

**From:** [DARREN GODDEN](#)  
**To:** [General Government Committee](#)  
**Subject:** [External Sender] GG6.17 - Award of Negotiated Request for Proposal Document Number 3703952212 for Management of Play, Pro Shops and Food and Beverage Services at Five City-Operated Golf Courses  
**Date:** October 2, 2023 10:24:52 AM

---

## Members of the General Government Committee

I'm reaching out to you as I believe the pending contract is not advantageous to the City and the process has been rushed and not researched properly. The pending contract is the longest ever offered (10 yrs + 5yrs + 5yrs) and I don't believe there is enough time for a new operator to be setup properly for a spring 2024 golf season. There must be more clarity with the contract contents. The following items you should be made aware of when it is presented to Committee and Council:

1.

### **Financial Impact**

Under the new agreement, subject to City Council approval, the City will receive funds from a percentage revenue share model, which is outlined in Attachment 1: Major Terms and Conditions. Through the negotiated revenue share model, the City is expected to receive \$5.7 million - \$7.3 million annually, through a combination of:

- 84 – 87 per cent of green fees gross revenue depending on course performance (City currently retains 100%)
- 20 per cent cart rental gross revenue over \$1 million (There has never been over 1 million of cart revenue so your revenue will be \$0. in 2023 City received \$177,460 and this year will be a record \$185,000)
- 2 per cent of retail gross revenue over \$1 million (current retail revenue over the 5 Proshops is approx. \$300,000 so no revenue to the City)
- 2 per cent of food and beverage and ancillary gross revenue over \$2.5 million. (The F&B does not generate even half of this revenue combined at all 5 courses so no revenue to the City)

### **City Revenue for 2022 was over 9 million!**

2.

#### Liquor License

The minimum wait time for a liquor license is 4-6 months and that is after a valid contract is in place. History has shown that it takes approx. 6 months before the City issues a contract (legal procedures). With that known how will the new operator obtain a license for all 5 courses before April 1, 2024?

3.

#### Golf Cart Fleet

Currently we operate a golf cart fleet of 150 gas powered golf carts at 4 courses (HV, Tam, SW, DV). I've spoken with all 3 suppliers (Clubcar, EZGO, Yamaha) and no-one is able to guarantee supply of 150 carts for spring 2024. Second, the new operator will not be able to enter into an agreement to order a fleet of 150 carts until they receive copy of the contract which would not happen at earliest winter 2024 (as explained above in Liquor License). How are they going to get carts in such a short period? GPMI has the option of keeping it's fleet of 150 carts for 2024.

The idea of going electric is great however the courses would need to provide secure structures to be able to accommodate this. It doesn't state in above recommendation who will be paying for these structures and who will be providing/paying the electricity. This will cost hundreds of thousands if not millions to switch over from gas to electrical at 4 locations. Chances are zoning would not even allow it. The City should ensure the incoming operator is financially capable of providing the infrastructure. Currently I supply and pay for gas storage and supply at the 4 courses. I believe the City should seek more clarity with everything short and long term

4.

#### Staff employment and playing privileges

The Fair Workplaces, Better Jobs Act, passed last fall, takes action to protect workers by: Raising the minimum wage to **\$14** this year and again to \$15 next year Ensuring equal pay for equal work for part-time, casual and seasonal workers performing substantially the same duties as full-time workers, as of April 1

Is the new operator going to pay all staff (Pro's, Proshop staff, Starters, Marshals, Back shop, etc) for their employment (full or part-time) or is the City going to allow them to work for free and receive playing privileges? I didn't see anywhere in the recommendation about staff playing privileges? This should be clarified. If the City is not going to allow staff playing privileges then the operator will have to pay all staff for 5 golf courses. That is a huge expense (well over 1 million) How is this going to be possible with projected revenues?

5.

#### City Remuneration

I didn't see what the guaranteed remuneration to the City is (required per RFP). This should be clarified

In Closing:

I've been a proud partner with the City for the past 27 years. Based on what was presented and enclosed in the RFP I was not willing to submit a proposal and that

decision I must stand by. If the City believes they will get a better operator through this process then I wish you all the best. Considering the past number of years have been the best the City has seen for promotion of the game, participation, inclusiveness, profitability and overall customer satisfaction I would think the City would do whatever is possible to retain our management group. Giving an unproven new group an unprecedented long-term contract (20yrs!) doesn't make any sense to me. I think the City should reject the current proposal and request more time to ensure the future of the golf courses operations will be successful.

Sincerely

Darren

## **Darren Godden**

*PGA of Canada Golf Professional*

Director of Golf - GPMI

City of Toronto Public Golf Courses