

INDIAN WELLS CITY COUNCIL

January 15, 2026



To: City Council
From: City Manager Department
Prepared by: Dr. Chris Freeland, City Manager
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Subject: Comprehensive Overview and Discussion of Resident and Resident Guest Golf Rates at Indian Wells Golf Resort

RECOMMENDED ACTIONS:

Council **DISCUSSES** Resident and Resident Guest Golf Rates; and

PROVIDES direction to Staff, if any; and

FINDS the project to be exempt from the California Environmental Quality Act (CEQA) provision pursuant to Section 15060.

BACKGROUND:

On April 17, 2025, at the Strategic Planning Session, the City Council requested a review of the City's Resident and Resident Guest golf rates. The purpose of this staff report is to provide the City Council with a comprehensive and organized summary of the policies, historical context, current rate structures, and operational framework associated with *Resident* and *Resident Guest* golf rates at the Indian Wells Golf Resort (IWGR). This report is intended to serve as a foundational reference document to support future Council policy discussions and does not propose specific rate changes or policy actions.

This report compiles and presents data and policy context related to:

- Tee sheet allocation and booking structures;
- Resident and resident guest fee methodologies and current rate schedules;
- Historical Council discussions and policy evolution;
- Resident Benefit Card participation;
- Resident Amenity Fee considerations;
- Operational context with current golf management and rate pricing constraints;
- Preliminary benchmarking and revenue context.

Current resident and resident guest rates are available to card-holding residents through the City's Resident Benefit Card (Golf RBC), as summarized below.

Resident Benefit Card and Participation

All resident access to reduced golf rates at IWGR is tied to possession of a valid Resident Benefit Card (Golf RBC) issued by the City. The Golf RBC entitles qualified residents to discounted green fees and resident guest privileges.

During FY 2024-25, the City issued approximately 2,642 active Golf Resident Benefit Cards. Golf Resident Benefit Card revenue totaled roughly \$132,100 in FY 2024-25 and is deposited into the Golf Fund to partially offset operational and maintenance costs at the Indian Wells Golf Resort.

- **Golf RBC holders:** Card issuance is governed by City policy and resolution.
 - Residents may purchase up to two (2) resident benefit cards per eligible property annually. Dependent children under 21 may also obtain a card.
- **Resident Benefit Card pricing:** The Golf RBC is currently \$45 per card (plus \$5 for a printed card).

Historical Context of Golf Access & Resident Rates

The City's involvement in the Indian Wells Golf Resort traces back to an economic development partnership with hotel and resort stakeholders, designed to establish and sustain championship golf as a tourism asset.

1985 Easement Agreement

In 1985, the City entered into an easement agreement with the original owners of the Grand Hyatt and Renaissance Esmeralda Resorts, providing the City with use of hotel-adjacent land to develop and operate 36 holes of championship golf. The agreement created a framework for allocating tee times among hotel guests and the general public in exchange for land and development rights. *(Due to its extensive length, exceeding 300 pages, the 1985 Easement Agreement, along with all amendments and supporting Staff Reports, is accessible on the City's official website.)*

1993 Complimentary Golf Agreement

In January 1993, the City, in partnership with the hotel entities, executed the Complimentary Golf Agreement, establishing discounted golf benefits for select groups, including visiting dignitaries, hotel owners, PGA cardholders, and staff.

1993 Resident Rate Establishment

In May 1993, the first formal resident rate was established through an amendment to the 1985 Easement Agreement. The Resident addition read in part: *A person who presents a valid Property Owner Identification Card issued by the City of Indian Wells shall be entitled to play golf at the Golf Resort at the rate of 70% of the posted green fees, but at a rate not to exceed thirty-five dollars (\$35.00).*

The criteria for issuance of such Property Owner Identification Cards shall be within the sole discretion of the City Council of the City of Indian Wells, and may be changed by such City Council from time to time in exercise of that discretion.

Approval of the hotel partners and the City was required. Subsequent amendments refined eligibility and rate levels.

2020 Updates to Complimentary Golf Agreement

The most recent comprehensive update to this agreement occurred in 2020, which documented:

- Resident rate revisions to \$50.00 (season) and \$35.00 (off-season);
- Elimination of prior complimentary golf benefits for City employees; and
- Updated classifications for resident benefit participation.

(Attachment: 2020 Complimentary Golf Agreement & Resolution 2020-42)

Tee Sheet Allocation and Rate Structure

Tee Sheet Allocation Framework

Under the governing easement agreement and operational policy, tee time slots are allocated daily during peak season (October 1 through May 31) to protect a portion of the course for residents and hotel guests:

- 1/3 reserved for hotel guests
- 1/3 available to the general public
- 1/3 reserved for Indian Wells residents

This allocation applies from 7:00 a.m. to 12:50 p.m. daily during the protected period known as seasonally protected rounds. Tee sheets remain unrestricted outside this window and during the summer/shoulder months (June 1 through September 30). *(Based on established historical policy.)*

IWGR accommodates 288 protected rounds per day, or 69,696 total rounds during peak season. During the protected period, the one-third allocation equates to 96 resident

rounds, 96 hotel guest rounds, and 96 public rounds per day, subject to operational conditions, tournaments, and weather.

During FY 2023-24, of the approximately 43,989 seasonally protected rounds (from 7:00 a.m. to 12:50 p.m.), Residents and Resident Guests accounted for 15,881 rounds, representing approximately 36 percent of total seasonally protected rounds. Resident play comprised 12,632 rounds (approximately 29 percent of all seasonally protected rounds and 80% of seasonally protected rounds set aside specifically for residents), while Resident Guest play accounted for 3,249 rounds (approximately 7 percent of all seasonally protected rounds and 20% of seasonally protected rounds set aside specifically for residents). Resident Guest rounds are booked under Resident Rounds but charged at a Resident Guest rate.

Tee Time Access Window

Residents with a valid Golf RBC may book tee times up to 14 days in advance at resident rates; all tee times must be prepaid and booked online or via phone prior to play. Walk-up play at the \$35 resident rate.

Resident Rate Schedule

The current resident rate structure, as published by the City, is:

- January 1 – April 30:
 - Reserved tee time: \$50 per round
 - Same-day, pre-paid walk-up: \$35 per round
- May 1 – December 31:
 - All resident play: \$35 per round

Residents must present a valid Golf RBC at check-in to receive the resident rate.

D. Resident Guest Rate Structure

Residents may book resident guests at reduced rates tied to seasonal pricing grids that vary throughout the year. Current resident guest green fees published by the City include:

Period	Mon–Thu	Fri–Sun
July 1 – Aug 21	\$55	\$65
Aug 30 – Sep 30	\$65	\$75
Oct 1 – Apr 30	\$110	\$110
May 1 – May 17	\$89	\$99
May 18 – May 31	\$79	\$89
Jun 1 – Jun 20	\$55	\$65

Resident guests must play with a resident who holds a valid Golf RBC to receive resident guest rates; those rates must be prepaid at the time of booking.

Rate Methodology and Formula

Historically and for budgeting purposes, the City has evaluated resident guest rates using a cost-recovery methodology tied to the overall golf operating budget. In prior analyses presented to the City Council, this methodology was expressed using the following formula:

Total Golf Program Budget ÷ Total Budgeted Rounds + \$20

This calculation was used as a benchmark to estimate the full cost of a round of golf, inclusive of operating expenses, and to evaluate whether resident guest play was recovering its proportionate share of golf operating costs.

As reflected in the supporting tables above, this methodology is also evaluated on an annualized basis by comparing total resident guest green fee revenue collected during the fiscal year to the total number of resident guest rounds played. This comparison produces an effective average resident guest rate, which is then assessed against the calculated annual cost per round to determine the extent to which resident guest play is recovering the cost of golf operations.

While resident guest rates vary seasonally based on demand, the annualized cost-recovery analysis has historically been used by the City as a financial benchmark for budget development and policy evaluation. This information is provided for contextual and analytical purposes only and does not constitute a recommendation to modify existing resident or resident guest rate structures.

Resident Amenity Fee (RAF) Context

For many years, the Indian Wells Golf Resort operated at an annual operating deficit, averaging approximately \$1.0 to \$2.5 million between FY 2010 and FY 2022. One contributing factor identified by the City was the opportunity cost associated with providing reduced-rate resident and resident guest golf during peak revenue periods. In response, the City Council adopted a Resident Amenity Fee (RAF) as a policy tool to partially offset these foregone revenues and support ongoing golf operations.

Historically, the Resident Amenity Fee (RAF) was utilized as a policy tool to offset golf operating costs and support resident access to reduced rates. As part of the amended golf management agreement with Troon in 2023, approved by the City Council, the RAF was formally eliminated. Under the revised agreement, Troon Golf is now required to operate the Indian Wells Golf Resort on a financially sustainable and profitable basis without reliance on a Resident Amenity Fee subsidy. This policy shift reflects Council

direction to improve transparency, reduce indirect resident subsidization, and align golf operations with enterprise fund best practices.

Council History of Resident And Guest Golf Rate Discussions

Over the last several years, the City Council has periodically reviewed resident and resident guest golf rate structures, tee time allocations, and the financial performance of the IWGR. Key items of policy review have included resident access equity, rate-setting methodology, and subsidization of golf operations. The Council's strategic planning session in April 2025 directed staff to compile comprehensive information on these topics to support Council deliberations.

Summary Timeline of Key City Council Actions and Discussions:

November 2019 - The City Council initiated a comprehensive review of resident golf rates and tee time allocation policies, introducing the concept of "golf equity" and directing staff to analyze resident usage patterns and access to prime tee times. This marked the beginning of a multi-year policy discussion regarding resident access and rate fairness.

January 2020 - During the City's Strategic Planning Session, the Council examined the financial sustainability of the Indian Wells Golf Resort and discussed options to reduce ongoing subsidies. Particular attention was given to residents' guest rates and whether they adequately recovered the cost of play, with staff directed to develop options for further Council consideration.

July 2020 - The City Council approved revisions to the Easement Agreement with hotel partners to formally incorporate updated resident rate provisions reflected in the Complimentary Golf Agreement. This action reinforced the contractual framework governing resident access and rate protections.

October–November 2020 - The Council reviewed and amended employee-related golf benefits under the Complimentary Golf Agreement, including reclassification of employee rates to address potential tax implications. These actions clarified eligibility categories and reduced non-resident complimentary benefits.

November 2022 - The City Council revisited resident tee time availability and golf rate policies in the context of ongoing discussions regarding the Golf Resident Amenity Fee (RAF). Council discussion focused on the financial impact of protecting prime-season tee times for residents and the opportunity cost associated with reduced-rate play during the most profitable periods. The Council directed further study and community engagement but took no formal action.

Management Contract and Operational Considerations

In 2023, the City entered a renewed management agreement with Troon Golf to operate IWGR, which includes dynamic pricing authority for non-resident play but binds the operator to resident and resident guest rate restrictions as set by City policy and the governing easement agreement.

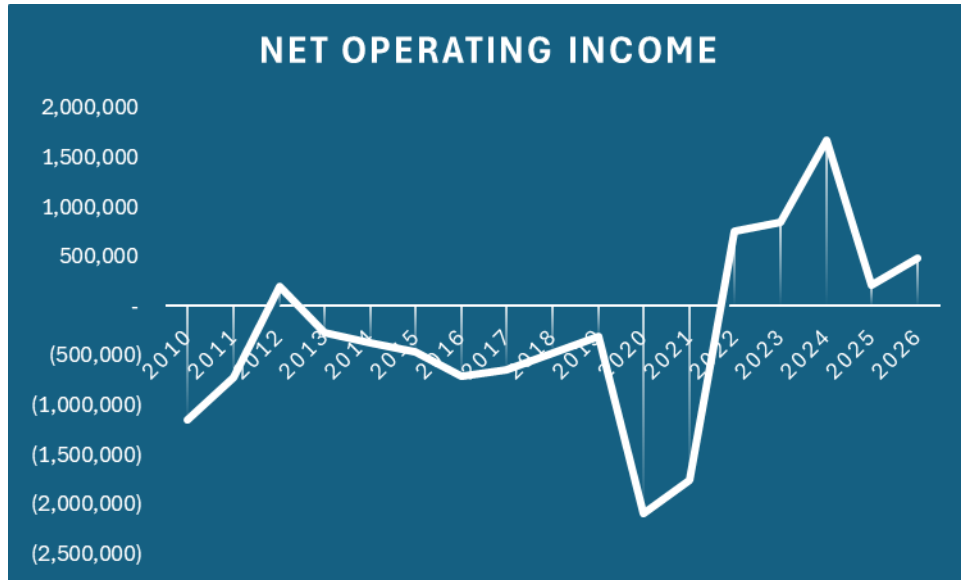
Key elements of the agreement include:

- Use of dynamic pricing by Troon to maximize revenue from non-resident and hotel guest play;
- Contractual limitations preventing Troon from modifying resident and resident guest rates, which remain subject to City policy and Council action;
- A financial structure designed to return the Golf Resort to profitability without reliance on the Resident Amenity Fee.

Troon's current projections for FY 2025-26 indicate that the golf operation can achieve profitability. This dynamic pricing strategy maximizes revenue on non-resident and hotel guest rounds while preserving resident benefits.

The implementation of a performance-based management agreement with Troon Golf marked a fundamental shift in the operational and financial management of the Indian Wells Golf Resort. This change replaced prior operating practices that had resulted in sustained annual operating losses and required General Fund support. Under the revised management structure, the Golf Resort transitioned to an enterprise-based operating model with clear performance accountability and an expectation of financial sustainability.

The table below presents the Golf Resort's net operating income for the period between 2010 and 2026. To ensure comparability across years, the data has been normalized to reflect core operating performance only. Specifically, the analysis excludes the Resident Amenity Fee (RAF), General Fund contributions, and City-funded capital expenditures, thereby isolating revenues and operating expenses directly attributable to Golf Resort operations. This approach provides a consistent basis for evaluating changes in operating performance over time and the financial impact of the revised management model.



Based on the normalized financial data presented in the table, the Indian Wells Golf Resort incurred cumulative operating losses totaling \$8,018,143 between 2010 and 2022. Following the implementation of the performance-based management agreement in 2023, the Golf Resort returned to operational profitability, generating cumulative net operating income of \$3,203,907 for the period from 2023 through 2026. This change reflects a material improvement in operating performance under the revised management structure.

Round Usage, Allocation, and Revenue

The data demonstrates that resident golf usage is not evenly distributed across all Golf RBC holders. During FY 2023-24, the Golf Resort received 18,456 total resident rounds (Prime and Non-Prime) from 1,407 unique resident golfers. A relatively small number of resident golfers, 160 residents (about 11%), account for roughly 50% of resident rounds played annually, particularly during peak season. This information was requested to inform prior Council discussions regarding resident equity, access to prime tee times, and the fiscal implications of the current resident rate structure. This information is presented for analytical purposes only and is not intended to characterize individual resident usage patterns or draw conclusions regarding appropriate access levels.

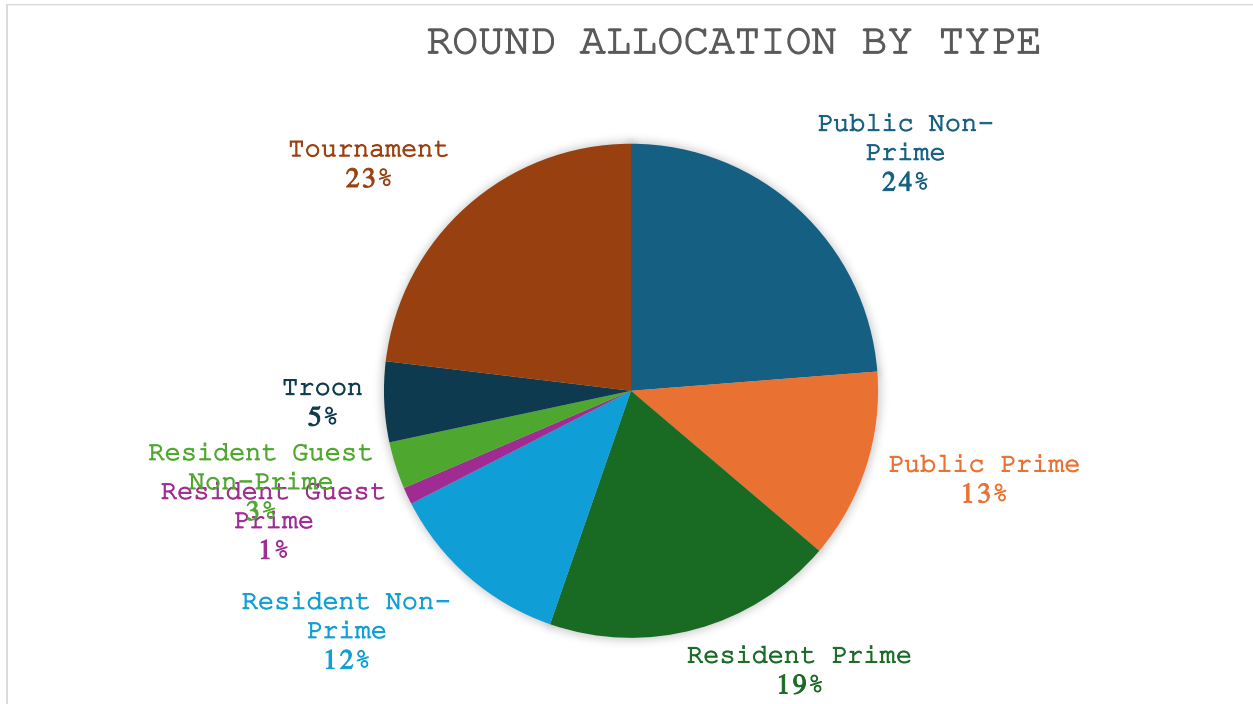
Council direction in 2025 also requested rounds and revenue data broken down by cohort, including:

- Total rounds per year by resident, resident guest, hotel guests, and public play;
- Prime vs. non-prime allocation usage;
- Average daily rate (ADR) by cohort and seasonal period;

- Distribution of resident play by individual users.

Round Usage

As shown in the chart below, of the more than 40,000 rounds of play at the Celebrity Course in calendar year 2025, 31% of rounds were booked by residents, 37% of rounds were booked by the public, 23% of course use was used for tournament play. The remaining tee times were booked by resident guests, and various Troon Programs, such as Troon Advantage and Troon Access.



Comparative Municipal Context

As part of future benchmarking efforts, staff has compiled resident and municipal rate structures from municipal-owned golf courses in the Coachella Valley (see table below). Comparative factors under review include resident green fee structures, resident identification or card fees, availability of reserved tee times, advance booking windows, cart inclusion policies, and effective discounts relative to merchandise and food and beverage offerings. Although not a municipal golf course, The Classic Club is included in this table as it is operated by Troon.

Staff notes that direct comparisons across golf facilities are inherently limited due to substantive differences in operational, financial, and market conditions. These differences may include, but are not limited to, the number of holes operated, course design and

conditioning standards, capital reinvestment obligations, staffing and management models, reliance on tourism and resort-based demand, and the extent to which dynamic pricing is utilized. Additionally, municipal golf facilities vary in their financial structure, with some operating with ongoing General Fund support and others, such as the Indian Wells Golf Resort, operating under an enterprise model with an expectation of financial sustainability. As a result, benchmarking information is intended to provide general context regarding municipal golf practices rather than serve as a basis for direct rate equivalency.

Data Set	Indian Wells Golf Resort	Desert Willow (Palm Desert)	Silver Rock (La Quinta)	Tahquitz Creek (Palm Springs)	Classic Club (Thousand Palms)	The Lights at Indio (Indio)
Resident Rate	\$50 Season \$35 Off Season	\$52	\$60 Season \$35 Summer	\$61 weekday \$65 weekend	\$130 and includes a \$25 food voucher	\$50 Season \$35 Off Season \$10 Junior
Resident Guest	\$110 Season \$55 Off Season	N/A	30% off posted rate	N/A	N/A	N/A
Resident Card	\$50 annual	\$50 annual	\$150 for 3 years.	\$40 annual	\$79 annual	N/A
Tee Times Held for Resident Play	30% of Tee Sheet	N/A	N/A	N/A	N/A	N/A
Tee Times Booking Window	14 days	3.5 Days	3 Days	7 Days	3.5 Days	N/A
Cart Fees	N/A	N/A	N/A	N/A	N/A	\$15/ Player \$10 Pull Cart
Golf Merch Discounts	20%	None	15%	Unknown	None	None
F&B Discounts	20%	None	15%	Unknown	None	None

Although not located in the Coachella Valley, Torrey Pines was mentioned as a municipal golf course which staff should include in this report. Information related to resident rates for Torrey Pines is contained below.

Data Set	Indian Wells Golf Resort	Torrey Pines - South (San Diego)	Torrey Pines - North (San Diego)
Resident Rate	\$50 Season \$35 Off Season	\$73.00 (M-Th.) \$90.00 (F-Sn / Holidays) Advance Booking Fee - \$32.00 / Player SD Golf Reservation Fee - \$60.00 Senior - \$51.00 Junior - \$73.00 Twilight - \$44.00	\$51.00 (M-Th.) \$68 (F-Sun / Holiday) Advance Booking Fee - \$32.00 / Player SD Golf Reservation Fee - \$60.00 Senior - \$37.00 Junior - \$51.00 Twilight - \$33.00
Resident Guest	\$110 Season \$55 Off Season	N/A	N/A
Resident Card	\$50 annual	\$25 annual	\$25 annual
Tee Times Held for Resident Play	30% of Tee Sheet	N/A	N/A
Tee Times Booking Window	14 days	90 days	90 days
Cart Fees	N/A	\$48.00	\$48.00
Golf Merch Discounts	20%	None	None
F&B Discounts	20%	None	None

CITY COUNCIL STRATEGIC GOALS:

The Council’s request for a comprehensive review of resident and resident guest golf rates during the April 2025 Strategic Planning Session reflects community concerns regarding access equity, financial sustainability of golf operations, and long-term stewardship of the IWGR as a key City asset.

OPTIONS:

Council has the following options:

1. Request additional information or refined analyses from staff and golf management; or,
2. Provide direction on modifications to resident or resident guest rates; or,
3. Direct revisions to the tee time allocation policy; or,
4. Adopt a new rate-setting methodology with scheduled Council review; or,
5. Do nothing and retain current policies; or
6. Provide an alternative direction.

FISCAL IMPACT:

The fiscal impact of any rate or policy changes will depend on Council direction. Considerations may include:

- Potential changes to resident and resident guest green fee revenue;
- Impacts to tee time availability and utilization during peak periods; and
- Effects on the Golf Fund, including Golf Resident Benefit Card revenue and overall golf operating performance.

No fiscal impact is associated with receipt and discussion of this report.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This action has been reviewed per the authority and criteria contained in the California Environmental Quality Act (CEQA), the State and local CEQA Guidelines, and the City's environmental regulations. The City, acting as the Lead Agency, determined that the ordinance is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3), and 15061(b)(3) of the State CEQA Guidelines, because it will not result in a direct or reasonably foreseeable indirect physical change to the environment as there is no possibility that the action would result in a significant environmental impact, and because it does not constitute a "project" as defined in Section 15378 of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

ATTACHMENTS:

1. Complimentary Golf Agreement and Resolution No. 2020-42
2. Resident Usage Distribution Analysis FY 2023-24 (Anonymized)