

Background

Context

The City operates seven municipal golf courses with 90 holes and three driving ranges at five locations. These courses provide an estimated \$10 to \$11 million in direct economic activity each year. From 1995 to 2012, The City's courses were self-supporting, funding both their operational and capital requirements, including \$14 million in golf course capital projects. This contributed to the quality and longevity of these assets. Over this 18-year period, Calgary Recreation was required to provide \$200 thousand annually to Corporate general revenues, totalling \$3.6 million in contributions.

With consideration of Golf Course Operation's rising expenses and constrained revenue growth in an increasingly congested market, as well as capital funding challenges, Council removed the contribution requirement in 2013, and allowed City courses to receive operating tax support. Between 2015 and 2017, when all City golf courses were open and operating regularly, annual tax support averaged \$700,000.

Through the Golf Sustainability Framework, Council directed Administration to identify opportunities to improve Golf Course Operations with the target of reaching net zero operating support by the end of 2022. Council also directed Administration to pursue a Request for Proposal for the long-term management of City golf courses by an external service provider. In Q3 2020, Administration assessed interest from the market to enter a contract for the operations and service provision of municipal golf courses. Feedback from respondents identified a well-defined contract structure is required to further evaluate this opportunity.

Previous Council Direction

On 2020 November 2, with respect to Report PFC2020-0952, the following was adopted, as amended:

That Council receive for the Corporate Record the results of the assessment of market interest in a long-term contract to provide public golf service, and direct Administration to:

1. Direct Real Estate and Development Services (RE&DS) to prepare land use and subdivision applications for the ±5 acre parcel at 33 AVE SW and Sarcee Road SW and if planning approvals are granted, proceed to market the property consistent with The City's established sales process;
2. Direct RE&DS to bring back a real estate feasibility assessment that substantiates Corporate needs at the remaining land at Richmond Green, and the Richmond Green Operations Workplace Centers (OWC), to determine further disposition opportunities and report to Priorities and Finance Committee (PFC) on or before Q4 2021;
3. Prepare and implement a plan to accommodate disc golf as an interim use at Richmond Green starting in 2021 and until such time that a future redevelopment plan has been completed and implemented;
4. Approve new capital budget in Real Estate and Development Services Program #705 for up to \$750,000 in 2021 from the Real Estate Services Reserve, for all work at Richmond Green; and
5. Direct Administration to develop a scoping report for the costs of the Request for Proposal, and a confidential Labour Relations Report returning to Council through the Priorities and Finance Committee for approval prior to proceeding and releasing the Request for Proposal as soon as possible.

6. Direct that Attachment 4 remain confidential pursuant to Section 25 (Disclosure harmful to economic and other interests of a public body) of the Freedom of Information and Protection of Privacy Act, to be reviewed 2025 October 01.

On 2020 March 16, Council directed Administration to (PFC2020-0251):

1. To investigate a shorter time frame option and expression of interest from the marketplace;
2. To prepare a financial report on the closure of Richmond Green and options for stage 2 assessment; and
3. Discontinue further investigation of Shaganappi Point golf course.
4. That Recommendations 1 and 2 return to the April 21 Priorities and Finance Committee Meeting.

On 2019 November 18, Council approved the Golf Course Operations Request for Proposal Notice of Motion (C2019-1468) which provided the following instructions:

1. Direct Administration to develop a Request for Proposal (RFP) and go to market to secure a long-term management contract for the operations and service provision of all City of Calgary golf courses.
2. Direct Administration to develop a scope of work to deliver an RFP to the market and report back to Council through the SPC on Community and Protective Services no later than early Q1 2020 with a timeline and funding recommendation required to create, administer and evaluate and RFP process.

On 2019 November 12, the results of Golf Programs and Activities' Sub-Service Review were delivered to Council in Attachment 10 of the 2020 Adjustments to the One Calgary Service Plans and Budgets (C2019-1052).

The results supported Golf remaining a public service in light of the Sustainability Framework to break-even by the end of 2022. The findings indicated:

- a. Risks to contracting out based on contracting reviews completed;
- b. A higher tax support requirement to re-purpose municipal lands; and,
- c. Limited to no real estate development potential.

On 2019 October 08, a Golf Sustainability Framework briefing note (PFC2019-1227) was provided to the Priorities and Finance Committee (PFC). The briefing note contained:

- a. An interim update on the Golf Course Sustainability Strategy;
- b. An interim update on the Golf Course Real Estate and Development Assessment; and,
- c. Options for future use of the Richmond Green land.

On 2019 July 16, Council approved the recommendation below regarding a sub-service review, of which Golf Programs and Activities was one of six sub-services initially approved for review. That with respect to Recommendation 1 of Report C2019-0883, the following be adopted:

That Council:

1. Approve the sub-service reviews contained in Table 1 of Attachment 3, released to the public during the presentation at the 2019 July 16 Strategic Meeting of Council, to be completed for the November 2019 adjustments to the One Calgary 2019 – 2022 Service Plans and Budgets.

On 2019 June 17, the Richmond Green Golf Course Closure notice of motion (C2019-0790) was approved by Council. It stated that Council:

1. Direct Administration, as part of its Golf Course Sustainability Strategy, to proceed to close the Richmond Green Golf Course after the end of the 2019 golf season.
2. Direct Administration to return to Priorities and Finance Committee (PFC) in October 2019 with:
 - a. An interim update on the Golf Course Sustainability Strategy;
 - b. An interim update on the Golf Course Real Estate and Development Assessment; and,
 - c. Options for future use of the Richmond Green land, considering the utilities and road requirements, as well as the Currie Barracks Master Plan.

On 2019 May 27, with respect to report CPS2019-0475, the following was adopted:

That Council:

1. Adopt the recommendation to proceed with Stage 1 of the proposed plan for a Real Estate and Development Assessment, leveraging The City's internal expertise to conduct an initial assessment of all golf course properties and return to the Priorities and Finance Committee no later than Q1 2020 with a recommendation on which properties should be included in Stage 2 of the analysis. The plan for Stage 2 will include Administration's recommendation on which golf course lands require further analysis as well as recommendations on timeline, scheduling and costs for Stage 2; and
2. Not include McCall Lake Golf Course in any development assessments given a Redevelopment Feasibility Study was completed on McCall Lake Golf Course in 2014, and the recent investment and improvements to the course in 2018-2019.

On 2018 November 30, through a motion arising at the One Calgary budget discussions (C2018-1158), Council directed Administration to:

1. Bring forward a plan for a real estate and redevelopment assessment (including costs) which may include decommissioning, repurposing, and/or divesting of public golf course(s) for reinvestment in the remaining amenities to sustain the overall operations of public golf courses in Calgary. And further, report back directly through the SPC on Community and Protective Services no later than May 2019.

On 2018 November 19, per CPS2018-1256 Golf Course Operations Update, Council directed Administration to report back to Council through the SPC on CPS by Q2 2021 with an update on progress toward the options outlined in the report, which were the break even options of the Sustainability Work Plan.

On 2018 June 25, Council adopted CSP2018-0349 Golf Course Sustainability Work Plan Update:

1. Direct that Administration report back to Council on results, indicators and performance measures by Q2 of the final year of each planning cycle to inform a plan for the next cycle;
2. Direct that Attachment 6 remain confidential pursuant to Sections 23(1)(b), 24(1), and 25(1) of the Freedom of Information and Protection of Privacy Act (and that Council consider content therein in camera if requested by Council).

3. Direct that Administration report back to Council through the One Calgary budget process with options that reflect the overall Golf Course Operations to break even in terms of revenue and operating expenses.

On 2017 November 27, at the 2018 budget adjustment deliberations:

With respect to report CPS2017-0539 Review of Golf Courses Planning Considerations and Taxation Implications, and the Motion Arising for Report CPS2017-0539 contained in the 2017 July 24 Minutes of the Regular Meeting of Council,

Council directed Administration to come forward to the SPC on Community and Protective Services no later than 2018 June with an update on the Golf Course Operations Sustainability Workplan and a status report on the direction from the Motion Arising from CPS2017-0539.

On 2017 July 24, in response to NM2017-04 Administration delivered to Council report CPS2017-0539 Review of Golf Courses Planning Considerations and Taxation Implications.

With respect to report CPS2017-0539, Council requests Administration to consider the content of Councillor Colley-Urquhart's proposed Motion Arising document (contained in the 2017 July 24 Minutes of the Regular Meeting of Council) and return to Council at the 2018 budget adjustment process with options on how to move forward with City-owned golf course operations.

On 2017 February 27, Council referred Notice of Motion NM2017-04 Tax Burden of Calgary Golf Courses to the Administration and that in advance of executing the resolution contained in NM2017-04, Council directs Administration to review the state of golf and golf courses within The City of Calgary and propose a framework for addressing golf course retention and redevelopment and report back to Council through the SPC on Community and Protective Services and/or the SPC on Planning and Urban Development by Q3 2017.

On 2015 December 14, Council adopted CPS2015-0947 Golf Course Operations Sustainability Work Plan Update:

1. Direct Administration to continue providing municipal golf services with a City operated service model, inclusive of contracting out select services where efficiencies can be realized; and
2. Direct that Attachment 2 remain confidential pursuant to Sections 23(1)(b), 24(1) (c), 24(1)(g) and 2S(1)(c) of the Freedom of Information and Protection of Privacy Act, until Administration fully implements Council's decision(s) with regard to Attachment 2 content.

On 2015 June 29, Council adopted CPS 2015-0492 Golf Course Capital Update:

That Council receive this update report for information on the current state of Capital needs for Golf. It referenced a report for Sport Facility Renewal Funding (SFR) submissions to the province which included funds for renovations to the McCall Lake facility.

Excerpt from CPS2015 -0492: It should be noted that Sport Facility Renewal Funding (SFR) Program recommendations will be brought forward to the SPC on Community & Protective Services in 2015 July and will include a recommendation for funding lifecycle, maintenance and service upgrades for the McCall Lake Golf Course.

On 2014 July 21, Council adopted recommendations contained in Report CPS2014-0398 McCall Lake Redevelopment Feasibility Study:

1. Direct Administration to discontinue McCall Lake redevelopment planning and Outline Plan preparation;
2. Direct Administration to implement the Updated Golf Course Operations Sustainability Work Plan as outlined in Attachment 2, after amendment to the Targeted Completion Date for the Item "Service Model Analysis", contained on Page 1 of 2, by deleting the date "Q1 2016", and by substituting with the date "Q4 2015"; and
3. Direct that Attachments 6 and 7 remain confidential pursuant to Sections 23(1)(b), 24(1)(c), 24(1)(g), 25(1)(a), 25(1)(b), and 25(1)(c) of the Freedom of Information and Protection of Privacy Act.

On 2013 May 27, Council adopted CPS2013-0410 Golf Course Operations Guiding Principles:

1. Approve the guiding principles as a framework for Golf Course Operations revised fee structure decision-making; and
2. Direct Administration to bring a revised fee structure to Council during the 2014 budget adjustment process (2013 November) for consideration.

On 2012 October 15, Council adopted CPS2012-0702 Golf Course Operations Operational Business Review & Update:

1. Approve, in principle, the elimination of the \$200,000 annual contribution to general revenues from the Business Unit Recreation – Golf, Operating Budget Program 426 and refer this recommendation to the 2013 budget adjustment process in 2012 November for consideration;
2. Approve, in principle, the change of Golf Course Operations mandate from "fully self-sufficient" to "tax supported" to align with the mandate of the rest of the Recreation Business Unit and refer this recommendation to the 2013 budget adjustment process in 2012 November for consideration;
3. Approve the recommendations outlined in Attachment 2, Appendix 4 to develop a revised golf course fee structure and report back through SPC on Community and Protective Services by 2013 May with recommendations on golf fee structure.
4. Approve Administration Recommendation 4 and that Recommendation 4 remain confidential under Sections 23(1)(b), 24(1)(a), 24(1)(g), 25(1)(b) and 25(1)(c)(ii) of the Freedom of Information and Protection of Privacy Act; and
5. Direct Administration Recommendation 4, as amended, and the Report and Attachments, remain confidential pursuant to Sections 23(1)(b), 24(1)(a), 24(1)(g), 25(1)(b) and 25(1)(c)(ii) of the Freedom of Information and Protection of Privacy Act.