

Agenda Report

April 26, 2004

TO: City Council via Economic Development and Technology Committee

FROM: Rose Bowl Operating Company

SUBJECT: Benefits Afforded to Brookside's Affiliate Clubs, Pasadena-based Charity Golf Tournaments and the Development of a Junior Golf Program

RECOMMENDATION:

It is recommended that the City Council:

1. Continue its current policy of providing green fee discounts to Brookside Affiliate Clubs during prime and non-prime time through June 30, 2004.
2. As of July 1, 2004, restrict Brookside's Affiliate Clubs green fee discounts to non-prime time only. During prime time, Affiliate Clubs' will be afforded green fee discounts, provided they pay a \$5 surcharge (non-residents only), which shall go directly to Brookside's Junior Golf Program.
3. Continue the policy of providing Pasadena-based charities discounted rates on shotgun-type golf tournaments and introduce a discount rate for straight-tee type golf tournaments.
4. Develop a comprehensive Junior Golf Program.

BACKGROUND:

On March 8, 2004, the City Council requested the Rose Bowl Operating Company (RBOC) to prepare a report regarding benefits afforded the four Brookside Affiliate Clubs, fees being charged to Pasadena-based charity golf tournaments, and the development of a Junior Golf Program.

Affiliate Clubs

Brookside is home to four long-standing golf clubs: Brookside Women's Club (established 1932), the Brookside Men's Club (established 1942), the E.O. Nay Women's Club (established 1956), and the Pasadena Senior Club (established 1992). The combined membership of these clubs total 800 members. Anyone interested in joining these clubs is welcome. The clubs function to promote the game of golf by conducting tournaments and to reinforce golf's traditions of courtesy and sportsmanship. The clubs are not-for-profit and have limited budgets. The individual annual dues for the two Womens Clubs and Senior Club are \$60. The annual dues for the Men's Club are \$125. Revenues from member dues are used to cover the administrative costs of the clubs, including a \$25 fee for USGA sanctioned handicap service, and the running of golf tournaments. It should be noted that a portion of the Men's Club budget goes to support various community events, including the Mayor's Christmas Party (benefiting the youth of Pasadena) and the Police Activity Leagues. Moreover, the Men's Club was active in raising funds for the construction of the Brookside Clubhouse in 1967. Records indicated that \$80,000 was raised to assist with the construction of the building. Approximately half of the total memberships of the E.O. Nay, Brookside Women's Clubs and Pasadena Senior Club are non-residents, while eighty percent of the Men's Club are non-residents.

The two ladies' Clubs have an outing once a week, and the Pasadena Seniors have one monthly event. All three of these groups play exclusively during the week. The Brookside Men's Club has one weekday and one weekend day tournament, a month, at Brookside. The Men's Club also conducts a handful of other events throughout the year which include a Member-Guest Day, SCGA Team Play and the Pasadena City Championship. Approximately half of the Men's Club's events are held during the week and half on the weekends.

The introduction of a resident discount, on green fees, was instituted at Brookside in 1988. Because of the Clubs many years of tradition and support of Brookside, non-resident Club members were afforded the opportunity to receive a discounted rate, provided they purchased a \$50 annual discount card. Residents pay \$10 annually for this card. Currently, 325 non-resident Men's Club members, and 175 non-resident Senior and Womens Club members are in possession of the \$50 discount card. These cards expire on December 31, 2004. Staff recommends that these cards be honored through the remainder of the year.

The Clubs have been very supportive of Brookside and are considered a core group of the facility. Staff estimates that members of these Clubs spend in excess of \$550,000 annually at Brookside on golf fees, merchandise, and food and beverage purchases. Many of these members drive 30 minutes, or more, to frequent Brookside. A major factor that Club members support Brookside is due to the discounted green fees they receive. It should be noted that the discounted green fees they receive is the same fee the majority of other municipal courses would charge them to play their facilities. Of the \$400,000 spent by the non-resident Club members, approximately \$210,000 are on green fees and the remainder are for cart rentals, range, merchandise and food and beverage, which they do not receive discounts on.

The following is a breakdown of estimated non-resident Club member expenditures at Brookside in 2003:

<u>Utilization</u>	<u>Green Fees</u>	<u>Cart/Range Fee</u>	<u>Clubhouse</u>	<u>Total</u>
Weekend-3,200	\$ 83,200	\$25,600	\$41,600	\$150,400
Weekday-8,400	<u>\$126,000</u>	<u>\$67,200</u>	<u>\$58,800</u>	<u>\$252,000</u>
Total	\$209,200	\$92,800	\$100,400	\$402,400

Non-resident Club members played 11,600 rounds at Brookside last year. The average discount received per round was \$11.65. Staff estimates a total of \$135,200 in discounts was afforded non-resident Club members in 2003.

Not included in the above chart is the Pasadena City Championship which is hosted by the Men's Club over four days each May. This annual championship is one of the oldest City Championships in the Western United States. Staff estimates that the participants spend over \$75,000 over those four days at Brookside.

Staff believes that eliminating the non-resident Club member discount program could result in over \$200,000 of non-resident Club member revenues vanishing. Recouping these lost revenues would be difficult. Staff also believes that continuing some type of affiliate club discount program is a good marketing practice.

Because non-prime time is difficult to market, staff recommends modifying the non-resident Club discount program to non-prime times only with the purchase of the \$50 discount card. In order to maintain current level of non-resident Club expenditures at Brookside, staff also recommends that non-resident Club members be afforded discounts during prime time, provided they pay an additional \$5 fee for each round. The \$5 would go directly to the proposed Brookside Junior Golf Program. Staff believes that modifying the Club discount to non-prime times, as well as prime time with a \$5 surcharge, will result in the continued financial support of Brookside by all the Clubs. These revenues will assist in providing funding of a Junior Golf Program in the amount of \$16,000 annually.

Pasadena-based charities

Various Pasadena-based charities host golf tournaments on an annual basis at Brookside. Over the years, charities benefiting Pasadena organizations have been provided discounts on shotgun-style tournament fees at Brookside. Historically, the discount has been \$10 per player. A typical tournament has 120 players and utilizes one of the courses for the entire day. These tournaments are great fund raisers and can generate between \$5,000 to \$30,000 per event. Last year, Brookside hosted 24 Pasadena-based charity shotgun-style tournaments, with a total of 2,836 golfers participating. Using the \$10 per player discount, total value of the discounts given to these tournaments was \$28,360. It is estimated that these tournaments generated over \$300,000 for their respective causes.

Staff is recommending that a Pasadena-based charity rate be established for straight-tee style golf tournaments during the week. The fee for this type of tournament would be the resident discounted rate plus a cart fee. This rate would be considerably less (\$18) than the shotgun-style tournament and hopefully more charities will take advantage of this type of golf tournament. This rate is the same rate that is being charged for Brookside Affiliate Club tournaments.

On occasion, questions have arisen as to whether those requesting charitable discounts are in fact Pasadena-based and/or true non-profit organizations. For these reasons, staff is requesting that the policy of providing discounts to Pasadena-based charities continue, provided that the organization requesting the discount provides proof of non-profit status and a Pasadena location.

Junior Golf Program

Staff is recommending that an official Pasadena Junior Golf Program be developed at Brookside. This program would reach out to all youth with an emphasis on local, disadvantaged youth. This program would be a collaboration between the RBOC, City of Pasadena, American Golf Corporation, John Wells Golf Shop, Brookside Affiliate Clubs and the community at large.

As envisioned, the purpose of the program would be to provide local youth of all backgrounds an opportunity to develop life-enhancing values such as honesty, integrity and sportsmanship through the game of golf. The focus would be more on character development and less on developing the next Tiger Woods.

The first step of the Junior Program is the opening of Brookside's renovated practice facility. A separate instructional area has been built, which can accommodate up to twenty students at a time. Also, a new short-game area has been constructed which will be instrumental in a Junior Program.

Staff is recommending contacting the Professional Golf Association (First Tee) to provide assistance with developing the Pasadena Junior Golf Program. First Tee is a World Golf Foundation initiative, dedicated to providing young people with the opportunity to learn golf. The intent is to offer opportunities for improvement in the quality of life and create a platform where children can increase their potential for success.

Staff would like to be given four months to develop a roadmap for the Pasadena Junior Golf Program and report back to the RBOC with its findings.

FISCAL IMPACT:

Affiliate Clubs

Staff estimates that the proposed change in the discount policy for non-resident Club members would result in an annual \$16,000 contribution to the Junior Golf Program.

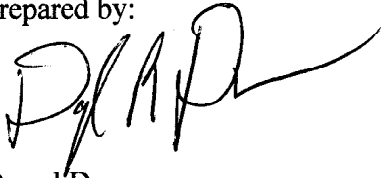
Pasadena-based Charity Golf Tournaments

In FY 2003, Pasadena-based Charity Tournaments received \$28,360 in discounts. Of the \$28,360 in discounts, the RBOC's share was \$9,926.

Junior Golf Program

It is anticipated that once the Program is developed, the cost could be \$50,000 annually. The funding of the Junior Program would be shared by the RBOC, American Golf, John Wells Golf Shop, Brookside Affiliate Clubs, the Community, PGA and fund raising.

Prepared by:



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Respectfully submitted,



Patrick T. Green
RBOC President