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Capital City Golf

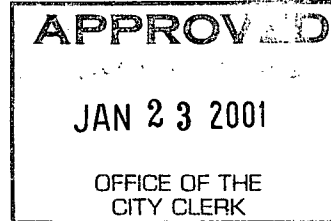
"The Exceptional Public Golf Experience"

CITY OF SACRAMENTO
8325 RIVER ROAD
SACRAMENTO, CA 95832
TEL 916.433.6307
FAX 916.433.6317

January 4, 2001

ANN WEAVER
GOLF MANAGER

City Council
Sacramento, California



Honorable Members in Session:

SUBJECT: APPROVE BUNDLED FEES AT THE ALISTER MACKENZIE GOLF COURSE AT HAGGIN OAKS / EXTEND TIME TO COLLECT IRRIGATION SURCHARGE

LOCATION AND COUNCIL DISTRICT: All Districts

RECOMMENDATION:

It is recommended that the City Council

- 1) Approve the bundled green fees, irrigation surcharge, 1/2 cart fees and range balls at the Alister MacKenzie Golf Course at Haggin Oaks (Attachment A)
- 2) Extend the time period to collect the irrigation surcharge currently in place.

CONTACT PERSON: ANN WEAVER, GOLF MANAGER (916) 433-6315

FOR COUNCIL MEETING OF: January 23, 2001

SUMMARY:

On December 12, 2000, Council approved the concept of converting to a bundled fee structure at the Alister MacKenzie Golf Course at Haggin Oaks. The bundled fee structure will include green fee, irrigation surcharge, 1/2 power cart and a small bucket of range balls. The new bundled fees would not go into effect until the golf course renovation is completed. Customers would still be permitted to walk the golf course, however the price would remain the same whether walking or riding. A notice with the proposed fee schedule (Attachment A) and notification of our intent to extend the time period for collecting the irrigation surcharge have been posted since December 15, 2000. In addition, an article appeared in the December 17, 2000 Sports Section of the Sacramento Bee with the above information.

COMMITTEE/COMMISSION ACTION: None.

CAPITAL CITY GOLF AFFILIATES:

ALISTER MACKENZIE GOLF COURSE AT HAGGIN OAKS • ARCADE CREEK GOLF COURSE AT HAGGIN OAKS • BARTLEY CAVANAUGH GOLF COURSE
BING MALONEY 18-HOLE GOLF COURSE • BING MALONEY EXECUTIVE 9 GOLF COURSE • WILLIAM LAND 9-HOLE GOLF COURSE
TEE TIME RESERVATIONS 916.264.TIME(8463)

BACKGROUND INFORMATION:

Capital City Golf, with assistance from *KPMG LLP Golf Industry Practice*, completed its 5-year Business Plan, which was presented and accepted by City Council on December 12, 2000. The Business Plan outlined several key recommendations. Staff is reporting back to Council today for approval of the bundled fee schedule for the Alister MacKenzie Golf Course at Haggin Oaks (Attachment A) and permission to extend the irrigation surcharge until such time that all irrigation systems are upgraded/replaced and the associated debt retired.

Approving the bundled fee structure and extending the irrigation surcharge is an integral part of the financial success of the Capital City Golf division in its effort to ensure financial stability as a self-supporting enterprise fund operation. The Haggin Oaks Golf Complex is the flagship and most popular of the City's golf operations. Capital City Golf division will have borrowed \$6.4 million dollars for the renovation of the Alister MacKenzie Golf Course at Haggin Oaks and the conversion from gas to electric golf carts. The Capital City Golf division has incurred new debt service associated with the MacKenzie Golf Course renovation and is expected to pay the money back with interest. The bundled fee concept at the Alister MacKenzie Golf Course is expected to generate an additional \$300,000 annually to pay the debt. Staff is only proposing the bundled fee structure at the Alister MacKenzie Golf Course at Haggin Oaks.

Staff has held meetings with the Home Golf Club Captains, Senior Golf Advisory Committee, the Sacramento Golf Council, and the Capital City Golf Historians regarding the Business Plan, Haggin Oaks Drainage/Irrigation Project, the bundled fee structure and the extension of the irrigation surcharge. Since posting the fees on December 15, 2000, staff has received several phone calls and letters from customers concerned about having to pay the same fee if they walk or ride. As reported to City Council on December 12, 2000, the bundling of fees (at the Alister MacKenzie Golf Course only) allows the Capital City Golf division to compete with other comparable high-end daily fee golf facilities that are also offering bundling fee structures. The proposed fees for the Alister MacKenzie Golf Course are at or below the competition, as demonstrated in Attachment B.

FINANCIAL CONSIDERATIONS:

Capital City Golf is an enterprise fund operation within the Department of Convention, Culture and Leisure. The recommendations presented within this report and within the Capital City Golf 5-year Business Plan are critical to ensuring that City golf courses operate as self-supporting enterprise fund operations, as directed by City Council.

Attachment "A" reflects a proposed bundling fee schedule that would be implemented when the construction is completed. The fees reflected in Attachment "A" were used in calculating projected 5-year revenues that were presented to City Council at the December 12, 2000 meeting as part of the staff's Business Plan report.

Attachment "B" reflects a list of Sacramento Market Area golf courses that currently bundle their green fees, carts and range balls. These courses would be considered competition for the completely renovated Alister MacKenzie Golf Course.

The irrigation surcharge account accumulates funding based on rounds of golf played. Currently, the irrigation surcharge is scheduled to sunset in fiscal year 2005-06. The Capital City Golf 5-year Business Plan presents a recommendation that the irrigation surcharge be extended until all golf irrigation systems are upgraded and their debt retired. The irrigation surcharge generates approximately \$260,000 annually.

ENVIRONMENTAL CONSIDERATIONS: None.

POLICY CONSIDERATIONS:

This project is consistent with the City policy directing enterprise fund operations to be self-supporting.

ESBD CONSIDERATIONS: None.

Respectfully submitted,



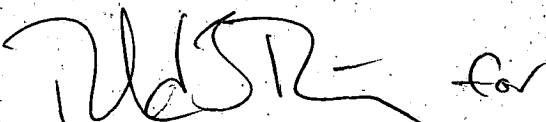
Ann Weaver, Golf Manager

APPROVED:

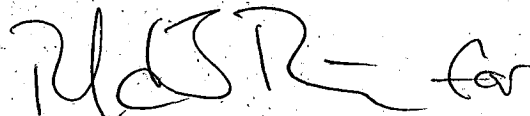


Barbara E. Bonebrake, Director
Convention, Culture & Leisure
Department

RECOMMENDATION APPROVED:



Robert P. Thomas, City Manager



Richard Ramirez, Deputy City Manager

Capital City Golf Summer Season Fee Schedule (4/1 to 10/31)
Alister MacKenzie Golf Course at Haggin Oaks
BUNDLED FEE SCHEDULE – Effective 2001

User Fee Category Description	Peak Open-3pm Mon-Thurs	Off-Peak 3pm to Close Mon-Thurs	Peak Open-3pm Fri/Sat/Sun/Hol	Off-Peak 3pm to Close Fri/Sat/Sun/Hol
CCG Regular Cardholder 18-hole	\$35.00	\$30.00	\$45.00	\$35.00
CCG Senior Cardholder 18-hole	\$30.00	\$24.00	\$45.00	\$35.00
CCG Passport Cardholder 18-hole	\$24.00	\$20.00	\$45.00	\$35.00
CCG Junior Cardholder 18-hole	\$24.00	\$20.00	\$45.00	\$28.00
Non-Cardholder 18-hole	\$48.00	\$40.00	\$50.00	\$40.00
REGULAR CAPITAL CLUB MEMBER 18-hole	\$33.00	*\$25.00	\$40.00	*\$30.00
SENIOR CAPITAL CLUB MEMBER 18-hole	\$25.00	*\$19.00	\$45.00	*\$30.00
-Must be 18 years old <u>and</u> have a valid drivers license to operate a power cart -Above fees include green fee, irrigation surcharge, 1/2 power cart & small bucket of range balls -Players are permitted to walk the course, fees are the same				

* Capital Club Members receive off-peak green fee & power cart fee rates one (1) hour early 2:00pm vs. 3:00pm

ATTACHMENT A

BUNDLED FEE RATES
 All rates include:
 Green Fees/Cart/Range Balls

STANDARD RATES:	Alister MacKenzie	Apple Mountain	Lincoln Hills *	Teal Bend	Turkey Creek	Wild Horse
Mon-Thurs	\$ 35.00	\$ 45.00	\$ 50.00	\$ 42.00	\$ 45.00	\$ 35.00
Friday	\$ 45.00	\$ 60.00	\$ 50.00	\$ 55.00	\$ 65.00	\$ 50.00
Weekend/Holidays	\$ 45.00	\$ 60.00	\$ 50.00	\$ 55.00	\$ 65.00	\$ 50.00
SENIOR						
Mon-Thurs	\$ 30.00	N/A	\$ 50.00	N/A	N/A	\$ 28.00
Fri	\$ 30.00	N/A	\$ 50.00	N/A	N/A	\$ 50.00
Weekend/Holiday	\$ 45.00	N/A	\$ 50.00	N/A	N/A	\$ 50.00
PEAK HOURS						
Before Noon	N/A	N/A	N/A	YES	N/A	YES
Before 1pm	N/A	YES	N/A	N/A	YES	N/A
Before 2pm	YES	N/A	N/A	N/A	N/A	N/A
All Day	N/A	N/A	YES	N/A	N/A	N/A

* Lincoln Hills bundled fee includes: Green Fee, Cart, Range balls, Sleeve of balls, Fruit, Cleaning of clubs on 1st, 9th, 18th Holes.

*Alister MacKenzie rates reflect Capital City Golf Cardholder Rates

Attachment B

APPROVED
JAN 23 2001
OFFICE OF THE
CITY CLERK

RESOLUTION NO. 2001-0521

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVE BUNDLED FEES AT THE ALISTER MACKENZIE GOLF COURSE AT HAGGIN OAKS / EXTEND TIME TO COLLECT IRRIGATION SURCHARGE

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

- A. Based upon the information presented to it and upon all information in the public record, and in compliance with Public Records Code Section 21080(b)(8), the City Council finds that the fees established hereby are for the purpose of meeting operating expenses, including employee wage rates and fringe benefits and purchasing or leasing supplies, equipment, or materials.
- B. The Council hereby approves:
 - 1. the bundled fees structure at the Alister MacKenzie Golf Course at Haggin Oaks with implementation upon completion of the construction.
 - 2. extending the irrigation surcharge until such time that all City golf course irrigation system replacement/upgrades have been completed and the associated debt retired.

MAYOR

ATTEST:

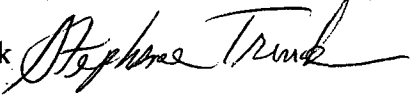
CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____

To: Sacramento City Clerk

From: Stephanie Trenck 
1818 7th Ave
Sacramento, CA 95818

Date: January 17, 2001

Subject: Petition Opposing Fee Increases at the MacKenzie Golf Course

Attached are 10 copies of a petition opposing fee increases at the MacKenzie Golf Course. I would appreciate it if you would distribute these to Council members, with a copy to golf course manager Ann Weaver, prior to the public hearing scheduled for January 23, 2001. Thank you very much.

PETITION OPPOSING FEE INCREASES AT THE MacKENZIE GC

We, the undersigned, oppose the proposed schedule for fee increases at the MacKenzie Golf Course. We oppose, in principle, the bundled fee concept which would require walking golfers to pay for unwanted carts and range balls. Further, we believe the proper role of a municipal golf course is to provide a good quality golf experience at a reasonable price. A municipal course's role is not to compete with high-end courses such as Turkey Creek. We urge City Council to reject Capitol City Golf's proposed schedule and request that they prepare a new schedule for your consideration which better meets the needs of area golfers.

<u>No.</u>	<u>Name</u>	<u>Address</u>	<u>Date</u>
1	<u>Lila Adles</u>	<u>903 Tuna Wy</u>	<u>1-16-01</u>
2	<u>Quincy Kovacs</u>	<u>4909 Forestal St F.O.</u>	<u>1-16-01</u>
3	<u>David Crane</u>	<u>4908 Forestal St F.O.</u>	<u>1-16-01</u>
4	<u>Steve Hamer</u>	<u>402 Maister wj. St. U</u>	<u>1-16-2001</u>
5	<u>Steve Healey</u>	<u>200 Bicentennial Cir #38</u>	<u>1-16-2001</u>
6	<u>Bill G. Ford</u>	<u>8107 Oahu Dr. Fair Oaks</u>	<u>1-16-01</u>
7	<u>George G. Chellemi</u>	<u>4933 FORESTAL F.O.</u>	<u>1-16-01</u>
8	<u>Bob & Boker</u>	<u>8239 SCARLET OAK CIRCLE C.H.</u>	<u>1-16-01</u>
9	<u>BARBARA E. EDGAR</u>	<u>4905 Summertec Ct SAC</u>	<u>1-16-01</u>
10	<u>O.E. Van Land</u>	<u>1227 SPRUCE TREE Cir SAC</u>	<u>1-16-01</u>
11	<u>JACK A. CLARA</u>	<u>1949-MARYLAND AVE</u>	<u>1-16-01</u>
12	<u>Fred Astare</u>	<u>7408 GOLDEN OAK WAY</u>	<u>1-16-01</u>
13	<u>Nita Shepert</u>	<u>6900 Ballo Dr 95842</u>	<u>1-16-01</u>
14	<u>Cal Shepert</u>	<u>6900 Ballo Dr 95842</u>	<u>1-16-01</u>
15	<u>Carole LeBlanc</u>	<u>307 Home Ct Knoxville Ga</u>	<u>1-16-01</u>
16	<u>Mary Graham</u>	<u>6229 Fairway - Mt. ⁹⁵⁶²⁸ Highland ₉₅₀₆₀</u>	<u>1-16-01</u>
17	<u>I BELIEVE THERE SHOULD</u>	<u>BE A WALKING RATE. OTHER</u>	<u>RATES SEEM REASONABLE</u>
18	<u>NANCY SARTOR</u>	<u>4500 RUTGERS WAY SACRAMENTO</u>	<u>1/16/01</u>
19	<u>Mary Thompson</u>	<u>4500 RUTGERSWAY SACR</u>	<u>1/16/01</u>
20	<u>Carol Wickersham</u>	<u>5656 Spyness Lane C.H.</u>	<u>4/16/01</u>

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<u>No.</u>	<u>Name</u>	<u>Address</u>	<u>Date</u>
1	Diane Eid	2501-59 th St Sacto 95817	1-16-01
2	Nancy Murr	1506 Mendocino Ave W Sacto 95691	1-16-01
3	Lenna O'Hara	555 2 nd St Sacto apt #15	1-16-01
4	Jo Hansen	9621 Nestle Glen Way Sacto	01-16-01
5	Virginia Pearson	52852 Sacramento St Clarksbury 95821	1-16-01
6	Richard Bolin	103 Duernsey Ct Folsom	1-16-01
7	Joyce Broad	6141 Colgate Ct Sacto 95831	1-16-01
8	Terry Oliver	2017 Pitzer Cir W Sacto 95691	1-16-01
9	Victor Valles	1601 Los Robles, Sacto	1-16-01
10	Cheryl B. Smith	4015 Glenholme Sacto 95821	1-16-01
11	Elizabeth Shorridge	1949 Park Blvd W. Sacto 95691	1-16-01
12	Carol Fernandez	9447 Salishan Ct Sacto 95826	1-16-2001
13	Sharon Young	1837 Park Bl W. Sacto	1-16-2001
14	Nancy J. Placcia	5757 Moddison Way Sacto	1-16-2001
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<u>No.</u>	<u>Name</u>	<u>Address</u>	<u>Date</u>
1	<i>Eagle A. Gull</i>	<i>Manzanita Ave Carm</i>	<i>1/16/01</i>
2	<i>Leslie J. Russell</i>	<i>57 Millbrook Circle, Sacto. 95838</i>	<i>1-16-01</i>
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EYI

**Capital City Golf Fact Sheet
CITY COUNCIL REPORT & GOLF FEE HEARING SET FOR 1/23/01 AT 2:00PM**

- The "bundled" fee structure at the Alister MacKenzie Golf Course includes: green fee, ½ power cart, irrigation surcharge and a small bucket of range balls
- The bundled fee structure is ONLY being proposed at the City's Alister MacKenzie Golf Course at Haggin Oaks and will go into effect after the \$6.9 million dollar construction/renovation project is completed (estimated completion in June/July 2001).
- The proposed fees will be priced at or below other courses in the area that bundle their fees – City Council has been given a rate comparison sheet that is an attachment to the 1/23/01 staff report.
- Why are we bundling the fees at the Alister MacKenzie Golf Course?
 1. Capital City Golf is an enterprise fund operation - we are charged with being self-supporting – we are not supported by tax dollars or General Fund dollars.
 2. Capital City Golf borrowed \$5.4 million and we must pay this loan back with interest
 3. Bundling fees will generate an additional \$300,000 per year to the City
- Customers WILL BE ALLOWED to walk the golf course, however the fees are the same whether they walk or ride in a golf cart
- What community outreach have we done in letting customers know about the proposed bundled green fee structure at Alister MacKenzie Golf Course at Haggin Oaks?
 1. A flyer announcing the date of the City Council meeting on 1/23/01 and a copy of the proposed bundled fees have been posted at the Haggin Oaks Golf facility since 12/15/00 – the flyer has Golf Manager Ann Weaver's name and phone number as a contact for any questions or comments.
 2. City Clerk will post the fees in the Daily recorder as required.
 3. Ann Weaver, Golf Manager, called the Sacramento Bee sports writer, John Schumacher, and asked him to do an article on the proposed bundled fees, he has written two articles. Bundled fees were included in the article.
 4. Ann Weaver hosted a meeting on Saturday, December 9, 2000 – invited were the 13 home golf clubs and senior golf group representatives (Sons in Retirement, SIRS) – copies of the bundled fees were handed out at the meeting.
 5. Ann Weaver met with the Capital City Golf Historians on December 9, 2000 – copies of the proposed bundled fees were handed out.
 6. Ann Weaver met with the Sacramento Golf Council on Monday, December 4, 2000 and January 8, 2001 – copies of the bundled fees were handed out at the meetings.
 7. On December 12, 2000, Ann Weaver presented the bundled fee concept and the proposed fees to City Council in a televised presentation along with the Capital City Golf 5-year Business Plan.
- From December 12, 2000 to January 15, 2001, City staff has received 4 letters and 6 phone calls from citizens concerned about the bundled fee structure proposal. Each year over 400,000 rounds of golf are played at City golf courses, and we issue of 10,000 Capital City Golf cards to customers that play our facilities.
- How do we respond to golfers that do not use a power cart and feel they are being punished by being charged a rate that includes the golf cart?
 1. There is not an answer we could give that will make these golfers feel better about our new bundled fee structure.
 2. The fact is that most of the golfers will opt to take the power cart.
 3. We are not the first in the area, or in the golf business, to bundle fees.
 4. The bottom line is that bundled green fees will generate \$300,000 more per year for the City, this money is needed to pay the new debt service for the renovation loan.
 5. The City has 5 other golf courses (one of which is Arcade Creek at Haggin Oaks) that will still offer separate green fees and cart fees.
 6. The City offers the most competitive prices in the area at all of its golf courses.

1818 7th Ave.
Sacramento, CA 95818

January 16, 2001

Mayor Heather Fargo and City Council
City Hall
9151 I Street, Room 205
Sacramento, CA 95814

Dear Mayor Fargo and Council Members:

Subject: Proposed Fee Increases at the MacKenzie Golf Course

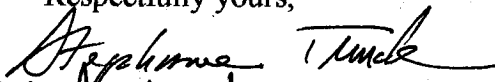

As concerned golfers and city residents, we wish to express our opposition to the proposed fee increases at the MacKenzie Golf Course. Specifically, we are opposed to the proposed increases for walkers. These new fees will raise our play rates from 75% to 80% during peak periods. As a result, the cost increase for a walking weekend golfer who plays the course ten times a year will be \$200. In return for the additional fees, we will be provided with golf carts and some range balls. We want neither and do not believe we should be forced to pay for these unwanted services. (Please understand we are not opposed to the irrigation fee, or to a modest increase to help pay for the golf course reconstruction.)

We recognize that we will be "allowed" to walk the course. However, the proposed increase is really a hostile action against those who view walking as an integral part of golf. Walking the course is good exercise and is part of the tradition of golf that Capitol City Golf purports to capture with the restoration of the MacKenzie course.

Further, we believe that the proper role of a municipal golf course is to provide a good quality golfing experience at a reasonable cost for the benefit of a broad cross section of area residents. Municipal courses should not compete with private courses such as Turkey Creek. A more appropriate model is the County's Ancil Hoffman course, which does charge reasonable fees for a good quality golfing experience.

In a December 17, 2000 article in the *Sacramento Bee*, golf course manager Ann Weaver is quoted as saying that if anyone is price-sensitive, they can go play the other city courses. This really amounts to an expropriation of the MacKenzie course by Capitol City Golf. We urge the Council to reject Capitol City Golf's bundled fee proposal and not penalize golfers who wish to walk.

Respectfully yours,

Stephanie Trenck

Michael Witty

cc: Ann Weaver