

INDIAN WELLS CITY COUNCIL

November 28, 2022



To: City Council
From: City Manager Department
Prepared by: Christopher Freeland, City Manager
Subject: **Discussion on Possible Changes to Resident In-Season Golf Rate and Golf Tee Time Availability**

RECOMMENDED ACTION:

Council **DISCUSSES** possible future changes to the availability of resident tee times during the seasonal months of January through April; and

Takes **NO ACTION** relating to the discussion.

DISCUSSION:

At the October 3, 2022, City Council Meeting, Council directed the Golf Ad Hoc Committee to consider options to amend the Golf Resident Amenity Fee and report to the City Council at a future City Council meeting. This was at the initial request of Councilmember Rob Bernheimer. There is no action to be taken during the item discussion, staff is seeking direction from the Council.

During the review of the data for the Golf Resident Amenity Fee analysis, Councilmember Bernheimer recognized trends in the data showing the most profitable rounds played at the Indian Wells Golf Resort are played during the seasonal months of January through April, before 11:00 am, with some individuals paying rates over \$200.00 round.

Residents pay a discounted rate of \$50.00 per round of golf between January 1 and April 30. Additionally, Resident Walk-up same-day play (without a reserved tee time) is \$35.00 per round between January 1 and April 30. For the remaining months, Resident play is \$35.00 per round.

In addition, the City and hotel partners have an agreement to protect the golf tee sheet from October 1 through May 31 from 7:00 am to 12:50 pm. This means, one-third of the daily golf tee sheet is for resident play, one-third for hotel guests, and one-third open to the public for play. This protection was developed through the Easement Agreement between the City of Indian Wells (Golf Resort), Hyatt Regency, and Renaissance Esmerelda when the Golf Resort was first established and as modified over the years.

Councilmember Bernheimer has requested City Council discuss this matter and provide direction for possible revisions to the current Resident Golf availability. Specifically, he believes the City Council should examine the current tee sheet protection policy as an opportunity to reduce the City's subsidy for golf during January and April and convert certain resident tee times to open to the public rounds. Councilmember Bernheimer recommends that the City consider the following changes to the Resident Golf Rate and Tee Time Reservation policies as follows:

1. **Resident Golf Rate In-Season:** Reduce from \$50.00 per round to \$35.00 per round.
2. **Resident Tee Time Booking:** Fridays, Saturdays, and Sundays until 11:00 a.m. from January 1 through April 30, the advance booking window for residents is reduced from fourteen days to two days. This will allow the Golf Resort to sell the rounds at a higher rate, and if they are not booked within two days, residents and their guests could then reserve the tee times at the resident and guest rates. No change any other time of year and no change after 11:00 a.m. January through April.

It is important to note that any change in the tee sheet protections requires approval from Hyatt and Renaissance Esmerelda as partners in the existing Easement Agreement.

FISCAL IMPACT:

The fiscal impact is currently unknown. Based upon the Resident Amenity Fee report on today's agenda and depending on the future direction of the City Council, savings could be in the hundreds of thousands of dollars by replacing resident tee times for higher paying open to public rounds of golf.

The City currently provides a Resident Golf Amenity of over \$2 million annually.