

Report from Parks, Recreation and Culture Services, Business Planning and Strategic Services

Date of Report: April 3, 2018

Date of Meeting: April 16, 2018

Report Number: PRCS-B018-2018

File: 68.31.190

Subject: Garden City Golf Course Strategy

Recommendation

That the Budget Standing Committee support the exploration of a third party operator / partnership, through a Request for Expression of Interest, for the Garden City Golf Course for the 2019 season and beyond; and

That staff be directed to report back on findings prior to the 2019 budget deliberations.
FORTHWITH

Summary

The Budget Standing Committee's motion on November 29, 2017, requests that the Recreation Master Plan Committee consider re-developing the Municipal Golf Course into a passive Park.

On March 21, 2018, Parks, Recreation and Culture Services staff provided a presentation to the Recreation Master Plan Advisory Committee (Committee) on the Municipal Golf Course in response to direction from the Budget Standing Committee. The Committee unanimously approved the following motion: "That the Recreation Master Plan Committee support the exploration of a third party operator/partnership for the Garden City Golf Course for the 2019 season and beyond."

This report provides an overview of the existing operation, provides a policy context, and considers alternative uses for the site. It is recommended that staff further investigate a partnership and/or lease opportunities to maintain the operation while minimizing operational and re-development costs for the City.

Background

At its meeting on November 29, 2017, the Budget Standing Committee approved the following motion:

"That the BSC refer the PRCS - Municipal Golf Course (making it a passive park) in the amount of \$220,000 to the Recreation Master Plan Advisory Committee for future consideration."

Current Operation: Garden City Municipal Golf Course

Garden City Golf Course is an 18-hole, par 60 executive course located on 26.36 ha of land. The course opened approximately 30 years ago on top of a former city landfill. The golf course has attracted a loyal following of golfers looking to improve their skills and participate in weekly leagues. It is the only municipally owned golf course in St. Catharines.

Over the past five years, the facility has an average cost of operation of \$235,991. Expenditures average \$539,396, and revenues average \$303,422 over the same five year period. The budget is included in Appendix 1.

Report

Policy Context

Parks Policy Plan (2005)

The Parks Policy Plan designated the Garden City Golf Course as a City-Wide Park and Regional Open Space. The specialized facility is easily accessible from locations throughout the City. With the closure of the Fairview Golf Course, the Garden City Golf Course is the only municipal golf facility within the City.

The golf course is located in close proximity to two passive parks: Centennial Gardens and the Merritt Trail, located within Canal Valley Park. There is no identified shortage of parkland in this area, nor is there an identified need for additional passive park space in this area.

Recreation Master Plan (2015)

The Recreation Master Plan (RMP) was created in 2015 following extensive public consultation.

The household survey completed as part of the development of the RMP found that approximately 37% of residents participated in golf within the past twelve months. Further, the survey found that at least 20% of golfers had participated in this activity outside of the City. No comments regarding municipal golf courses were received throughout any of the public engagement sessions that were undertaken.

In 2015, the Recreation Master Plan concluded that, by all indications, the City's public golf courses were adequately utilized and provided access to any resident interested in golf-related opportunities, thereby promoting the City's objectives surrounding inclusion and accessibility. Municipal involvement in golf course operations was considered appropriate at its current level, and there was no need to expand the number of municipal golf courses given the existing public and private opportunities available regionally and the fact that municipal investment may better be suited for other and more needed leisure activities. The RMP does not specify which activities might be more needed in this location. The plan noted that the City should continue to look for

innovative opportunities to maximize use of its golf courses and could potentially explore partnership opportunities with other institutions or agencies that may have an interest in utilizing the facilities (e.g. creating a 'teaching' course for a postsecondary golf course management program).

In 2015, the Recreation Master Plan recommended that the City monitor key performance and utilization indicators for the Garden City Golf Course to determine long-term viability and revenue contributions to the City. In the event that future market conditions and operating profile of either golf course is not deemed to be favourable to the interests of the community, the RMP recommended that consideration be given to repurposing the lands to another form of passive and/or active parkland provided that this is supported through a comprehensive business plan regarding municipal golf course operations.

Since 2005, the cost of the operation has increased dramatically. The biggest factors in the increasing costs of the operation are utility costs and reduction in green fee revenues, along with a slight reduction in liquor sales. Since 2004, the City has had to utilize municipal water for irrigation purposes at the golf course. This has added significant cost to the operation of the facility. Appendix 1 shows the net cost to the corporation (excluding debt). Appendix 2 shows revenues for the Garden City Golf Course.

Garden City Golf Course Master Plan

In 2005, [Council approved the development of a Golf Course Master Plan](#) (Plan) (see minutes Item No. 191) by Ted Baker & Associates. The Master Plan was completed in the same year and involved consultation with the public in order to determine the future of the Golf Course.

The public consultation aimed to outline the study and solicit opinions from the golf course community. The general consensus was that it is a "well-run golf course with courteous staff but is in serious need of upgrading." The report recommended that better conditions at the Golf Course would result in a better product, and result in greater overall revenue generation. The closure of the golf course, or alternative uses for the land were not presented as options, nor were they discussed.

The Plan investigated several options for the facility. These included: maintaining the status quo, modifying the existing course, re-designing the course, or creating a new 18-hole executive course. Based on public consultation, the Plan recommended modifying the existing course as a preferred option.

The Plan includes specific hole-by-hole recommended upgrades including realigning tees, improving drainage, planting trees, and grading for interest. Since 2005, improvements have been made to hole 9 (which were funded by the adjacent re-development), barrier netting has been installed and electrical improvements have been

made to the clubhouse. A maintenance building was additionally installed at a cost of 871,854.30. Additional minor improvements were made to the parking area with the addition of stone to expand the parking area.

Golf in Niagara

Other golf locations in St. Catharines / Niagara

Residents of St. Catharines are well served with golf courses as these facility types generally serve not only local residents, but draw from regional user markets.

In St. Catharines, the Municipal Garden City Golf Course is complemented by the private sector St. Catharines Golf & Country Club, a premier 18-hole, par 72 course with a 6-sheet curling rink, fitness centre, pool, and full service clubhouse.

The Niagara Region has over 40 public and private golf courses. The primary comparable and competitor to the Garden City Golf Course is the Brock Golf Course, located in Thorold. Both facilities offer close proximity to St. Catharines and provide an affordable golf option.

Alternatives

After revenue, the Garden City Golf Course has cost the City an average of \$235,991 per year, over the past five years. The Budget Standing Committee requested consideration on turning the Garden City Golf Course into a Passive Park. This option, as well as alternatives are discussed below. Given that the Golf Course is located on a former garbage dump, re-development options will be limited in terms of design and building potential. Any form of re-use of the space will likely be limited to some type of park use.

1. Conversion to a Passive Park

Closure of the golf course and converting the space to a passive park would have costs associated with both the conversion and the ongoing maintenance for the park space.

The surrounding neighbourhood is currently serviced with nearby passive parks at both Centennial Gardens and the Merritt Trail. There is no identified shortage of passive park space in this area.

Given the above concerns and the lack of need for passive space in the area, the Recreation Master Plan Committee was not supportive of converting the Garden City Golf Course into a passive park.

2. Status Quo

At an average annual cost of approximately \$235,000, the City could maintain the existing operation. Recent efforts have been made to improve the marketing of the facility.

3. Partnership or Third Party Operator

Pursuing a partnership or third party operator is expected to require minimal immediate investment and could allow the facility to continue operation while lessening the financial impact to the tax base.

As is the case with other specialized facilities, other organizations may be better suited to market, manage and operate a golf course. Fully investigating which options are available and understanding the details of any such agreement would be essential to determining the implications to the City.

The Recreation Master Plan Committee unanimously supported this option, citing potential to work with local educational facilities and other organizations.

4. Redevelopment of Programmed Park Space, based on a Community Vision

Re-development of the space could include a variety of passive and active recreational uses and could retain a portion of the golf course facility or club house.

Using the 2005 Master Plan as a foundation, community input and the creation of a vision for the land would be essential to any re-development. Costs associated with this option would include the Visioning Process, costs of conversion and ongoing operational costs. Programmed recreational facilities, fields, the club house, etc., could also provide some revenue and address existing facility shortages within the City.

Recreation Master Plan Committee

On March 21, 2018, Parks, Recreation and Culture Services provided a presentation on the Municipal Golf Course in response to direction from the Budget Standing Committee.

The Committee cited concerns about safety and security as well as no identified need for a passive park in this location and was not supportive of converting the Garden City Golf Course into a passive park. The Committee unanimously approved the following motion:

“That the Recreation Master Plan Committee support the exploration of a third party operator / partnership for the Garden City Golf Course for the 2019 season and beyond.”

Next Steps

Should the BSC direct staff to pursue the exploration of a third party operator / partnership for the Garden City Golf Course, the next step would be the preparation of a call for Expressions of Interest (EOI). An EOI would be the first step to exploring which parties might be interested in operating or partnering on the operation. This would allow

the municipality to gauge interest and begin discussions with interested parties. It would not commit the municipality to a third party operator or partnership. Once complete, findings would be presented back to the BSC for consideration.

Once staff fully explore opportunities for an operator or partner for the golf course, and if it is determined that no such opportunities exists, the creation of a vision for the area would be essential. This vision would involve the community and could include a combination of active and passive recreational uses.

Other Municipal Golf Courses

In general, golf has seen a steady decline in Canada. A significant boom in the number of golf courses being developed in the 1980s and 1990s, combined with decreasing participation, has seen many golf courses close. Since 2005, Toronto, Winnipeg and Hamilton have all seen a steady decline in the number of rounds played at municipal golf courses prompting these municipalities and others to reevaluate the provision of municipal golf.

In 2017, Kingston's Bell Park closed its 9-hole golf course, also located on a former garbage dump. This land is being converted into a combination of passive space and programmed recreational uses; rugby and pickle ball facilities are under consideration to meet the recreational needs of the community.

In July of 2017, Huntsville City Council voted to close Becky Peirce Municipal Golf Course and re-develop the site into a multi-use park, including mountain bike trails and a cross country course. The city had previously released a request for proposal in search of an operator for the golf course.

Financial Implications

Financial implications associated with the exploration of a third party operator / partnership for the Garden City Golf Course are currently limited to staff time and ongoing operational costs. Should the City have an outside organization operate the golf course, there may be staffing implications.

Relationship to Strategic Plan

This report is related to:

- Social sustainability action item 4.1, prioritize and implement recommendations from the Recreation Master Plan with a focus on balancing recreation services for all ages, demographics and abilities.
- Economic sustainability action item 2.1, update financial controls and debt management strategy to better manage escalating costs of City operations and services.
- Economic sustainability action item 2.4, optimize capital infrastructure through effective asset management and sustainable investment.

Conclusion

The Budget Standing Committee's motion on November 29, 2017, requests that the Recreation Master Plan Committee consider re-developing the Municipal Golf Course into a passive Park. Given there was no identified need for a passive park in the location, as well as concerns about safety and security, the Recreation Master Plan Committee was not supportive of a passive park in this location.

The Committee unanimously approved a motion to support the exploration of a third party operator / partnership for the Garden City Golf Course. This option would allow staff to explore which parties might be interested in operating or partnering on the operation. This would allow the municipality to gauge interest and begin discussions with interested parties. It would not commit the municipality to a third party operator or partnership.

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Accounts	2018 Budget	5 Year Actuals Average	3 Year Actuals Average	2017 Actuals	2016 Actuals	2015 Actuals	2014 Actuals	2013 Actuals
750.700.001 Salaries/Wages - Regular	-\$45,208	-\$53,727	-\$58,129	-\$51,637	-\$89,536	-\$33,213	-\$29,537	-\$64,714
750.700.002 Salries/Wages - Overtime	-5,002	-3,810	-3,776	-2,893	-5,020	-3,416	-3,130	-4,589
750.700.003 Salaries/Wages - extra	-223,403	-161,647	-164,323	-169,486	-134,284	-189,199	-169,678	-145,587
750.700.006 Sick Pay	-501	-775	-662	-659	-823	-503	-1,203	-689
750.700.007 Holiday/Vacation Pay	-18,566	-17,457	-18,483	-17,830	-16,861	-20,757	-17,577	-14,260
750.700.009 Doctor's Appointments	-50	-59	-68	-78	-77	-48	-48	-43
750.700.012 Allocation		-21,705	-9,400			-28,199	-35,754	-44,572
750.700.030 Pensions	-22,778	-20,287	-20,236	-17,739	-17,708	-25,261	-20,809	-19,918
750.700.031 Other Benefits	-17,072	-12,621	-12,386	-11,691	-10,339	-15,128	-13,205	-12,741
750.700.032 Workers Compensation	-8,309	-5,994	-6,448	-5,906	-5,899	-7,540	-5,384	-5,241
750.700.033 Employment Insurance	-5,965	-5,579	-5,313	-4,093	-5,187	-6,658	-6,063	-5,892
750.700.040 Meal Allowance	-51	-5	-6		-9	-9	-9	
750.700.041 Safety Shoes	-175	-350	-292	-175	-175	-525	-525	-350
750.700.050 Rentals	-53,000	-49,781	-52,605	-49,608	-38,826	-69,380	-50,730	-40,361
750.700.053 Service Contracts	-4,500	-3,585	-3,831	-3,433	-3,568	-4,492	-3,201	-3,232
750.700.054 Repairs - equipment	-1,000	-218	-307	-464	-78	-378		-170
750.700.066 Fuel - Gasoline, Diesel	-8,000	-8,006	-8,237	-8,109	-8,357	-8,245	-4,246	-11,073
750.700.068 Equipment Operation Surplus	28,592	17,122	19,898	21,161	9,134	29,399	16,566	9,348
750.700.071 Irrigation Repairs	-5,000	-3,117	-3,838	-3,643	-5,395	-2,476	-204	-3,865
750.700.101 Construction General	-5,500	-5,737	-4,135	-5,510	-2,043	-4,853	-7,639	-8,642
750.700.102 Small Tools/Equipment	-1,500	-1,746	-1,518	-1,575	-1,222	-1,756	-2,397	-1,778
750.100.104 General Supplies	-35,000	-25,783	-25,474	-25,119	-17,383	-33,921	-25,753	-26,740
750.700.109 Safety/Protective Equipment	-300	-261	-359	-576	-290	-210	-185	-42
750.700.110 Uniform Clothing	-950	-923	-881	-819	-953	-870	-1,083	-889
750.700.112 Resale Items	-1,500	-1,197	-1,285	-738	-1,697	-1,420	-903	-1,228
750.700.127 Concession Purchases	-12,000	-9,274	-8,816	-7,874	-9,828	-8,745	-9,611	-10,310
750.700.139 Concession Purchase - liquor	-18,000	-19,143	-19,048	-18,453	-17,645	-21,047	-18,717	-19,854
750.700.140 Concession Supplies	-100	-5	-9			-26		
750.700.152 General Building Maintenance Supplies	-500	-463	-590	-1,111	-343	-316	-443	-104
750.700.159 CNR Leases	-1,000	-200	-333		-1,000			
750.700.162 Repairs	-9,914	-9,414	-11,871	-19,832	-8,367	-7,415	-4,848	-6,607
750.700.163 Heat/Light/Power/Water	-115,316	-86,420	-93,843	-69,141	-129,914	-82,474	-76,978	-73,591
750.700.173 Insurance - Building/Content	-987	-1,620	-1,272	-858	-1,036	-1,923	-2,170	-2,113
750.700.200 Contracts - golf cart	-16,000	-8,645	-14,408	-21,993	-21,231			
750.700.206 Contracts - Garbage Collection	-720	-308	-513	-695	-400	-444		
750.700.235 Contract - Pest Control	-300	-38	-43		-130		-60	
750.700.302 Insurance - Liability	-5,134	-5,117	-5,533	-4,934	-5,465	-6,200	-4,490	-4,494
750.700.305 Telephone	-3,500	-2,394	-1,721	-1,769	-1,678	-1,717	-3,680	-3,126
750.700.306 Cellular Phones	-1,920	-772	-734	-858	-539	-804	-705	-952

Accounts	2018 Budget	5 Year Actuals Average	3 Year Actuals Average	2017 Actuals	2016 Actuals	2015 Actuals	2014 Actuals	2013 Actuals
750.700.307 Printing	-350	-627	-303	-981	-94	167	-2,225	
750.700.309 Advertising	-11,000	-9,362	-8,827	-11,000	-6,126	-9,354	-10,701	-9,630
750.700.310 Office Supplies	-150	-198	-202		-17	-588	-331	-52
750.700.318 Cash Processing Fees	-2,500	-2,696	-2,842	-2,910	-2,849	-2,767	-2,551	-2,403
750.700.356 Building Improvements		-3,000	0				-15,000	
750.700.351 Computer Hardware		-446	-401		-1,204			-1,024
750.700.354 Other Equipment	-5,000	0	0					
750.700.401 Conferences/Conventions		-32	0				-160	
750.700.402 Training	-500	-76	-127	-380				
750.700.405 Subscriptions/Memberships	-1,000	-569	-533	-800	-800		-223	-1,023
750.700.417 Study/Consulting Fees		-901	-1,157	-1,219	-1,219	-1,033	-1,033	
750.700.443 Discounts	700	-156	-254	-457	-82	-222	32	-53
750.700.445 Gift Certificates	1,200	399	505	171	742	602	186	295
750.700.446 Rainchecks		954	1,127	1,714	1,021	646	544	846
750.700.450 Miscellaneous		-18	-30	-89				
Total Expenditures:	-\$638,729	-\$547,789	-\$553,872	-\$524,088	-\$564,800	-\$572,718	-\$535,861	-\$541,463
750.700.800 Miscellaneous Revenue		170	295	250	365	270	-25	-10
750.700.814 Pro Shop Rentals	62,000	53,799	59,202	58,498	62,522	56,585	46,339	45,053
750.700.830 Memberships	12,000	9,754	11,991	12,390	12,389	11,195	5,804	6,991
750.700.850 Advertising	5,000	531	0					2,655
750.700.856 Green Fees	175,000	159,589	157,691	142,944	165,113	165,017	155,479	169,394
750.700.857 Concession sales	15,000	11,133	11,015	9,791	12,052	11,201	10,441	12,180
750.700.860 Vending Machines		6,006	7,714	8,128	8,128	6,886	6,886	
750.700.861 Liquor sales	45,000	37,417	38,140	33,727	38,500	42,194	37,006	35,659
750.700.900 Transfer from Reserve		2,540	4,233	12,699				
750.700.928 Acitivity Pack Fees	35,000	20,980	24,400	23,117	28,789	21,295	17,841	13,858
750.700.940 Pro Shop Sales	3,500	2,690	2,855	2,357	3,155	3,052	2,460	2,424
750.700.950 Allocation - Horticulture		7,186	6,017		9,025	9,025	9,025	8,856
Total Revenues:	\$352,500	\$311,795	\$323,553	\$303,901	\$340,038	\$326,720	\$291,256	\$297,060
Net Expenditures:	-\$286,229	-\$235,994	-\$230,319	-\$220,187	-\$224,762	-\$245,998	-\$244,605	-\$244,403

Accounts	2017 Actuals	2016 Actuals	2015 Actuals	2014 Actuals	2013 Actuals	2012 Actuals	2011 Actuals	2010 Actuals	2009 Actuals	2008 Actuals	2007 Actuals	2006 Actuals	2005 Actuals
750.700.445 Gift Certificates	\$171	\$742	\$602	\$186	\$295	\$659	\$289	\$795	\$943	-	-	-	-
750.700.446 Rainchecks	1,714	1,021	646	544	846	1,247	1,676	1,820	1,833	-	-	-	-
750.700.800 Misc Revenue	250	365	270	(25)	(10)	120	116	198	(10)	15	26	-	-
750.700.814 Pro Shop Rentals	58,498	62,522	56,585	46,339	45,053	48,810	34,025	39,957	31,615	9,605	23,225	19,613	13,899
750.700.830 Memberships	12,390	12,389	11,195	5,804	6,991	7,257	8,402	7,315	6,171	10,204	16,911	10,013	17,311
750.700.834 Special Recoverables	-	-	-	-	-	-	-	-	64,356	116,055	-	-	-
750.700.850 Advertising	-	-	-	-	2,655	3,000	2,000	4,000	-	4,800	6,130	7,543	151
750.700.856 Green Fees	142,944	165,113	165,017	155,476	169,394	190,447	164,678	214,956	209,765	225,780	383,788	372,948	373,090
750.700.857 Concession Sales	9,791	12,052	11,201	10,441	12,180	12,870	16,651	16,762	13,727	18,974	30,351	29,884	34,784
750.700.858 Golf Camp Green Fees	-	-	-	-	-	-	-	-	5,512	6,744	6,686	8,509	11,581
750.700.860 Vending Machines	8,128	8,128	6,886	6,886	-	-	-	-	-	-	-	-	-
750.700.861 Liquor Sales	33,727	38,500	42,194	37,006	35,659	36,728	32,607	34,754	24,741	22,137	44,054	46,092	44,114
750.700.900 Transfer from Reserve	12,699	-	-	-	-	-	-	-	-	-	-	-	-
750.700.928 Activity Pack Fees	23,117	28,789	21,295	17,841	13,858	16,584	16,593	13,629	3,886	-	-	-	-
750.700.940 Pro Shop Sales	2,357	3,155	3,052	2,460	2,424	3,207	3,245	3,315	2,269	2,016	4,362	4,331	4,137
750.700.950 Allocation - Horticulture	-	9,025	9,025	9,025	8,856	8,690	8,402	8,402	-	-	-	-	-
750.700.951 Transfer from Reserve	-	-	-	-	-	-	-	-	10,508	5,725	54,366	40,108	70,736
Total Revenues	\$305,786	\$341,801	\$327,968	\$291,983	\$298,201	\$329,619	\$288,684	\$345,903	\$375,316	\$422,055	\$569,899	\$539,041	\$569,803