneagles does not currently have Resident Cardholder Rates. The current Gleneagles fees would be amended to create Resident Cardholder rates that would be rounded and equal to the current rate plus \$2 per nine holes (except for Junior rate) The rates at Gleneagles will be as follows:
  - SF Resident Cardholder Weekdays (9/18 holes): \$24/\$32
  - SF Resident Cardholder Senior Weekdays (9 holes): \$20
  - SF Resident Cardholder Junior Weekdays (9 holes): \$15
  - SF Resident Cardholder Weekends (9/18): \$28/\$40
3. **Creation of SF Tournament Fees:** Currently the Park Code has set tournament fees for Harding, Fleming, Lincoln, Sharp Park, and Golden Gate Park. The ordinance would amend those tournament fees to apply only to the City Championship at Lincoln and Harding, the Family Tournament at Golden Gate Golf Course, and any other city City-sponsored tournament approved by the General Manager. Fees for all other tournaments would be dynamically set provided that on Fridays, Saturdays and Sundays, no less than the SF Tournament Fees shall be charged.
4. **Amendment of Advance Booking Fee:** There is currently an advance booking fee of \$10 per person for reservations scheduled eight or more days in advance at Harding Park. For resident cardholders, the Department will make advance booking fee available at all Golf Courses, for bookings scheduled within 8 days and 30 days prior to the tee time, and the fee will be updated to \$15 which is the amount it would have been if Cost of Living adjustments had been applied. For non-resident cardholders, the Department will manage advance bookings through dynamic pricing.
5. **Creation of a Special Projects Maintenance Fee:** At Harding, Fleming, Sharp Park, Lincoln and Golden Gate Courses, a \$2 per nine holes fee will be applied to all Greens Fees (except Junior Fees) to be set aside in a maintenance fund for that course. The accumulated funds will be used

periodically for special maintenance repairs or continue improvements at each course after consultation with course stakeholders. Because the current operator of Gleneagles is responsible for all maintenance, the additional maintenance fee is being added to the base rate under (2) above).

6. **Weekday Rates.** Modify the definition of weekday at Harding to include Friday before noon which is similar to other premier golf courses.
7. **Cost of Living Adjustments:** Under Park Code Section 12.20, the Commission had authority to increase all fees annually. However, those changes were not implemented annually. Starting with 2018-2019 all Resident Fees will automatically be adjusted annually in accordance with Section 12.20 based on the rate set as of July 1, 2017 and will not require any further action by the Commission.

**Fees After Changes:**

**Resident Cardholders and SF Tournaments:** The fees for Resident Cardholders and SF Tournaments would be as follows:

	Weekday Rates						Weekend Rates					
	Harding	Fleming	Lincoln	Sharp	GGP	Gleneagles	Harding	Fleming	Lincoln	Sharp	GGP	Gleneagles
Number of holes	18	9	18	18	9	9/18	18	9	18	18	9	9/18
SF Resident Cardholder (18/9 holes)	\$ 55	\$ 24	\$ 27	\$ 28	\$ 15	\$24/\$32	\$ 69	\$ 26	\$ 32	\$ 33	\$ 17	\$28/\$40
SF Resident Cardholder Senior	\$ 40	\$ 18	\$ 17	\$ 18	\$ 12	\$20/n/a	\$ 69	\$ 23	\$ 25	\$ 26	\$ 15	n/a
SF Resident Cardholder Junior	\$ 22	\$ 13	\$ 14	\$ 15	\$ 8	\$15/n/a	\$ 27	\$ 16	\$ 19	\$ 20	\$ 10	n/a
SF Resident Cardholder Twilight	\$ 44						\$ 53					
SF Tournament	\$128	\$ 34	\$ 47	\$ 50	\$ 22		\$138	\$ 45	\$ 57	\$ 60	\$ 30	
SF Res C Advance Booking (8-30 days)	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Special Projects Maintenance Fee*	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2		\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	
*Applies to every 9 holes except Junior												

For Resident Cardholders, flexible pricing will continue to apply except that the Department may provide a higher discount of up to 50% rather than 25%, and that the flexible pricing will apply to all courses. The revised provision will be as follows:

At all golf courses, the Department's General Manager or his or her designee may approve temporary fee increases and/or decreases in the Resident Cardholder Rates from time to time based on fluctuations in customer demand and conditions at those courses as follows:

- (1) discounts of not more than 50 percent for resident fees;
- (2) increases of up to 25 percent for resident fees.

**All Other Fees and Charges:**

For all other fees and charges, the Department's General Manager or his or her designee may approve a range of fees based on fluctuations in customer demand, type of use, comparable rates and conditions of the course at each of the Golf Courses.

**Economic Impact:**

The proposed changes are expected to increase revenues in 2018-19 as follows:

Ability to Offer Flexible Pricing for Golf Rates: \$40,000 to \$80,000

Ability to Increase Fees for Tournaments at Harding Park: \$60,000 to \$80,000

Ability to Offer Discounted Super Twilight Rates at Harding (this is a rate for when you can not complete a round due to darkness): \$120,000 to \$150,000

**Special Projects Maintenance Fee Per Course Based on 2016/2017 Rounds Played**

	<b>Rounds for FY 2016/201</b>	<b>Less Junior Rounds</b>	<b>Estimate Rounds</b>	<b>Revenue Impact</b>
<b>Harding Park</b>	49,316	(2,300)	47,016	\$ 188,064.00
<b>Lincoln Park</b>	26,290	(1,600)	24,690	\$ 98,760.00
<b>Sharp Park</b>	27,948	(600)	27,348	\$ 109,392.00
<b>Fleming</b>	32,984	(2,000)	30,984	\$ 61,968.00
<b>Golden Gate</b>	32,000	(4,250)	27,750	\$ 55,500.00
<b>Total</b>				\$ 513,684.00

**Recommendation:** Approve

**Supported by:**

San Francisco Public Golf Alliance

First Tee of San Francisco

TPC Harding Park, Division of the PGA Tour

Women's Golf Club, Sharp Park

Lincoln Park Golf Club

PGA Tour Golf Properties

Tom Hsieh, Gleneagles Golf

The operators of

Golden Gate Park Golf Course

Gleneagles Golf Course

TPC Harding Park and Fleming Golf Courses

Lincoln Park Golf Course

Sharp Park Golf Course

**Opposed by:**

None known