



# TOWN OF APPLE VALLEY

## TOWN COUNCIL STAFF REPORT

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**To:** Honorable Mayor and Town Council                      **Date:** May 28, 2013

**From:** Dennis Cron, Assistant Town Manager                      **Item No:** 8  
Municipal Operations and Contract Services

**Subject:** PUBLIC HEARING REPEALING RESOLUTION NO. 2013-14,  
SPECIFIED USER FEES AT THE APPLE VALLEY GOLF COURSE  
AND AUTHORIZE THE GOLF COURSE MANAGER TO ESTABLISH  
MARKET-BASED FEES AT THE APPLE VALLEY GOLF COURSE

**T.M. Approval:** \_\_\_\_\_                      **Budgeted Item:**  Yes  No  N/A

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### RECOMMENDED ACTION:

1. Open the public hearing to repeal Resolution No. 2013-14;
2. Receive Public Comments and;
3. Repeal Resolution No. 2013-14 and;
4. Authorize the Golf Course Manager to establish market-based fees at the Apple Valley Golf Course.

### SUMMARY:

On a nationwide basis, successful golf operations have become nimble, flexible and fast-moving programs with respect to fees and promotional program offerings. These developments have been brought on by poor economic conditions and the strong competition for available recreational revenue. Town staff recommends the Town Council remove the requirement for the Golf Course Manager to charge specified fees at the Apple Valley Golf Course. Instead, staff would recommend that the Town Council authorize the Golf Course Manager, in consultation with the Town Manager, to establish fees at the golf course based on market rates. It is believed that will permit the fees for golf at the Apple Valley Golf Course to remain nimble and allow for quick-reacting promotional efforts intended to drive players to the green sheet. Competing courses in the Victor Valley have the ability to quickly make adjustments to their fee structures, promotional rates and monthly specials, which allows for much more flexibility and

opportunity to maximize the revenue potential for those courses. This flexible fee setting approach allows competing golf course managers to modify the rates during inclement weather, extreme heat spells and for attracting players to the Golf Course who may not otherwise attempt to play because maybe the wind is blowing or it is cold. A cursory, unscientific survey of other courses, including some in the Palm Desert as well as courses along the coast indicates that this new approach to attracting golfers has become the norm rather than the exception.

A notice of Public Hearing was advertised in the Apple Valley News on May 10, 2013 and May 17, 2013.

### **BACKGROUND:**

The Town of Apple Valley began management of the Apple Valley Golf Course on December 10, 2008. Promotional golf fees were adopted by Resolution 2008-67 on December 9, 2008. These fees were further modified by Resolution 2009-12 on April 28, 2009, again by Resolution 2011-49 on October 25, 2011 and again by Resolution 2013-14 on March 26, 2013. The last modification (March 2013) authorized the Town Manager to approve special promotional rates for short duration special programs, but it did not eliminate the existing fee ordinance. The fee schedule remains in place today.

### **FISCAL IMPACT:**

The fiscal impact is uncertain at this time. It is the intention of Town staff and the Golf Course Management Team that increased flexibility with the tee sheet fee structure will permit modifications to golf programs that will add incentive for the recreational golfer to return to or choose to play at Apple Valley Golf Course because the fee structure will not be restrained by a set fee structure. Existing monthly golf pass programs will remain and it is anticipated that new programs will be developed that will make these unlimited play programs even more attractive for the recreational golfer.