
MEMORANDUM

TO: PETER ZANONI, CITY MANAGER, CITY OF CORPUS CHRISTI, TEXAS
FROM: ED MILLER, CHIEF OPERATING SERVANT, FORESIGHT GOLF, LLC
SUBJECT: ADJUSTMENT OF GOLF RATES FOR CORPUS CHRISTI MUNICIPAL GOLF
DATE: JANUARY 26, 2023
CC: NADIA CHANDLER HARDY, ROBERT DODD, DAN PEDROTTI, JR., LAWRENCE VERA

Peter,

Thank you for the productive meeting last week! We truly appreciate how the city has come alongside our effort and is helping to continually improve facilities and operations and making golf at the city's courses, be the very best that it can be! As we wind up financials for 2022 and begin operations in 2023, we would like to submit this rate increase memorandum to you for approval. Although it was another very good year of operations and revenues were comparable to the previous year, expenses were up over 18 percent because of considerable pressure on wage growth, the increasing cost of materials and capital equipment costs. To offset this expense increase, we desire to increase prices for golf according to the following table which reflects the price increases by category:

Oso Beach Municipal Golf Course and The Lozano Golf Center Rates			
Monday - Thursday	Current	New	\$ Increase
Regular Riding	\$ 39.00	\$ 42.00	\$ 3.00
Regular Walking	\$ 29.00	\$ 31.00	\$ 2.00
Senior Riding	\$ 32.00	\$ 35.00	\$ 3.00
Senior Walking	\$ 22.00	\$ 24.00	\$ 2.00
Junior Riding *	\$ 22.00	\$ 24.00	\$ 2.00
Junior Walking *	\$ 11.00	\$ 13.00	\$ 2.00
Twilight "riding"	\$ 32.00	\$ 35.00	\$ 3.00
9-holes "riding"	\$ 26.00	\$ 28.00	\$ 2.00
Friday - Sunday, Holidays	Current	New	\$ Increase
Regular Riding	\$ 46.00	\$ 49.00	\$ 3.00
Regular Walking	\$ 35.00	\$ 38.00	\$ 3.00
Senior Riding (Friday only)	\$ 32.00	\$ 35.00	\$ 3.00
Senior Walking (Friday only)	\$ 22.00	\$ 24.00	\$ 2.00
Junior Riding (after 1pm) *	\$ 24.00	\$ 26.00	\$ 2.00
Junior Walking (after 1pm) *	\$ 13.00	\$ 15.00	\$ 2.00
Twilight "riding"	\$ 37.00	\$ 40.00	\$ 3.00
9-holes "riding"	\$ 31.00	\$ 33.00	\$ 2.00
The Firefly	Current	New	
Regular Riding (9 holes)	\$ 20.00	\$ 28.00	\$ 8.00
Regular Walking (9 holes)	\$ 12.00	\$ 20.00	\$ 6.00
Junior Riding (9 holes)	\$ 14.00	\$ 20.00	\$ 6.00
Junior Walking (9 holes)	\$ 6.00	\$ 10.00	\$ 4.00

*junior golfers are complimentary with a paid adult green fee

As you review the price comparison spreadsheet on the following page, you will see that even with these increases, the price for golf at both golf courses is either in line or in most cases, less than our competitive set that's displayed. We have also observed that all our competitors are increasing prices as well.

The comparison consists of similar Gulf Coast and South Texas Municipal Golf Courses as well as two local area courses. This comparison shows that we are well in line with and a considerably better value than the comparative courses.

As we discussed in our meeting, we are very cognizant of the importance of having an economical price while at the same time, providing a great value for our customers. We believe that the value our customers receive have made previous similar price increases pretty much a non-factor with customer satisfaction. As we pay close attention to customer feedback and how product and price affect booking and utilization of our courses, if it looks like the potential recessionary environment is adversely impacting play, we can offer typical golf industry "time of day" discounts to aid customers and business levels. We've not had to discount much at all in the past, as the value received for the money paid has been more than satisfactory. We mention this though, as we want you to be aware that we are and will be flexible to the changing environment. Our contract gives us the flexibility to offer discounts operationally, it's only when we increase published fees that we need your administrative approval. So that the section addressing this approval is convenient, please see the excerpt below:

The golf course lease agreement between the City of Corpus Christi and Foresight Corpus Christi Golf, LLC covers green fees and rate increases in **Section 6.3.4 - Green Fees Structure** and stipulates:

6.3.4 - After the initial twelve (12) months of the Initial Term, Operator shall set the green fees charged, provided that any increase in green fees is subject to approval of the City Manager.

We welcome any comments or questions that you may have regarding this request. To document your approval of the above-described rate increases, please sign below:

PETER ZANONI, CITY MANAGER, CITY OF CORPUS CHRISTI, TEXAS

DATE

Oso Beach Municipal Golf Course and The Lozano Golf Center			Municipal					Local			
			Riverside G.C.	Moody Gardens	Palm View G.C.	Cedar Creek	Memorial Park	S. Padre Isle C.C.	Northshore C.C.	Rockport C. C.	River Hills C.C.
Monday - Thursday	Current	Proposed 2023	Victoria	Galveston	McAllen	San Antonio	Houston	Public	Semi-Private	Private	Semi-Private
Regular Riding	\$ 39.00	\$ 42.00	\$39.00	\$54.00	\$43.00	\$52.00	\$46.00	\$54.00	\$60.00	\$75.00	\$70.00
Regular Walking	\$ 29.00	\$ 31.00	\$29.00	\$36.00	\$30.00	\$36.00	\$30.00	NA	NA		
Senior Riding	\$ 32.00	\$ 35.00	\$33.00	\$45.00	NA	\$46.00	\$31.00	NA	\$44.00		
Senior Walking	\$ 22.00	\$ 24.00	\$23.00	NA	NA	\$30.00	\$15.00	NA	NA		
Junior Riding *	\$ 22.00	\$ 24.00	\$25.00	\$38.00	\$27.75	\$46.00	\$26.00	\$15.00	\$33.00		
Junior Walking *	\$ 11.00	\$ 13.00	\$15.00	\$20.00	\$14.75	\$30.00	\$10.00	\$15.00	NA		
Twilight "riding"	\$ 32.00	\$ 35.00	\$27.00	\$49.00	\$32.75	\$36.00	\$37.00	\$40.00	\$39.00		
9-holes "riding"	\$ 26.00	\$ 28.00	\$29.00	\$40.00	\$27.00	\$30.50	NA	\$25.00	NA		
Friday - Sunday, Holidays	Current	Proposed 2023									
Regular Riding	\$ 46.00	\$ 49.00	\$49.00	\$54.00	\$43.00	\$57.00	\$54.00	\$65.00	\$80.00	\$75.00	\$80.00
Regular Walking	\$ 35.00	\$ 38.00	\$39.00	\$37.00	\$30.00	\$41.00	\$38.00	NA	NA		
Senior Riding (Friday only)	\$ 32.00	\$ 35.00	\$33.00	NA	NA	NA	NA	NA	NA		
Senior Walking (Friday only)	\$ 22.00	\$ 24.00	\$23.00	NA	NA	NA	NA	NA	NA		
Junior Riding (after 1pm) *	\$ 24.00	\$ 26.00	\$28.00	\$32.00	\$27.75	NA	NA	\$15.00	\$33.00		
Junior Walking (after 1pm) *	\$ 13.00	\$ 15.00	\$18.00	\$15.00	\$14.75	NA	NA	\$15.00	NA		
Twilight "riding"	\$ 37.00	\$ 40.00	\$37.00	\$40.00	\$32.75	\$41.00	\$44.00	\$45.00	NA		
9-holes "riding"	\$ 31.00	\$ 33.00	\$39.00	NA	\$27.00	\$34.00	NA	\$35.00	NA		
Executive Nine at Lozano	Current	Proposed 2023									
Regular Riding (9 holes)	\$ 20.00	\$ 28.00									
Regular Walking (9 holes)	\$ 12.00	\$ 20.00									
Junior Riding (9 holes)	\$ 14.00	\$ 20.00									
Junior Walking (9 holes)	\$ 6.00	\$ 10.00									

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