

Task Force on Municipal Golf in Madison Parks

Community Engagement Meetings

March 5, 2020 at Olbrich Botanical Gardens

March 10, 2020 at Goodman Maintenance Facility

Introduction of Task Force

- ▶ Established in September 2019
- ▶ Purpose of Task Force:
 - ▶ To make recommendations to the Mayor, Common Council, and the Board of Park Commissioners regarding the future of the City's Municipal Golf Courses.
- ▶ 9 Member Body:
 - ▶ An Alderperson appointed by the City Council President
 - ▶ One Current or Former Member of the Board of Park Commissioners appointed by the Mayor
 - ▶ One Member of the Golf Subcommittee appointed by the Mayor
 - ▶ Six Residents appointed by the Mayor, to include representation of golfers, parks users, non-golfers, potentially impacted neighbors, and youth residents

Duties/Actions of the Task Force

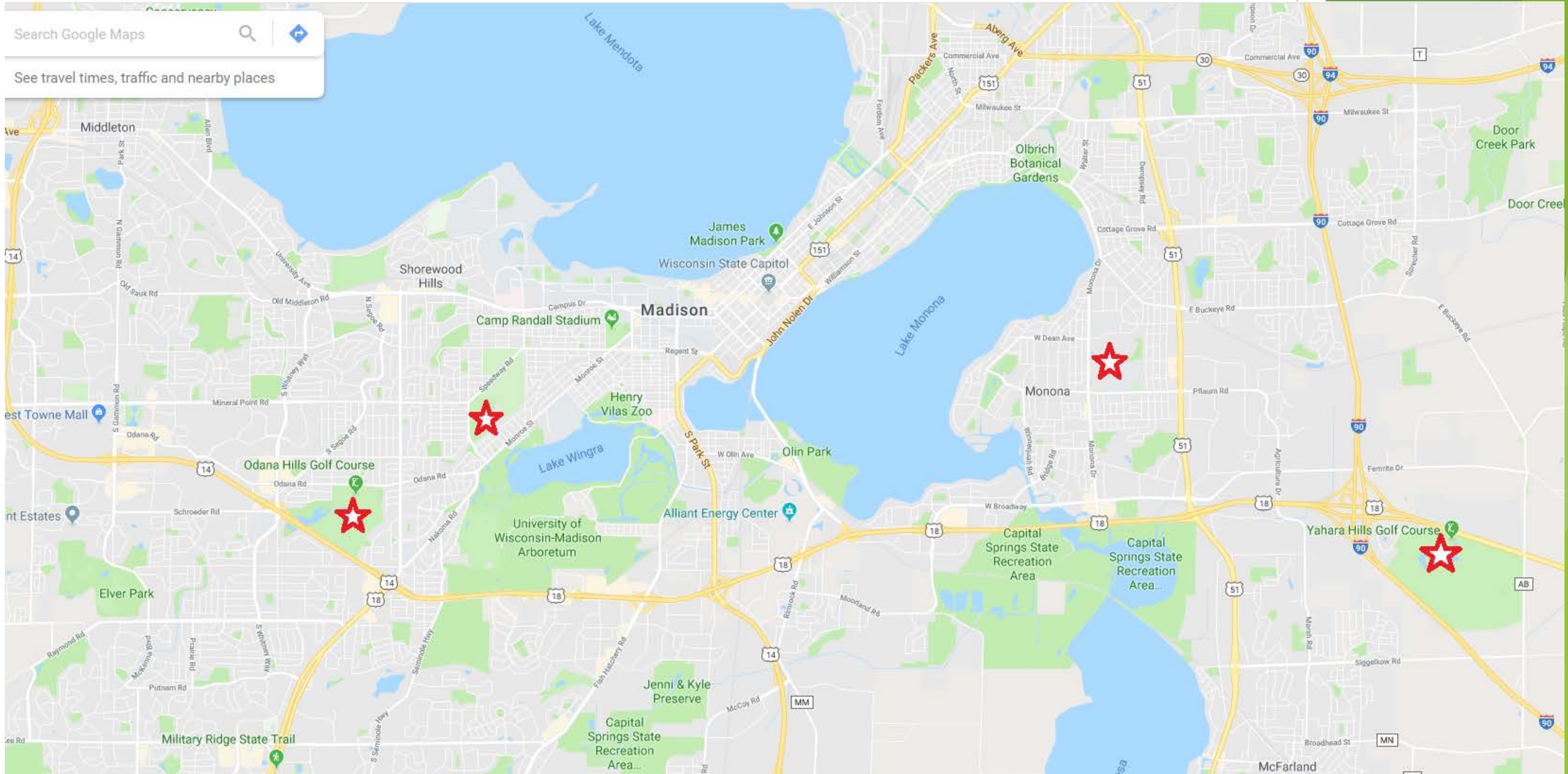
- ▶ Solicit input from local stakeholders,
- ▶ Prioritize equity, public health, financial sustainability, and environmental sustainability,
- ▶ Review available research, best practices, and operational models related to municipal golf,
- ▶ Discuss and evaluate all options for the use of the land currently occupied by Madison's public golf courses
- ▶ Consider how to balance the allocation of resources among various parks uses
- ▶ Recommend if the City of Madison ought to provide municipal golf to the public; if so recommend how much, where, and how
- ▶ Develop recommendations to the Mayor, Common Council, Committees or Commissions, on the future of Madison's Municipal Golf Courses that provide for both Golf and the City of Madison to be in a long-term financially sustainable position. At least one recommendation should not require an annual general fund operating subsidy and no tax levy supported debt

Golf Enterprise Overview

- ▶ 749.78 Acres of Parks land dedicated to Golf Courses (17.5% of total Park owned land)
- ▶ Four (4) distinct courses with a total of 72 holes
- ▶ Each varies in length, skill level, challenge and time requirements to meet diverse needs of players

Course	# holes	Type of Course	Average Yearly Rounds (18 hole equivalent)	Total Acres	Acres Intensively managed
Yahara Hills	36	Two (2) 18 Hole courses, both par 72	34,788	451.08	92
Odana Hills	18	Regulation, par 72	32,351	171.27	48
Monona	9	Regulation, par 36	15,772	85.45	32
Glenway	9	Executive, par 32	16,035	41.98	18
Program Total	72		98,946	749.78	190

Course Locations

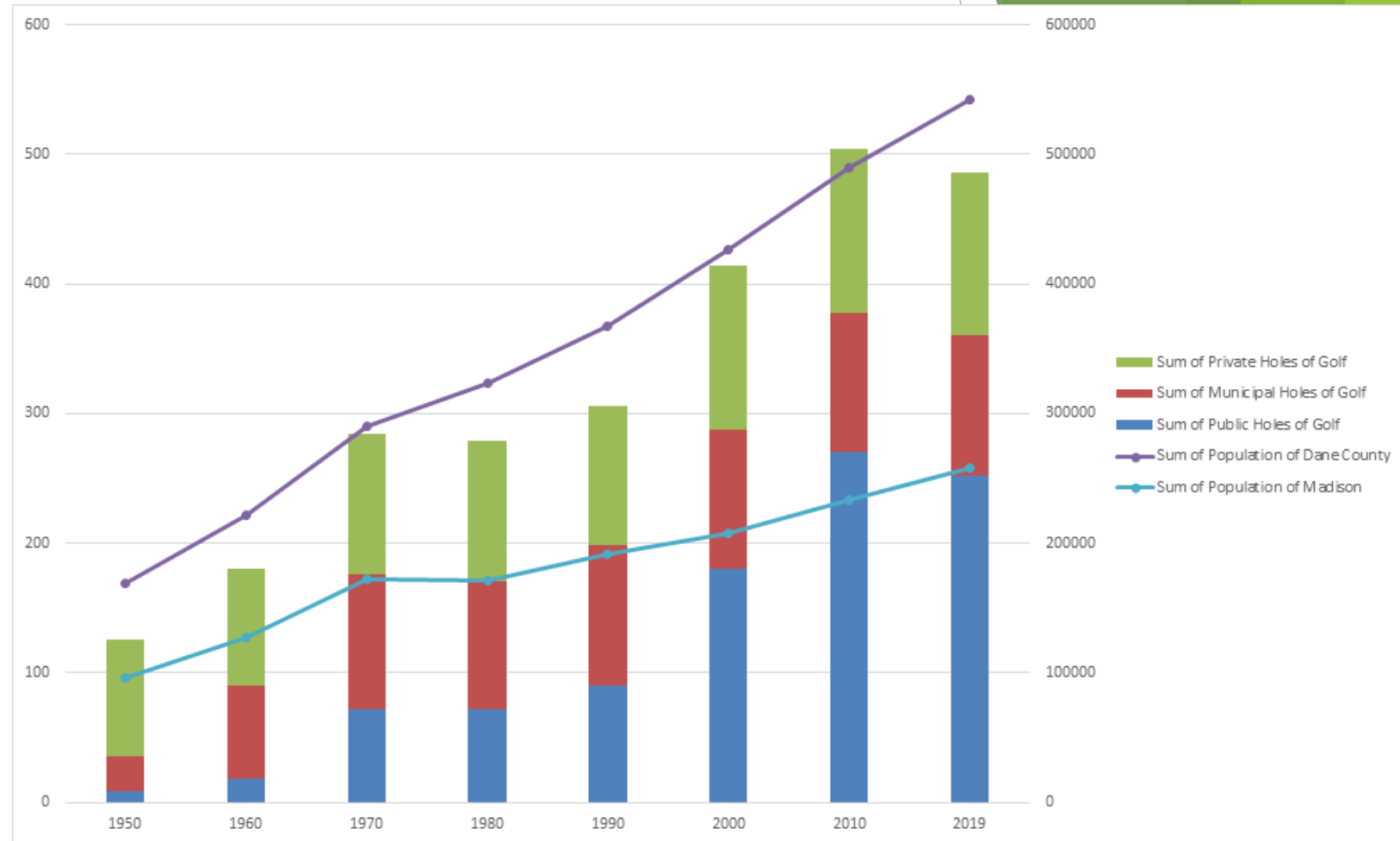


Mission of Golf Enterprise Program

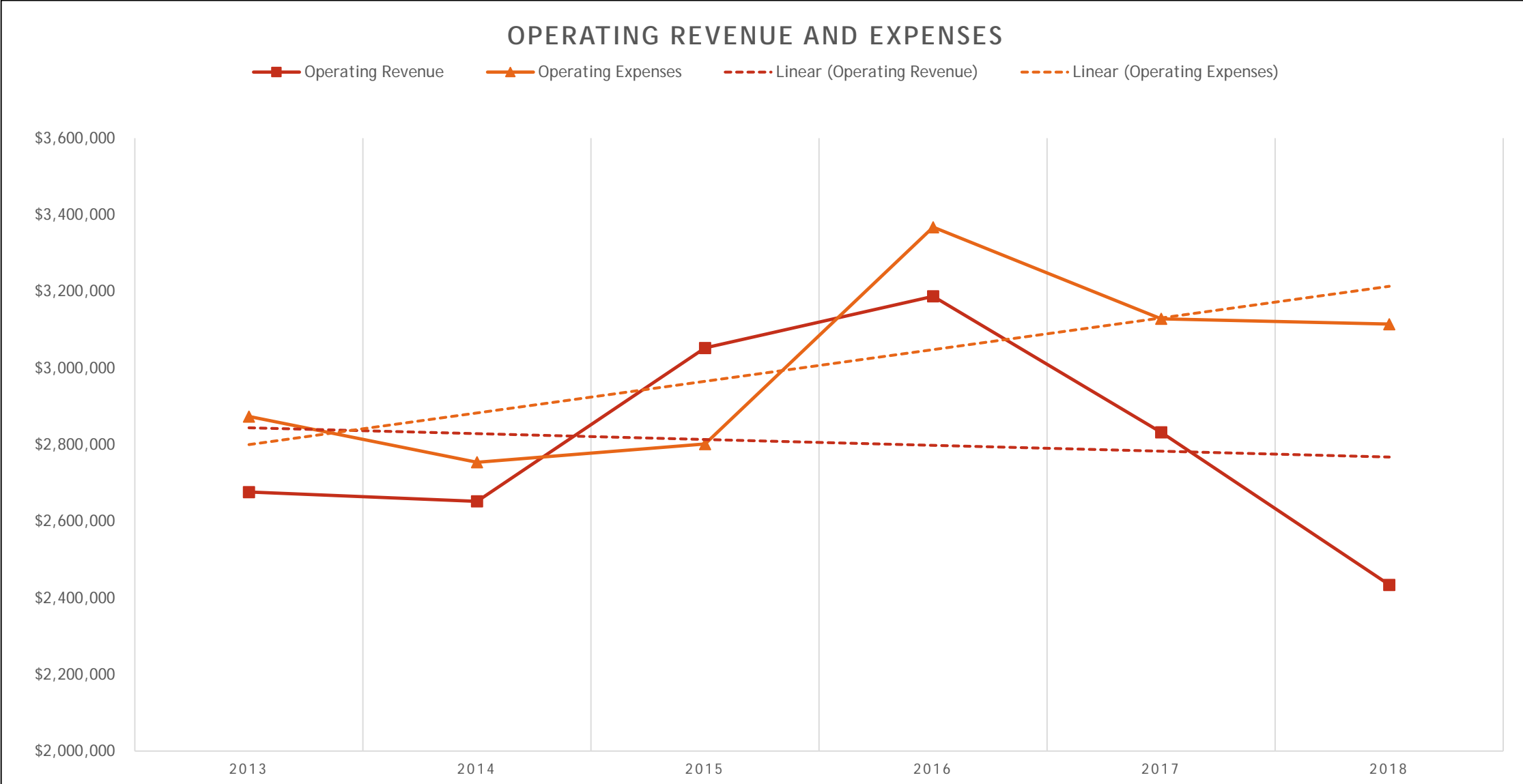
- ▶ Our mission is to provide the Madison area golfing public with the finest possible golfing conditions and promote outdoor experiences for residents. It is the goal to provide affordable, accessible, high quality golf to all residence of the greater Madison area and beyond.
- ▶ Objectives of Program
 - ▶ Be fully financially independent of the property tax levy (no subsidy)
 - ▶ Promote physical and mental health
 - ▶ Influence local market price, keeping golf affordable and accessible
 - ▶ Create for social networking opportunities
 - ▶ Create welcoming environment to all
 - ▶ Provide business and fundraising opportunities through event/outing coordination
 - ▶ Employ approximately 120 staff at living wages
 - ▶ Promote healthy natural environment through sustainable stewardship practices

Current Financial Situation

- ▶ Golf Enterprise Fund since at least 1980, meant to be completely self-sustaining
 - ▶ GEF has struggled for past 10 years to be profitable
 - ▶ Incurs costs similar to a business (e.g. PILOT, Depreciation, etc.)
- ▶ Revenues have leveled off and are weather dependent
- ▶ Expenses continue to increase (e.g. utilities, labor/benefits)
- ▶ Intense market competition: Of 486 holes of golf available in Dane County, 207 were added between 1985-2005.



Current Financial Situation



Operational Models Discussed

In-House Management Models:

▶ Direct Management -

- Utilizes existing employees to manage the entire golf operation.
- City incurs all expenses and receives all revenue.
- Current GEP model.

▶ Indirect Management -

- City hires contracted professionals who report to a city manager.
- City incurs all expenses and receives all revenue.
- GEP model prior to 2013.

Third Party Management Models

▶ Private Management -

- City contracts with third-party private management firm
- City and third party share revenues and expenses.
- Incentives built in for manager

▶ Lease to Private Firm -

- Right to operate the golf course is leased to private firm
- Firm incurs all expenses and retains all revenues
- City receives payment per contract agreement

Compared models of similarly sized municipal programs: Cedar Rapids, IA; Rockford, IL; Lincoln, NE; St. Paul, MN; Janesville, WI; Portland, OR; Austin, TX and Chicago, IL

Resource Management and Use

- ▶ Land Management
 - ▶ Principles of Integrated Pest Management (IPM) are utilized to manage courses, balance needs of users and steps taken to lessen impact on environment.
 - ▶ Approximately \$137,000 per year spent on fertilizers and pesticides to intensively manage 190 acres of greens, tees and fairways.
- ▶ Water Usage
 - ▶ 41 Million gallons used yearly to irrigate courses
 - ▶ Reviewed components of water utility billing and data by course
- ▶ Electrical usage on courses for buildings, irrigation systems, aerators
 - ▶ Approximately \$67,500 spent on electrical utilities each year
 - ▶ Reviewed components of water utility billing and data by course



Capital Needs

Course	Need	Entire Project Estimate Range
Equipment	Replacement of various equipment essential to course maintenance that has outlived useful life.	\$1-2.3M
Yahara Hills	<ul style="list-style-type: none">• Improve stormwater infrastructure and course drainage• Pumphouse & Irrigation Replacement• Bunker Renovation• Install New Tees• Cart Path additions	\$21M - \$32M
Odana Hills	<ul style="list-style-type: none">• Green and Fairway Renovation• Improve Stormwater Infrastructure and Course Drainage• New Well and Pumphouse, Irrigation Updates• Clubhouse Replacement and Parking Lot Renovation• Install New Tees and Expand Driving Range Tee• Cart Path Installation• Covered Storage for Bulk Materials	\$12.2M - \$18.4M

Capital Needs

Priority	Need	Estimated Cost
Monona	New Well and Pumphouse, Irrigation System Upgrades Bunker Renovation New Driving Range Tee Box Clubhouse Replacement and Parking Lot Renovation Fairway Restoration Reseed Tee Boxes and Fairways	\$2.5M - \$3.8M
Glenway	Patio Replacement Renovate Existing Tees Well and Pumphouse Installation Clubhouse Replacement and Parking Lot Renovation	\$1.7M - \$2.5M

Community Park Deficiency Analysis per POSP

- ▶ Golf land makes up approximately 17.5% of Parks owned lands
- ▶ If any are redeveloped as parks each individual course would classify as a Community Park
- ▶ Deficiencies identified by POSP
 - ▶ Recreational Biking
 - ▶ Disc Golf
 - ▶ Gardening
 - ▶ Dog Parks
 - ▶ Nature viewing
 - ▶ Hiking
 - ▶ Field sport locations
- ▶ Reclassification of Odana or Glenway would not improve access to Community Park to within 2 mi.
- ▶ Monona could address the largest existing deficiency, which is in the Glendale neighborhood.
- ▶ Yahara could address the long term needs of the future southeastern neighborhood developments.

Possible Scenarios

- ▶ Scenario 1a: Close Yahara Hills Golf Course. Remain as an enterprise.
- ▶ Scenario 1b: Close Yahara Hills Golf Course. Eliminate the enterprise fund model, fully incorporating the remaining three courses into the Parks system.
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- ▶ Scenario 2a: Close Yahara Hills and Glenway Golf Courses. Remain as an enterprise.
- ▶ Scenario 2b: Close Yahara Hills and Glenway Golf Courses. Eliminate enterprise fund, fully incorporating remaining courses into the Parks System.
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- ▶ Scenario 3a: Close Monona Golf Course and eliminate nine holes at Yahara Hills Golf Course. Remain as an enterprise.
- ▶ Scenario 3b: Close Monona Golf Course and eliminate nine holes at Yahara Hills Golf Course. Eliminate the enterprise fund model, fully incorporating the remaining 3 courses into the Parks system.
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- ▶ Scenario 4a: Close Monona Golf Course and eliminate eighteen holes at Yahara Hills Golf Course. Remain as an enterprise
- ▶ Scenario 4b: Close Monona Golf Course and eliminate eighteen holes at Yahara Hills Golf Course. Eliminate enterprise fund, fully incorporating remaining courses into the Parks System.

Anticipated Net Gain/Loss Within Each Scenario

- ▶ Each scenario was based on a five-year average for expenses and revenues.
- ▶ Each scenario was evaluated assuming no capital reinvestment would be made from non-golf sources.
- ▶ This means that the revenue generation capabilities are not adjusted to account for potential increases related to intelligent reinvestment.
- ▶ As an Enterprise Fund, each of the four scenarios produced an expectation of a loss of between \$185K up to \$246K. Given the magnitude of the difference (\$61K from a \$3M base), the differences are not particularly significant. Essentially, using the five-year averages, none of the four options are likely to produce a profitable Enterprise. With any course closure there is a general fund impact related to the corresponding reduction in PILOT payments to the General Fund.
- ▶ As a Park Service, each of the four options would likely produce program revenue that would exceed direct program expenses by between \$4K and \$176K annually. This would, however, mean that the City's general fund would lose nearly \$200K in revenue from the annual PILOT payment and that the depreciation would be unaccounted for and become a liability of the general fund. This means an effective subsidy for the golf courses remaining.
- ▶ None of the eight scenarios would be likely be able to repay the General Fund for the current loan of \$1.5M within ten years.

Questions?
or
Comments?