

APPROVED
APR 15 2009

REPORT OF GENERAL MANAGER

NO. 09-089

DATE April 15, 2009

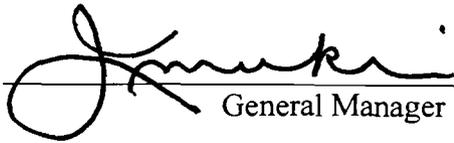
BOARD OF RECREATION
and PARK COMMISSIONERS

C.D. Various

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: MODIFICATIONS TO GOLF NON-RESIDENT FEE POLICIES

V. Israel _____	J. Kolb _____
H. Fujita _____	F. Mok _____
S. Huntley _____	*K. Regan _____
R. Adams _____	M. Shull _____



 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board approve the proposed Resident/Non-Resident fee structure changes to the Schedule of Rates and Fees for Golf as outlined in the body of this report, effective upon approval by the Board.

SUMMARY:

On June 18, 2008, the Department of Recreation and Parks Board of Commissioners approved a series of fee increases for the City's thirteen (13) golf courses, including a new City of Los Angeles Resident/Non-Resident fee structure (Board Report 08-178). The Resident/Non-Resident fee structure called for increased fees for Non-Resident golfers at all City golf courses. The Department is proposing changing the Resident/Non-Resident fee structure as follows:

1. Eliminating the premium charged for Non-Resident reservation cards; and
2. Eliminating Resident/Non-Resident fee structure at Harbor Park 9-Hole ("Harbor Park"), Los Feliz Pitch-and-Putt ("Los Feliz"), Rancho Park Pitch-and-Putt ("Rancho 9"), and Holmby Park Pitch-and-Putt ("Holmby Park") golf courses, effective immediately.

Eliminating the Premium Charged For Non-Resident Reservation Cards

On September 1, 1999, the Board established a Resident/Non-Resident fee structure for the purchase of reservation cards (Board Report 366-99). Reservation cards enable golfers to reserve tee times through the Department's reservation phone or internet system. The current

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reservation card fee structure is as follows:

- Resident 1-year: \$25.00
- Resident 3-year: \$65.00
- Non-Resident 1-year: \$40.00
- Non-Resident 3-year: \$100.00

Prior to July 1, 2008, all golfers, regardless of City of Los Angeles residency, were charged the same green fee. In the new fee structure established July 1, 2008, Non-Resident golfers started paying a premium fee for each round of golf (\$5 premium for 18-hole play and \$3 premium for 9-hole play). The Department, therefore, is charging Non-Resident golfers a premium for the purchase of a reservation card as well as a premium to play the golf courses. In order to encourage Non-Resident golfers to purchase reservation cards and play the City's golf courses, the Department is proposing the elimination of the premium charged for Non-Resident reservation cards. The fee charged to all patrons will be the same as the current "Resident" reservation card fee: \$25 for a 1-year card and \$65 for a 3-year card.

The fiscal impact of eliminating the Resident/Non-Resident fee structure for reservation cards is uncertain. The reduction in revenue as a result of the reduced Non-Resident reservation card fee could potentially be offset by increased purchase of Non-Resident reservation cards as well as increased rounds played by Non-Residents. The amount deposited to the Department's General Fund for each reservation card (\$5 for 1-year cards and \$15 for 3-year cards) will not change.

Eliminating Resident/Non-Resident Fee Structure at Harbor Park Golf Course

The Department implemented a Resident/Non-Resident fee structure at Harbor Park Golf Course effective July 1, 2008. Non-Resident golfers pay a \$3 premium per green fee. Harbor Park Golf Course is located in Wilmington. The southernmost part of the main part of the City lies approximately twelve miles north of Wilmington and a thin strip of land, called Harbor Gateway, connects the main parts of the City to Wilmington and San Pedro. Therefore, Harbor Park Golf Course is surrounded by other cities such as Torrance, Carson, Gardena, Compton and Long Beach. As a result, even after implementation of the Resident/Non-resident fee structure, which probably alienated many non-resident golfers, 53% of rounds played at Harbor Park are by non-resident golfers.

The following table summarizes the July 2008 fee increase at Harbor Park Golf Course:

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Category	FY 2007/08 Fee	FY 2008/09 Resident Fee	% Increase	FY 2008/09 Non-Resident Fee	% Increase
Regular Weekday	\$13.50	\$16.00	19%	\$19.00	41%
Senior Weekday	\$8.00	\$10.00	25%	\$13.00	63%
Regular Friday	\$13.50	\$18.50	37%	\$21.50	59%
Regular Weekend	\$17.00	\$21.00	24%	\$24.00	41%

The July 2008 fee change increased rates by 19% to 37% for Resident golfers at Harbor Park. The fee change increased rates by 41% to 63% for Non-Resident golfers at Harbor Park. The end result was a 19.3% decrease in rounds played at Harbor Park from July 2008 to January 2009, when compared to the same period last year. Rounds played on Friday decreased by 23.7%.

The Department is proposing elimination of the Resident/Non-Resident fee structure at Harbor Park Golf Course effective immediately. As a result of its geographic location, the golf course is surrounded by other cities and the majority of its patronage is Non-Resident golfers. Golf course employees receive numerous complaints on a daily basis and the atmosphere among the patrons in general has become very negative. By eliminating the Non-Resident fee premium, the Department can potentially attract back the Non-Resident golfers who were not willing to pay the \$3 Non-Resident premium in addition to the general fee increase that took place at the same time. The fee charged to all patrons at these facilities will be the same as the current "Resident" fee.

The fiscal impact of eliminating the Resident/Non-Resident fee structure at Harbor Park Golf Course is uncertain, but could potentially lead to increased revenue if the number of Non-Resident rounds increase.

Eliminating Resident/Non-Resident Fee Structure at Los Feliz, Rancho 9, and Holmby Park Golf Courses

The Department implemented a Resident/Non-Resident fee structure at Los Feliz, Rancho 9, and Holmby Park golf courses effective July 1, 2008. Non-Resident golfers pay a \$2 premium at Holmby Park golf course and \$3 premium at Rancho 9 and Los Feliz golf courses.

Facility	Weekday Resident Fee	Weekday Non-Resident Fee	Percentage Difference
Los Feliz	\$5.50	\$8.50	55%
Rancho 9	\$7.00	\$10.00	43%
Holmby Park	\$3.00	\$5.00	67%

Rancho 9 and Los Feliz are small 9-hole pitch-and-putt courses and Holmby Park is a small 18-

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hole pony course. These courses are mostly played by beginners, juniors, as well as many seniors. Since the inception of the Resident/Non-Resident fee structure, Rancho 9 and Los Feliz have both witnessed over a 15% decrease in rounds. Since it is in the interest of the Department to encourage a new generation of golfers, the Department is proposing elimination of the Resident/Non-Resident fee structure at Los Feliz, Rancho 9, and Holmby Park golf courses effective immediately. The fee charged to all patrons at these facilities will be the same as the current "Resident" fee.

The fiscal impact of eliminating the Resident/Non-Resident fee structure at Los Feliz, Rancho 9 and Holmby Park golf courses is uncertain, but could potentially lead to increased revenue if the number of rounds increase.

Conclusion

The Resident/Non-Resident fee structure effective July 1, 2008, for the City's golf courses will still remain in effect at the City's larger and most profitable facilities: all seven (7) of the eighteen-hole golf courses and two (2) of the nine-hole golf courses. However, by eliminating increased fees for Non-Resident reservation cards, eliminating Non-Resident fees for the geographically separate facility of Harbor Park, and eliminating Non-Resident fees for pitch-and-putt facilities, market share lost as result of the implementation of the Non-Resident fees will potentially be regained and lead to increased revenue to the Department.

FISCAL IMPACT STATEMENT:

The fiscal impact of the proposed non-resident fee changes is uncertain, however, impact to the General Fund is anticipated to be minimal and could potentially lead to increased revenue.

This report was prepared by James N. Ward, Golf Manager.

EXHIBIT A

GOLF
(Revised 07/08 April 2009)

Whenever the General Manager deems that a discount rate is appropriate for marketing, or due to course condition or temporary circumstances, the established twilight, super-twilight and mid-day rates will be utilized.

\$1.00 from all 18-Hole Play fees to Special Facility Accounts for marshaling and golf course improvements.

\$0.75 from Harbor Park, Penmar, and Roosevelt Play fees to Special Facility Accounts for marshaling and golf course improvements.

\$0.50 from Rancho Park 3 Par Play fees to Special Facility Account for marshaling and golf course improvements.

\$0.25 from Los Feliz 3 Par Play fees to Special Facility Account for golf course improvements.

SECTION I STANDARD FEES

RESIDENT GREEN FEES

*****MUST HAVE RESIDENT RESERVATION CARD TO RECEIVE RESIDENT DISCOUNT***
(with the exception of Harbor Park, Rancho Park 3 Par, Los Feliz, and Holmby Park)**

Regulation Courses (Woodley Lakes, Wilson, Harding, Hansen Dam, Encino, Balboa, Rancho Park)

	<u>Weekdays</u> (Mon-Thurs)	<u>Friday</u>	<u>Weekends &</u> <u>Holidays</u>
Regulation			
18-Hole Play	\$26.00	\$30.00	\$34.00
9-Hole Play	\$16.00	\$18.50	\$21.00
Other Courses			
Harbor Park	\$16.00	\$18.50	\$21.00
Penmar	\$14.50	\$16.75	\$19.00
Roosevelt	\$14.50	\$16.75	\$19.00
Rancho Park 3 par	\$ 7.00	\$ 7.50	\$ 8.00
Holmby Park 3 par	\$ 3.00	\$ 3.50	\$ 4.00
Los Feliz 3 par	\$ 5.50	\$ 6.25	\$ 7.00
(Replay \$3.00 Monday to Friday only)			

NON-RESIDENT GREEN FEES

	<u>Weekdays</u> (Mon-Thurs)	<u>Friday</u>	<u>Weekends &</u> <u>Holidays</u>
Regulation Courses			
18-Hole Play	\$31.00	\$35.00	\$39.00
9-Hole Play	\$19.00	\$21.50	\$24.00
Other Courses			
Harbor Park	\$19.00	\$21.50	\$24.00
Penmar	\$17.50	\$19.75	\$22.00
Roosevelt	\$17.50	\$19.75	\$22.00
Rancho Park 3 par	\$10.00	\$10.50	\$11.00
Holmby Park 3 par	\$ 5.00	\$ 5.50	\$ 6.00
Los Feliz 3 par	\$ 8.50	\$ 9.25	\$10.00

GOLF - (continued)

~~(Replay \$6.00 Monday to Friday only)~~

SECTION II RESIDENT DISCOUNTED FEES

*****MUST HAVE RESIDENT RESERVATION CARD TO RECEIVE RESIDENT DISCOUNT*****
(with the exception of Juniors, **Harbor Park, Rancho Park 3 Par, Los Feliz, and Holmby Park**)

SENIOR CITIZEN GREEN FEES (age 65 and over)

Must be a reservation card holder (or for Rancho Park 3 par and Los Feliz, provide identification showing proof of age and residency within the City of Los Angeles) to be eligible for discounted fees. Discounted fees are only effective during non-holidays, Monday through Friday.

No replay rates at any course.

	<u>Weekdays (Mon – Thurs)</u>	<u>Friday</u>
Regulation Courses		
18-Hole Play	\$17.00	\$20.00
9-Hole Play	\$10.00	\$12.00
Other Courses		
Harbor Park	\$10.00	\$12.00
Penmar	\$ 9.00	\$11.00
Roosevelt	\$ 9.00	\$11.00
Rancho Park 3 par	\$ 5.00	\$ 5.50
Los Feliz 3 par	\$ 4.00	\$ 4.75
Holmby Park 3 par	No Discount Allowed	

STUDENT/JUNIOR GREEN FEES (Junior rates apply until September 1 of one's year of high school graduation or one's 19th birthday, whichever comes first)

Any golfer age 12 or younger must be certified to play and must be accompanied by an adult. Golfers 12 years of age and younger at Los Feliz and Holmby do not need to be certified but must be accompanied by an adult.

Weekend/Holiday access: Junior golfers will be charged the weekend junior rate on weekends and holidays, on a walk-on basis only, subject to no existing reservations and no call sheet.

<u>Weekdays only, except as above</u>	<u>Tournament</u>	<u>Weekdays (Mon-Friday)</u>	<u>Weekend & Holiday (Sat-Sun) & Permit Play*</u>
Regulation			
18-Hole Play	\$11.00	\$6.00	\$7.00
9-Hole Play	n/a	\$5.00	\$6.00
Other Courses			
Harbor Park	\$6.00	\$5.00	\$6.00
Penmar	\$6.00	\$5.00	\$6.00
Roosevelt	\$6.00	\$5.00	\$6.00

*High Schools, classes, etc.

GOLF - (continued)

All day	<u>Weekdays</u>	<u>Weekends</u>	<u>League w/permit</u>
	<u>(Mon-Fri)</u>	<u>(Sat-Sun)</u>	<u>& Reserved Time</u>
Rancho Park 3 par	\$3.50	\$4.50	\$5.00
Los Feliz 3 par	\$3.50	\$4.50	\$5.00
Replay	\$2.00	\$2.50	
Holmby Park 3 par	\$2.00	\$2.00	\$2.00

SENIOR CITIZENS LIFELINE GOLF PROGRAM (65 years or older)

Green fees under the Senior Citizens Lifeline Golf program apply to all courses, except Holmby Park, for weekday play only (Monday to Friday). Seniors who qualify for the Department of Water and Power Lifeline Rate exemption or qualify for Supplemental Security Income (SSI) from the Social Security Administration and present additional identification, showing proof of age and residency within the City of Los Angeles, will be issued a card verifying eligibility that will entitle Seniors to a discount equal to 50% of Weekday Green Fees. Purchase of a Golf Reservation Card is not required.

	<u>Weekdays</u>	<u>Friday</u>
	<u>(Mon-Thurs)</u>	
Regulation Courses		
18-Hole Play	\$13.00	\$15.00
9-Hole Play	\$ 8.00	\$ 9.25
Other Courses		
Harbor Park	\$ 8.00	\$ 9.25
Penmar	\$ 7.25	\$ 8.50
Roosevelt	\$ 7.25	\$ 8.50
Rancho Park 3 par	\$ 3.50	\$ 3.75
Los Feliz 3 par	\$ 2.75	\$ 3.25

RATE REDUCTION WHEN TEMPORARY GREENS ARE IN USE

When more temporary greens are in use than the number stated below, regular weekday and weekend green fees only will be reduced as follows:

	<u>18-Hole Rates</u>		<u>9-Hole Rates</u>	
	<u>More than 3</u>	<u>More than 6</u>	<u>More than 2</u>	<u>More than 4</u>
Standard Green Fees only	\$2.50	\$5.00	\$1.50	\$3.00

Note: Temporary Green Discount does not apply to alternate greens. Discounts also do not apply to Senior & Junior green fees or other discounted rates.

GOLF - (continued)

MIDDAY, TWILIGHT, AND SUPER TWILIGHT FEES

Times and fees for Midday, Twilight, and Super Twilight rates are subject to approval of the General Manager.

		<u>Weekdays</u> <u>(Mon-Thurs)</u>	<u>Friday</u>	<u>Weekends</u> <u>& Holidays</u> <u>(Sat-Sun)</u>
Midday*		\$3.00 less than 18-hole green fees		
Twilight	18-Hole	Same as 9-hole green fees		
	9-Hole	\$ 8.50	\$10.25	\$12.00
Super Twilight	18-Hole	\$10.00	\$10.75	\$11.50

*Midday rates (\$3.00 less than 18-hole green fees) will begin at the discretion of the General Manager.

SECTION III NON-RESIDENT DISCOUNTED FEES

SENIOR CITIZEN GREEN FEES (age 65 and over)

Must be a reservation card holder (or for Rancho 3 par and Los Feliz, provide identification showing proof of age and residency within the City of Los Angeles) to be eligible for discounted fees. Discounted fees are only effective during non-holidays, Monday through Friday.

No replay rates at any course.

	<u>Weekdays</u> <u>(Mon – Thurs)</u>	<u>Friday</u>
Regulation Courses		
18-Hole Play	\$22.00	\$25.00
9-Hole Play	\$13.00	\$15.00
Other Courses		
Harbor Park	\$13.00	\$15.00
Penmar	\$12.00	\$14.00
Roosevelt	\$12.00	\$14.00
Rancho Park 3 par	\$ 8.00	\$ 8.50
Los Feliz 3 par	\$ 7.00	\$ 7.75
Holmby Park 3 par	No Discount Allowed	

GOLF - (continued)

STUDENT/JUNIOR GREEN FEES (Junior rates apply until September 1 of one's year of high school graduation or one's 19th birthday, whichever comes first)

Any golfer age 12 or younger must be certified to play and must be accompanied by an adult. Golfers 12 years of age and younger at Los Feliz and Holmby do not need to be certified but must be accompanied by an adult.

Weekend/Holiday access: Junior golfers will be charged the weekend junior rate on weekends and holidays, on a walk-on basis only, subject to no existing reservations and no call sheet.

Weekdays only, except as above	<u>Tournament</u>	<u>Weekdays</u>	<u>Weekends & Holidays</u>
		<u>(Mon-Fri)</u>	<u>(Sat-Sun) & Permit Play*</u>
<u>Regulation Courses</u>			
18-Hole Play	\$11.00	\$6.00	\$7.00
9-Hole Play	n/a	\$5.00	\$6.00
<u>Other Courses</u>			
Harbor Park	\$6.00	\$5.00	\$6.00
Penmar	\$6.00	\$5.00	\$6.00
Roosevelt	\$6.00	\$5.00	\$6.00

*High Schools, classes, etc.

All day	<u>Weekdays</u>	<u>Weekends &</u>	<u>League w/permit & Reserved Time</u>
		<u>Holidays</u>	
	<u>(Mon-Fri)</u>	<u>(Sat-Sun)</u>	
Rancho Park 3 par	\$3.50	\$4.50	\$5.00
Los Feliz 3 par	\$3.50	\$4.50	\$5.00
Replay	\$2.00	\$2.50	
Holmby Park 3 par	\$2.00	\$2.00	\$2.00

RATE REDUCTION WHEN TEMPORARY GREENS ARE IN USE

When more temporary greens are in use than the number stated below, regular weekday and weekend green fees only will be reduced as follows:

Standard Green Fees only	<u>18-Hole Rates</u>		<u>9-Hole Rates</u>	
	<u>More than 3</u>	<u>More than 6</u>	<u>More than 2</u>	<u>More than 4</u>
	\$2.50	\$5.00	\$1.50	\$3.00

Note: Temporary Green Discount does not apply to alternate greens. Discounts also do not apply to Senior & Junior green fees or other discounted rates.

GOLF - (continued)

MIDDAY, TWILIGHT, AND SUPER TWILIGHT FEES

Times and fees for Midday, Twilight, and Super Twilight rates are subject to approval of the General Manager.

		<u>Weekdays</u> <u>(Mon-Thurs)</u>	<u>Friday</u>	<u>Weekends</u> <u>& Holidays</u> <u>(Sat-Sun)</u>
Midday*		\$3.00 less than 18-hole green fees		
Twilight	18-Hole		Same as 9-hole green fees	
	9-Hole	\$10.50	\$12.25	\$14.00
Super Twilight	18-Hole	\$13.00	\$13.75	\$14.50

*Midday rates (\$3.00 less than 18-hole green fees) will begin at the discretion of the General Manager.

SECTION IV OTHER FEES

FEE FOR REGISTRATION CARDS

One-Year Card

Resident (with Reservation Privileges)	\$25
Residency (No Reservation Privileges)	\$10
Non-Resident (with Reservation Privileges)	\$40 \$25
Resident and Non-Resident Senior (with Reservation Privileges)	\$25

Three-Year Card

Resident (with Reservation Privileges)	\$65
Residency(No Reservation Privileges)	\$25
Non-Resident (with Reservation Privileges)	\$100 \$65
Resident and Non-Resident Senior (with Reservation Privileges)	\$65

NO SHOW PENALTY

\$5.00 (per individual)

Penalty to be charged when starter cannot fill no-show vacancy from the course's call waiting sheet.

WEB RESERVATION FEE FOR NON-CARDHOLDERS

All Courses* - \$5 Non-refundable fee per player

*With the exception of Los Feliz – 3 Par, Rancho Park 9 – 3 Par, and Holmby Park, where reservations are not taken.

GOLF - (continued)

TOURNAMENT FEES

	<u>Weekdays</u> <u>(Mon-Thurs)</u>	<u>Friday</u>	<u>Weekends & Holidays</u>
18-Hole	\$35.00	\$37.50	\$45.00 (Griffith Park & Sepulveda courses only, see Tournament Policy)
9-Hole	\$18.00	\$19.50	(See Tournament Policy)
Rancho Park 3 par	\$ 9.00	\$ 9.50	
Los Feliz	\$ 7.00	\$ 7.50	

SHOTGUN TOURNAMENT FEES

For morning events or afternoon events as part of a "double shotgun", the package rate, per person, includes the following:

	<u>8.00 a.m. Shotgun</u>	<u>10.00 a.m. Shotgun</u>
Tournament Fee	\$40.00	\$60.00
Electric Cart Fee	1/2 regular cart fee	1/2 regular cart fee
Golf Shop Fee	\$5.00	\$5.00
Restaurant Fee	\$5.00	\$5.00
Total Per Person Fee	\$50.00 plus 1/2 regular cart fee	\$70.00 plus 1/2 regular cart fee

ELECTRIC CART RENTAL - HARBOR GOLF COURSE ONLY

\$10.00
\$ 8.00 Single Rate

HAND CART RENTAL

Holmby, Los Feliz, & Rancho 3 par \$1.00
All other courses \$3.00

GOLF CLUB RENTAL

3 par and Holmby Park courses only \$0.25/each
Harbor Park Golf Course \$3.00/set with bag

GOLF BALL SALES

New golf ball sales \$1.00/each

GOLF COURSE LOCKER RENTAL

	<u>Rancho</u>	<u>Sepulveda</u>	<u>Griffith</u>
Daily	\$2.50	\$1.50	\$2.50
Monthly	\$7.50	\$5.00	\$7.00
Annual			
Small	\$25.00	\$10.00	---
Medium	\$30.00	\$25.00	---
Large	\$42.00	\$35.00	\$40.00
Giant	\$50.00	---	---

FUND RAISING EVENTS (Non-Department Sponsored)

By Board Approval Only. Limited to 2 Events Per Year Per Cours

GOLF - (continued)