Resolution 2013-253

Resolution to Authorize a Professional Services Agreement with Golf Convergence to Provide an Operational and Financial Study of Golf for the Minneapolis Park and Recreation Board in the Amount of $79,100 for the Period of August 1, 2013 to March 31, 2014

Whereas**,** The Minneapolis Park and Recreation Board (MPRB) currently manages 108 holes of golf at 6 different golf facilities;

Whereas, The MPRB operates 5-18 hole championship golf courses, 1-9 hole executive golf course, 1-9 hole par 3 golf course;

Whereas, The Minneapolis Park and Recreation Board operates 3-golf learning centers/driving ranges;

Whereas, National averages indicate a flattening of golf rounds and revenue;

Whereas, The Minneapolis Park and Recreation Board Golf Operation needs a comprehensive review to reinvigorate and create new revenue opportunities;

Whereas, The 2013 budget goal for the Recreation Division included a Golf Operational review;

Whereas, The MPRB issued a Request for Proposals in May, 2013;

Whereas, The Golf Convergence proposal met all the needs of the Scope of Services outlined in the RFP;

Whereas, Funds for the Operational Study were approved by the Board in the 2013 Enterprise CIP budget; and

Whereas, This resolution is supported by the MPRB 2007-2020 Comprehensive Plan, which envisions "Recreation that inspires personal growth, healthy lifestyles, and a sense of community;"

RESOLVED, That the Board authorize a Professional Services Agreement with Golf Convergence to provide an Operational and Financial Study of Golf for the Minneapolis Park and Recreation Board in the amount of $79,100 for the period of August 1, 2013 to March 31, 2014; and

RESOLVED, That the President of the Board and Secretary to the Board are authorized to take all necessary administrative actions to implement this resolution.

TO: Recreation Committee

FROM: Nicholas Williams,

DATE: July 24, 2013

SUBJECT: Resolution to Authorize a Professional Services Agreement with Golf Convergence to Provide an Operational and Financial Study of Golf for the Minneapolis Park and Recreation Board in the Amount of $79,100 for the Period of August 1, 2013 to March 31, 2014

BACKGROUND

In January of 2012 the USA Today reported, "Fewer people play golf, and Baby Boomers don't have the time, money or interest in the game their parents did. The number of golfers in the U.S. has fallen by 13% in the past five years, according to National Golf Foundation statistics. The number of golf rounds played nationwide last year through November was down 3.5% from the previous year, according to the foundation."
http://usatoday30.usatoday.com/money/economy/housing/story/2012-01-15/golf-communities-real-estate/52591988/1

In an effort to combat local and national trends the Minneapolis Park and Recreation Board sought consulting services to evaluate the current finances and operational practices at its golf facilities as they compare to industry best management practices in golf course operations. An RFP was issued on May 6, 2013. Five industry consulting companies were directly mailed the RFP and it was also posted on the Minneapolis Park and Recreation Board web site. On May 13, 2013 a pre-proposal informational meeting was hosted at Theodore Wirth Golf Course. Several Friends of the Wirth Par 3 and the Theodore Wirth Men's Club were in attendance. Only one firm was represented at the hour and half informational session. The Request for Proposals, entitled, Golf Course Operational and Financial Consulting Services for The Minneapolis Park and Recreation Board, outlined the details of the golf operation to be studied.

The consultant's work will engage the community, various user groups including daily fee players, patron and season pass members, league participants, tournament players and Board staff to guide and provide the basis for developing a 10-year Golf Master Plan with specific recommendations that address future capital investments, review of current and past financial and operational data with specific recommended operational changes and capital investment plan to meet industry best practices, golf program offering review, enhancement of service levels and equipment fund review.

The Scope of services outlines the following 6 specific tasks with the 7th providing for quarterly updates of progress:

- Financial Analysis of Golf Operations
- Golf Course Asset Analysis
- Golf Course Management and Maintenance Analysis
- Marketing Analysis
- Current and Future Economic/Trend Analysis
- Recommendations for Golf Master Plan

One proposal was submitted for consideration. That proposal came from Golf Convergence of Denver Colorado. The review of Golf Convergences' proposal was done by a staff team and it was unanimously determined that the proposal submitted met the Scope of Services outlined in the RFP. While some concerns have been raised by outside groups about Golf Convergence attitude toward municipal golf, those issues have been addressed by staff. It is not the intent of this process to make a recommendation to the board to eliminate any golf courses. The focus is to provide the Board with a 10-Year Golf Master Plan, an evaluation of the future viability and profitability of the golf facilities and comprehensive review and evaluation of the golf facilities. The consultant will also provide an overview of the current national and local golf market including demographics and a summary review of the competition. A key component to the work will be the community engagement process that encourages active public participation throughout the evaluation period. This information will be compiled into a thorough report to the Board Golf Staff, Executive Leadership Team and the Park Board of Commissioners on the analysis completed. All of which will outline a plan of action for the golf properties by March 31, 2014.

RECOMMENDATION

Staff recommends that the Board authorize a Professional Services Agreement with Golf Convergence for Golf Course Operational and Financial Consulting in the amount of $79,100 for the period of August 1, 2013 to March 31, 2014.

This action is supported by the following vision and goal statements in the MPRB 2007-2020 Comprehensive Plan.

Vision Theme 2:	Recreation that inspires personal growth, healthy lifestyles, and a sense of community.
Goal:	Residents, visitors, and workers enjoy opportunities to improve health and fitness.
Goal:	People connect through parks and recreation.

HISTORY:

07/10/13	**Recreation Committee**	**ADOPTED**

ATTACHMENTS:

- Golf Community Engagement RFP -Final (DOC)
- Golf Convergence - Minneapolis Park Board - Final (PDF)
- Golf Convergence Contract 2013 - Final (DOCX)

Prepared By: Sara Ackmann, Recreation Program & Facility Manager, Golf Operations
Review:
Sara Ackmann Completed 06/28/2013 10:05 AM
Nicholas Williams Completed 06/28/2013 10:05 AM
Jayne Miller Completed 06/28/2013 10:22 AM
Recreation Committee Completed 07/16/2013 2:37 PM
Minneapolis Park and Recreation Board Pending