

REPORT OF GENERAL MANAGER

NO. 03-391


DATE December 10, 2003

CD _____

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: REVISED LESSON FEE SCHEDULE FOR THE DEPARTMENT'S GOLF PROFESSIONALS AT SEPULVEDA, WOODLEY, RANCHO, HANSEN DAM, GRIFFITH AND PENMAR GOLF COURSES

*L. Barth <u> 70 </u>	B. Lukehart _____
A. Corrales _____	F. Mok _____
H. Fujita _____	G. Stigile _____
J. Koib _____	


General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board approve new lesson fees and fee schedule as described in the body of this report for golf lessons provided at Sepulveda, Woodley, Rancho, Griffith, Hansen Dam, and Penmar golf courses, subject to approval of the United States Army Corps of Engineers where applicable, effective January 1, 2004.

SUMMARY:

The maximum amount the Department's golf professionals are authorized to charge for lessons was last increased on November 18, 1991 (Board Report No. 529-91). At that time, the Board approved maximum rates for each half-hour lesson of \$35.00 if provided by the concessionaire, on-site head professional or recognized teaching professional; \$30.00 for lessons provided by Professional Golf Association (PGA) Class A professionals; and \$25.00 for those provided by PGA apprentices and assistant professionals.

To ensure that each facility maintains quality lessons at affordable prices for all golfers, Staff recommends a new pricing range for standard lessons not to exceed \$35.00 per half-hour for beginner lessons and not to exceed \$75.00 for half-hour lessons provided by more seasoned instructors. This is consistent with local trends and will provide maximum flexibility for the operator to provide lessons at an affordable price for the beginner and lower income golf enthusiast, and to also to retain the services of the more experienced PGA certified instructors who command a higher fee, to meet the demand of our more experienced golfers.

In an effort to improve the Concessionaire's ability to satisfy the demands of Los Angeles's more advanced and discerning golfers and capture a corner of the market that might otherwise be precluded, staff recommends approval of a second fee range beginning at \$75.00 per half-hour and

REPORT OF GENERAL MANAGER

PG. 2 No. 03-391

not exceeding \$150.00 per half-hour which will allow the Concessionaire to attract and retain the services of widely recognized, named PGA professionals who command fees which exceed the proposed range for regular lessons. It is anticipated that fewer than 5% of all lessons will fall into this higher fee range while the overwhelming majority of lessons or 95% will be provided within the lower range.

The Golf Advisory Committee (GAC) and our current golf professional concessionaires agree that the Department's current golf lesson fees are below market value. Both GAC and the Concessionaires have indicated that the Department should continue to maintain a selection of lessons at the lower rates, but also incorporate additional flexibility by allowing fees to exceed the standard price range in order to capture the additional benefits of site recognition and revenues that might be realized by offering lessons by well known named PGA instructors. A recent survey conducted by Staff indicated the median golf lesson fee charged at comparable golf courses is \$35.00 for each half-hour lesson.

<u>Facility</u>	<u>Minimum Lesson Fee (Half-Hour)</u>
Rio Hondo (Downey)	\$35.00
Los Amigos (Downey)	\$30.00
La Mirada	\$30.00
Knollwood (Granada Hills)	\$35.00
Los Verdes (Rancho Palos Verdes)	\$35.00
Alhambra	\$25.00
Whittier Narrows (Rosemead)	\$30.00
Brookside (Pasadena)	\$40.00
Santa Anita (Arcadia)	\$65.00
Mountain Meadows (Pomona)	\$50.00
Alondra (Lawndale)	\$35.00
El Dorado (Long Beach)	\$35.00
Average	\$37.08
Median	\$35.00

For the 2002-03 fiscal year, golf lessons at the Department's five major golf courses generated \$722,424.61 resulting in Department revenues of \$53,629.18.

Prepared by Michael Honan, Sr. Management Analyst I