

Historical Report Summary and Outcomes

Over the last 20 years there have been numerous plans and reviews for the golf courses. Below is a recap of these plans followed by a chart summarizing recommendations and outcomes.

2005 - Golf/Winter Sports Park Request for Proposal Council Update (Report CS05008)

City Council directed the Department to explore contracting-out the management of Chedoke and King’s Forest Golf Courses. The report outlined issues and recommendations to be addressed in the request for proposals. The request for proposals also included an internal bid to continue operating the Golf Courses.

2008 - City Owned Golf Courses (Report CS05008(b))

Staff were asked to report back on whether City owned golf course lands may be sold commercially and the estimated value of these lands.

After completing a title search for Chedoke Golf Course, it was determined that the Hamilton Golf and Country Club Limited transferred the Chedoke Golf Course to the City of Hamilton on February 20, 1924. The City of Hamilton received some of the lands for King’s Forest Golf Course in 1929, with the balance of the lands being transferred to the City over the years. The transfers in favour of the City do not include any restrictions as to the use that is to be made of these lands.

Due to the current land use and other restrictions that are in place, selling the golf course lands for development would have been highly speculative. Both properties are situated at the base of the Niagara Escarpment, within the Niagara Escarpment Plan area. The objectives and policies of the Niagara Escarpment Plan, and the Urban Hamilton Official Plan do not permit urban redevelopment of these properties. Therefore, amendments to these plans, as well as the Zoning By-law, are required to permit urban redevelopment, and it is expected that obtaining approval for such amendments may be difficult; particularly given the many stakeholders that would have an interest in the use of the properties.

Legal Services staff was not able to confirm or validate the title search opinion provided prior to the 2008 Report CS05008(b) but suggested a more fulsome updated title search was required.

2016 - Golf Courses – Proposed 2016/2017 User Fees Update (Report PW15053a)

Report PW15053 provided staff the direction to develop a marketing strategy and a new fee structure to maximize rounds and increase revenues. To satisfy this recommendation, staff commissioned Global Golf Advisors (GGA) to undertake an economic and market analysis of all three golf courses. Based on the Market Analysis report the value for money is extremely high at King’s Forest and could be improved at Chedoke by lowering the rates slightly.

The report recommended that a new fee structure for Season Passes & Green Fees be implemented and that the new rates be adopted for two golf seasons (2016 & 2017) and that staff review the ongoing performance at all three golf courses and report back to committee for the 2018 golf season. It also recommended that Golf Operations be given the flexibility to reduce the green fee rates at their discretion as a “sell off” rate, only to be applied when the tee sheet and market demands are not favourable within a 48-hour window.

2017 - Municipal Golf Course Update (Report PW15053b)

The report updated the 2015 Market Analysis, assessed the performance of the 2016 golf season based on the previous recommendations, and examined the potential impact of repurposing the Martin course in future years. Staff were also directed, as per Council’s recommendation in 2016, to entertain a private/public partnership for food services and clubhouse operations.

The results of the analysis revealed no material changes to the local market averages; accordingly, the pricing recommendations from the 2015 report remain consistent for the upcoming season.

The report also stated that the number of total rounds played at each of the Chedoke courses is significantly under capacity. The report highlighted that If the golf course operation did not recover in the future, there may be an opportunity for significant cost savings should the Martin course be taken out of play and/or repurposed for different use (such as a driving range adding new revenue).

If the Martin Golf Course was repurposed, the report projected a significant cost savings of \$430,000 (2018) total in facility expenses. The main area of cost savings would be related to employee wages, and course maintenance, such as water/sewer expenses.

If 40% of the lost rounds played on the Martin Course in 2016 were to be recovered at the Beddoe course (which has plenty of capacity to do so at the time), and the Martin course added a temporary driving range on a trial basis, the overall increase to the bottom line was projected at \$280,827 (2018).

The staff report recommended mitigating financial losses by outsourcing the Food and Beverage Service at Chedoke Golf Course starting in the 2017 golf season.

2018 – Market Analysis Update Based on the 2017 Season

Following the completion of the 2017 season, Global Golf Advisors completed an analysis to review the performance and revenue changes that occurred following the previous report recommendations. The report provided new recommendations for the 2018 season related to the changing market conditions and advised on the appropriate pricing/programming structure for the 2018 season. The reported noted that:

- Decrease in total rounds and golf related revenue from 2016 to 2017 was attributed to a rainy spring.
- Even with better weather, there was significant capacity to increase rounds at all three courses.

- Greater focus needed to be placed on promotion and awareness of the flex pass program well in advance of each season.
- Based on the updated prices in the local competitive market, all three courses were positioned to continue providing strong ‘value-for-money’ in 2018.

2019 – Transition of Golf Operations and Services to the Recreation Division (Report HSC19007/PW19021)

In consultation with senior leadership, the General Managers of the Public Works and the Healthy and Safe Communities Department identified operational opportunities within program areas that would better align service delivery. The General Managers suggested that Golf Operations and Services, which was housed in the Corporate Facilities and Energy Management Division, would be more appropriately delivered in the Recreation Division of Healthy and Safe Communities. This change became effective April 1, 2019.

Historical Report Recommendation Summary and Outcomes

Year/ Report	Recommendation/Action	Status	Comments
2005 - Golf/Winter Sports Park Request for Proposal Council Update (Report CS05008)	That the recommendations for the Golf/Winter Sports Park Request for Proposal (RFP) and timetable be approved.	<input checked="" type="checkbox"/>	Request for Proposal was issued and completed including an internal bid.
2006 - Golf Courses/Winter Sports Park Request for Proposal Process (Report CS05008(a))	That the Internal Bid Team's proposal to manage and operate the Golf Courses be approved.	<input checked="" type="checkbox"/>	The internal bid was awarded to operate the golf courses from 2007 to 2016.
	Fees - Total revenues are forecast to increase by approximately 5% annually over the 10-year proposal. The forecast increase in revenues reflects a combination of increases in user fees, and changes in participation in green fees and memberships.		As presented by the golf consultant, the golf industry globally experienced a downturn. As a result, golf operations were unable to increase green fees as expected.
	Memberships - 39% increase in golf user fees over the 10-year period of the proposal. The rate increases over the initial four years total 20%, or 5% annually, followed by inflationary increases thereafter.		As presented by the golf consultant, the golf industry globally experienced a downturn. As a result, golf operations were unable to meet the proposed 39% increase in memberships.

Year/ Report	Recommendation/Action	Status	Comments
<p>2006 - Golf Courses/Winter Sports Park Request for Proposal Process (Report CS05008(a))</p>	<p>Capital Expenditures – \$12.7 M (2006) in capital investments over the 10-year period primarily invested in the clubhouses and irrigation. The financing of the Capital expenditures is funded entirely from the operations of the courses, and as such will have no forecasted impact on the Net Tax Levy.</p>		<p>Without the increases in memberships and green fees, golf operations were unable to fund the capital needs of the three golf courses. As a result, clubhouse renovations, practice facilities and course irrigation projects were unfunded and either deferred or abandoned. Approximately \$1.3 M in Golf Course Capital Reserves have been reinvested in the upgrades to the golf courses during this period.</p>
	<p>Consolidation of the administration, maintenance, pro shop, and food & beverage services under one functional area.</p>	<input checked="" type="checkbox"/>	
	<p>Incorporate a shortened advance booking time for the membership, thereby increasing the opportunity for advanced booking for pay-as-you-play rounds.</p>	<input checked="" type="checkbox"/>	

Year/ Report	Recommendation/Action	Status	Comments
2008 - City Owned Golf Courses (Report CS05008(b))	Report back on whether City owned golf course lands may be sold commercially and the estimated value of these lands.	☑	<p>Land transfers do not include any restrictions as to the use that is to be made of these lands. However, due to the current land use and other restrictions that are in place, selling the golf course lands for development is highly speculative.</p> <p>Legal staff was not able to confirm or validate the title search opinion provided prior to the 2008 Report CS05008(b) but suggest a need for a more fulsome updated title search.</p>
2010 - Hamilton Civic Golf Course Rates & Fees Schedule (Report CS10017)	Recommended fee increases to both memberships and green fees.	☑	Given the value and reasonable cost of the existing fees, the increase is fair and positions the golf operations to remain competitive within the marketplace.
	That future proposed golf rate and fee increases be included as part of the Corporate User Fees and Charges for Services, Activities or the Use of Property Report.	☑	Golf fees are managed along with all other City fees in the annual User Fee reports.
2010 - Management and Operation of the City Golf Courses Business Plan Update (Report CS10061)	Directed staff to provide an overview of the golf performance since implementing the new business model.	☑	This review was presented in Report PW15053.

2015 - Golf Courses - Golf Course Business Plan Update (Report PW15053)	That the current Golf Course Business Plan, currently in the ninth of ten years, be extended for an additional five years.	<input checked="" type="checkbox"/>	
	That staff be directed to explore various opportunities for public-private partnerships and new development, to generate new revenues for the purpose of capital reinvestment in the existing golf courses and that staff report back with its results at future date.		Through partnerships, there have been investments in Junior development programs and signage enhancements at both facilities.
	That staff be directed to develop a marketing strategy and a new fee structure for Season Passes & Green Fees for the 2016 golf season, in order to maximize rounds and increase revenues and report back as part of the 2016 Budget Process.	<input checked="" type="checkbox"/>	Staff commissioned Global Golf Advisors to undertake an economic and market analysis of all three golf courses and reported back through Report PW15053a.

Year/ Report	Recommendation/Action	Status	Comments
2016 - Golf Courses – Proposed 2016/2017 User Fees Update (Report PW15053a)	That the new fee structure for Season Passes & Green Fees be approved and that the new rates be adopted for two golf seasons (2016 & 2017)	<input checked="" type="checkbox"/>	
	Staff review the ongoing performance at all three golf courses and report back to committee for the 2018 golf season.	<input checked="" type="checkbox"/>	Global Golf Advisors to complete a performance review and report back in the following year.
	Golf Operations be given the flexibility to reduce the green fee rates at their discretion as a “sell off” rate, only to be applied when the tee sheet and market demands are not favourable within a 48-hour window.	<input checked="" type="checkbox"/>	
2017 - Municipal Golf Course Update (Report PW15053b)	That staff be directed to outsource the Food and Beverage Service at Chedoke Golf Course	<input checked="" type="checkbox"/>	There have been third-party Food and Beverage operators at Chedoke since 2017.
2018 – Market Analysis Update Based on the 2017 Season	Greater focus be placed on promotion and awareness of the flex pass program well in advance of each season.	<input checked="" type="checkbox"/>	
	Update pricing and continue to remain competitive in the local competitive market.	<input checked="" type="checkbox"/>	
2019 – Transition of Golf Operations and Services to the Recreation Division (Report HSC19007/ PW19021)	Transfer golf operations from Corporate Facilities and Energy Management Division to the Recreation Division.	<input checked="" type="checkbox"/>	Transfer initiated April 2019.