

INDIAN WELLS CITY COUNCIL

March 5, 2026



To: City Council
From: Finance Department
Prepared by: Kevin McCarthy, Finance Director
Subject: **Analysis of the Troon Access Loyalty Program and Request for Amendment to the Troon Management Agreement**

RECOMMENDED ACTIONS:

Council **APPROVES** the attached Amendment to the Troon Management Agreement authorizing participation in the Troon Access Program; and

FINDS the project to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15378.

BACKGROUND:

Troon has formally requested an amendment to the City's existing Troon Management Agreement to authorize implementation of the newly launched Troon Access loyalty and subscription program at the City's golf facility.

Troon Golf has announced the launch of Troon Access, a consolidated loyalty and subscription program designed to replace its previous rewards and discount offerings. Troon Access is intended to serve as a modernized, technology-driven platform that leverages dynamic pricing, online booking features, and customer loyalty incentives to increase rounds played and strengthen golfer engagement across Troon-managed and Troon-affiliated facilities nationwide.

Because the City's golf operations rely on Troon for management support, understanding the program's structure, operational components, and financial implications is essential before determining whether participation aligns with City goals and revenue expectations.

Program Structure

Troon Access combines loyalty point accumulation with optional subscription-based discounts:

- **Loyalty Points:** Golfers earn points for every dollar spent on tee times at participating facilities and can redeem those points online for future rounds.

- Subscription Tiers: Optional paid tiers—Access and Access+—provide discounted tee times and short-term booking benefits designed to generate additional rounds and encourage repeat play.

The program's overarching objective is to drive incremental revenue by filling underutilized tee-time inventory, enhancing customer retention, and expanding Troon's national marketing reach.

Funding and Reimbursement Model

Based on information provided to staff, the program is funded through a contribution model associated with point-earning rounds:

- Participating courses contribute 5% of the greens fee for each qualifying round played under the loyalty program.
- When a golfer redeems points for a free round, Troon reimburses the participating course at 90% of the Best Available Rate (BAR) for that tee time.

The contribution pool is used by Troon to fund these reimbursements, creating a structure similar to hotel-industry loyalty systems, in which earned points accrue redemption value.

OPTIONS:

To support deliberation on the City's potential participation in the Troon Access program, staff has outlined the following options for City Council consideration:

1. **Approve Participation in the Troon Access Program:** Authorize the Mayor to execute the Amendment to proceed with participation in the Troon Access loyalty program as presented, subject to verification of final contract terms with Troon and implementation of appropriate operational controls.
2. **Deny Participation in the Troon Access Program:** Decline participation at this time.
3. **Provide Alternative Direction:** Provide guidance to staff on modifications, conditions, or additional information needed before making a final decision. Staff will return with a revised analysis or recommendations consistent with Council direction.

FISCAL IMPACT:

To provide the most accurate and factual financial assessment possible, staff evaluated the Troon Access program using Indian Wells Golf Resort's actual operating results from the prior year. This approach avoids reliance on projections and reflects real participation, revenue, and redemption activity at the Resort.

The Troon Access program is a fully integrated golf loyalty and booking platform designed to enhance customer engagement, increase retention, and optimize revenue through dynamic pricing and rewards-based participation. The program aligns with established best practices in loyalty economics and is comparable to widely adopted hospitality loyalty programs such as Hilton Honors and Marriott Bonvoy.

Under the program, Indian Wells Golf Resort would remit a 5 percent contribution fee on qualifying rounds where loyalty points are issued. Based on 2025 actual operational data:

- Average revenue per awarded round: \$111.03
- Awarded Troon Reward rounds: 2,705 rounds
- Tee time revenue associated with awarded rounds: \$300,328
- Estimated program contribution at 5 percent: approximately \$15,016 annually

During the same period, golfers redeemed 96 rounds, generating approximately \$9,593 in reimbursed revenue to the Resort based on the average round rate.

While prior-year participation would have resulted in an estimated net investment of approximately \$5,424, staff recommends continuing the Troon Access program due to its significant value to Indian Wells residents, many of whom are already active Troon Rewards members. The program enhances the resident golf experience by providing seamless access to rewards, flexible booking, and loyalty benefits that residents routinely use at other Troon-managed facilities.

If approved, staff will track actual program participation, contribution fees, reimbursements, and yield impacts on an ongoing basis to calculate and report the realized net financial outcome each year.

Data Sources and Assumptions

- Indian Wells Golf Resort internal records of awarded and redeemed Troon Reward rounds (2025)
- Prior-year average round revenue from Resort financial reports

- Troon Access program structure and contribution fee (Troon, 2025)
- Industry benchmarking for loyalty program demand uplift based on hospitality and golf sector studies
- Assumptions are conservative and based solely on prior-year operating performance

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action is not a project within the meaning of Section 15378 of the State of California Environmental Quality Act ("CEQA") Guidelines, because it has no potential for resulting in physical change in the environment, directly or indirectly; and that the action is nonetheless exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. (15061(b)(3).)

ATTACHMENTS:

1. Troon Amendment to the Management Agreement.