

The Future of Tucson City Golf

The city has developed a series of “Options for Assets,” which spell out various possible options for the city courses. While the multiple options vary on a course by course basis, options for three of the five courses include complete elimination. The exception is the Randolph complex, where complete elimination is not a listed option. At the other end of the option spectrum is an option “A” which would keep the courses as they are, but would open the courses to “periphery development”, additional uses, such as Frisbee golf and foot golf and allowing walking on the courses in the mornings and evenings.

The undersigned strongly support a modified version of OPTION A for ALL city courses: Namely, maintain the courses as they currently are with the possible addition of considering NON-INTERFERING, synergistic periphery development.

A. Keep ALL city golf courses as 18-hole golf courses

- Consider periphery development (non-interfering)
- ~~Consider additional uses (like Frisbee golf and foot golf)~~
- ~~Allow walking in early mornings and evenings~~

Recognizing the ongoing financial issues facing city golf, particularly in light of projected capital funding issues, city golf should be viewed not as a self-supporting enterprise, but as a major community service and an economic draw. As such, is it unreasonable to support this asset with modest additional funding from the General Fund, if needed? There are other community services provided by the city that receive significant funds from the General Fund and are not required to “pay for themselves.” City golf should be considered as one such service.

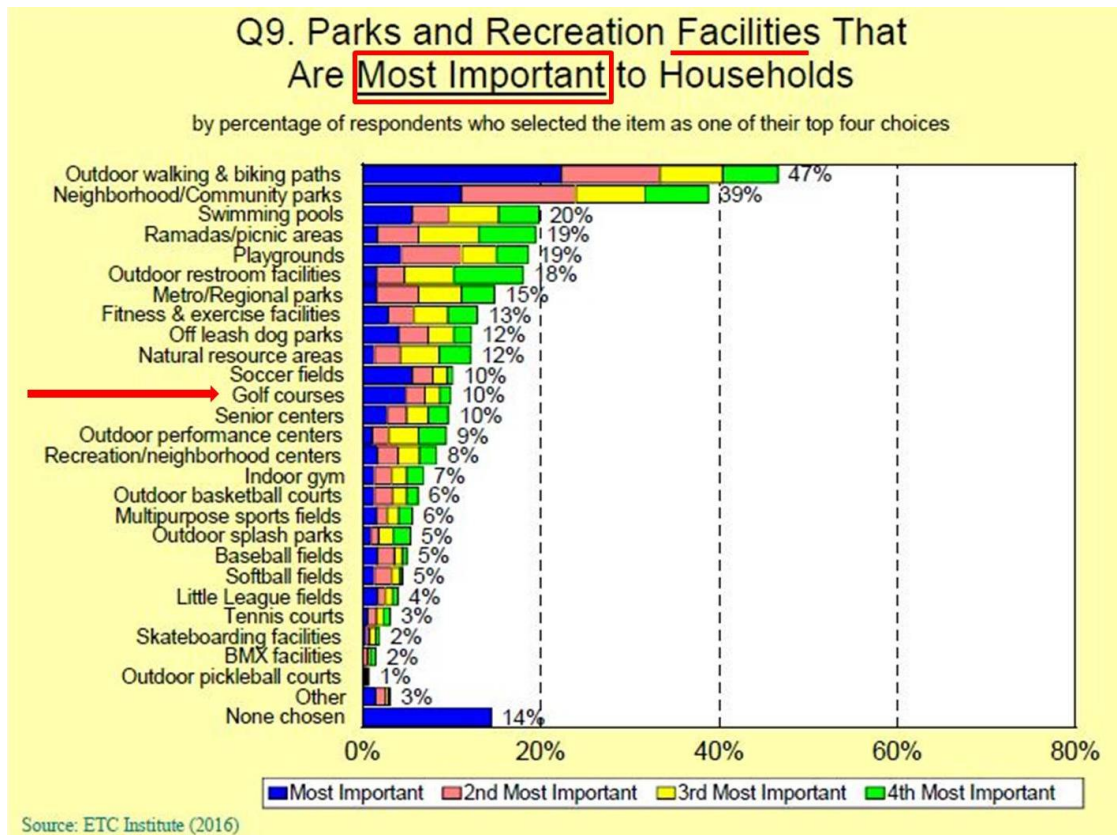
Lee Task, President Silverbell Golf Club	Lee Task, Chief The Tribe Golf Club	Adrienne Hughes, POC Chix with Sticks Golf Club	Ralph Coltrin, POC Friday Skins Golf
George Juarez, President El Rio Men’s Golf Club	Linda Cross, President Silverbell Women’s Golf Assoc.	Linda Cross, President El Rio Women’s Golf Assoc.	
L. Cross/R. Aubrey, POC Aubrey Golf Group	Ralph Coltrin, POC Nomads golf group	Janice Allen, President Enke Women’s Golf Assoc.	
Eric Persson, Coordinator Tucson Swingers Golf League	Tom Bain, Sec/Treas Tucson Metro Golf Club	Dick Dietzman, President Randolph Men’s Golf Club	
Board of Directors Fred Enke Golf Club	Carol Lohmann, President Women’s Weekend Golf League	Richard Atkinson, President Saguaro Golf Club	

Supporting background information

1. Selected excerpts and graphs extracted from the Final Report from the 10-5-2016 City of Tucson Parks and Recreation System Master Plan

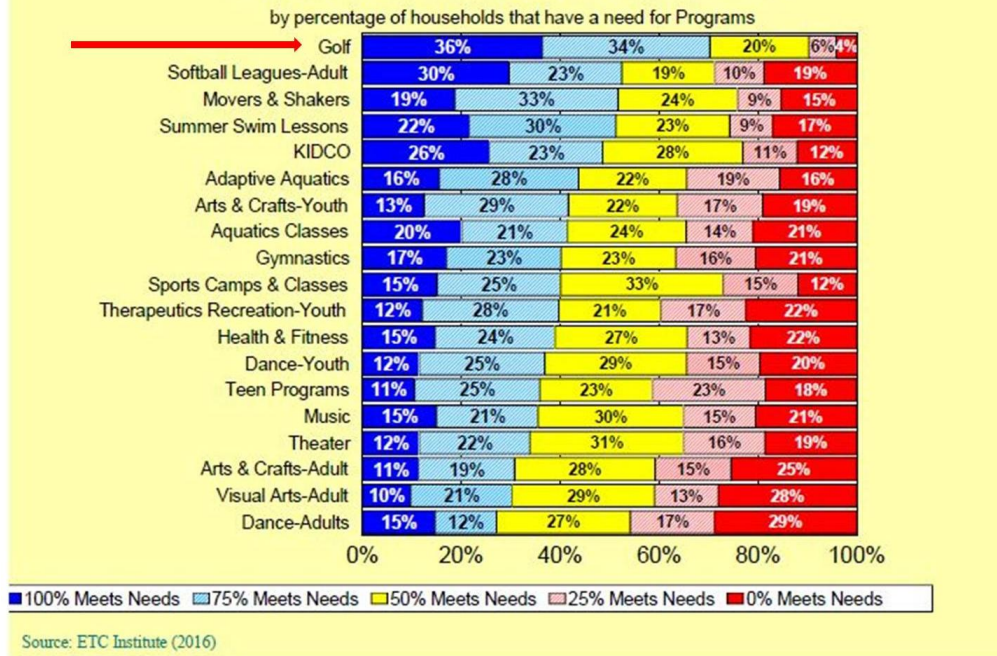


“As part of the community outreach, there have been **44 in-person** meetings consisting of stakeholder focus groups, City-wide public open houses, and face-to-face questionnaires at City of Tucson special events. Combined, **685 individuals have participated** in some sort of outreach. These participants submitted **443 questionnaires, 67 comment cards, and 110 email comments.** “



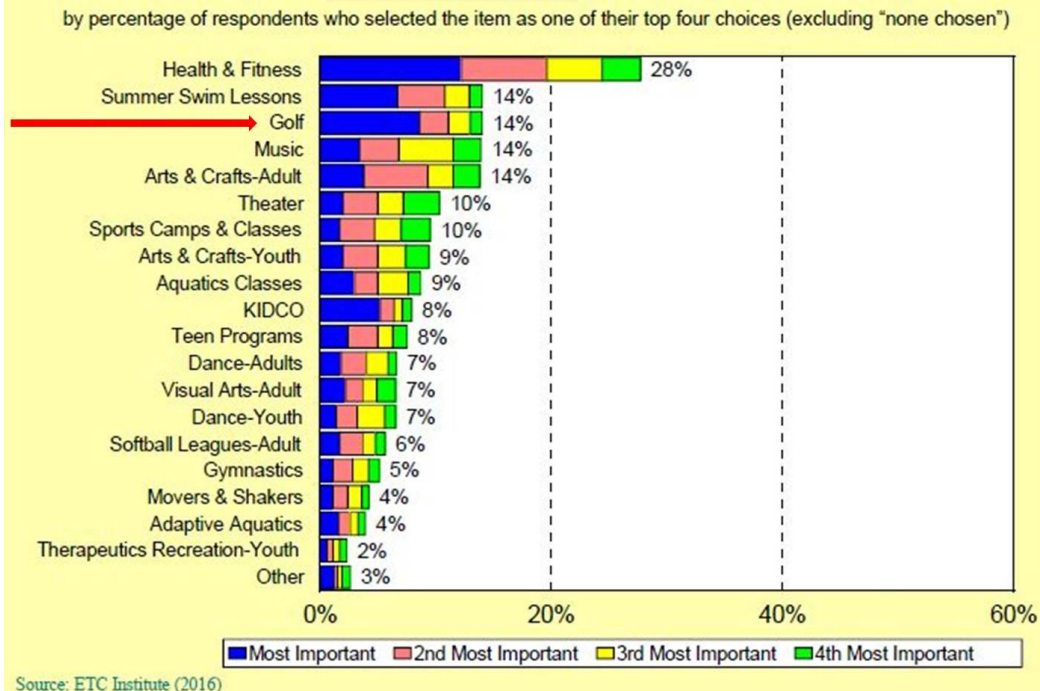
Q9 response indicates that Tucson City Golf Courses are in the middle of the pack with respect to facilities that are IMPORTANT to Tucson households, ranking about the same as soccer fields and above baseball, softball, and little league fields.

Q10b. How Well Parks and Recreation Programs in the City of Tucson Meet the Needs of Households



Q10b suggests that golf is the number 1 PROGRAM with respect to Parks and Recreation meeting the needs of households. Hopefully, Mayor and Council and City Staff won't do anything to undo this high ranking of golf and how well Parks and Recreation golf programs are meeting the needs of households.

Q11. Parks and Recreation Programs That Are Most Important to Households



Q11 suggests that golf is among the very most important programs to Tucson households

The preceding excerpts and graphs from the Parks and Recreation System 2016 Master Plan support keeping the golf courses and the golf programs provided by Tucson as they are since they are regarded well above the average of all the Parks and Recreation programs and facilities.

2. The following are a few excerpts from a 2017 Oro Valley golf report.

Excerpts from Oro Valley golf report/recommendations

National Golf Foundation Consulting, Inc. –

El Conquistador Golf & Tennis Report – July 5, 2017

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The total on-site Town operating loss was about (\$2.2 million) in 2016, before depreciation or capital improvements. This loss is off-set by the City's program of dedicating a portion of Town sales tax to the golf operation, totaling just over \$2.0 million in 2016. While losses on operations are common in municipal golf, the depth of this loss is less common. In 2016, the loss on operations in the Town's golf system exceeded the revenue produced by a dedicated ½-cent sales tax.

The operating metrics for ECGT are generally lower than industry norms, with the NGF review showing lower rounds activity, higher average revenue per round and much higher total operating expenses. The higher expenses are mostly a result of a very high utilities expense showing the challenges in this operation.

The overall demand/supply balance for golf in the greater Tucson market is very unfavorable to golf courses. There are far fewer permanent households and resident golfers available to support each 18 holes of golf in the market, and as a result the golf courses in this area tend to host fewer rounds than average. The most active golf course in this market area is the City of Tucson's Randolph GC hosting close to 37,000 rounds per 18 holes, compared to ECGT hosting fewer than 21,000 rounds per 18 on the El Cañada and Conquistador courses.

(COMMENT: SOMETHING IS WRONG HERE! According to the TCG Workshop slides there were 97,576 rounds played at Randolph GC in FY17 (average of 48,788 rounds per 18 holes); far more than the 37,000 rounds quoted in the above paragraph. Other TCG courses rounds played were presented at the Workshops as: Silverbell – 38,704; Fred Enke – 35,098 and El Rio – 39,834. All of these TCG rounds played per course far exceed the ECGT 21,000 rounds played. Since most costs associated with operating a golf course are not dependent on rounds played this should put TCG in excellent competitive position with respect to Oro Valley golf.)

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Pusch Ridge Considerations

The 9-hole golf course at Pusch Ridge presents unique challenges to the Town of Oro Valley. This facility is clearly challenged economically, with very low activity and revenue due to a variety of factors including difficult layout, lack of walkability, declining maintenance and generally **low interest for stand-alone 9-hole golf among golfers**. Still, despite the challenge, the overall loss on Pusch Ridge was estimated at \$175,000 in 2016 with a reduced operation, a small fraction of the over \$2.1 million loss on overall Town golf operations.

(COMMENT: IF Oro Valley reduces its number of golf holes then one would expect at least some of that patronage from the lost holes to migrate to other courses...including Tucson City Golf Courses. Also, if we believe this paragraph, then adjusting any of the TCG courses to 9-holes would not be advantageous as there is a “low interest for stand-alone 9-hole golf among golfers.”)

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Outright closure, although perhaps the most economically beneficial decision, is not necessarily a “cheap” option, as there are costs to prepare the property appropriately and there may be additional contemporaneous impacts that have to be considered (property values, tax base, resort relations, etc.). Further study is recommended.

There are parcels being removed from golf in the consulting team program, including up to 32+ acres at ECGT (27 hole option) and 15 acres at Pusch Ridge GC. These parcels could be used as naturalized space, passive recreation, intense recreation or repurposing/development. **The consulting team notes that all but the last concept (development) will result in additional cost to the Town**, while some form of responsible repurposing could lead to new revenues for the Town.

(COMMENT: This section has the standard “Further study is recommended” statement, but it is clear from this section that DEVELOPMENT is the only option they considered that would NOT result in additional costs to the Town. From the TCG Workshops it was highly evident that the one thing everyone who attended agreed on was that there should be no development that would reduce green space. This supports the notion that the best and most advantageous course of action with respect to the future of Tucson City Golf is to maintain the status quo, but move to further improve the finances through increased revenue and improved ancillary services.)

3. Closing comments in support of maintaining status quo for TCG

Although “experts” seem to more or less agree that golf player ship is down it should be noted that the country is coming out of a multi-year slow period and seems to be poised for significant improved economics over the next few years. Add to that the fact that we are in the middle of baby-boomers retiring or getting ready to retire and it may just well be that the “experts” are wrong in

29 October 2017

projecting continued reduction in golfers and rounds of golf played. If other entities (such as Oro Valley) are going to be reducing their number of golf courses/holes it may be a very wise strategic move for Tucson City Golf to aggressively move to improve the attractiveness of the city courses and become the beneficiary of displaced players that used to play at courses that close. It appears the citizens of Tucson are appreciative of the Tucson City golf courses (the Parks and Recreation System Master Plan) and the golfers that play city courses on a regular basis (the front page of this document) are supportive of maintaining the status quo. Tucson City government would serve its citizens well if they can manage to maintain the status quo with respect to Tucson City Golf.