

Evaluation of the City of
Toronto's five municipally
run Golf Course operations

December 2021

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Introduction

The City of Toronto provides high-quality recreational golf opportunities for Toronto residents at five City operated golf courses. These golf courses are operated through a mixed operating model, where the City maintains the facilities, properties, and the turf, with food and beverage and pro-shop management being handled by two separate contractors. The existing contracts that underpin this model are set to expire in 2023, and prior to issuing an RFP to secure new vendors, the City set out to undertake a review of current operations and the optimal use of these City-owned lands to ensure the future is set for success.

To support the review of current operations, the City of Toronto (the “City”) through the Parks, Forestry & Recreation Division (“PFR”) engaged Ernst & Young LLP (“EY”) to provide a fulsome assessment of the City’s golf courses’ performance, informed by a detailed review and robust public consultation.

During the COVID-19 pandemic in 2020, the City experienced increased demand and use of City-operated golf courses and demand for access to outdoor spaces rose substantially as Toronto residents navigated life in the city during a pandemic. This heightened focus on public outdoor spaces has generated renewed discussions on how these City assets can best serve Toronto residents. At the direction of Toronto City Council, EY’s scope was expanded to include an assessment of alternative and complementary uses at the golf course sites, and to undertake community consultation with the public, including both golfers and non-golfers.

This Report considers operating data, detailed financial analysis, leading practices in other jurisdictions, analysis of service delivery models, industry and market analysis, public engagement reporting and the development of a framework that assesses the relative merits of alternate and complementary uses from the public consultation. All of this information and analysis informs a series of recommendations around complementary uses to be considered, a proposed operating model, a sourcing strategy, and guidance for going to market.

Purpose

This project set out to understand how the golf courses are currently performing, identify where there are opportunities to improve the golf experience, to gather feedback on how to improve public access, and to inform City decisions on a future operating model that optimally advances City outcomes.

The project goals that guided the work include:

1. Continuing to provide access to high-quality and affordable golf in the city of Toronto
2. Employing responsible environmental stewardship and management of the sites
3. Maintaining a sustainable and financially responsible operational model
4. Improving golf-related amenities (clubhouses, food and beverage offerings, customer service, etc.)
5. Increasing opportunities for the public to access public lands (e.g., winter uses, new trail access, recreational needs of non-golfers, etc.)
6. Balancing multiple and competing desired uses of the sites

Scope and Limitations

This work was focused on five of the City’s golf courses, noted below (the “Courses”). The City also leases out two of its seven golf properties to third parties (Royal Woodbine and Centennial Park), which were specifically excluded from the scope of the project because they operate under a different model which is already in place.



Dentonia Park



Don Valley



Humber Valley



Scarlett Woods



Tam O'Shanter

To support this effort, the City engaged EY and Process to join PFR in a joint team to deliver this work.



Operational Golf Course Review

- Assess the current state of the Courses
- Assess the relative merits of Alternative/Complementary Uses via a framework developed with PFR
- Recommend Complementary Uses/Alternative Uses for the Courses
- Recommend a sourcing strategy of third-party golf course operators



Stakeholder and Community Consultation

- Understand golf user experience at the Courses and solicit feedback on potential complementary and/or alternative uses at the Courses through Local Community and City-wide engagements and on-line survey



External Analysis and Background Information

- Understand strengths, challenges, and operating models of golf course operations in other cities through jurisdictional scan
- Gauge vendor interest and preferences for the bid format of operating the Courses and understand potential operating models, contractual arrangements, opportunities, and challenges at the sites through Industry and Market analysis, interview and surveys
- Provide financial information, capital expenditures and rounds played for the Courses

For this report, EY relied upon unaudited statistical, operational, and financial data provided by the City and information from a variety of sources as well as discussions and consultations with the City (collectively, the “Supporting Information”). Analysis work was based solely on the Supporting Information available at the date of this Report. EY reserves the right to revise any analyses, observations or comments referred to in this Report, if additional Supporting Information becomes subsequently available.

EY assumed the Supporting Information to be accurate, complete, and appropriate for purposes of this Report. EY did not audit or independently verify the accuracy or completeness of the Supporting Information and, accordingly, EY expresses no opinion or other form of assurance regarding the Supporting Information.

An examination or review of financial forecasts and projections, as outlined in the Chartered Professional Accountants Handbook, has not been performed on the Supporting Information. Accordingly, EY expresses no opinion or other forms of assurance in respect of the Supporting Information and does not accept any responsibility for errors or omissions, or any loss or damage as a result of any persons relying on this Report for any purpose other than that for which it has been prepared.

Use of this Report

Ernst & Young LLP (EY) prepared the attached report only for the City of Toronto (“The City,” “Toronto,” “Client”) pursuant to an agreement solely between EY and Client. EY did not perform its services on behalf of or to serve the needs of any other person or entity. Accordingly, EY expressly disclaims any duties or obligations to any other person or entity based on its use of the attached report. Any other person or entity must perform its own due diligence inquiries and procedures for all purposes, including, but not limited to, satisfying itself as to the financial condition and control environment of The City and any of its funded operations, as well as the appropriateness of the accounting for any particular situation addressed by the report.

EY did not perform an audit or review (as those terms are identified by the CPA Canada Handbook - Assurance) or otherwise verify the accuracy or completeness of any information provided to us of The City or any of its funded operations financial statements. Accordingly, EY did not express any form of assurance on accounting matters, financial statements, any financial or other information or internal controls. EY did not conclude on the appropriate accounting treatment based on specific facts or recommend which accounting policy/treatment The City or any funded operations should select or adopt.

The observations relating to all matters that EY provided to The City were designed to assist The City in reaching its own conclusions and do not constitute EY’s concurrence with or support of Client’s accounting or reporting or any other matters.

Executive Summary

This Report provides a robust analysis of the City's public golf courses and recommends a Hybrid operating model. This model best positions the City to advance a number of project goals, including several recommended complementary / alternative uses that will increase access to these public sites.

Current State Assessment of the Courses

EY's current state assessment of the five sites focused on service delivery models, operations (both golf and food and beverage), and financial information. EY's findings are summarized below. The City undertook a parallel current state assessment of parkland provision, environmental mapping, recreational facility needs, local mobility networks, and other conditions related to alternative and complementary uses that are captured in City staff's report to City Council.

Service Delivery Model – Golf Operations

Since 2012, the City has contracted with Golf Plus Marketing Incorporated (“**GPMI**”) to manage the operations of the Courses as well as their pro shops. The City pays GPMI a flat fee of approximately \$432K per year to operate the Courses, as well as 80% of power cart and 100% of pull cart rental fees. The City receives 100% of all green fees and 20% of power cart rental fees in return.

A summary of responsibilities in golf course operations is below:





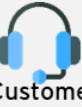
	City	GPMI
 Tee Time Reservation	<ul style="list-style-type: none"> Administers online booking system Monitors and manages booking data Reimburses GPMI for costs of on-line booking system 	<ul style="list-style-type: none"> Operates online booking system under supervision Manages booking of tee times
 Green Fees	<ul style="list-style-type: none"> Receives 100% of green fee revenues Sets green fees Responsible for costs relating to the collection of fees Collects revenue related to junior memberships 	<ul style="list-style-type: none"> Collects and remits green fees to the City Provides daily rounds played report
 Staffing	<ul style="list-style-type: none"> Manages City employees and contractors related to caretaking and maintenance of the building, grounds, and parking lots 	<ul style="list-style-type: none"> Employs, trains, and supervises all staff and contractors relating to the management of play and the pro shop
 Cart + Golf Club Rentals	<ul style="list-style-type: none"> Receives 20% of power cart rental fees 	<ul style="list-style-type: none"> Receives 80% of power cart and 100% of pull cart rental fees Receives 100% of golf club rentals Responsible for maintenance and replacement of the carts
 Instruction, Clinics	<ul style="list-style-type: none"> Receives revenue from golf lessons in community centers Collects revenue related to junior memberships 	<ul style="list-style-type: none"> Receives 100% of the fees for instruction and clinics Administers Junior Golf program It is the intent of the City to maximize open public tee times and availability to the public, therefore limitation is placed on the ability to rent for tournaments
 Pro Shop	<ul style="list-style-type: none"> No participation 	<ul style="list-style-type: none"> Receives 100% of sales and responsible for 100% of costs
 Customer Service	<ul style="list-style-type: none"> Responds to 311 calls and/or re-directs emails/calls to GPMI as appropriate Responds to inquires transferred from GPMI 	<ul style="list-style-type: none"> Responds to complaints, incidents and inquires received directly by customers or indirectly from the City Redirects as appropriate to the City

A key takeaway from this assessment is that the difficulties some people may experience in booking tee times is due in part to the ability of individuals to book multiple dates, no deposits, and no penalties for last minute cancellations or no shows. The fact that tee times are difficult to get has not translated directly to revenue for the City. There is also limited clarity on the number of unique users of the Courses nor information on whether or not they are Toronto residents. The City should collect better demographic information about rounds played.

Service Delivery Model - Food and Beverage Operations

Since 2012, the City has contracted with 505707 Ontario Inc. (“Grenadier”) to provide all food and beverage offerings for the Courses. The City receives an annual flat fee from Grenadier (\$62,730 in 2020). The City does not receive any share of the food and beverage revenues nor is responsible for any of its costs.

A summary of responsibilities in food and beverage operations is below:

	City	Grenadier
 Food and Beverage Sales	<ul style="list-style-type: none"> No participation in revenues Receives fixed fee from Grenadier 	<ul style="list-style-type: none"> Determines product offerings and retains 100% of revenues and costs
 Operations	<ul style="list-style-type: none"> No costs except utilities 	<ul style="list-style-type: none"> All costs except utilities
 Staffing	<ul style="list-style-type: none"> No participation 	<ul style="list-style-type: none"> Employs and supervises all food and beverage staff
 Equipment	<ul style="list-style-type: none"> Responsible for structural and exterior improvements 	<ul style="list-style-type: none"> Supplies, maintains, and services equipment
 Customer Service	<ul style="list-style-type: none"> Responds to 311 calls and/or re-directs emails/calls to Grenadier as appropriate Responds to inquires transferred from Grenadier 	<ul style="list-style-type: none"> Responds to complaints, incidents and inquires received directly by customers or indirectly from the City Redirects as appropriate to the City

Note: For both operations, the City is responsible for all capital costs as well as costs with respect to maintaining golf courses, buildings, and parking lots. City staff perform all grass cutting, seeding repairs and maintenance on the Courses.

The Current Model has all five golf courses run by one vendor for each function: Golf Operations (GPMI) and Food and Beverage Operations (Grenadier).

The benefits of this model are that it:

- limits the number of contractors to be managed
- eliminates service providers from only bidding on the more profitable courses
- aligns the contracts by function and expertise
- allows for unified approach, culture, and management of all courses
- allows the City to implement proposed uses heard from the stakeholder engagement process

The risks of this model are that it:

- divides decision-making and responsibilities based on functionality
- makes capital improvements for revenue enhancement difficult to justify beyond the state of good repair
- may result in cost minimization by the golf operator as its revenues are limited to a fixed fee
- makes improvements to the overall customer experience (play, facilities, amenities, etc.) difficult as the service providers may be reluctant to undertake service enhancements when they will only see an indirect impact on their revenues (e.g., increased cart rental, lessons)

Existing Complementary Uses/Programming at the Courses

In addition to golf, the City has historically offered limited non-golf use and access to the sites. More recently, the City has added several off-season and after-hours uses that have allowed for improved access to the sites for Toronto residents. Complementary uses and activities currently available include:

- Winter, Late Fall and Early Spring uses such as walking, snowshoeing, cross country skiing, etc. at all Courses Mid-November to Mid-April
- Fling Golf at Dentonia Park, Humber Valley, Scarlett Woods, and Tam O'Shanter offered during the regular golf season
- Disc Golf (free of charge) at Scarlett Woods and Dentonia Park offered outside of the regular golf season
- Snow Trails/Loops (free of charge) at all Courses offered outside of the regular golf season
- Movie Nights at Tam O'Shanter
- Short driving ranges at Don Valley, Humber Valley, Tam O'Shanter
- Practice putting greens at all Courses
- Pollinator gardens at all Courses

Based on the feedback from the community engagement, these existing complementary uses are not well known or understood. The City should consider an awareness campaign to promote these existing uses and pursue opportunities for expanding these uses.

Financial Highlights

There are three main sources of revenue for golf at the City: green fees, power cart rental fees, and the food and beverage lease revenue. These revenues are offset by expenditures, including the labour costs for grounds staff, supplies, and equipment to maintain courses and buildings, the flat fee paid to GPMI for course operations, ongoing operating expenses (alarms, cleaning, landscaping, etc.), fleet and facilities maintenance, utilities, and advertising.
















In the 8-year period of 2013 to 2020, the City experienced a net loss before capital expenditures in 5 of those years, and the profitable years (before capital expenditures) were 2013, 2014, and 2020. (Note that due to the Provincial COVID-19 restrictions in place during 2020, the Courses were not open for the full 2020 season yet generated positive net income from operations).

In addition, the City has spent approximately \$6.4 million in capital expenditures for the 8-year period of 2013 to 2020. For the upcoming 6-year period of 2021 to 2026, the City's capital plan for the Courses and related components is approximately \$4.7 million.

Course Capacity and Rounds Played

The maximum course capacity for each of the Courses has been estimated to be approximately 52,250 rounds based on the 32-week operating period, less a 15% estimated reduction due to inclement weather. Based on these capacity parameters, all five courses were very busy, operating at 96% capacity, and had limited availability for additional rounds in 2020. In the years from 2013 to 2019, course utilization ranged from 59% to 65%, depending on the year. Pre-COVID-19 utilization data shows that two of the courses (Dentonia and Scarlett Woods) are unoccupied for 50% of the potential playing time, significantly impacting their financial results, and bringing into question the best public use of these courses. However, despite lower utilization rates, the number of rounds per year at the City's golf courses were comparable to or higher than that of successful private golf courses.

Total rounds played across all courses had been trending downwards prior to the COVID-19 pandemic. In 2020, there was a noticeable spike in rounds played as people sought access to permitted recreational activities, though it is currently uncertain whether this trend will continue. Data on rounds played is nuanced based on types of rounds (18 hole, 9 hole, replay, twilight, promotional passes, rain checks, junior memberships, fling golf, and disc golf).

					
Average Course Utilization 2013-2019	45%	79%	63%	51%	68%
Course Utilization 2020	92%	98%	93%	98%	97%
Pre-COVID Annual Trend in Rounds Played					
2020 change from 2019					

*Note: Due COVID-19 restrictions, 2020 saw a shorter operating season as such, while utilization rates increased across all five courses, Don Valley, Humber Valley, and Tam O'Shanter experienced a reduction in the rounds played.

Jurisdictional Scan of Best Practices

A jurisdictional scan was conducted by PFR to understand strengths, challenges, and operating models of golf course operations in other cities.

Ultimately, this scan found that municipally run golf is a challenging operational program for a number of Canadian municipalities. Recent reviews in three cities (Edmonton, Calgary, Thunder Bay, and London) recommended the consideration of alternative service delivery models at municipally run sites, or disposal of lands. Operating models of golf courses vary across municipalities, with varying levels of responsibilities being performed and controlled by the respective municipal government. Similar to the Toronto experience, years of downward demand and revenue trends pre-COVID-19 have led to difficulty for many courses. Municipalities historically have shown difficulty in making strategic capital investments.

A summary of some common strengths and challenges across other municipal golf courses are noted below:

 Common Strengths	 Common Challenges
<ul style="list-style-type: none"> • Affordability and targeted subsidies (camps, academies, youth programming, school partnerships) • Environmental certification/green commitment • Winter use • Accessibility • Programming for new players 	<ul style="list-style-type: none"> • Rigidity in operations, costing, policies, fees, and IT • Capital investment • Operating costs • Demand/revenue trends (pre-COVID) • Public perception/treated as revenue centre

Industry and Market Analysis

PFR surveyed and interviewed 11 potential providers on potential operating models, contractual arrangements, opportunities, and challenges at the sites.

This market sounding gauged vendor interest and preferences for the bid format of operating the sites. A complete lease-out model was the most preferred model by vendors, though there is also considerable interest in a “hybrid model” where the City provides facility, property, and turf maintenance while a single contractor provides both the golf pro shop management and food and beverage operations. Most vendors would prefer a packaged bid for all sites. Vendors would like to understand the renovation potential and site conditions prior to placing their bids, especially given that capital commitments require significant investment. Vendors indicated preference for a 20+ year term, or minimum ten years, preferably with options. One advantage of a potential lease out is leveraging third party capital investment for improving and maintaining the Courses and buildings.

Vendors indicated that site improvements focused on customer experience and improved practice facilities were the key to golf course success, especially given that most vendors thought green fees are currently set at approximately the right price. Surveys found that there was interest from vendors in all sites, though Don Valley had overwhelmingly the highest levels of interest.

Regarding City priorities and the possibility of complementary programs at sites, vendors indicated a commitment to City outcomes so long as profit remains possible and liability concerns can be managed. Significant emphasis by vendors was placed on the possibility of “win-win” solutions which keep the City in a strong financial position, achieve City outcomes, and improve customer experience.

Stakeholder and Community Consultation and Indigenous Engagement

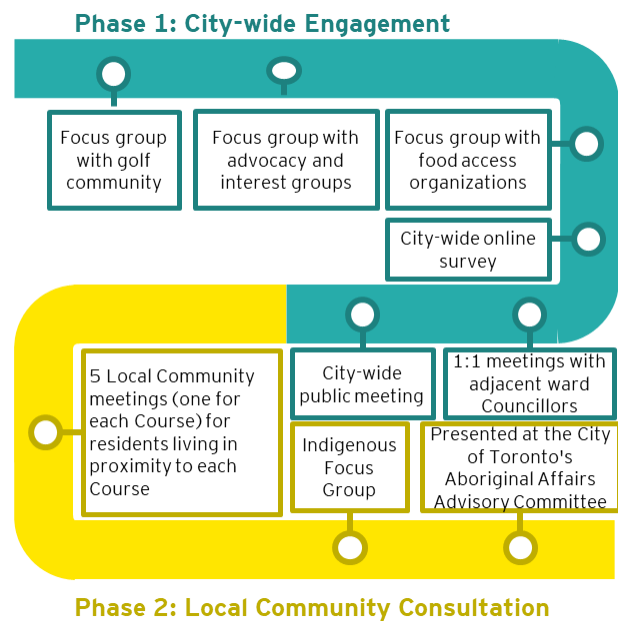
At the direction of Toronto City Council, a robust community consultation process was to be undertaken to explore alternative and complementary uses at the Courses.

The goals of the engagement process were to:

- Engage a diversity of people in the project
- Provide information about how the City makes decisions
- Share preliminary opportunity ideas and gather the public’s input, visions, and perspectives about the future of the City’s golf courses

The desired outcomes were as follows:

- Participants are informed about the project and understand what regulatory, policy, and planning frameworks inform decision-making
- Participants learn about preliminary opportunities for alternative and complementary uses at golf courses identified by City staff
- Participants share insights and perspectives on how to improve golf courses as places to play golf
- Participants share insights and perspectives of identified preliminary opportunities for alternative and/or complementary uses as well as share ideas for opportunities not yet identified
- PFR better understands public perceptions on adding alternative and complementary uses to golf course sites to balance competing uses and plan for the future of operations of the five City-operated golf courses



This community consultation process followed a two-phase approach, with the first phase focused on city-wide engagement, including a city-wide survey, and the second phase focused on local community consultations.

Stakeholders and community members were presented with a project overview and scope and asked to provide feedback on potential improvements, alternative, or complementary uses for Toronto's golf courses.

Ideas that were not open for discussion were residential uses, construction of large facilities within floodplains, sale or disposal of parkland, and free golf play.

Key findings heard from the public engagement process included a general consensus that City-operated golf courses could incorporate additional and complementary uses and acknowledged the Courses provide affordable and accessible entry level golf, which should continue to be supported. There was consistent and strong agreement between golf users and other participants who do not golf that the Courses could continue to accommodate golf play while also increasing access to the sites by introducing new, and expanding existing, complementary uses.

Key findings shared through the public engagement process for providing more non-golf access to the sites to increase public use of the land included:

Improved Trail Access

- Prioritize improving trail access and linkages
- Support off-season access to the courses by maintaining pathways and existing trail connections
- Consider in-season access, if feasible, outside of course hours

Natural Area Restoration

- Prioritize naturalization, and support bird migration
- Enhance the tree canopy by planting native species
- Incorporate and make space for Indigenous uses of the land and water (e.g., gardens, planting, ceremony, education, art)

Food Growing Opportunities

- Prioritize a community garden model over an allotment garden model
- Consider exploring alternative food growing opportunities like beekeeping and a backyard hens program at golf courses where floodplains pose a challenge for growing food
- Prioritize community gardens at Dentonia Park
- Consider Farmer's markets at all Courses parking lots during off-season

Complementary Programming

- Incorporate Indigenous storytelling events, open Indigenous art galleries and include Indigenous murals at all Courses
- Consider Indigenous vendors to facilitate off season outdoor experiences at all Courses
- Consider temporary skating rinks at all Courses

There were multiple opportunities presented to improve golf play for all Courses:

- Prioritize and improve junior programming and any future golf programming should include specific Indigenous youth programming and collaborate with local schools
- Partner with the golf industry (e.g., Golf Canada) to identify new on and off-site programming options that are aimed at introducing new participants and communities to golf and providing accessible on-ramps into the sport
- Identify other offsite locations for practice facilities that would provide additional outdoor activities in the city, introduce more participants to golf, and maintain the pace of play and capacity on existing Courses
- Create designated seniors tee times and local resident tee times to appeal to larger and more diverse audiences

- Shorten courses to 12 holes or 9 holes. Golfers encouraged staff to explore opportunities to shorten the 18 hole courses to either 12 holes or 9 holes to: (1) improve the golf play/experience (via course redesigns, etc.) and (2) allocate land for additional and/or complementary uses
- Collaborate with local leagues to organize tee times. There was interest from league representatives to find a better way to organize large quantity tee times and/or designated league reservation times to accommodate larger groups to play together
- Improve the tee time reservation experience and increase the number and variety of available tee times
- Introduce a tee time reservation fee deposit
- Introduce an on-line payment system
- Improve food and beverage options, including leveraging local procurement practices
- Improved customer experience through improved marshalling and speed of play

Feedback collected from City of Toronto Aboriginal Affairs Advisory Committee:

In addition, a meeting was held with the Toronto Aboriginal Affairs Advisory Committee to solicit feedback to inform the City’s evaluation of municipal golf courses. This feedback included identifying ways to incorporate Indigenous naming, placemaking, cultural practices, and youth employment opportunities on the golf courses.

Alternative Use Framework

To incorporate the community engagement results and understand how resident feedback aligns with the City’s goals for the project, a methodical approach was taken to develop an Initial Evaluation Framework. This framework served the purpose of providing an early assessment of whether certain proposed uses should be advanced for further study or implementation (and for which site).

There are two over-riding criteria which must be met for a proposed use to merit further evaluation. The use must meet all regulatory land use approvals and be feasible in light of the physical land attributes of the site. Once meeting these two key principles, eight additional criteria are utilized to evaluate the potential uses. These criteria are outlined below:

Initial Evaluation Framework	
1	<p>If either of the two criterions below are not met, the proposed use is not considered further:</p> <ol style="list-style-type: none"> 1. Meets regulatory land use approvals 2. Meets physical land attributes
2	<p>If both of the above criteria are met, the proposed use is then evaluated using the following criteria:</p> <ol style="list-style-type: none"> 1. Increases public space access to golf course lands 2. Aligns with other Strategic and Policy Initiatives 3. Meets community and equity needs 4. Impact on golf experience 5. High-level estimate of financial impact to City (revenue, operational and maintenance costs, installation costs) 6. Ability to advance the proposed use through existing nearby PFR assets 7. No similar public and/or private activity nearby 8. Environmental impact

Recommendations on golf use, alternative and complementary uses for each Course

Extensive public consultation efforts, reviews of leading practices in other jurisdictions, and the evaluation of proposed alternative uses established that these sites could advance multiple City objectives. The following recommendations chart a path forward that would significantly increase non-golf access and uses on these sites while continuing to provide high-quality and affordable golf.

The Initial Evaluation Framework was used to evaluate proposed alternative and complementary uses for each of the five sites. The Initial Evaluation Framework demonstrated that many opportunities are feasible at all the Courses; however, PFR may need to undertake additional analysis to determine which opportunities will be advanced and at which Course(s). This evaluation process also reinforced that the recently introduced alternative uses at the Courses are advancing a number of the City's policy objectives, have increased the number of people visiting these sites, demonstrate the viability of the complementary use approach, and should be continued or enhanced.

All Courses: Recommendations for Improving the Golf Experience

There are a number of recommendations aimed at improving golf play on these sites in order to further increase access to these sites in general, create more capacity for users, and develop new entry points into this outdoor activity for people and communities who have not traditionally participated. To this end, it is recommended that PFR:

- Prioritize and improve junior programming and any future golf programming should include specific Indigenous youth programming, and collaborate with local schools or partners such as Golf Ontario or Golf Canada
- Create designated seniors tee times and local resident tee times to appeal to larger and more diverse audiences
- Collaborate with local leagues to organize tee times
- Improve the tee time reservation experience by limiting the number of reservations per week per individual
- Introduce a tee time reservation fee deposit
- Introduce an on-line payment system
- Improve food and beverage options
- Improve customer experience through improved marshalling and speed of play
- Explore partnerships and opportunities for learning and practice options both on and off site

All Courses: Recommendations Alternative / Complementary uses

The Courses, given their locations and status as City-owned open space, offer opportunities to advance strategic City objectives, including expanded public access and use. To enhance access to these sites and support a number of City priorities, the following initiatives are recommended:

- Naturalize appropriate areas to support biodiversity and bird migration
- Enhance the City's tree canopy with targeted planting
- Incorporate and make space for Indigenous uses of the land and water (e.g., gardens, planting, ceremony, education, art)
- Determine the interest in Indigenous vendors to facilitate unique off-season experiences (environmental, cultural, athletic)
- Identify routes for multi-use trails through and/or around the sites and, where possible, linking with existing public trail systems
- Identify locations for community gardens
- Support integration of pollinator gardens
- Consider utilizing course clubhouse and parking lot areas for off-season community use or programming
- Study the feasibility of installing temporary natural skating rinks and winter cross-country skiing and snowshoe routes
- Evaluate opportunities to modify the length and design of select courses to accommodate other City priorities and increase access to public parkland
- Increase site access by developing an awareness campaign to promote more recently introduced complementary uses. Based on the feedback from the community engagement existing complementary uses are not well known or understood.

Course Specific Recommendations Alternative / Complementary Uses

Based on City priorities, community engagement feedback, and the Initial Evaluation Framework, there is a subset of opportunities which would be more suitably pursued at specific courses.

Dentonia Park:



Due to its location, notably short course length, gap in trail connectivity, and historical low performance the Dentonia Park site is an excellent candidate for renewal. A renewed Dentonia Park with golf practice amenities, an uninterrupted multi-purpose trail, and public green space would be responsive to golfer's needs, public feedback while advancing many of the City's public policy objectives. Dentonia Park's location near public transit is well suited to a site with multiple uses. Moreover, these expanded uses and access would serve two Neighbourhood Improvement Areas surrounding the Course. Due to the limitations of Dentonia Park's golf offering and with an 18-hole public option relatively nearby at Tam O'Shanter, golf amenities at this site may be better suited to practice purposes and/or a 9-hole course.

Recommendations include:

- Commence with the detailed planning work and discussions with the TRCA and Transportation Services required to extend the Taylor Creek Park Trail through the site to provide trail connectivity to Warden Woods.
- Reconfigure the course to accommodate the new trail connection by introducing a 9-hole golf course, tailored practice and learning spaces, and / or seeking partners to provide gamified golf and entertainment facilities.
- Work with the local community, golfers, and industry partners and commence a site master plan process and utilize public input to determine which recommended alternative uses could be included on site to complement the trail connection and re-imagined golf play.

Tam O'Shanter:



Based on public feedback, the course location, and the unique site characteristics of Tam O'Shanter, the site could accommodate additional complementary uses. Specifically, Tam O'Shanter could be utilized to advance a number of City policy priorities by making a connection with adjacent multi-use trails.

Recommendations include:

- Explore the feasibility of installing multi-use paths / trails on site.

Scarlett Woods:



Scarlett Woods is located near significant amounts of publicly accessible green space that are currently being utilized to advance many City policy goals (e.g., sports fields at Eglinton Flats). In many instances, these sites are ideal candidates to house several of the complementary uses captured through the public consultation and the leading practice jurisdictional scan. However, the strategic location of the Scarlett Woods site and amenities could be better leveraged to make nearby public spaces more accessible.

Recommendations include:

- Explore the feasibility of creating safe and accessible pedestrian and cycling connections on-site and/or in the abutting right of way from the Scarlett Woods parking lot and clubhouse areas to the Humber River Recreational Trail entrance at Eglinton Avenue West.

Don Valley:



Don Valley is strategically located adjacent to a subway station and several existing and well used trails. Public consultations revealed an interest from local residents and trail users to better integrate the Don Valley golf course lands with nearby trails.

Recommendations include:

- Explore the feasibility of connecting Don Valley to existing pedestrian and cycling trail infrastructure.

By moving forward with business cases or implementation of these recommended complementary and alternative uses, the City will achieve their objectives of increasing access and use of these sites, while continuing to provide high-quality and affordable golf. These environmentally and financially sustainable recommended uses will also advance the goal of balancing multiple desired uses of the sites.

Analysis of Service Delivery Models

A review of the existing service delivery model was necessary to ensure long-term financial sustainability, improved customer service, and a more positive user experience for people accessing the golf courses. Consideration was given to current market trends and the City's desire and ability to implement proposed uses based on what was heard during the stakeholder engagement process.

Four service delivery models were considered:

Current Model

The City provides maintenance of the grounds, parking lots and buildings and two separate third parties provide food and beverage service (Grenadier) and pro-shop and golf operations (GPMI)

Self-Operation Model

The City provides maintenance for the grounds, parking lots and buildings as well as the food and beverage service and pro-shop and golf operations

Lease Model

The City enters into a long-term lease with a single third party which provides the maintenance of the grounds, parking lots and buildings as well as the food and beverage service and pro-shop and golf operations

Hybrid Model

The City provides maintenance for the grounds, parking lots and buildings and a single third party provides pro-shop and golf operations together with the food and beverage operations.

A robust analysis was conducted for each of these options, including an understanding of benefits, financial modelling, and an evaluation of risks.

Following this analysis, the Hybrid Model is recommended. Not only does this option provide the City with the most flexibility and control to implement the proposed complementary/alternate uses from the community engagement, financially it is the optimal model based on 2020 financials (the City should incorporate the results of the 2021 golf season and whether it continues to generate net income and the City should make its own assessment as to whether this positive financial trend will continue). This model also ensures the Courses are operated by a single service provider with the expertise to manage golf operations.

The benefits of the Hybrid Model include:

- City to manage only one service provider

- City retains the ability to implement additional complementary programming on the Courses heard from community engagement process
- City retains control of the land and retains flexibility to implement alternative uses heard from community engagement process
- Single on-course management with flexibility and clear decision-making roles and responsibilities
- Increased alignment between vendor incentives and customer experience as customer inquiries, comments and resolution handled by a single service provider, resulting in improved customer service
- Single service provider has singular corporate culture, service levels, technology, and governance
- Data sharing would be streamlined into a singular format of revenues
- Easier for service provider to develop a holistic operating business plan, including price bundling and managing costs amongst the various operations
- Improved marketing/packaging of products opportunities
- Least disruption to Current Model

However, under this model, the City will still be responsible for capital improvements to the Courses.

While the City will retain similar roles and responsibilities within this model with their service provider, there would be significant operational and performance benefits realized by aligning roles and augmenting capabilities. This could include more dedicated internal or external contract management capacity to track and manage performance while ensuring contract compliance. In addition, allowing for a resource(s) that is solely dedicated to overseeing golf course operations and service provider contract management may improve overall performance and operations.

Critical to a successful hybrid operating model is the incorporating of strong and clear performance standards for the service provider. These performance standards will help drive improvement and help govern the relationship between PFR and the service provider by reinforcing each parties' roles and responsibilities. These performance standards are reinforced by rigorous reporting metrics and KPIs that can be leveraged to track performance and adapt the service offering to meet changing user demands, emerging trends, and market conditions. This performance-based relationship will also require, and generate, more detailed and consistent financials, which are essential to improved operations and oversight.

Sourcing Strategy Recommendations

When preparing the RFP for this scope of work, the City should consider the inclusion of terms:

- **Proposed Uses:** City to include the proposed uses which have not yet been implemented prior to the RFP being issued, but the City has determined will be pursued
- **Operator-Provided Data:** Operator to collect and provide more detailed demographic information about golf users and rounds played to the City
- **User ID System:** Operator to develop a system requiring a 'user ID' which Toronto Residents currently must be registered for to enroll in other Parks and Rec activities
- **Dynamic Booking System:** Operator to develop a dynamic booking system to assist with pricing strategy and develop an on-line payment system
- **Golf Cart Operations:** The City to consider bringing golf cart operations in-house to earn a larger portion of golf cart revenues
- **Winter Practice Facility:** Operations to be the responsibility of the new course Operator
- **Integrate Indigenous economic opportunities:** Consider creating economic benefits for Indigenous peoples. This can be done through commissioning Indigenous artists or partnering with Indigenous non-profits when contracting out future operations. Other opportunities to consider could include:
 - Hiring Indigenous vendors and operators for future operations contracts
 - Partnering with Indigenous vendors to facilitate outdoor off season experiences
 - Featuring Indigenous food at clubhouses via vendors and menus

- **Reduction of Maintenance Costs:** Reduce general maintenance costs on the course, largely through naturalization
- **Facility Capital Improvements:** Operator to contribute to capital costs and improvements to the food and beverage facilities and clubhouse

Go to Market Considerations

Beyond a robust public conversation and deliberation by Toronto City Council regarding the future of the City's municipal golf courses, there is an immediate need to address the commercial arrangement for golf operations. Regardless of any modifications to site uses, a very near-term decision is pending with existing commercial arrangements set to expire. By acting with urgency in going to market with a negotiated procurement process, the City may be able to capitalize on recent increased interest in golf and use of the City's courses during the past year.

The comprehensive review of the Courses and subsequent direction from City Council will inform both the City's go-to market process and the responses from potential partners. While this direction and information conveys City priorities to the market, more prescriptive expectations or complex conditions required of potential partners will have an impact on pricing and market interest.

In preparing to solicit the market for bids related to the hybrid model, the City must determine the appropriate timing, contract scope, revenue structures, performance indicators, interfaces with City services, and any other additional considerations or constraints related to the procurement. This information will be required for the development of procurement documentation and negotiation of a potential contract with vendor(s). In addition, there will need to be consideration for the evaluation of elements such as potential complementary uses, capital improvements and other changes/enhancements suggested by the market during the procurement process.

The desire to immediately leverage the Courses for complementary uses and the expiration of existing commercial arrangements after previous extensions requires a swift RFP development process and introduction of the solicitation to the market.

Conclusions

The City has embarked on a process to assess the five municipally operated golf courses and determine how they can best meet a wide variety of public policy objectives while continuing to provide access to high-quality and affordable golf in Toronto.

This comprehensive review included a current state snapshot of Course performance and operations and evaluated several potential complementary uses that were generated from extensive public consultation and a review of leading practices in other jurisdictions.

The culmination of this analysis reinforced that the City could realize the goals set out for this project that include:

1. Continuing to provide access to high-quality and affordable golf in the City of Toronto
2. Employing responsible environmental stewardship and management of the sites
3. Maintaining a sustainable and financially responsible operational model
4. Improving golf-related amenities (clubhouses, food and beverage offerings, customer service, etc.)
5. Increasing opportunities for the public to access public lands (e.g., winter uses, new trail access, recreational needs of non-golfers, etc.)
6. Balancing multiple and competing desired uses of the sites

These project goals and the City's broader objectives can be met through introducing complementary uses to the five sites while adopting a hybrid service delivery model and promptly going to market to secure a delivery partner.

