



The City of San Diego

Staff Report

DATE ISSUED: September 16, 2021
ATTENTION: Municipal Golf Committee
SUBJECT: Golf Operations Three Year Business Plan Update
REFERENCE: 2012 Golf Division Business Plan

REQUESTED ACTION:

Approve the business plan update.

STAFF RECOMMENDATION:

Approve the requested item.

SUMMARY:

THIS IS AN ACTION ITEM.

Since 1919, the City has managed and operated a municipal golf program for residents and visitors in San Diego. Currently, the City operates three golf complexes: Balboa Park Golf Course, Mission Bay Golf Course and Torrey Pines Golf Course.

In 2012, City Council approved the Golf Division Business Plan (the "Business Plan"), which provides a framework that guides the operation and management of City-operated golf complexes. The plan's goal is to provide high-quality golfing opportunities to the public; ensure golf complexes are properly maintained and ensure the Golf Enterprise Fund's long-term financial sustainability.

The Business Plan outlines a divisional review process whereby the Municipal Golf Committee, provides advisory input on a regular basis. Additionally, the City's Parks and Recreation Board is provided an update every twelve months and the City Council's Environment Committee receives a formal update on the Business Plan every three years.

DISCUSSION:

This report, in accordance with the adopted Business Plan will provide a golf update, including course information, golf rounds data, financial information and progress on Business Plan initiatives.

City Golf Division Course Information

Balboa Park Golf Course:

Operating since 1919, the 160-acre facility features a 6,281 yard, 18-hole championship course and a 2,175 yard, 9-hole executive course. The facility is the oldest municipal golf course in San Diego County and hosts the annual San Diego City Amateur Championship.

Mission Bay Golf Course:

Built in 1955 and turned over to the City in 2003, this 46-acre facility features a 2,706 yard, executive 18-hole course and practice facility with a driving range, putting green and short game area. The facility also offers both 18-hole Footgolf course and a Disc Golf course and is the only night-lit golf course in the county.

Torrey Pines Golf Courses:

Operating since 1957, this 220-acre facility features two internationally renowned 18-hole championship courses that regularly rank as two of the best public courses in the country. The facility currently hosts the Professional Golfers Association (PGA) Tour's annual Farmers Insurance Open event and has regularly hosted a PGA event since 1968. Torrey Pines South hosted the United States Golf Association's prestigious U.S. Open Golf Championship in 2008 and most recently in 2021.

Golf Industry Trends

As reported in June 2021 by the National Golf Foundation (NGF), a leader in golf industry research and reporting, 2020 was a year of resurgence for the U.S. golf industry. Approximately 24 million people play at a golf course each year which is holding steady for sixth consecutive year. Off-course participation in the game is continuing to grow by double-digits as a result of the increasing popularity in golf entertainment venues and other off-course outlets. With monthly rounds played surpassing historical averages, year to date, rounds of golf nationally are up over 22% from the previous year. Unlike virtually every other sport, golf participation has held steady across all age demographics with most players continuing to play well into their seventies, as compared to other sports that see a dramatic decrease in participation at age 65.

The recent resurgence in golf can be directly correlated to the current COVID-19 global pandemic. In March 2020, more than half of all U.S. golf courses were temporarily closed due to the coronavirus, seasonality, or a combination of the two, which left many businesses struggling to operate due to the high level of uncertainty. As information about the virus evolved, outdoor activities like golf were allowed to continue while most other hospitality and recreational venues remained closed for public safety reasons. As reported by NGF, by June 2020, more than 98% of facilities had reopened.

As a result, with limited recreational options in which the public could socially distance and safely participate in, golf courses across the U.S. reported large increases in attendance and revenue. With the influx of new and existing customers, more than 75 million additional rounds of golf were played nationally than the same seven-month period in the second half of 2019. Today the industry is continuing to see increases in rounds played as well as in the retail sector.

In the regional golf market, the NGF reported that rounds in California have continued to see increases and if the current year-to-date performance remains consistent, then the state should close the year on a very positive note.

As with statewide trends, the Golf Division has experienced a substantial increase in play in the past 18 months. This is evident by mere fact that more than 10,000 new resident ID cards have been issued over the past year. Rounds in the San Diego area continue to trend in a positive direction following these increases. Balboa Park and Mission Bay Golf Courses reported increases that exceeded national averages. Even though the Division is seeing increases in participation, golf courses, like many local businesses, are experiencing extreme staff shortages and are struggling to balance operational needs with the reality of the current staffing crisis. Supervisors are working to fulfill these recruitment opportunities as expeditiously as possible, but these shortages may potentially impact the City’s ability to provide quality customer service, optimal course conditions or both in the very near future.

Customer Satisfaction

A new customer satisfaction survey was conducted in September 2020 (FY 2021). The overall findings from the report are listed in the table below:

Table A – Customer Satisfaction Survey Comparison

	FY 2021	FY 2019	FY 2017
Balboa Park	95%	90%*	98%
Mission Bay	96%	93%*	91%
Torrey Pines North	98%	93%*	96%
Torrey Pines South	97%	93%*	98%

*Storm damage, cart path restrictions, construction at Torrey Pines South and the timing of when the report was conducted, affected survey results.

Overall customer satisfaction in the FY 2021 report ranged between 95% and 98% for City-operated golf courses. Customer rating choices for satisfaction were: Excellent, Good, Fair, Poor, Very Poor or Not Sure. Ratings of Excellent, Good or Fair were deemed satisfied customers.

The next survey is scheduled to be completed in FY 2023.

Golf Rounds

As shown in Table B, rounds played at all City-operated courses increased from 305,524 in FY 2020 to 414,572 in FY 2021, an increase of 109,048 or 36%. This increase is due primarily to the surge in play at both Balboa Park Golf Course and Mission Bay Golf Course which can be attributed to the lack of recreational opportunities due to the Covid 19 pandemic. Surprisingly, the 36% increase was achieved despite the temporary closure of the South Course at Torrey Pines from June 7 to June 23, 2021 to host the U.S. Open and the closure of the North Course beginning April 28, 2021 to build infrastructure for the USGA event.

Management does not anticipate that the increased interest in golf will continue at its current pace, but the Division is focusing on strategies to retain customers and increase loyalty at City golf facilities by offering a quality product for the price.

Table B – Annual Rounds Comparison

	FY 2021	FY 2020	FY 2019
Balboa 9 - Hole	79,426	48,777	44,267
Balboa 18 - Hole	83,015	60,308	61,871
Mission Bay	102,025	60,918	66,404
Torrey Pines North (1)	77,214	75,080	84,876
Torrey Pines South	72,892	60,441	63,937
Total (2)	414,572	305,524	321,355
Percentage Change	35.69%		

(1) North Course closed May-June 2021 For U.S. Open Championship preparation

(2) FY 2020 golf courses closed March 21, 2020 to May 1, 2020 due to COVID-19 pandemic

The 2012 Business Plan identified a target goal for the number of golf rounds to be played at each course, which was based on historical numbers. Play at each course has exceeded the number of targeted rounds which corresponds with golf industry trends.

Table C – Golf Division FY 2021 Annual Rounds

	Target Rounds	Actual Rounds	Difference	% of Target Met
Balboa 9 - Hole	60,000	79,426	19,426	132%
Balboa 18 - Hole	70,000	83,015	13,015	119%
Mission Bay (2)	75,000	102,025	27,025	136%
Torrey Pines North (1)	82,800	77,214	-5,586	93%
Torrey Pines South	64,000	72,892	8,892	114%
Total	351,800	414,572	62,772	118%

(1) North Course closed May-June 2021 for U.S. Open Championship preparation

These targets are based on an optimal number of rounds played while maintaining a quality golf experience. With an increased focus on quality course conditions, coupled with the surge in play at Balboa Park Golf Course and Mission Bay Golf Course, the Division has noticed a significant increase in activity at both facilities in FY 2021.

Financial Position

The financial position of the Golf Enterprise Fund remains strong and is well positioned going into the next fiscal year. Based off revenue and expenses, the net income to the Golf Enterprise Fund for FY 2021 exceeded \$9.8 million.

Over the past three years, the Golf Division has averaged an annual net profit of \$3.5 million, which has been set aside for the funding of capital improvement projects at all three facilities. The \$4.33 million increase in FY 2019 is primarily due to the full operation at

Torrey Pines North Course after completion of the reconstruction, coupled with the increase in fees and rising demand at Balboa Park and Mission Bay Golf Courses.

One area of concern is rising expenses. On an annual basis, the budget has been increasing at approximately 5%. When comparing FY 2019 expenses to the FY 2021 budget, expenses have increased approximately \$1.7 million over that time period. As supply chain issues plague the industry, we anticipate the need to increase the budget to maintain the current services levels in FY2022.

Table D – Golf Division Revenue vs. Expenses

	Revenue	Expenses	Net Revenue
FY 2021	\$29,914,794	\$20,009,609	\$9,905,185
FY 2020 (1)	\$23,122,888	\$19,191,858	\$3,931,030
FY 2019	\$24,837,924	\$18,302,652	\$6,535,272

(1) Golf courses closed March 21, 2020 to May 1, 2020 due to COVID-19; The golf courses reopened with health and safety protocols in place due to COVID-19.

Capital Improvements Program (CIP)

City golf courses continue to be assessed for improvements, so they are able to deliver a quality golf experience and streamline operational expenses. Over the past three years, the Golf Division has invested over \$18.5 million in capital improvements on the golf courses, which has directly impacted the quality of each of the facilities. The Golf Division will continue to invest in capital projects that focus on enhancing facility maintenance and upgrading infrastructure to improve golf course conditions. The following is an update of current key projects at City-operated golf courses:

- Mission Bay Golf Course
 - Golf Course Renovation & Reconstruction Improvements project– This project went out to bid in May 2021, was awarded in August and is set to commence in Fall 2021. This project will consist of a new state-of-the-art irrigation system which will improve course conditions and provide a more efficient use of water at the course. This project also includes infrastructure improvements for the electrical system, demolition of the existing 60-year-old club house/restaurant, installation of modular buildings with restrooms, a café and clubhouse. These improvements will enhance the customer experience and provide a pleasant atmosphere that encourages customers to stay on property longer.

- Torrey Pines Clubhouse Project

The Division will begin the design phase by hiring an architect to design a new clubhouse at Torrey Pines Golf Course. The project will consist of demolishing the current clubhouse, relocating the putting greens and creating a new clubhouse. The new clubhouse will include the golf shop (currently operated by a lessee), a cart barn and office space for Golf

Division management and administrative staff which are currently located in a temporary facility at Mission Bay Golf Course.

- Torrey Pines North Course
 - Repair Storm Drain Outfall – A draft Biological Technical Report and the Geotechnical Report are currently under review. The scope of work will consist of expanding the current storm drain to reduce the erosion of the cliff between 12 green and 13 tee boxes on the North Course. This work is scheduled to commence in March 2022.

Fee Increases

To maintain appropriate funding and reserves, and in accordance with the standards set forth in the 2012 Golf Division Business Plan, the Golf Division will be implementing fee increases for all City Operated Golf Courses on Jan. 1, 2022 as detailed in Exhibit A. The increase will be capped at 3% (\$1-\$2) for residents and 5% (\$4 - \$13) for non-residents depending on the day of week. These increases are justified by the improvements to the overall golf experience as well as year over year expense increases.

Marketing and Business Development

The Division continued its successful strategy of utilizing internal marketing platforms as well as traditional broadcast and social media to effectively promote each facility and provide customers with the latest information about general course and maintenance updates, new initiatives and upcoming events, among others.

The Division remained focused on improving customer service and engagement via its in-house marketing platforms including the “On the Tee” monthly e-newsletter, website, seven social media accounts, the sdcitygolf@sandiego.gov email for general inquiries, a mobile app and the Division’s online reservation messaging system. Below is a synopsis of marketing initiatives implemented:

- Debuting its inaugural edition in 2015, the monthly “On the Tee” e-newsletter, which informs the public about upcoming news and events, maintenance schedules and programs offered by the Golf Division, remains the primary form of communication to both resident and non-resident golfers. In an effort to maximize the number of potential recipients, the Division switched from a previous e-newsletter provider to its online reservation provider’s email module in January 2019. The Division created targeted mailing lists specifically for residents and non-residents and streamlined mailing list accuracy. As a result, the Division was able to more than triple its total of email recipients with more than 60,000 people receiving the monthly e-newsletter. More encouraging, while the number of recipients increased substantially, the average open rate for Division communications remained over 30% on average.
- The sandiego.gov/golf website continues to be the primary destination for residents and non-residents to find information about each course, pricing, maintenance schedules and the primary access to the ForeUp online reservation system to book available tee times. After a review of the page analytics and public input, the sandiego.gov/torrey-pines page underwent an extensive redesign in 2021 resulting in a more streamlined, convenient and more visually engaging user experience. The Division is also considering

redesigns of both the Mission Bay and Balboa Park web pages and will work with the City's IT web team as needed.

- Launched in early 2016, the Division continues to maintain seven social media accounts for all three City-operated golf courses and has a combined total of more than 25,000 followers. Each course currently handles its own content for Facebook and Twitter while Torrey Pines also maintains an Instagram account. Each account is designed to promote and market the courses both at the local and national level, while building brand loyalty and engagement. After reviewing each account's content and engagement, it was determined that both Mission Bay and Balboa Park courses would suspend their Twitter accounts and replace them with Instagram accounts. This transfer is scheduled to occur once the City releases its official administrative regulations related to social media. The Division enjoyed a significant uptick in interest in the facility's social media accounts when the 2021 U.S. Open was held at Torrey Pines and experienced increased traffic and engagement. The Torrey Pines Instagram account is the most popular of the City's social media accounts. Recently it surpassed over 15,000 followers and was designated as an official account. The Division will continue to work toward increasing the frequency of content for all three facilities so it can capitalize on the increased interest in golf and build engagement and loyalty year-round.
- A SDCityGolf@sandiego.gov general email line was created to provide golfers another outlet to ask any questions they have about City golf facilities. The account receives thousands of emails each year and provides another outlet for the public to reach Division staff when phone lines are full. This account was instrumental in assisting customers with the hundreds of refund requests that needed to be processed during the initial stages of the COVID-19 pandemic and continues to add value to public.
- A new mobile app "San Diego City Golf" has provided golfers real time access to online reservations, resident card purchases and renewals, digital scorecard features complete with GPS function. To date, the app has received more than 38,000 downloads with more than 23,000 active users. The Division has been able to use the app to send push notifications to the public if there are unforeseen openings in the tee sheet to ensure openings are filled quickly. The Division continues to explore the possibility of incorporating additional features into the app for increased convenience including a food and beverage purchase options and green fee payment options and a digital resident card.
- Undertow Classic - In 2019, the Golf Division worked in partnership with the San Diego Parks Foundation nonprofit to create the Undertow Classic: a charity golf tournament held at Torrey Pines with the proceeds benefitting Parks and Recreation general fund programming. Now in its third successful year, the event has sold out each year (even in the midst of the COVID-19 pandemic) and has raised \$75,000 to help provide children in communities of concern with access to parks programming they may not otherwise be able to afford.
- Media Outreach

The Golf Division continues to secure a number of significant local, national and international media placements as the result of a successful U.S. Open and the annual Farmers Insurance Open. The Division helped staff and assisted local and national outlets in providing access to the course to secure aerial coverage of Torrey Pines North and South courses as well as interviews with Division staff. Some samples include:

- Interview with Superintendent Rich McIntosh with Golf Channel’s Rich Lerner and Paige McKenzie previewing the Torrey Pines South Course in preparation for the U.S. Open.
- Worked with Barstool Sports to create a 45-minute “Behind the Greens – U.S. Open” video spotlighting the intense amount of preparation needed to host a major championship. The video features interviews with Division staff and covers the creation of the driving range on the North Course and the work done to get the South Course in optimal condition for the U.S. Open.
<https://www.youtube.com/watch?v=P77o7nb6Y98>
- Worked with ESPN to create an hour long “America’s Caddie” featuring television personality Michael Collins as he toured the course prior to the U.S. Open and highlighted iconic moments from the last time Torrey Pines hosted in tournament in 2008.
- Facilitated a number of U.S. Open related interviews and photo shoots for magazines and podcasts including:
 - Golf Digest
 - Golf Magazine
 - PGA Tour Radio Show
 - Fried Egg Podcast
 - Bunkered
 - Sirius XM Radio

A front-page story in the San Diego Union-Tribune Sports section celebrating the centennial anniversary of the opening of Balboa Park Golf Course- the oldest municipal golf course in San Diego County. <https://www.sandiegouniontribune.com/sports/golf/story/2019-04-04/san-diego-golf-balboa-park-100-anniversary>

Youth Golf

Research shows that exposing kids at an early age to golf in schools or through structured programs positively influences their receptiveness and interest in the game. These methods of introduction are found to be equally as effective as introducing children to golf at an actual golf facility. The City has a number of low-cost initiatives designed to encourage youth participation and interest in the game to help create future generations of golfers in San Diego. Some of these initiatives include:

- Junior Monthly Ticket Program – Junior residents, with a valid resident ID card, can purchase a ticket for \$10.50 and play free of charge during certain times of the day and each of the Golf Division courses on a standby basis.
- The City contracted with Game of Life First Inc./Lion Golf Academy: a full-time player development academy that focuses on families with an emphasis on juniors. Classes are offered year-round at Balboa Park and Mission Bay Golf Course and are conducted by certified PGA Professionals with some of the lowest class student/instructor ratios in the country. As an additional consideration to the City, Lions Golf Academy will actively participate in the development and

growth of the Golf Division's growth-of-the-game initiatives such as PLAY Golf, Women's Golf Day and additional programs by providing the City with at least 200 hours per calendar year of staff time towards these efforts.

- As part of the Torrey Pines Club Corporation agreement with the City, they will also be providing 200 hours of per Calendar year of staff time for the development and growth of the Golf Division's growth-of-the-game initiative PLAY Golf.
- IMG Junior World Golf Championships – the Golf Division has hosted this prestigious youth golf event at its facilities over the past 54 years. The championship is the largest international event in the world and is unique for its representation and cultural diversity. This year, the tournament boasted approximately 1,250 participants in ages ranging from under 6 to 18 representing 56 countries and 42 states. Many of the former champions (including Tiger Woods, Craig Stadler, Phil Mickelson, Ernie Els, Amy Alcott, Jason Day and others) have gone on to successful careers on the PGA and LPGA Tour.
- PGA Junior Golf League – all three Golf Division courses have supported this national PGA Program by fielding teams and holding matches in a Citywide league. Leagues have currently been postponed due to COVID-19 and are anticipated to resume pending participation and operational needs.
- High School Play – the Golf Division allows access for local high schools to play each of the three facilities and hosts an average of 16 different high schools for both the boys and girls seasons.
- Colligate Golf – the Golf Division continues to support local college teams by making Balboa Park Golf Course and Mission Bay Golf Course available for their team matches and practice needs. In addition to demonstrating our willingness to be positive civic partners, offering City facilities to local colleges increases exposure of our lesser known facilities to a younger demographic and encourages increased play.
- The Division continues to collaborate with local golf organizations including San Diego Junior Golf Association and Southern California Golf Association to expand outreach to younger audiences to generate interest in golf.

Farmers Insurance Open

For nearly 60 years, the PGA Tour has held an annual golf tournament in San Diego. Though it has been played at many different golf courses throughout the years, in 1968, the San Diego Open made its home at Torrey Pines Golf Course. The Century Club, which was founded in 1961 and a local nonprofit organization, has partnered with the City of San Diego to host the tournament. Over the years, they have used the game of golf as the platform to showcase San Diego to an international audience, generate revenue for the City, and make a difference in our community by creating programs that benefit at-risk and underserved youth charities, first responders, and military members.

The 2022 tournament will mark the 55th time the event is being held at Torrey Pines Golf Course, and the 13th year of Farmers Insurance sponsorship of the tournament. With defending champion Patrick Reed, the Farmers Insurance Open consistently attracts a world-class field. Other past champions include Justin Rose, Phil Mickelson (three-time winner), Jason Day, Jon Rahm, and seven-time champion Tiger Woods.

The tournament is currently the largest annual sporting event held in San Diego and helps bolster the City's hotel and tourism industry by bringing in crowds that average over 100,000 attendees over the course of the four-day event. The Farmers Insurance Open kicks off the PGA TOUR's national broadcast schedule with a telecast on CBS and Golf Channel. The broadcast averages 60+ hours of coverage with more than 20 million viewers tuning in each year. As San Diego's only annual event with a national and international broadcast, the Farmers Insurance Open serves as a valuable marketing asset for the local economy. Each year, the tournament infuses revenue into the local economy by (typically) hiring more than 200 vendors, recruiting more than 1,100 volunteers, and attracting fans from all 50 states and 17 countries, generating a \$34.3 million economic impact on the City of San Diego.

U.S. Open Championship

The U.S. Open Championship is one of golf's four major events of the year. In 2008 the championship was held at Torrey Pines Municipal Golf Course and had one of the most memorable finishes in the history of the game and from one of golf's most notable figures, Tiger Woods. In June 2021, Torrey Pines South, hosted another successful event that also had a memorable finish when John Rahm sank an incredible putt on the 18th green to take the lead and ultimately win his first U.S. Open title. The event played at 7,698 yards, marking the second longest layout in U.S. Open history.

Praise from players and organizers alike were given for the exceptional playing conditions provided by City staff and volunteers from around the country. Due to various challenges related to the pandemic, the event was limited to an average attendance of 11,000 people per day. Even with the reduced attendance, the City of San Diego received major national and international attention. With approximately 150 hours of television coverage that were broadcasted to over 175 countries and territories, it came as no surprise that the exposure would result in an increased interest from golfers around the world who wanted to come and play the South Course. It was estimated that the telecast reached over 25.6 million viewers in the U.S. alone and we anticipate many of them will ultimately visit the greater San Diego region providing further economic impact.

The Division will seek to continue the partnership with the United States Golf Association (USGA) with the hope that Torrey Pines will be selected to host another U.S. Open in the near future.

Business Plan Primary Accomplishments (FY 2019 to FY 2021)

The following have been accomplished in accordance with the Business Plan since the 2018 plan update:

- Balboa Park Golf Course
 - Parking Lot Resurfacing – The entire parking lot was regraded, resurfaced and striped, which has improved traffic flow, provided wider parking spaces and offered a better first impression for guests. The project included new surfaces and accessibility improvements around the clubhouse and addressed safety hazards for staff and guests alike.

- Wash Rack Installation - a capital improvement project aimed at assisting maintenance staff in maintaining equipment was completed.
 - Completed a Request for Proposal (RFP) to procure a new state of the art, lithium powered golf cart fleet. The fleet was delivered in May 2021.
 - Secured new contract with Lion Golf Academy for junior and adult golf instruction.
 - Procured a new driving range ball machine and software to improve customer service by providing contactless dispensing and purchasing range balls without waiting in line. This also created improved controls and increased loss prevention efficiencies.
 - Transitioned workspaces to adhere to new safety protocols due to COVID 19, which allowed for appropriate social distancing.
 - Credit card terminals were updated to allow for contactless processing.
- Mission Bay Golf Course
 - Incorporated disc golf into the Golf Division App, which allowed for a “first of its kind” digital GPS Scorecard and created a new avenue to connect with new customers.
 - Secured an outside lighting vendor which allows the division to make repairs much sooner when an unexpected outage occurs.
 - Completed a Request for Proposal (RFP) to procure a new state of the art, lithium powered golf cart fleet. The fleet was delivered in May 2021.
 - Secured new contract with Lion Golf Academy for junior and adult golf instruction.
 - Procured a new driving range ball machine and software to improve customer service by providing contactless dispensing and purchasing range balls without waiting in line. This also created improved controls and increased loss prevention efficiencies.
 - In August of 2021, the driving range at Mission Bay was enhanced by extending the perimeter fence and regrading the range so new netting could be installed. This presents a much more pleasant view from the hitting line and provides a clearer view for golfers looking to study their golf shots.
 - Credit card terminals were updated to allow for contactless processing.

- Torrey Pines Golf Course
 - In January 2019 the Golf Division hosted the inaugural Undertow Classic golf tournament. The Golf Division partnered with the newly formed San Diego Parks and Recreation Foundation, a non-profit organization, to host a charity event at Torrey Pines North with all of the proceeds benefitting future Parks and Recreation initiatives.
 - In FY 2019, the Division implemented an Online Advance Reservation Portal allowing resident and non-resident golfers the option of securing tee times up to 90 days in advance and allowing for payment of booking fees online via a secure payment gateway. Customers may take advantage of this tool and book 24 hours a day, 7 days a week from anywhere in the world. In FY2021, booking fees accounted for over \$2.6 million in revenue, which was a 37% year over year.
 - In June 2019, the Division introduced a mobile app for the three City-operated courses to continue to improve the customer experience. The app offers users the opportunity to make advance reservations, renew resident ID cards, provide GPS functionality at all three facilities, request a golf tournament and provide push notifications to customers with the latest updates and maintenance news from each course. After its initial launch, the app had approximately 7,000 downloads. Currently, the app has been downloaded more than 38,000 times with an active user base of over 23,000.
 - In an effort to streamline the residency verification process, the Division partnered with ID.me to allow residents to enter their resident information online and receive verification 24 hours a day from their own home. This tool was invaluable to residents and staff members during the COVID-19 pandemic and in accounted for nearly 30,000 confirmed residency verifications without having to visit a City facility in person. It also helped to reduce potential mistakes and fraud by using a third-party verification system to assess a person's residency.
 - Completed the \$17 million South Course infrastructure project that focused on the installation of a state-of-the-art irrigation system and incorporated several strategic changes by famed golf course architect, Rees Jones. The project relined and refreshed bunkers, improved drainage throughout the property, created new tee boxes while realigning existing ones and restored the greens edges to their original design.
 - Moved golf operations into the golf shop to improve the customer experience when checking in for tee times.
 - Torrey Pines South Course successfully hosted its second U.S. Open tournament. Players and officials alike were extremely impressed with the course conditions and event management in the midst of the COVID-19 pandemic.

Future Outlook

During the next 12 months, efforts will be made to enhance overall customer service and improve the experience for guests to help retain our current patrons while trying to increase the number of new golfers at each of the three golf facilities. With the substantial increases in play that were experienced in FY2021, management does not anticipate the interest in golf will be able to sustain at these current levels. As more recreational options become available, we believe there will be a drop in play. Over the next twelve-month period, we will monitor play, work to capitalize on our customers service and adjust to market trends as they become evident.

Future priorities include:

- Continue to maintain the Golf Enterprise Fund's strong financial position after hosting the 2021 U.S. Open. The Golf Division will continue to responsibly manage the resources to ensure no General Fund obligations will be necessary to operate municipal golf facilities. The City of San Diego has submitted a formal invitation to the USGA in hopes to secure an opportunity to host a future U.S. Open event.
- Improve and invest in upgrading facility infrastructure to ensure staff has the tools necessary to provide exceptional customer service and quality golf course conditions at an affordable price.
- Continuing to invest in our employees. The Golf Division has recently created a new rewards and recognition program known as the "Ace Award." This program will allow employees to nominate their colleagues and peers to recognize exemplary work.
- Improve communication with staff by continuing to create, develop and distribute an internal newsletter (Bunker Bulletin) to recognize staff accomplishments and establish camaraderie between the Operations and Maintenance divisions at each course. This newsletter will provide Golf Division employees with important updates, interesting stories, acknowledgements, contest opportunities and rewards.
- Continue the implementation of ongoing capital improvement projects at golf course facilities that benefit the public and improve the operation of each City operated golf facility.
- Issue a new long-term contract for a new food and beverage operation at Balboa Park Golf Course and Mission Bay Golf Course. The Division anticipates that a new contract will result in improvements in the restaurant and club house area.
- Research potential opportunities for salary adjustments to help with the current employee recruitment and retention challenges.
- The Division will assess ways to increase the number of social media followers and/or re-position its accounts for more engagement and effectiveness in the future.

CONCLUSION:

Since its approval by City Council in November 2012, the Golf Division's Business Plan has been the guiding document management and staff have utilized to improve customer service, effectively market City golf facilities and place the Division on sound financial ground. The framework and flexibility of the plan has been effective in allowing the Division to adapt to market changes in a much more efficient manner. Interest and participation in golf from the various user groups continues to strengthen as market corrections in the supply of regional golf courses finds the right balance. Over the next three years, we anticipate golf rounds for the Division to remain strong at over 320,000 per year, which reflects the stability created as a result of the plan.

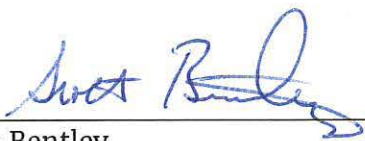
Of note, all three courses continue to enjoy high marks in overall customer satisfaction. The most recent 2021 customer satisfaction survey continues to show that the overall experience at all three courses is very good and the majority of customers are pleased with the product and experience in general. This is evident in the high amount of play the courses receive and the revenue they continue to generate despite increased maintenance costs and continued corrections in the overall market.

The Golf Division continues to seek opportunities to make capital investments to improve course conditions and efficiencies, as well upgrade course facilities to enhance the customer experience. Through its continued operation of Torrey Pines Municipal Golf Course, it will also continue to foster and cultivate its well established relationships with prestigious golf organizations like the PGA Tour and the USGA to keep the City of San Diego top of mind as a premier golfing and tourist destination.

The Division will continue to implement Business Plan recommendations in its efforts to provide a world class golf experience that caters to golfers of all ages and skill levels.

We ask that you approve the update to the business plan as proposed and we thank you for your time and consideration.

Respectfully submitted,



Scott Bentley
Deputy Director, Golf Operations Division

cc: John Howard, Assistant Deputy Director, Golf Operations Division
Rumi Doherty, Supervising Management Analyst, Golf Operations Division

EXHIBIT A

BALBOA PARK 9 HOLE GOLF COURSE PROPOSED FEE INCREASES			
TYPE OF FEE	Current Fees	New Fees	Change
RESIDENT	2021	2022	
9 Holes – Weekdays Adult	\$15	\$16	\$1
9 Holes – Weekdays Junior	\$14	\$15	\$1
9 Holes – Weekdays Senior	\$11	\$12	\$1
9 Holes – Weekends / Holidays	\$20	\$21	\$1
NON-RESIDENT			
9 Holes – Weekdays Adult	\$20	\$21	\$1
9 Holes – Weekdays Junior	\$15	\$16	\$1
9 Holes – Weekdays Senior	\$20	\$21	\$1
9 Holes – Weekends / Holidays	\$25	\$26	\$1
TOURNAMENTS			
Tournament – Weekdays – Tee Times	\$28	\$29	\$1
Tournament – Weekdays – Shotgun Start	\$40	\$42	\$2
Tournament – Weekends / Holidays – Tee Times	\$35	\$37	\$2
Tournament – Weekends / Holidays – Shotgun Start	\$45	\$47	\$2
1 Day Course Buy-Out (Monday / Thursday)	\$17,000	\$17,000	\$0
1 Day Course Buy-Out (Friday/Sunday and Holidays)	\$20,000	\$20,000	\$0

BALBOA PARK 18 HOLE GOLF COURSE PROPOSED FEE INCREASES			
TYPE OF FEE	Current Fees	New Fees	Change
RESIDENT	2021	2022	
18 Holes – Weekdays Adult	\$34	\$35	\$1
18 Holes – Weekdays Junior	\$30	\$31	\$1
18 Holes – Weekdays Senior	\$24	\$25	\$1
18 Holes – Weekends / Holidays	\$42	\$43	\$1
Twilight Weekdays	\$21	\$22	\$1
Twilight Weekends	\$26	\$27	\$1
NON-RESIDENT			
18 Holes – Weekdays Adult	\$44	\$46	\$2
18 Holes – Weekdays Junior	\$30	\$32	\$2
18 Holes – Weekdays Senior	\$44	\$46	\$2
18 Holes – Weekends / Holidays	\$56	\$59	\$3
Twilight Weekdays	\$26	\$27	\$1
Twilight Weekends	\$34	\$36	\$2
TOURNAMENTS			
Tournament – Weekdays – Tee Times	\$58	\$61	\$3
Tournament – Weekdays – Shotgun Start	\$68	\$71	\$3
Tournament – Weekends / Holidays – Tee Times	\$68	\$71	\$3
Tournament – Weekends / Holidays – Shotgun Start	\$80	\$84	\$4
1 Day Course Buy-Out (Monday / Thursday)	\$19,000	\$19,000	\$0
1 Day Course Buy-Out (Friday/Sunday and Holidays)	\$24,000	\$24,000	\$0

TORREY PINES SOUTH COURSE PROPOSED FEE INCREASES			
TYPE OF FEE	Current Fees	New Fees	Change
RESIDENT	2021	2022	
18 Holes – Weekdays (Mon. – Thurs.) Adult	\$63	\$65	\$2
18 Holes – Weekdays (Mon. – Thurs.) Junior	\$63	\$65	\$2
18 Holes – Weekdays (Mon. – Thurs.) Senior	\$44	\$45	\$1
18 Holes – Weekends (Fri. – Sun.) / Holidays	\$78	\$80	\$2
Twilight Weekdays (Mon. – Thurs.)	\$38	\$39	\$1
Twilight Weekends (Fri. – Sun.)	\$47	\$48	\$1
NON-RESIDENT			
18 Holes – Weekdays (Mon. – Thurs.) Adult	\$202	\$212	\$10
18 Holes – Weekdays (Mon. – Thurs.) Junior	\$141	\$148	\$7
18 Holes – Weekdays (Mon. – Thurs.) Senior	\$202	\$212	\$10
18 Holes – Weekends (Fri. – Sun.) / Holidays	\$252	\$265	\$13
Twilight Weekdays (Mon. – Thurs.)	\$122	\$128	\$6
Twilight Weekends (Fri. – Sun.)	\$151	\$159	\$8
TOURNAMENTS			
Tournament – Weekdays (Mon. – Thurs.)	\$202	\$212	\$10
Tournament – Weekends (Fri. – Sun.) / Holidays	\$252	\$265	\$13
1 Day Course Buy-Out (Weekday/Weekends Non-Holiday)	\$54,000	\$54,000	\$0

TORREY PINES NORTH COURSE PROPOSED FEE INCREASES			
TYPE OF FEE	Current Fees	New Fees	Change
RESIDENT	2021	2022	
18 Holes – Weekdays (Mon. – Thurs.) Adult	\$44	\$45	\$1
18 Holes – Weekdays (Mon. – Thurs.) Junior	\$44	\$45	\$1
18 Holes – Weekdays (Mon. – Thurs.) Senior	\$32	\$33	\$1
18 Holes – Weekends (Fri. – Sun.) / Holidays	\$58	\$60	\$2
Twilight Weekdays (Mon. – Thurs.)	\$28	\$29	\$1
Twilight Weekends (Fri. – Sun.)	\$34	\$35	\$1
9-Hole Only (back 9) Weekends (Fri. – Sun.)/Holidays	\$34	\$35	\$1
NON-RESIDENT			
18 Holes – Weekdays (Mon. – Thurs.) Adult	\$128	\$134	\$6
18 Holes – Weekdays (Mon. – Thurs.) Junior	\$89	\$93	\$4
18 Holes – Weekdays (Mon. – Thurs.) Senior	\$128	\$134	\$6
18 Holes – Weekends (Fri. – Sun.) / Holidays	\$160	\$168	\$8
Twilight Weekdays (Mon. – Thurs.)	\$76	\$80	\$4
Twilight Weekends (Fri. – Sun.)	\$96	\$101	\$5
9-Hole Only (back 9) Weekends (Fri. – Sun.)/Holidays	\$96	\$101	\$5
TOURNAMENTS			
Tournament – Weekdays (Mon. – Thurs.)	\$128	\$134	\$6
Tournament – Weekends (Fri. – Sun.) / Holidays	\$160	\$168	\$8
1 Day Course Buy-Out (Weekday/Weekends Non-Holiday)	\$54,000	\$54,000	\$0

MISSION BAY GOLF COURSE PROPOSED FEE INCREASES			
TYPE OF FEE	Current Fees	New Fees	Change
RESIDENT	2021	2022	
18 Holes – Weekdays Adult	\$26	\$27	\$1
18 Holes – Weekdays Junior	\$11	\$11	\$0
18 Holes – Weekdays Senior	\$19	\$20	\$1
18 Holes – Weekends / Holidays	\$32	\$33	\$1
9-Holes Adult Weekday	\$15	\$15	\$0
9-Holes – Weekdays Junior	\$11	\$11	\$0
9-Holes Senior Weekday	\$11	\$11	\$0
9-Holes Weekend/Holidays	\$20	\$21	\$1
NON-RESIDENT			
18 Holes – Weekdays Adult	\$32	\$34	\$2
18 Holes – Weekdays Junior	\$22	\$23	\$1
18 Holes – Weekdays Senior	\$32	\$34	\$2
18 Holes – Weekends / Holidays	\$40	\$42	\$2
9-Holes Adult Weekday	\$19	\$20	\$1
9-Holes – Weekdays Junior	\$13	\$14	\$1
9-Holes Senior Weekday	\$19	\$20	\$1
9-Holes Weekend/Holidays	\$24	\$25	\$1
TOURNAMENTS			
Tournament – Weekdays	\$32	\$34	\$2
Tournament – Weekends / Holidays	\$40	\$42	\$2