

## Summary

### Salt Lake City Council's Decisions on Glendale Golf Course

Assembled by Council Staff Office  
July 28, 2015

- 1) **All of City's decisions on Glendale were made in the context of the multiyear effort to resolve the Golf Fund's financial difficulties.**
  - a) In spring 2014, the Council initiated a nearly year-long public discussion of options for SLC Golf.
    - i) That year, the annual budget revealed significant deficits and shortfalls that were likely to worsen, despite best efforts to increase play at courses.
    - ii) After many years of hoping these trends would reverse, the City needed to make dramatic changes.
    - iii) Golf's annual operating deficit was projected to reach \$600,000 to \$800,000 per year and capital investment shortfalls had reached \$20 million. (Note: deficits are cumulative from year to year; in FY 2014 the deficit already had reached \$1.4 million.)
  - b) The Council's Golf Fund discussions included:
    - i) multiple public hearings;
    - ii) a public "call for ideas";
    - iii) a detailed review of SLC Golf's financial options by a specialized municipal consulting firm; and
    - iv) recommendations from a Council-appointed Golf Task Force.
  - c) Based on information generated during this public process, the Council agreed with the Mayor, who stated in early 2014 that some courses would have to be closed to restore financial viability to SLC Golf.
  
- 2) **In spite of changes, SLC Golf is projected to sustain an operating loss of nearly \$600,000 in fiscal year 2015-16.**
  - a) Financial measures, like a new overall fee structure and closing Wingpointe midway through the fiscal year, will take some time to result in visible budget improvements.
  - b) The closure of courses stabilizes SLC Golf's operating revenues and allows it to pool any profits from the remaining courses to begin to address the backlog in major capital improvements.
    - i) In the short run, SLC Golf benefits by removing some courses that lose money from its balance sheet. These courses are projected to lose more and more money each year, as rounds continue to decline and expenses continue to rise.
    - ii) Over time, capital improvements will enhance the appeal of the remaining courses and increase the system's financial viability.
  - c) Glendale Golf Course is a slightly different case because it has realized small profits recently. There, the savings for SLC Golf come from *avoiding*:

- i) hundreds of thousands of dollars in annual payments for the installation of secondary water facilities (a project that is currently underway); and
  - ii) future operating losses projected by the Council's [financial consultant](#).
- d) If voters agree to an Open Space, Parks, and Recreation bond in 2015:
  - i) the City's general fund would compensate SLC Golf for the value of Glendale Golf Course, as it did in 2014 for Jordan Par 3, and small non-playable sections of Forest Dale, and Bonneville Golf Courses.
  - ii) the City's general fund would assume the annual payments for secondary water installation at a repurposed Glendale (these payments extend for sixteen years).
- e) Under the proposed Open Space, Parks, and Recreation bond, the City also would pay for the secondary water installation facilities at Forest Dale and Nibley Golf Courses.
  - i) SLC Golf would benefit from lower water bills at these courses.
  - ii) Absent a bond, there is no mechanism in place to pay the up-front costs of installing secondary water at Forest Dale and Nibley.

**3) When choosing to close Glendale Golf Course, the City considered more than just the financial performance of a particular course.**

- a) In part, Glendale Golf Course was recommended for closure because if current trends continue, today's narrow net profits would turn to losses in FY 2017, and the size of these losses will increase each year according to the [Council's financial consultant's report](#).
- b) In addition, proximity to Salt Lake City's residential neighborhoods played a significant policy role. This was in keeping with the Council's [policy statements](#), which recognize the special value of golf courses in neighborhoods, even for people who do not golf.
- c) This policy was affirmed during public hearings, when the Council heard from a large number of Rose Park residents who argued that their course should be kept open despite recent financial performance because of its proximity to residential neighborhoods.

**4) Taxpayers in Salt Lake City may be more willing to subsidize a public space that is open to all and offers a mix of recreational and open space activities.**

- a) On golf courses, access to the space is limited to those who play golf. If the Council places the Open Space, Parks, and Recreation bond on the 2015 ballot, voters will decide whether they wish to help expand the City parks system in part to pay for this kind of transition.
- b) The Council believes that the right approach to safety concerns at large urban open spaces is to invite a greater number of people to enjoy an expanded range of activities. This approach is more expensive than simply leaving the land unused and it is at the forefront of planning efforts for the potential Open Space, Parks, and Recreation bond.
- c) The City will not sell Glendale or Jordan Par 3 for commercial, residential or industrial development.
  - i) The Council made a clear [policy decision](#) to maintain these courses as open space, and as a community asset.
  - ii) The Council is the City's land use authority and no commercial, residential or industrial development on these properties can happen without the Council voting to re-zone the land.