

# Golf Industry Challenges (Why?)

- Flat Rounds
- Difficulty Attracting New Golfers
- Limited Turf Research Resources
  - One Researcher
  - Limited Funds
- Public Image
  - Too expensive
  - Too time-consuming
  - Intimidating
  - Courses Use Too Much Water
  - Elitist
- Third-party Booking/Eroding Rates
- Legislation/Regulations
  - Water
  - Wages
  - Labor Laws



# California Golf Course Commission (What?)

## What is it?

*The California Golf Course Commission is designed to serve as a revenue generator to support industry-managed programs and activities.*

The Commission will exist in addition to CAG, will fund CAG, and will not represent an additional layer of bureaucracy.



# California Golf Course Commission (What?)

## What will it do?

- **Marketing/Promoting Golf**
  - Commercials, Advertisements
  - Public Play
  - Private Club Membership
  - Diversity of Course Types: Municipals, Daily Fees, Resorts, High-End Destinations
  - Subsidize Lessons/Equipment/Green Fees
- **Turf Research**
  - Development of Drought Tolerant Turf Species
- **Public Advocacy**
  - Fund CAG
  - Fund State Clubs Association Lobbying
  - Sponsor Legislation Supporting Greater Access to Recycled Water
  - Spread Message of Golf Economic Impacts, Employment Base, Water/Environmental Stewardship
- **Greater Access, Relevance and Credibility with Elected Officials**



# California Golf Course Commission (What?)

## Sample calculations:

### Public:

\$25 green fee x 0.025% = \$0.0625/round (6.25¢)

\$50 green fee x 0.025% = \$0.125/round (12.5¢)

\$100 green fee x 0.025% = \$0.25/round (25¢)

### Private:

\$1,000 monthly dues x 0.025% = \$2.50/mo. = \$30/yr.



# California's Most Powerful Lobbies

- **Organized Labor**
  - "Organized"
  - Well-Funded
  - Members All Contribute
  - One Voice
  - Winning Legislatively (Increased Wages, Increased Leave, Greater Protections)
  
- **Agriculture**



# Agricultural Industry Solutions

- Industry-funded and controlled “State agency” representing interests of private industry
- More than 20 different special interest Boards/Commissions, including California Almond Board, California Avocado Commission, California Cut Flower Commission, California Milk Advisory Board, California Raisin Advisory Board, California Wine Commission, among others



# Similar Solutions

- **Travel & Tourism**
  - [VisitCalifornia.com](http://VisitCalifornia.com)
- **California Film Commission**
- **Local:**
  - Business Improvement Districts
  - Transient Occupancy Tax/"Hotel Room Tax"



# Agricultural Industry Solutions

## ▪ California Raisin Marketing Board

- A grower-funded organization to support and promote the use of California-grown raisins.
- Mission to conduct market development activities to improve the demand for all categories of raisin usage...
- Sponsors crop production, nutrition and market research.
- Creates a positive marketing environment within which the industry can collectively expand the worldwide demand for California Raisins. (Public image)



# Agricultural Industry Solutions

- **Almond Board of California**
  - Invests more than **\$2 million a year** into next-generation farming practices.
  - In 2015, funded **13 water projects, 9 honey bee health projects**, nearly 40 others.
  - **From their website:** *"Scientific evidence suggests...that eating 1.5 ounces per day of most nuts, such as almonds...may reduce the risk of heart disease."*
  - **Website:** Almond lifecycle and history, sustainability, health benefits, with significant space devoted to water conservation and dispelling the perceptions about almonds/water



# Agricultural Industry Solutions

- **Similarities between almonds and golf:**
  - Need for growth of sales (rounds)
  - Need for crop farming (turf) research
  - Promotion of health benefits (advocacy)
  - Public perceptions about water use (advocacy/PR)
- **Additional benefits of golf:**
  - Charitable
  - Recreational
  - Environmental
  - Family time
  - Business networking
  - Neighboring property values



# VisitCalifornia.com

- High Sierra/Snow
- Snowboarding & Skiing
- Surfing
- Salmon
- Snowboarding (again)
- Wild Horses
- Swimming With Sharks
- Coastal Preserves
- National Parks, Monuments, Historic Sites
- Winter Cabins & Lodges
- Ski Runs
- Skate Parks
- Ski & Snowboard (once more)
- High Sierra/Mammoth Lakes
- Skateboarding
- Whale Watching
- Pinnacles National Park
- Volcanoes/Geysers/Hot Springs
- Autumn Leaves
- Redwoods
- River Rafting
- Wildflowers
- River Rafting (again)
- LA County
- Death Valley National Park (Plants & Animals)
- Inland Empire/Big Bear Lake
- Ski Resorts
- Surfing (again)
- State Parks
- National Parks (again)
- More Skiing
- San Diego County/Cycling
- Volcanoes/Geysers/Hot Springs (again)
- Big Trees



# VisitCalifornia.com

- North Coast (Wine, Romance, Sunsets)
- Lake Tahoe
- North Coast/Kinetic Grand Championship
- Yosemite National Park
- Fly Fishing
- Central Coast/AT&T Pebble Beach Pro-Am
- Inland Empire/Autoclub 400
- Yosemite National Park Waterfalls
- Orange County/Vans US Open of Surfing
- LA County Citadel Outlets
- Santa Catalina Island
- Castles
- Desert Parks
- Guided Adventures in California Parks
- Bay to Breakers
- Urban Parks
- Anza-Borrego Desert State Park
- High Sierra/Wanderlust Yoga Festival
- Central Coast/Big Sur
- SF Bay Area/Mavericks Surfing
- High Sierra Family Snow Adventures

**These are our competitors!**



# California Golf Course Commission (Who? How?)

- Legislative Approval
- Vote of Participating Courses Statewide to Approve Commission (1 vote per course)
- Election of Commissioners (Industry Representatives)
  - Divide State By Districts
  - Number of Commissioners TBD Based on Districts
  - Can Allocate Seats to Muni, Daily Fee, Private
- Commissioners Determine Assessment Based on Limits in Legislation (e.g., 0.25% - 1.00%)
- Courses Collect the Assessment on Behalf of Commission
- It is a pass-through (collected by course from golfer)
- Added to bottom of receipt, not out of course operating expenses!
- Similar to a Transient Occupancy Tax (hotels) or an Assessment District Fee
- Commissioners Determine Disposition of Funds
  - Industry Stakeholders Can Apply For Funds or Receive Automatic Funding (e.g., CTLF, CAG, CA GCSA, The First Tee, Get Golf Ready, a regional group of courses, etc.)
- Commission Subject to Referendum (Industry Vote) Every 5 Years



# California Golf Course Commission

## Summary of Benefits

- Marketing of Golf
  - Public Play
  - Private Memberships
- Promotion of Community Benefits of Golf
- Turf Research (Drought-tolerant species, etc.)
- Lobbying Efforts (Greater Resources For Advocating on Legislation and Regulations)
  - Funding CAG
  - Funding State Club Association Lobbyist
  - Funding Additional Lobbying Resources when Facing Critical Issues
  - Sponsoring Legislation (Recycled water funding, etc.)
- Increased Access to and Credibility With Governor, Legislators, Regulators
- Relieve the Funding Burden on Current Industry Groups/Allow Them to Re-Direct Funds
- Third-Party Tee Time Opportunities
  - Greater Resources to Address Large Third-Party Providers
- Federal Presence



# California Golf Course Commission FAQ

## **“Who will serve on the Commission?”**

*Course representatives from throughout the state will run for the Commission by district, and will be elected by a vote of golf course representatives from their district. Industry trade groups may also each have a seat on the Commission (SCGA/NCGA, PGA Sections, CA GCSA, CMAA, CGCOA, CTLF).*

## **“Will the state have a seat on the Commission?”**

*No. The Commission will be entirely industry representatives, although some commissions do have a public member.*

## **“Will the state have any say over how the assessment fund is spent?”**

*No. The Commission will have total say over the disposition of funds, with no state intervention.*

## **“Will there be any state oversight of the Commission?”**

*The Commission will be under the State Department of Food & Agriculture. The purpose of this is to ensure that the Commission is acting within the law and in accordance with the stated purpose of the Commission.*



# California Golf Course Commission FAQ

**"Will the state have any access to the assessment funds?"**

*Absolutely not! The funds belong entirely to the California Golf Course Commission, for the purpose of fulfilling the Commission's mission.*

**"Will the state charge any expenses to the Commission that must be deducted from the assessment funds?"**

*No.*

**"How much will this cost my golf course?"**

*The assessment is intended to be charged as a pass-along fee to the golfer that is added to the bottom of the receipt. The golf course is merely the collection entity on behalf of the Commission, and is not expected to contribute any money above what is collected from the golfer.*



# California Golf Course Commission FAQ

**"How much money is the Commission expected to raise each year?"**

*Based on a 0.25% (0.0025) assessment on public green fees and private club membership dues, it is estimated that total assessments will be about \$3.5M - \$4M per year.*

**"Can the Commission raise the fee without restriction?"**

*No. The legislation will include a minimum and maximum fee amount or percentage. The Commission will adjust the amount within that range as they deem appropriate.*

**"Will there be any assessment on cart rentals, food and beverage, pro shop sales, etc.?"**

*No. Only public green fees and private membership dues.*

**"Is the Commission a permanent entity?"**

*A referendum vote will be administered every 5 years, providing industry stakeholders the opportunity to continue or discontinue the Commission.*



# California Golf Course Commission Next Steps

- Industry Stakeholders Meet to Discuss Details, Find Common Ground, Resolve Differences

**INCLUSION and COMPROMISE!**



# California Golf Course Commission Next Steps

Following Industry Vetting Process:

- Identify a Bill Author (or authors)
- Introduce Legislation (Bill Introduction Deadline February 2018)
- Legislative Process (2-year session, 2017/2018; may have to re-introduce in 2019)
- If bill passes, conduct referendum vote of industry stakeholders (course representatives)
- Conduct election of commissioners
- Assessments begin (as early as 1/1/19)
- Program funding (as early as mid-2019)