

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

99-116

SYNOPSIS -

AGENDA:

MARCH 22, 1999

Communication on fees and charges at Blank and Waveland Golf Courses during the week of the US Senior Open.
Communication on Thursday night, July 8, 1999, Simon Estes Riverfront Amphitheater Concert.

SUBJECT:

US SENIOR OPEN

FISCAL IMPACT -

Golf - \$5,835 (new revenues); Concert - Potential profit or loss, maximum loss could be \$10,000, to come from Park and Recreation approved budget.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

To receive and file communication on US Senior Open items.

SUBMITTED BY:

DONALD M. TRIPP
PARK AND
RECREATION
DIRECTOR

BACKGROUND -

At the March meeting of the Park and Recreation Citizens Golf Committee, it was recommended that during the week of the 1999 US Senior Open (July 5 - July 11), the golf courses at Blank and Waveland increase their fees for the following items:

- Individual green fees for the week will be at \$14/9-holes and \$19/18-holes, respectively, compared to current rates of \$12/9-holes and \$15/18-holes.
- All cart rentals for outings will be increased from \$21 to \$26.
- Group outing fees for 16 or more will be increased from \$28 weekday and \$32 weekend to \$43 weekday and \$51 weekend.

This practice of raising fees during a US Open event has also happened in other locations, such as Philadelphia, Cleveland, and San Diego.

The fee changes will allow the City to take advantage of the market driven demand from the increase of golf enthusiasts in town for the US Senior Open. Grandview Golf Course will retain its normal fees and charges, providing an option to seasonal badge holders and green fee players. The result shall be an increase in rounds at Grandview as well as the other courses.

On Thursday, July 8, 1999, an opportunity exists to become involved with an event that will enhance the Park and Recreation Department's Thursday night concert series at the Simon Estes Riverfront Amphitheater. The Convention and Visitors Bureau is selecting existing non-profit functions to be featured and promoted each evening during the week of the US Senior Open.

Due to the nature of the audience and the exposure the event will receive, program enhancements are being proposed which will elevate this concert to a truly spectacular level. Renowned jazz trumpeter Maynard Ferguson, most recognized for his "Rocky" theme music, will be the featured artist, and proposals are being solicited for a laser light and fireworks show to end the evening. The cost of these enhancements will be approximately \$20,000 beyond the existing series budget that already relies on significant sponsorship money. Since proprietary rights for the series are assigned to these sponsors, additional corporate underwriting is not possible. The success of the event rests with product sales and gate admission, which is dependent on good weather and adequate promotion. This endeavor is similar to the RAGBRAI event successfully executed by the Park and Recreation Department in 1997, which, unlike this event, did not have an organization willing to accept part of the financial risk.

Downtown Partnership has agreed to collaborate with the City to guarantee up to \$10,000 in losses if the City will assume a like amount. They recognize the contribution the series has on the downtown area, and they are willing to support it. The "revenue sharing" plan provides for the series budget first, and the on-site revenue does not include the City's 20 percent of alcoholic beverage sales or non-alcoholic beverage sales which are included in the beverage agreement. The event budget

includes \$1,500 in revenue from Downtown Partnership. If the event makes a profit, the first \$1,500 will be returned to Downtown Partnership, with all profits over \$1,500 being shared equally by the City and Downtown Partnership. Conversely, any loss will be shared equally. Staff does not anticipate a loss.

The Park and Recreation Department believes this partnership is a fiscally responsible way to fulfill our goal of bringing people to our programs and facilities by taking advantage of the anticipated coverage surrounding the US Senior Open. The long-term benefits of this proposal will be realized in future sponsorships and partnerships with other agencies and organizations.