

OUTSIDE INSIGHT

Challenges and Opportunities
For Public Golf in Duluth, Minnesota

THE SUMMARY REPORT

- ❖ Call Center Survey
- ❖ Online Survey
- ❖ Focus Group Panels

November 28, 2018



RESEARCH PARTNER

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ABOUT THIS REPORT

The attached report summarizes our research on the future of public golf courses in Duluth, Minnesota conducted on behalf of the City's Parks & Recreation Department.

Zenith Research Group, Inc., shall have no liability for any representation (expressed or implied) contained in, nor for any omissions from the report.

The information provided in this report is intended solely to assist the representatives of the City of Duluth, its consultant agencies and the Golf Facility and Business Planning Advisory Group in evaluating the sentiments of the residents to a series of questions about activities provided through the Parks & Recreation Department, including the public golf courses: Enger Park and Lester Park.

As such, the information contained within should not be relied upon for any purpose, nor distributed to nor relied upon, by any third parties who are not negotiating directly with the City of Duluth.

This summary report details the data analysis arrived upon through:

- A call-center based survey of community residents
- An online-based survey of known golfers
- Two focus group panels comprised of golfers only and non-golfers

The methodology and demographics for each group will be included within their individual reporting sections. The following provides some background and an overview guiding the research process.

Background

2018 Duluth Golf Business and Facility Alternatives Development and Assessment Process

The City of Duluth golf program, Duluth Golf, is on a financially unsustainable path with \$2.2 million in accumulated losses backed by the General Fund, projected continuing losses in the range of \$100,000 to \$200,000 per year, and a minimum of \$12 million in increasingly time-sensitive deferred maintenance with no acceptable capital financing of that magnitude readily available. The financial difficulty is fueled by a local and national imbalance in golf supply and demand with a dramatic drop in golf participation. Over the last 12 years, the City has commissioned independent studies and implemented many of the recommendations of those studies but net income is still several hundred thousand dollars a year below what is necessary to cover annual operating expenses and finance borrowing to restore golf infrastructure. The surest way to restore Duluth Golf to financial sustainability is to close or sell a portion of our golf facilities so as to smooth the path to financial sustainable renovation and operation of the remaining holes. The Parks Commission and the City of Duluth administration believe that such a momentous decision should be made with more meaningful community engagement than the City has facilitated to date. Golfers strongly agree. A group of 60 golfers recently convened to form a 501(c)3, Friends of Duluth Golf, intended to represent golfers in a presumed planning process.

ABOUT THIS REPORT

Overview

Golf Facility and Business Planning Advisory Group Strategies

The aim of the City of Duluth is for Duluth Golf to achieve financial sustainability which the City defines as generation of golf revenues sufficient to cover three discrete types of golf expense:

1. Golf operations
2. Golf fund debt service
3. Critical golf capital improvements

Increasing net income sufficient to cover all expenses at both 27-hole courses could require improvement in net income on the order of \$1 million per year if costs were annualized over 25 years. To put that in context, a number of significant improvements over the last three years have improved annual net income by just \$60,000.

The City will have to effectively employ a number of proven golf business strategies to achieve financial improvements on this order. Members of the Community Advisory Group for the ongoing golf facility and business planning process have explored and discussed a number of strategies.

Strategies Under Consideration

1. Revenue Bonding
2. Pricing
3. Marketing
4. Business-driven golf course renovation strategies
5. Sale of portions of Duluth Golf real estate
6. Long-term license agreement for operation of course with potential capital investment by licensee

Zenith Research Group has an established performance history with the City of Duluth dating back several decades.

In mid-July of this year, the company was contacted by City officials to determine its interest in engaging in a multi-phase research effort designed to establish some benchmark data on public sentiment about Parks & Recreation programs, with specific interest in the future of Duluth Golf.

A formal research proposal was submitted on August 1, 2018.

Upon acceptance of the proposal and signed contracts, Zenith Research began implementing the three phase research.

Phase One – Call Center

456 completed interviews and 400 partial interviews between August 31 and September 5

Phase Two – Online Segment

676 completed surveys between October 12 and October 23

Phase Three – Focus Groups

One golfer-only and one non-golfer session conducted November 7.

CALL CENTER SURVEY

INTRODUCTION

CALL CENTER SUMMARY	TOTAL
Completed Surveys	456
Partial Surveys	400
Records Loaded	40870
Finalized Records	4114
Penetration	10.07%
Total Contacts	2727
Hang Up-Refusal	1727
Remove From Call List Request	99
Wrong Number	45
Disconnected Number	1290
Fax	97
Answering Machine/Voicemail	21116
No Answer	10331
Busy	629

The attached report summarizes our research, analysis and findings based on 456 completed telephone interviews and 400 partially completed interviews with residents of Duluth.

Zenith Research Group shall have no liability for any representation (expressed or implied) contained in, nor for any omissions from the report. The information, analysis and findings provided in this report are intended solely to assist the representatives of the City of Duluth in evaluating public opinion concerning the issues outlined above. As such, the information contained within should not be relied upon for any purpose, nor distributed to nor relied upon, by any third parties who are not negotiating directly with the City of Duluth.

In overall terms, the completed interviews correspond to a statistical reliability factor – or Margin of Error (MOE) – of +/-4.57 percent at the 95 percent confidence level.

Respondent households with traditional landline telephone listings were selected using a Systematic Random Sampling method.

Only persons speaking for their residences were interviewed and only one person was interviewed in each household contacted.

Wireless phone subscribers were selected using public data records as a resource and were contacted through random-digit dial methods. Wireless respondents agreed to be interviewed at their current location after confirming their residency within the city limits of Duluth.

Survey respondents were considered eligible and qualified if they identified themselves as being of the required age (18 or older) and living within residences in the City of Duluth proper. No additional survey qualifiers were applied.

All surveys were completed by agents of KW Call Center Services LLC of Superior, Wisconsin, between August 31, 2018 and September 5, 2018 during the hours of 5:00pm and 9:00pm. All interviews were digitally recorded with surveys instantly tabulated using proprietary tele-script software.

All analysis was completed using the statistical tools and applications of SPSS Analytical Software, Version 22.0. The project and report analysis was coordinated and supervised by Duke Skorich, President of Zenith Research Group, Inc.

CALL CENTER SURVEY

METHODOLOGY

ZIP CODE SUMMARY	GOAL	TOTAL
55802	12	16
55803	50	50
55804	65	66
55805	50	50
55806	45	46
55807	50	50
55808	28	28
55810	10	10
55811	79	79
55812	61	61
Total	450	456

All calls were placed to people believed to be living within the City of Duluth. Prior to asking any survey questions, those persons contacted were required to identify their age, confirm they were residents of the City and to provide their current Zip Code.

Call center associates did leave a voice message on answering devices alerting the contact that a representative of Zenith Research had called in an effort to conduct a survey on issues of importance to the City of Duluth.

No single phone number was dialed more than three times in an attempt to interview someone at a residence or the holder of a mobile device.

The City of Duluth had requested completed interviews to provide a Margin of Error (MOE) of less than +/-5 percent at the 95 percent confidence level.

Prior to the interviews, target numbers for completion for each of the Zip Codes within the City of Duluth were established based on population estimates using the latest data from the U.S. Census Bureau.

The 456 completed interviews provide a MOE of +/-4.57 percent. Accuracy will vary with the addition or exclusion of partially completed data and demographic subgroups.

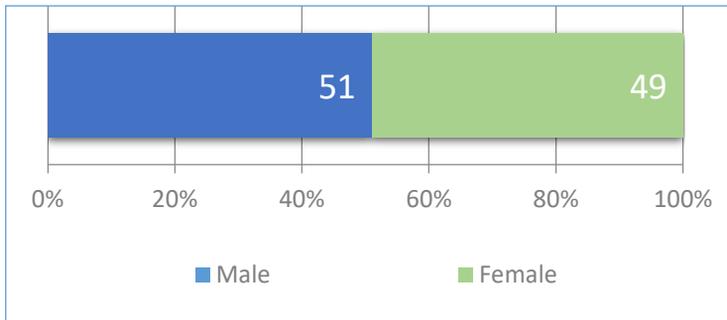
Within the research analysis, the number of completed responses used to provide the accompanying data will be represented by N=. All percentages have been rounded for presentation.

Some results within the report will be presented in terms of "Average" or "Arithmetic Mean" which is the central tendency of the sum of all rankings divided by the number of cases. No opinion responses are ignored to arrive at the average.

Although not shown within this methodology summary, a detailed review of interviews completed within individual City Precincts is also available upon request.

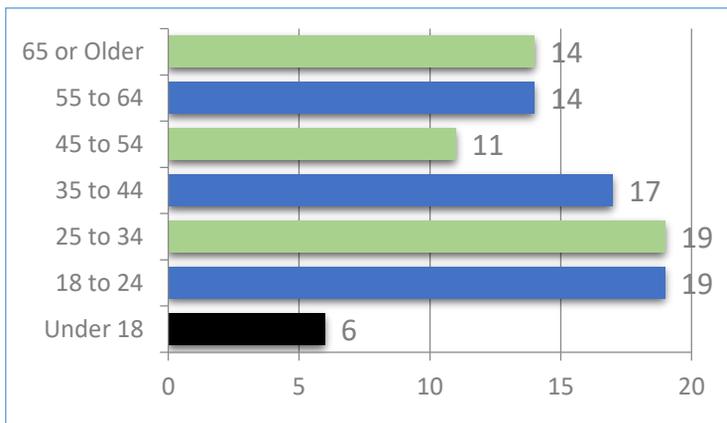
CALL CENTER SURVEY

DEMOGRAPHICS



Respondent Sex N = 456

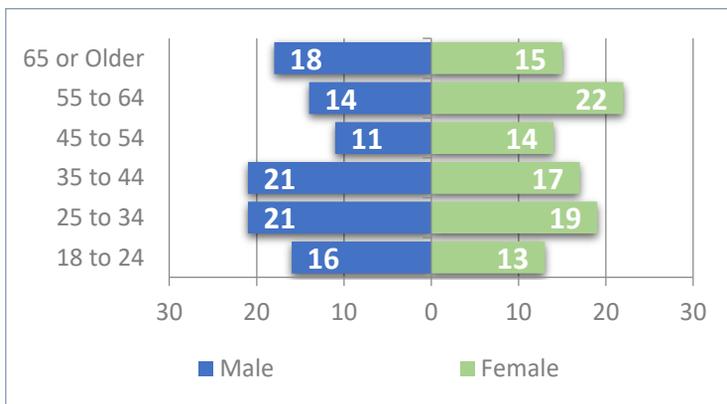
51 percent of the respondents who fully completed the survey were men, a slight over-sampling based on 2017 estimated Census data which identifies the male population at 49.4 percent of all residents.



Respondent Age N = 856

The two largest blocks of respondents in terms of percentage were those persons 18 to 24 and 25 to 34 years of age.

Those persons under age 18 were not allowed to participate in the survey, but are included here for reporting purposes.



Respondent Age – Sex N = 456

58 percent of men who fully completed the survey were 44 years of age or younger compared with 49 percent of women.

The single largest difference in age groups was among those persons 55 to 64 years of age.

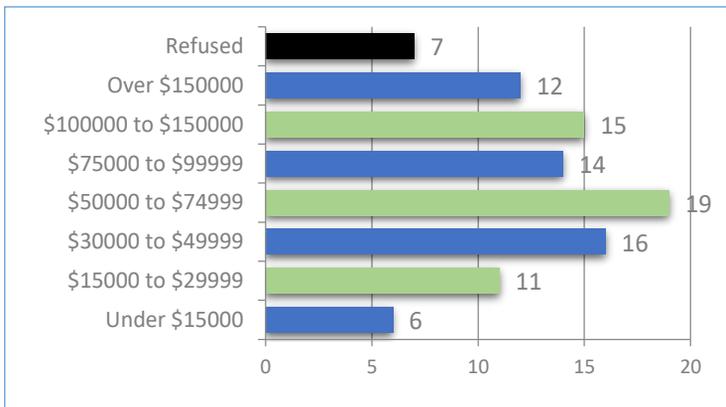
CALL CENTER SURVEY

DEMOGRAPHICS



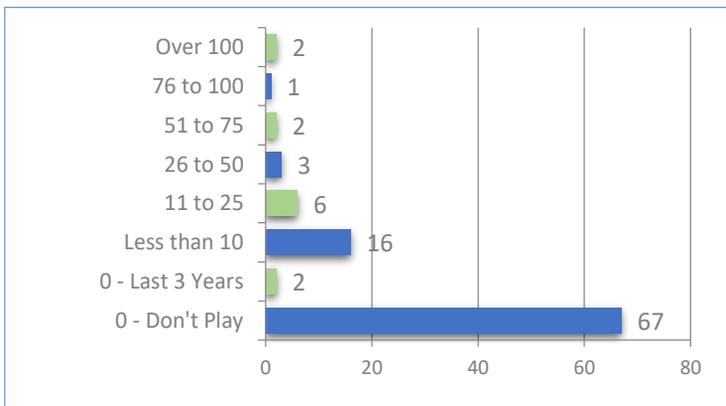
City of Duluth Employment Status N = 456

6 percent of the respondents fully completing the survey indicated either they or someone within their immediate family was employed by the City of Duluth.



Combined Household Income N = 456

52 percent of the respondents listed a combined annual household income before taxes of less than \$75,000.

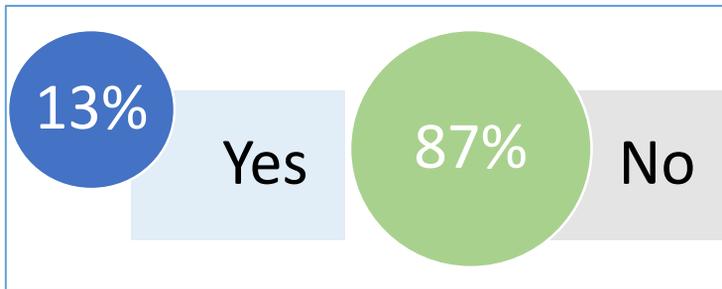


Golf Rounds – Last Three Years N = 481

Two-thirds of the respondents indicated they do not play golf, with an additional two percent indicating they have not played a single round in the past three years.

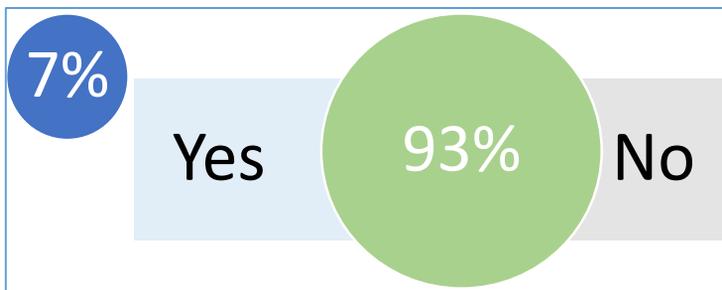
CALL CENTER SURVEY

DEMOGRAPHICS



Family Golf Member N = 332

Among the respondents who do not play golf – or have not played golf in three years – 87 percent said there is not another person in their immediate household who plays the sport.



'Friends of Duluth Golf' Member N = 122

Of the 122 respondents who participated in the relevant section of the survey, 9 people (7 percent) indicated they were a member of the Friends of Duluth Golf group.

Editor's Note:

During the analysis of key findings within this report, any mention of "golfers" will include those who indicated they have played at least one round of golf in the past three years, including this current golf season (2018).

CALL CENTER SURVEY

KEY FINDINGS

Editor's Note:

To facilitate a better understanding of this call center segment, we have included the Call Center Script as presented on each of the associate screens.

Each Call Center Associate undergoes a training session prior to the actual interview process to familiarize themselves with the questions, pronunciation of any names and response options. Verbatim responses are recorded as completely as the Associate is able to prior to moving on in the survey.

Call Center Introduction / Contact Screener

Hello.....my name is ___ and I'm calling on behalf of Zenith Research Group in Duluth. This is not a sales call. We're conducting a research project for the City of Duluth tonight to get your opinion about a topic of importance to city leaders. Our survey will take about 8 or 9 minutes. Let me assure you anything you say will be kept strictly confidential.

Q1: Is this a good time for you to speak with me?

"YES" – Continue

"NO" – Thank person and terminate the call

Q2: I do have some qualifying questions that will determine whether we can continue with the survey. I need to confirm you are at least 18 years old. How old are you?

Record Demographics

Q3: I also need to confirm you are a current resident of the City of Duluth. Is this correct?

"Yes" – Continue

"No" – Thank person and terminate the call

Q4: Could you please confirm your Zip Code?

Record Demographics

Thank you.

I do have a series of questions that will help guide city leaders in making some decisions about future funding for various city-supported facilities. If you need me to, I will repeat any question so you're clear on what I'm asking.

Let's begin.

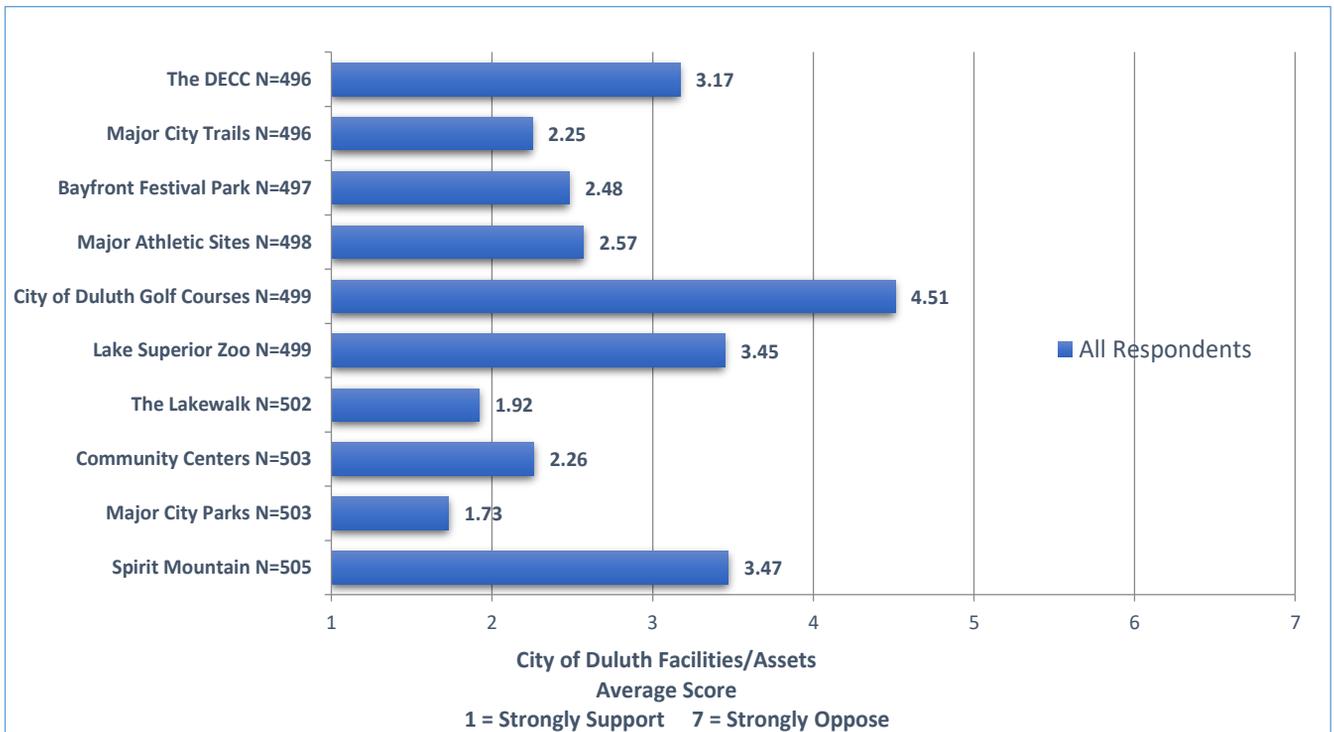
CALL CENTER SURVEY

KEY FINDINGS

Q5: I'm going to list several facilities or assets the City supports through a variety of funding sources, either entirely or with a dollar amount that is a portion of the money the facility uses to operate. For each one, I'd like you to use a scale of 1 to 7 where 1 means you Strongly Support the use of City money and 7 means you Strongly Oppose the use of City money. Is this clear? (Repeat if needed)

Editor's Note:

The sequence of facilities was rotated with each interview in an attempt to prevent bias based on order or respondent comfort/fatigue.



Overall respondent support was strongest for the Major City Parks and the Lakewalk.

The lowest levels of support was for the public golf courses, Lake Superior Zoo and Spirit Mountain.

Descriptors for Major City Parks included Brighton Beach, Park Point, Chester Bowl, Lincoln Park and Chamber's Grove.

Descriptors for Major Athletic Facilities included ball fields, ice rinks and courts.

Descriptors for Major City Trails included Superior Hiking Trail, the Duluth Traverse and the Cross-City Trail.

CALL CENTER SURVEY

KEY FINDINGS

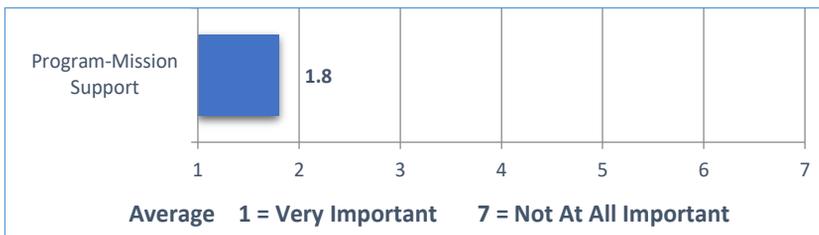
Call Center Associate Comment

Let's spend a few minutes talking about the Duluth Parks and Recreation program and its mission. I'll read a brief statement to begin.

The mission is to promote the health and well-being of our community, environment and economy by facilitating recreational opportunities and coordinating the enhancement of our parks, facilities and natural resources now and into the future.

I'm going to ask you some questions about Parks and Recreation funding and I'd like you to use the 1 to 7 scale again. This time 1 will mean Very Important and 7 will mean Not At All Important.

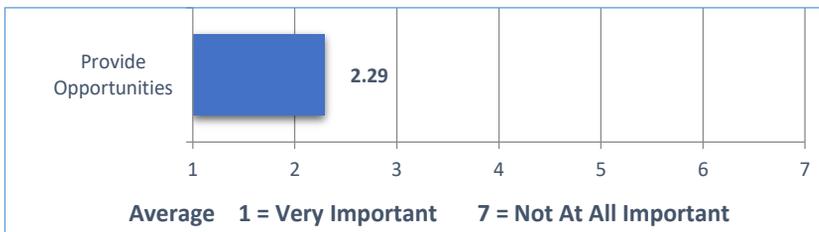
Q6: How important is it for the City of Duluth to support the Parks and Recreation program and its mission? N = 494



60 percent of the respondents said the City's support for the program and mission was Very Important.

1 percent of respondents rated the support as Not At All Important.

Q7: How important is it for the City to facilitate opportunities to participate in a variety of outdoor activities and sports? N = 493



43 percent of the respondents indicated it is Very Important for the City to provide the opportunities for citizens to participate in a wide variety of outdoor activities and sports.

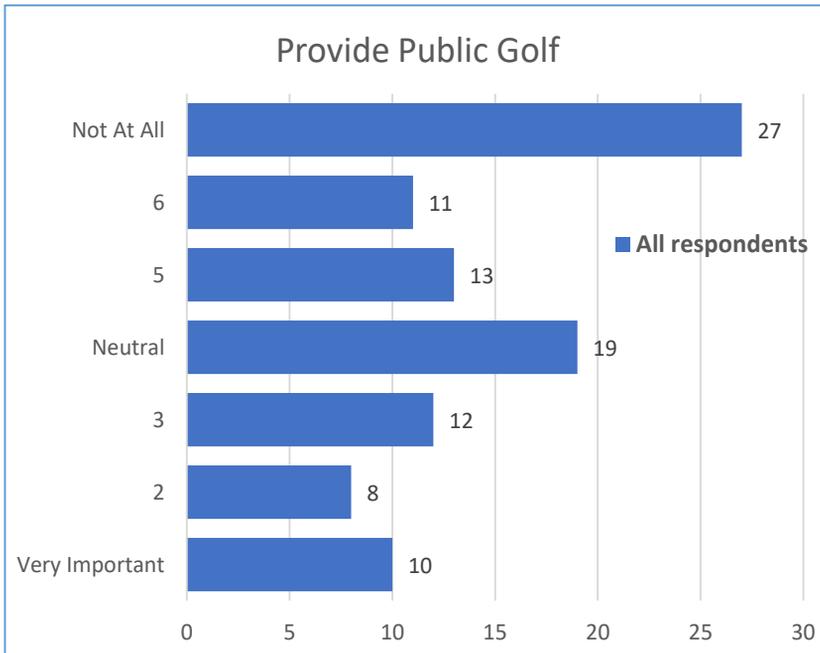
CALL CENTER SURVEY

KEY FINDINGS

Q9: Added Analysis

How important is it for the City of Duluth to provide residents the opportunity to play golf at a publicly operated golf course. As a reminder, 1 is Very Important and 7 is Not At All Important.

N = 490



Combined, 51 percent of all respondents said it was not important for the City to provide a public golf option.

Editor's Note:

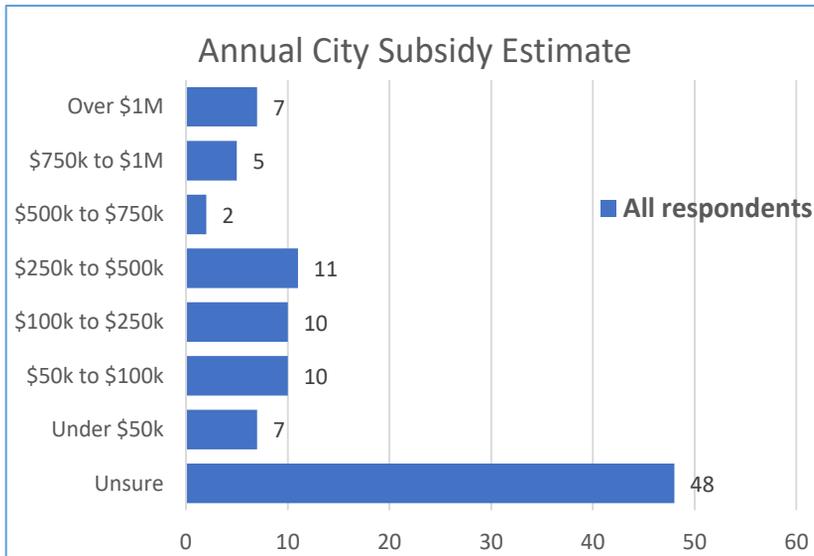
In the example above, "not important" totals include the percentages of respondents rating the importance at levels 5 – 7.

CALL CENTER SURVEY

KEY FINDINGS

Q10: The City of Duluth owns and operates two golf courses – Lester Park and Enger Park. In round numbers, can you tell me approximately how much money the City of Duluth spends each year to maintain and operate these two golf courses?

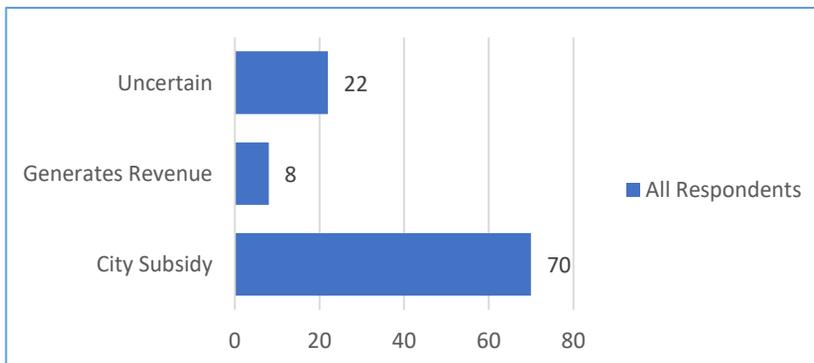
N = 489



48 percent of all respondents were unsure of how much money the City allocates each year to maintain and operate the two golf courses.

Combined, 14 percent of all respondents believe the City spends upwards of \$500,000 each year for golf course operations.

Q11: Can you tell me whether the two golf courses generate enough revenue to support themselves – or do you believe the City is subsidizing their continued operation?



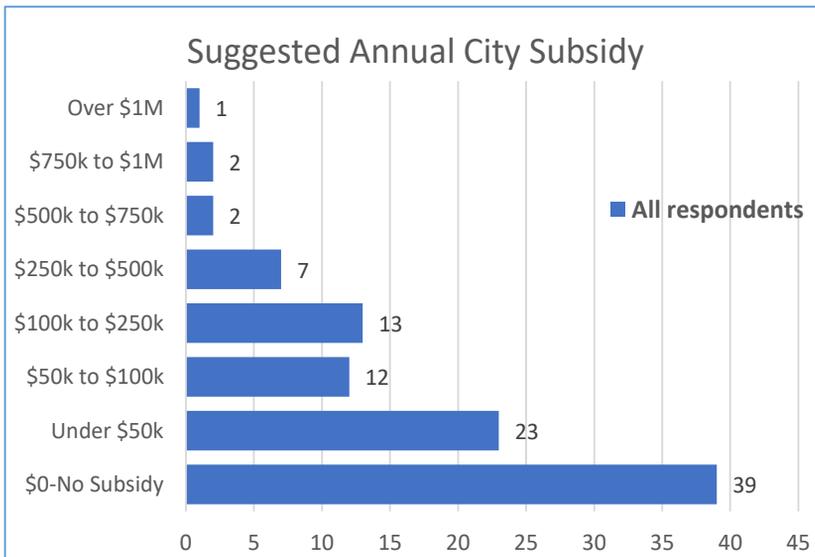
CALL CENTER SURVEY

KEY FINDINGS

Call Center Associate Comment

Annual revenue from the City's golf courses typically falls short of the annual expense to operate them. In recent years, the City has used General Fund revenue to fund the differences.

Q12: What do you think is an appropriate amount for the City to spend per year to support the City golf program?



62 percent of all respondents (N=484) indicated \$50,000 or less would be an appropriate amount for the City to allocate each year for public golf course operations.

Editor's Note:

On Monday, August 27, Jim Filby Williams, Duluth's Director of Public Administration, informed members of the Duluth City Council that the City had received a request from a developer interested in further investigating development at Lester Park Golf Course. Filby Williams said the City and the advisory group assembled to explore a sustainable financial future for the golf courses have encouraged the developer to continue to explore opportunities.

He noted that the ongoing discussions are "an appropriate means to help inform the continued golf study process, because development is one of the variables in play, as it always has been." This announcement by Filby Williams was broadcast on local television newscasts and on the front page of the Tuesday, August 28 edition of the Duluth News Tribune. Zenith Research made the decision not to alter the text of the call center associate introduction and to proceed with the survey instrument as designed and approved by City officials.

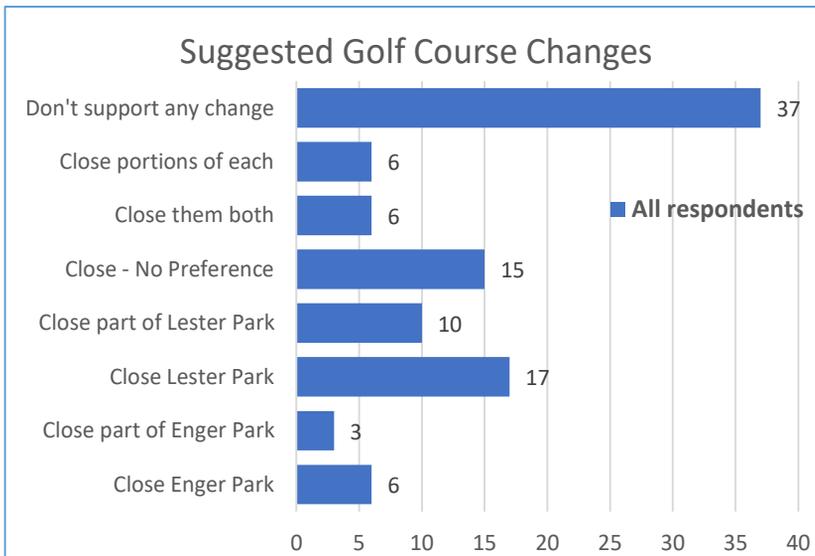
CALL CENTER SURVEY

KEY FINDINGS

Call Center Associate Comment

The closing of all of one – or portions of both or one – of the City’s public golf courses is something City leaders may eventually explore. Obviously, this would require additional research to explore alternative plans and possibly proposals for redevelopment of any closed portion of the properties.

Q13: Based on your immediate reaction, which of the two golf courses – Enger Park or Lester Park – do you believe should be closed or reduced in size? Or, should the City consider closing them both, portions of each or just one – or don’t you support any change?



Overall, a majority of all respondents (N=483) support some closure of public golf courses.

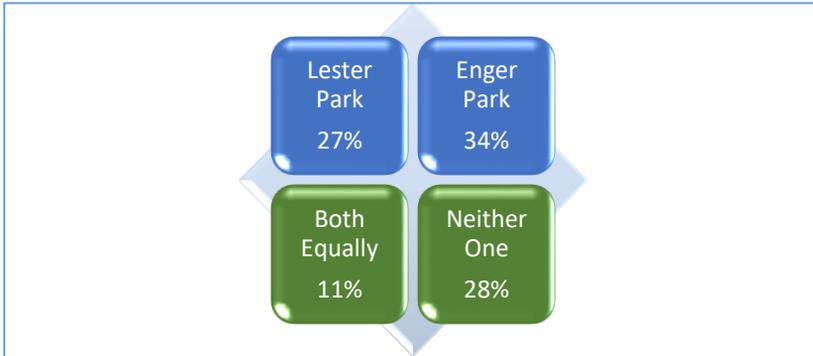
Among all respondents, 63 percent favored some closure.

CALL CENTER SURVEY

KEY FINDINGS

Q17: Which golf course – Lester Park or Enger Park – do you/they play most often?

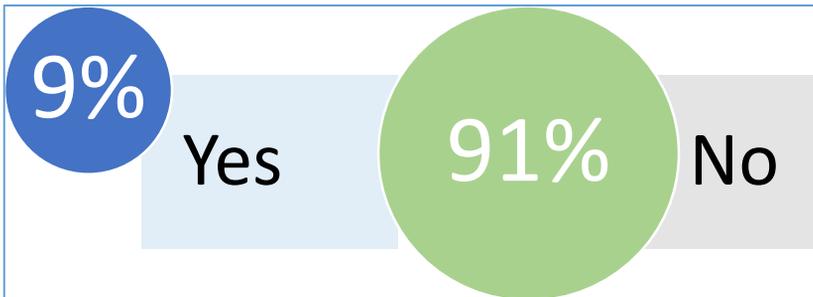
N = 191



Enger Park Golf Course was played more often by golfers responding to this survey and by other family members who also have golfed at least once in the past three years.

A review of other golf courses played most often in the area is highlighted in Q27.

Q18: Do you/they have a Duluth Golf season pass? N = 148

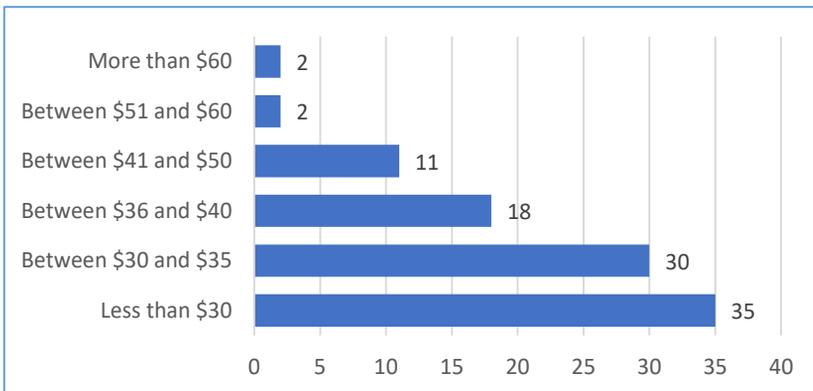


9 percent of the respondents with a golf history in the past three years indicated they have a season pass through Duluth Golf.

It's possible the drop in respondents from the previous question is due to uncertainty about the golf pass status of a family member.

Q19: If the City were to consider an increase in daily fees to play at Lester Park or Enger Park, what would you be willing to pay for an 18-hole golf round?

N = 122



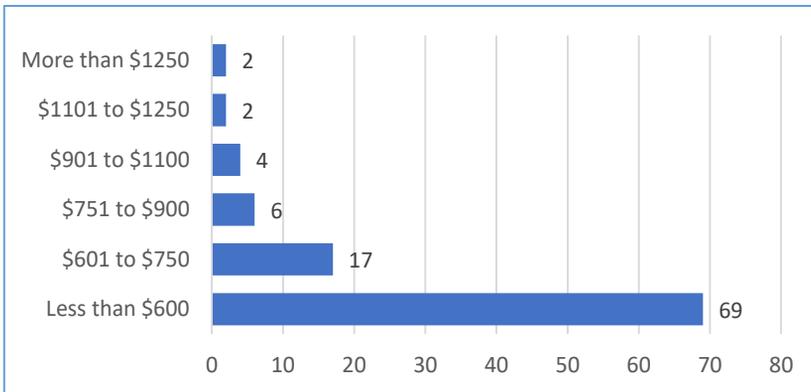
As written, the question did not suggest or provide the current daily fee for a current 18-hole round that the respondents could use for comparison, Nor did the question specify if the rate was for or without a motorized cart.

65 percent of the respondents indicated they would prefer to spend \$35 or less for an 18-hole round at one of the City-owned and operated golf courses.

CALL CENTER SURVEY

KEY FINDINGS

Q20: What do you believe is an acceptable price for a Season Pass (without cart) to play both Lester Park and Enger Park golf courses?
N = 122

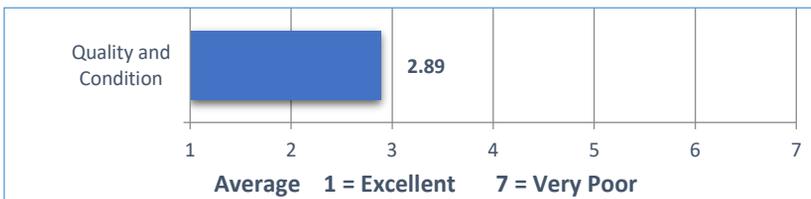


69 percent of the respondents believe some amount less than \$600 is an acceptable price for a season pass without cart privileges to play both of the City operated golf courses.

Q21: Are you a member of Friends of Duluth Golf?

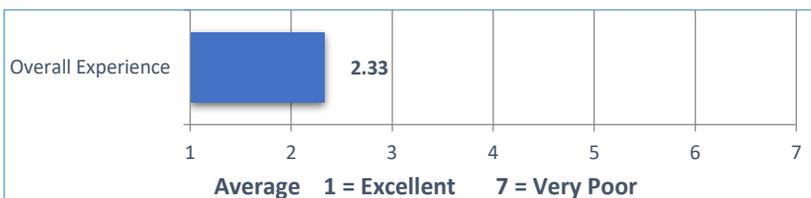
See Demographics

Q22: How would you rate the overall quality and condition of the two City-run golf courses? Let's use a 1 to 7 scale where 1 is Excellent and 7 is Very Poor.
N = 119



11 percent of the respondents rated the overall quality and condition as Excellent; 3 percent rated the quality and condition as Very Poor.

Q23: Using that same scale, how would you rate the overall experience you have during your average visit to one of the two Duluth public golf courses?
N = 119



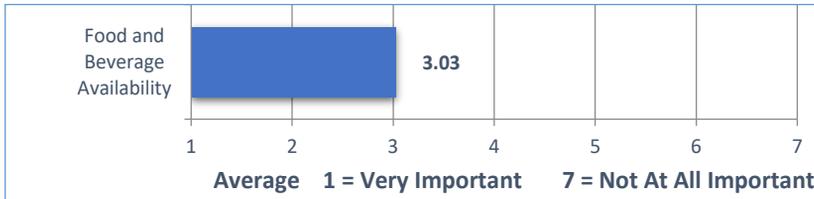
23 percent rated their overall experience as Excellent. Combined, 62 percent rated the experience at the two highest levels.

CALL CENTER SURVEY

KEY FINDINGS

Q24: With 1 meaning Very Important and 7 Not At All Important, how important is the availability of fresh-made food and alcoholic beverages to you during a golf experience?

N = 119



31 percent of the respondents said the availability of fresh made food and alcohol was Very Important to them during a typical round of golf.

Q25: Approximately how much do you typically spend on food and/or beverages during an average golf outing at any golf course other than one of the two public courses in Duluth?

N = 119



60 percent of respondents said they typically spend more than \$15 during a golf experience at a course other than one of the two public courses in Duluth.

Q26: Approximately how much money do you typically spend on food and/or beverages during an average golf outing at one of the Duluth public courses?

N = 119



Respondents indicated they were likely to spend less money overall on food and beverages at a Duluth golf course than at some other facility.

Respondents were not asked to explain their reasoning for spending less money.

CALL CENTER SURVEY

KEY FINDINGS

Q27: Which one other golf course in our region do you/they play most often?
N = 140

The respondents listed 16 golf courses they would play most often, other than the two public courses in Duluth, with many receiving just a single mention.

Of those with multiple mentions, Nemadji Golf Course in Superior was mentioned 57 times. Northland Country Club was mentioned 10 times while Ridgeview Country Club and the Black Bear Casino course each received 9 mentions.

Q28: Are you or is a member of your immediate family currently a City of Duluth employee?

See Demographics

Q29: Could you please confirm your Gender?

See Demographics

Q30: Which of the following groups best describe your combined annual household income before taxes?

See Demographics

Q31: The City will be conducting additional research about the future of golf operations. Would you like to be included in that research?
N = 456

120 of the respondents indicated their desire to participate in additional research. Those indicating their desire were asked to provide a name, email address and telephone number to facilitate further contact.

Q32: Finally, is there something you'd like to relay to City of Duluth officials who are in a position to make some decisions about the future of city-owned and managed golf courses?

A complete listing of respondent comments is available in the Verbatim Response section of this report.

ONLINE SURVEY

INTRODUCTION


Duluth Golf - The Future

Introduction

Thank you for taking a few minutes to participate in this research.

Our firm is conducting this survey for the City of Duluth to get your opinion about golf and some related topics.

This survey will take about 7 minutes. Let me assure you all responses will be kept strictly confidential.

The survey is programmed to allow only one entry per device, and will allow any changes in responses until you complete the entire survey.

We do have a few qualifying questions to determine your eligibility. Within the survey, some of your responses will direct you to questions some others participating in this survey may not answer based on their responses.

If you have any questions about this survey, please contact me directly. If I can't answer the question, I will refer your question/comment to representatives of the City who are also engaged in this research.

Thank you.

Duke Skorich, President
Zenith Research Group, Inc.
Duluth, Minnesota
T: 218.728.6525

Need feedback? [INVITE OTHERS](#)

The attached report summarizes our research, analysis and findings based on 676 partially and fully completed online surveys with golfers who had registered their email addresses with Billy Casper Golf, which is under contract to manage the two publicly-owned golf courses in Duluth, and through a listing of golfers from Golf Now, which had registered their email address with Nemadji Golf Course in Superior, Wisconsin.

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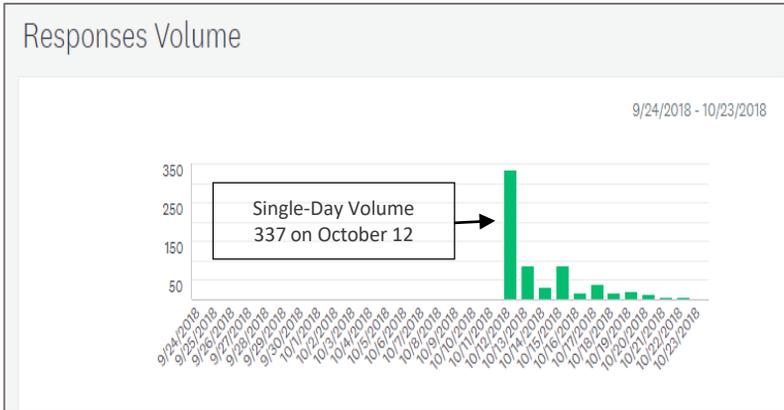
In overall terms, the completed interviews correspond to a statistical reliability factor – or Margin of Error (MOE) – between +/- 3.51 percent and +/-3.82 percent at the 95 percent confidence level depending on the number of completed surveys. (Please see Methodology for a discussion of the survey process.)

All surveys were completed between October 12, 2018 and October 23, 2018 utilizing a script approved by representatives of the City of Duluth through the online resources of Survey Monkey.

All analysis was completed using the statistical tools and applications of SPSS Analytical Software, Version 22.0. The project and report analysis was coordinated and supervised by Duke Skorich, President of Zenith Research Group, Inc.

ONLINE SURVEY

METHODOLOGY



The development and coordination of the online survey segment of this research began with the call center phase completion in September 2018. As with the call center phase, the City of Duluth had requested the online segment also provide a Margin of Error (MOE) of less than +/- 5 percent at the 95 percent confidence level.

Billy Casper Golf coordinated the distribution of email invitations to individuals who had registered their email address with the organization. A similar group of email addresses was obtained through Golf Now which provided a listing of persons who had registered for tee times at Nemadji Golf Course in Superior, Wisconsin; this segment was coordinated by Zenith Research and resulted in just a single mailing.

Based on the total number of those persons contacted and the completed and partially completed surveys, the Margin of Error for responses will be between +/- 3.51 percent and +/- 3.82 percent at the 95 percent confidence level. Accuracy will vary with the addition or exclusion of partially completed data and demographic subgroups. Within this analysis, the number of completed responses used to provide the accompanying data will be represented by N=.

There was no requirement to complete a response. All percentages have been rounded for presentation.

Some results within the report will be presented in terms of "Average" or "Arithmetic Mean" which is the central tendency of the sum of all rankings divided by the number of cases. No opinion responses are ignored to arrive at the average.

Email Distribution Billy Casper Golf

Send #1

- Sent on October 12th
- Sent to 4,063 contacts
- 666 Opened
- Open rate of 16.4%
- Click Rate of 50.3%

Send #2

- Sent on October 17th
- Sent to 2,029 contacts
- We removed any previous bounces and people who had already clicked on the email. If we sent to the exact same audience, it would get flagged as spam
- 179 Opened
- Open rate of 8.9%
- Click Rate of 31.8%.

Send #3

- Sent on October 19th
- Sent to a total of 2,026
- Query refreshed before sending
- 176 Opened
- Open Rate of 8.7%
- Click Rate of 25.5%

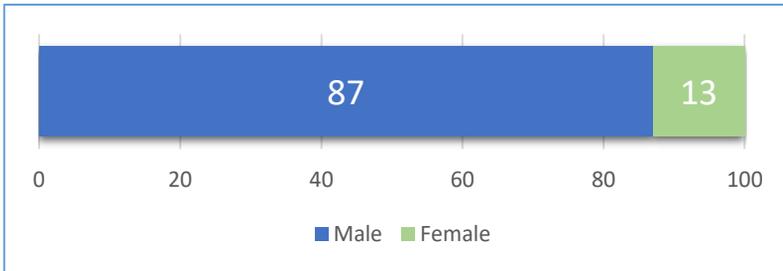
Zenith Research

Send #1

- Sent on October 12th
- Sent to 600 contacts
- Did not track open or click rate

ONLINE SURVEY

DEMOGRAPHICS

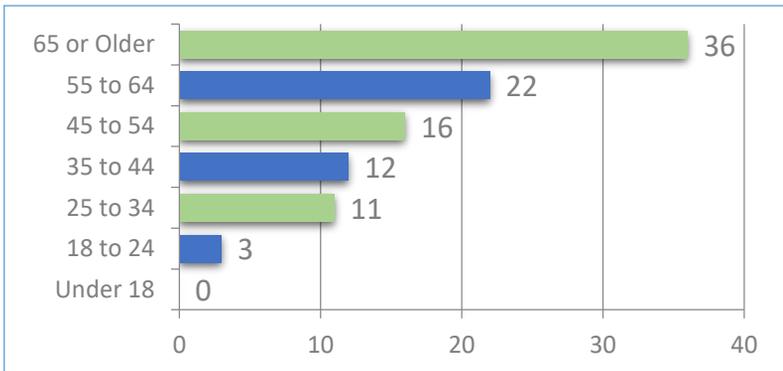


Respondent Sex

N = 596

87 percent of the respondents who fully completed the survey were men.

According to national golf data, women comprise approximately 24 percent of the total golf population.

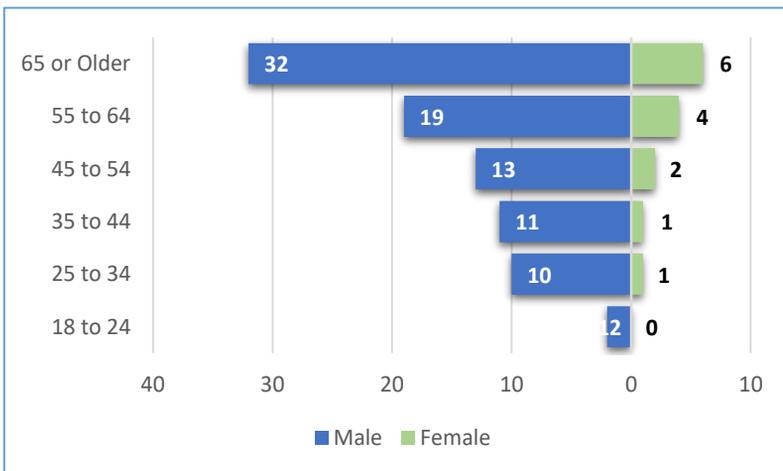


Respondent Age

N – 675

The two largest blocks of respondents in terms of percentage were those persons 55 to 64 and those 65 or older.

Those persons under age 18 were not allowed to participate in the survey.



Respondent Age – Sex

N = 595

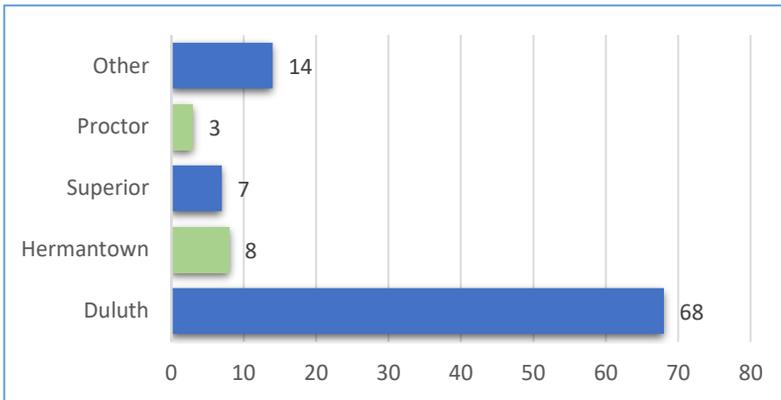
32 percent of all people who fully completed the survey were men 65 years of age or older.

Comparative statistics for Duluth’s population are not relevant since this survey may also have been distributed to respondents who live elsewhere.

According to recent golf data, approximately 20 percent of golfers are 60 years of age or older.

ONLINE SURVEY

DEMOGRAPHICS



Respondent City of Residence

N = 676

68 percent of the respondent base indicated they were a resident of Duluth.

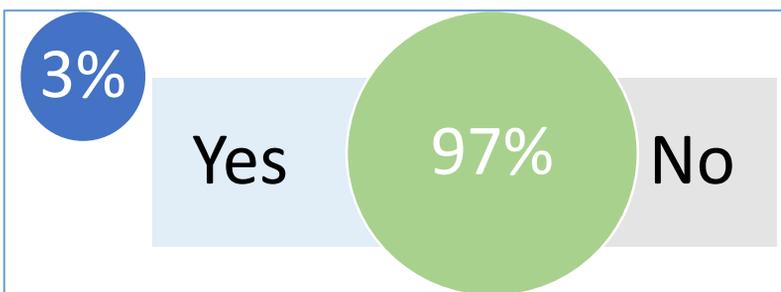
8 of the “other” respondents listed an address in the Twin Cities metro area.

Zip Code	Percent
54880	7
55802	1
55803	18
55804	18
55805	3
55806	3
55807	5
55808	2
55810	5
55811	22
55812	6
Other	12

Respondent Zip Code

N – 676

Respondents from 55811, representing portions of Duluth and Hermantown, comprised the single largest segment of the residence Zip Code.



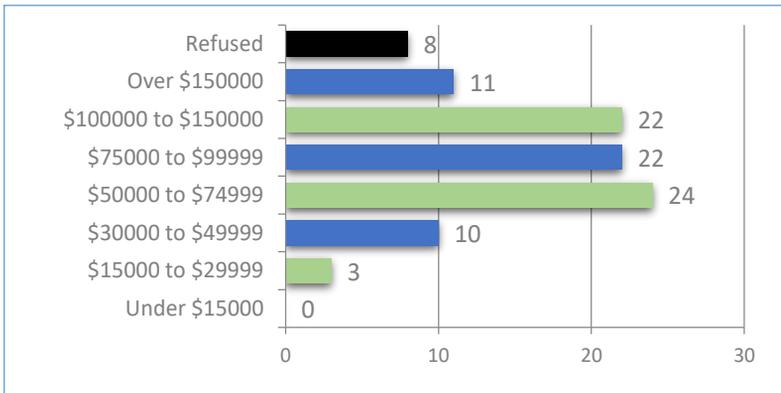
City of Duluth Employment Status

N = 600

3 percent of the respondents fully completing the survey indicated either they or someone within their immediate family was employed by the City of Duluth. These individuals were not excluded from participation in the survey.

ONLINE SURVEY

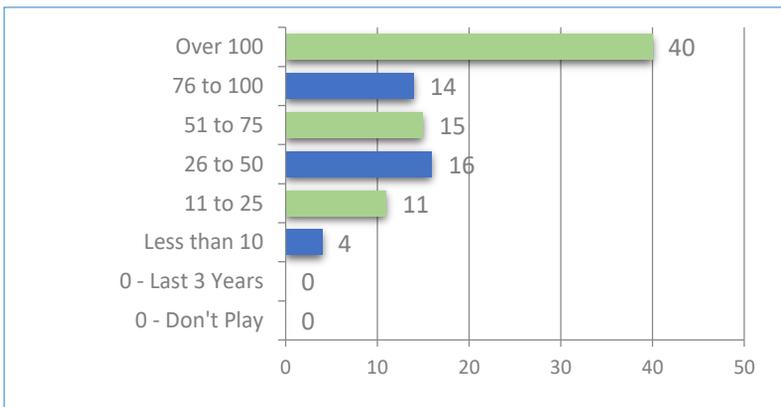
DEMOGRAPHICS



Combined Household Income

N = 596

55 percent of the respondents listed a combined annual household income before taxes of more than \$75,000.

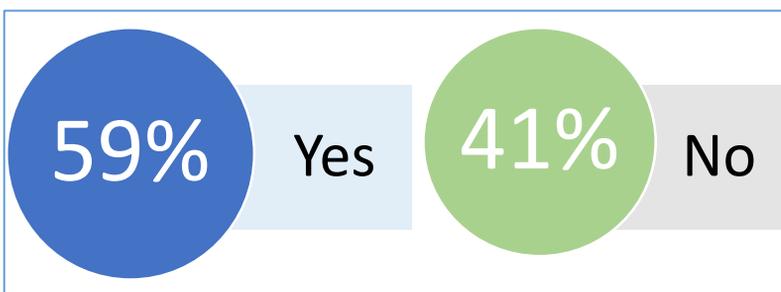


Golf Rounds – Last Three Years

N – 620

40 percent of the respondents indicated they had played more than 100 rounds of golf in the past three years, including the current golf season.

The survey did not make a distinction on whether 9- or 18-holes of golf constituted a golf round.



Family Golf Member

N = 614

3 percent of the respondents fully completing the survey indicated either they or someone within their immediate family was employed by the City of Duluth. These individuals were not excluded from participation in the survey.



'Friends of Duluth Golf' Member

N = 603

19 percent, or 115 of the respondents at this point in the survey, indicated they were a member of the organization.

ONLINE SURVEY

KEY FINDINGS

Editor's Note:

To facilitate a better understanding of this call center segment, we have included the online script as presented to each of the survey participants.

Online Introduction

Thank you for taking a few minutes to participate in this research. Our firm is conducting this survey for the City of Duluth to get your opinion about golf and some related topics. This survey will take about 7 minutes. Let me assure you all responses will be kept strictly confidential. The survey is programmed to allow only one entry per device, and will allow any changes in responses until you complete the entire survey.

We do have a few qualifying questions to determine your eligibility. Within the survey, some of your responses will direct you to questions some others participating in this survey may not answer based on their responses.

If you have any questions about this survey, please contact me directly. If I can't answer the question, I will refer your question/comment to representatives of the City who are also engaged in this research.

Thank you.

Duke Skorich, President
Zenith Research Group, Inc.
Duluth, Minnesota
T: 218.728.6525
E: dukes@zenithgroup.com

Q1: Which of the following groups best describe your age?

See Demographics

Q2: Please describe the response that best describes where you live.

See Demographics

Q3: Could you please confirm your Zip Code?

See Demographics

Thank you.

This next series of questions will help guide City of Duluth leaders in making some decisions about future funding for various City-supported facilities.

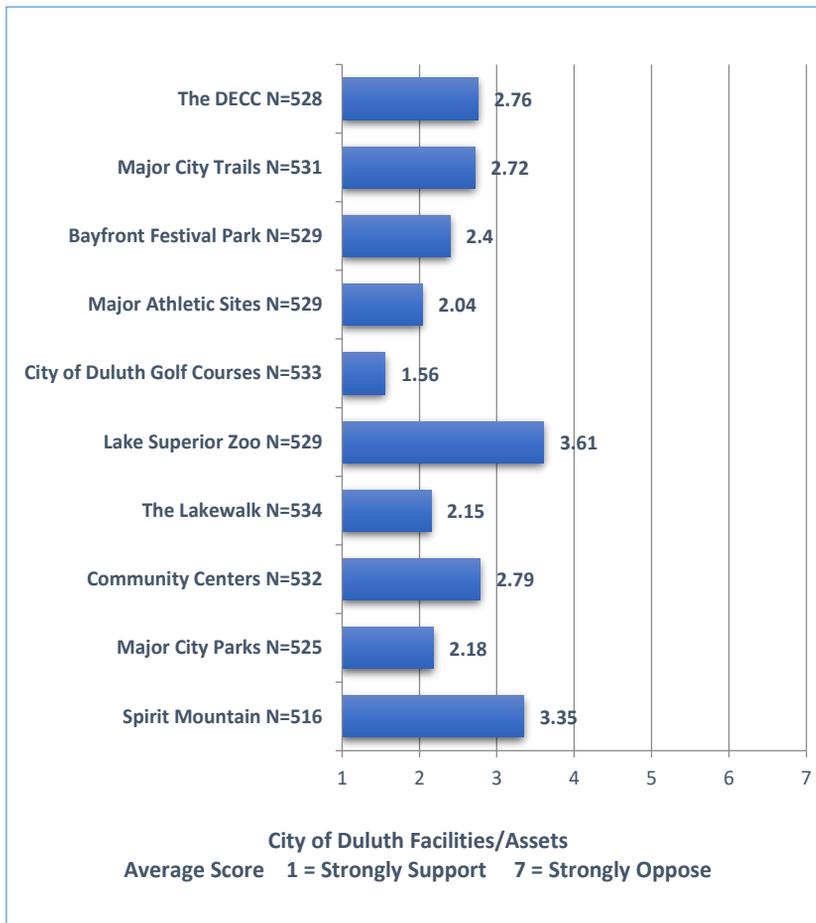
ONLINE SURVEY

KEY FINDINGS

Q4. We're listing several facilities or assets the City supports through a variety of funding sources, either entirely or with a dollar amount that is a portion of the money the facility uses to operate. For each one, use a scale of 1 to 7 where 1 means you Strongly Support the use of City money and 7 means you Strongly Oppose the use of City money.

Editor's Note:

The sequence of facilities was rotated with each survey view in an effort to prevent bias based on order or respondent comfort/fatigue.



- Overall respondent support was strongest for the golf courses.
- The lowest levels of support for city funding among all respondents was for the Lake Superior Zoo and Spirit Mountain.

Descriptors for Major City Parks included Brighton Beach, Park Point, Chester Bowl, Lincoln Park and Chamber's Grove.

Descriptors for Major Athletic Facilities included ball fields, ice rinks and courts.

Descriptors for Major City Trails included Superior Hiking Trail, the Duluth Traverse and the Cross-City Trail.

ONLINE SURVEY

KEY FINDINGS

Online Script:

The mission of the Duluth Parks & Recreation Department is to promote the health and well-being of our community, environment, and economy by facilitating recreational opportunities and coordinating the enhancement of our parks, facilities and natural resources now and into the future.

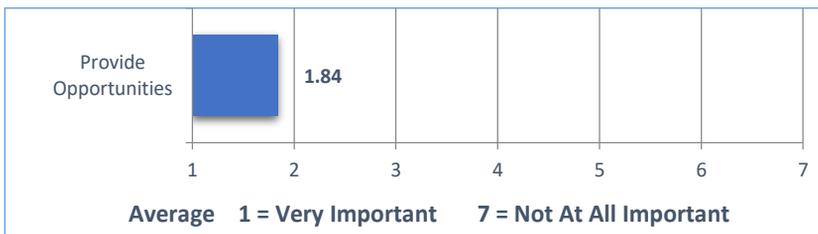
Q5: How important is it for the City of Duluth to support the Parks and Recreation program and its mission? N = 518



60 percent of the respondents said the City's support for the program and mission was Very Important.

Less than 1 percent of respondents rated the support as Not At All Important.

Q6: How important is it for the City to facilitate opportunities to participate in a variety of outdoor activities and sports? N = 517

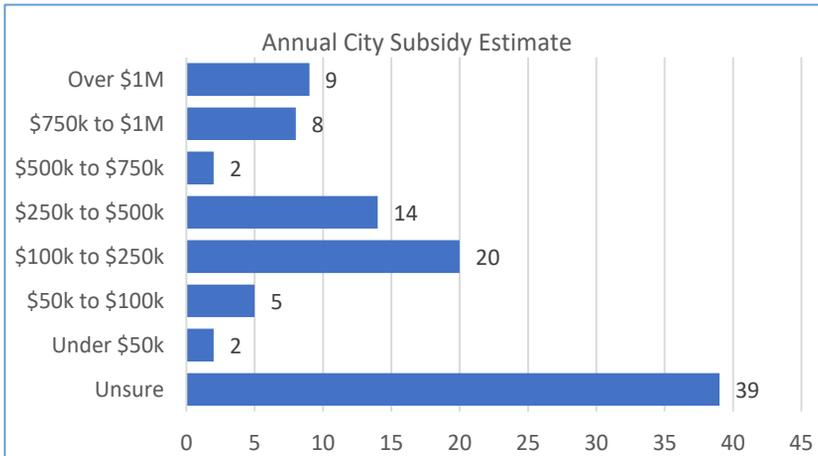


53 percent of the respondents believe it is Very Important for the City to provide the opportunities for citizens to participate in a wide variety of outdoor activities and sports.

ONLINE SURVEY

KEY FINDINGS

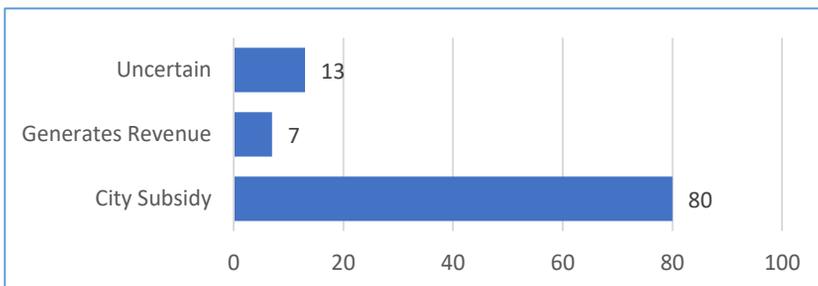
Q9: The City of Duluth owns and operates two golf courses – Lester Park and Enger Park. In round numbers, can you tell me approximately how much money the City of Duluth spends each year to maintain and operate these two golf courses?
N = 510



39 percent of the respondents were unsure of how much money the City allocates each year to maintain and operate the two golf courses.

33 percent of all respondents believe the City spends upwards of \$500,000 each year for golf course operations.

Q10: Can you tell me whether the two golf courses generate enough revenue to support themselves – or do you believe the City is subsidizing their continued operation?
N = 508



80 percent of the Duluth residents believe the City is subsidizing the continued operation of the golf courses.

ONLINE SURVEY

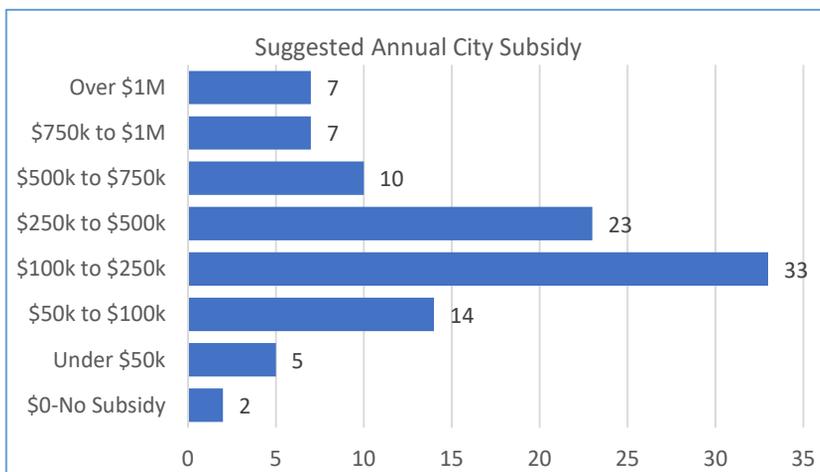
KEY FINDINGS

Online Script:

Annual revenue from the City's golf courses typically falls short of the annual expense to operate them. In recent years, the City has used General Fund revenue to fund the differences.

Q11: What do you think is an appropriate amount for the City to spend per year to support the City golf program?

N = 490



33 percent of the Duluth residents believe an annual subsidy between \$100,000 and \$250,000 would be an appropriate amount for the City to allocate each year for public golf course operations.

Overall, 47 percent favor an annual subsidy of more than \$250,000.

Editor's Note:

The Editor's Note on Page 16 applies to this next section of the report. In this case, no alteration of the online script was made.

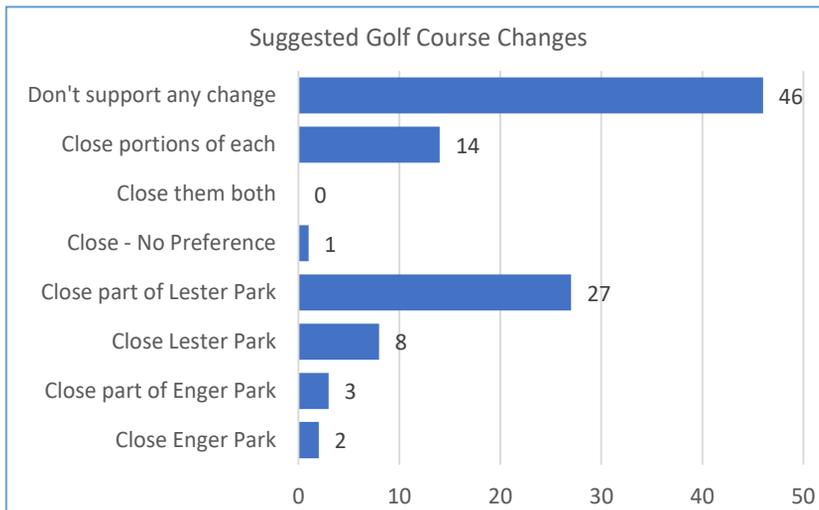
Online Script:

The closing of all of one – or portions of both or one – of the City's public golf courses is something City leaders may eventually explore. Obviously, this would require additional research to explore alternative plans and possibly proposals for redevelopment of any closed portion of the properties.

ONLINE SURVEY

KEY FINDINGS

Q12: Based on your immediate reaction, which of the two golf courses – Enger Park or Lester Park – do you believe should be closed or reduced in size? Or, should the City consider closing them both, portions of each or just one – or don't you support any change? N = 503



Overall, 46 percent of the city respondents do not support any closure of public golf courses.

Among the other options presented, 35 percent favor closing part of or all of Lester Park.

Online Script

The City of Duluth has received a request from a specific developer who wants to further investigate development at Lester Park Golf Course.

The City administration and a citizen's advisory group have encouraged that prospective developer to continue to explore opportunities for the potential reuse of golf course property.

During a recent City Council meeting, City staff referred to the ongoing discussions as "an important means to help inform the continued golf study process, because development is one of the variables in play, as it always has been."

ONLINE SURVEY

KEY FINDINGS

Q16: Which golf course – Lester Park or Enger Park – do you/they play most often?

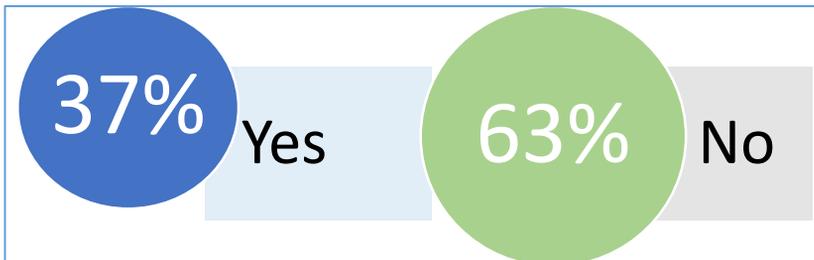
N = 552



Lester Park Golf Course was used more often by golfers responding to this survey and by other family members who also have golfed at least once in the past three years.

Q17: Do you/they have a Duluth Golf season pass?

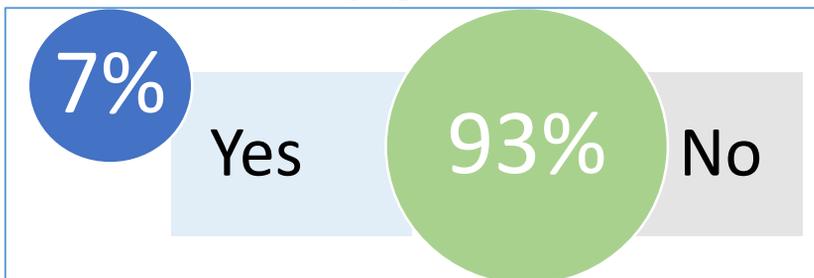
N = 619



37 percent of the respondents indicated they or someone in the family that golfs have a season pass through Duluth Golf.

Q18: Do you have a Season Pass to Nemadji Golf Course in Superior?

N = 618



93 percent of the respondents indicated they were not Season Pass holders at Nemadji Golf Course in Superior.

ONLINE SURVEY

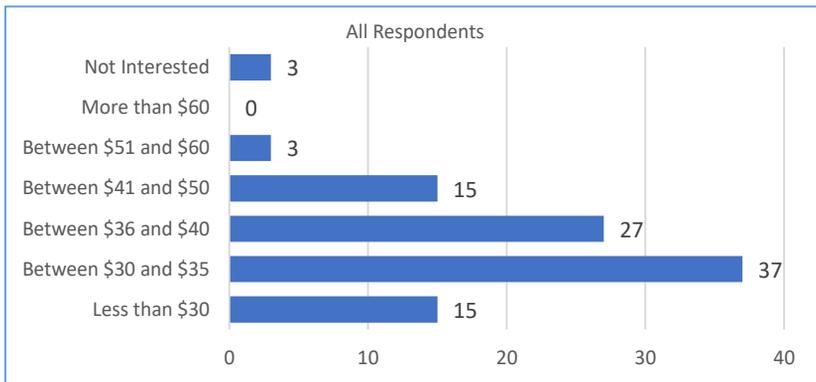
KEY FINDINGS

Editor's Note:

The following sequence of questions was slightly altered from the previous survey of golfers and non-golfers; in the earlier survey, participants were asked what they believed was an acceptable price. In this survey, participants were asked to detail what they would be willing to pay. Two additional questions were added, testing with and without cart options.

At the request of the Citizen's Advisory Group, there will be some additional cross-reference data, providing a more detailed look at pricing options. This data will review options based on respondent age and whether the respondent answered "Yes" on Q17 indicating they or someone in their household was a season pass holder at one or both of the public golf courses in Duluth.

Q19: How much are you willing to pay for a daily fee (with cart) to play at either Enger Park or Lester Park golf courses? N = 603



52 percent of the respondents indicated they would prefer to spend \$35 or less for an 18-hole round with the use of a cart at either of the golf courses.



Among respondents indicating they or someone in their household was not a Season Pass holder, 54 percent said they prefer a rate for 18 holes with cart of \$35 or less.

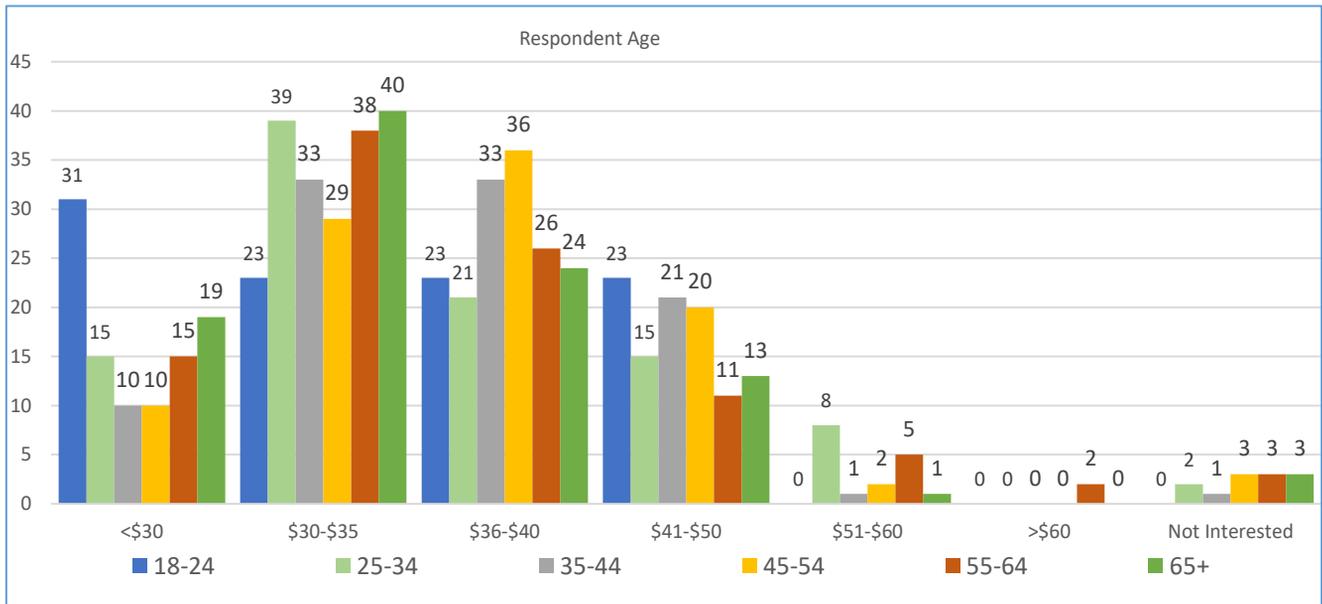
Among the group identified with a Season Pass, 48 percent said they most favored an 18 hole rate with cart of \$35 or less.

Age analysis is on the next page.

ONLINE SURVEY

KEY FINDINGS

Q19: How much are you willing to pay for a daily fee (with cart) to play at either Enger Park or Lester Park golf courses?
N = 603



Age Analysis - \$35 or under

- 18 to 24 = 54 percent
- 25 to 34 = 54 percent
- 35 to 44 = 43 percent
- 45 to 54 = 39 percent
- 55 to 64 = 54 percent
- 65 or older = 59 percent

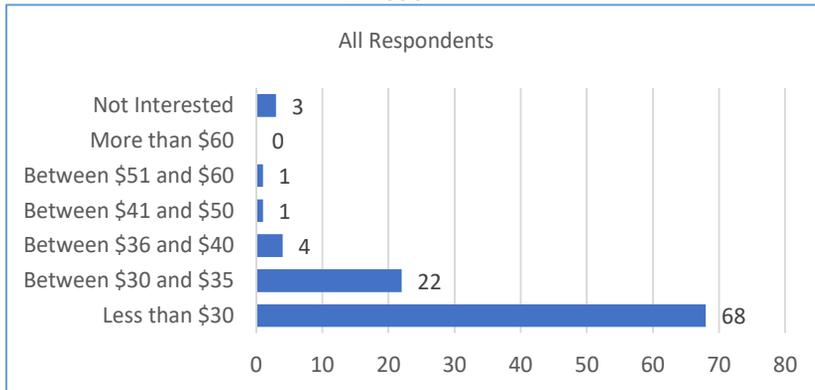
Those respondents between 35 and 54 years of age were more likely than all other age groups to be willing to pay more than \$35 per 18 holes of golf with a motorized cart at one of the Duluth public golf courses.

ONLINE SURVEY

KEY FINDINGS

Q20: How much are you willing to pay for a daily fee (without cart) to play at either Enger Park or Lester Park golf courses?

N = 596



68 percent of the respondents said they would be willing to pay less than \$30 to play at either course without benefit of a motorized cart.



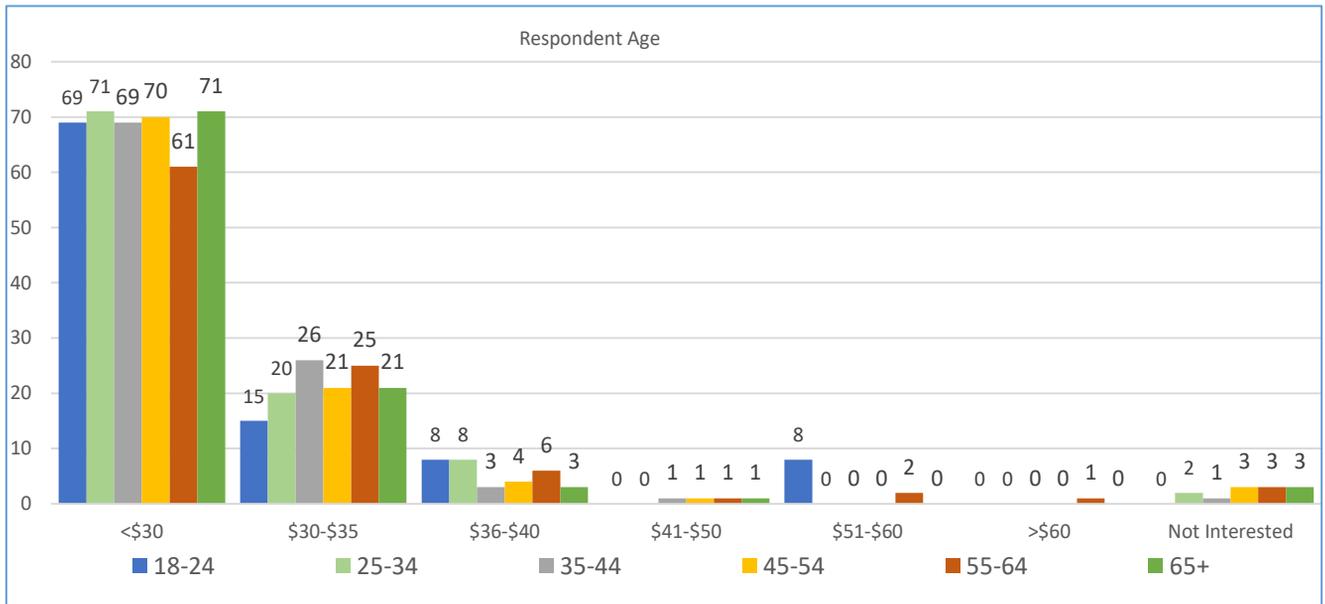
91 percent of respondents associated with a season pass said they would be willing to pay \$35 or less to play a round at one of the public courses without the aid of a motorized cart; this compares with 90 percent of the respondents who do not currently hold a season pass from Duluth Golf.

Age analysis is on the next page.

ONLINE SURVEY

KEY FINDINGS

Q20: How much are you willing to pay for a daily fee (without cart) to play at either Enger Park or Lester Park golf courses?
N = 596



Age Analysis - \$35 or under

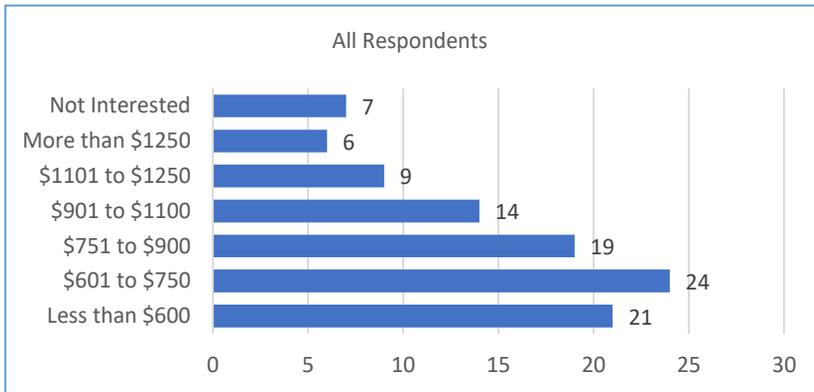
- ☐ 18 to 24 = 84 percent
- ☐ 25 to 34 = 91 percent
- ☐ 35 to 44 = 95 percent
- ☐ 45 to 54 = 91 percent
- ☐ 55 to 64 = 86 percent
- ☐ 65 or older = 92 percent

Those respondents 65 years of age or older comprised the single largest demographic group to complete the online survey; of this group, 92 percent said they would be willing to pay \$35 or less to play a round of golf at either of the public courses.

ONLINE SURVEY

KEY FINDINGS

Q21: How much are you willing to pay for a season pass (with cart) to play at either Enger Park or Lester Park golf courses?
N = 577



45 percent of the respondents said they would be willing to pay \$750 or less for a season pass with cart privileges to play both of the City operated golf courses; combined, 64 percent believe the price should be \$900 or less



Those respondents either holding or living with a family member with a season pass were more likely to express an interest in higher annual fees.

Overall, 52 percent of the season pass group indicated a preference for fees at or below \$900 for a pass with cart privileges compared with 72 percent of the group that did not hold a season pass at the time of the survey.

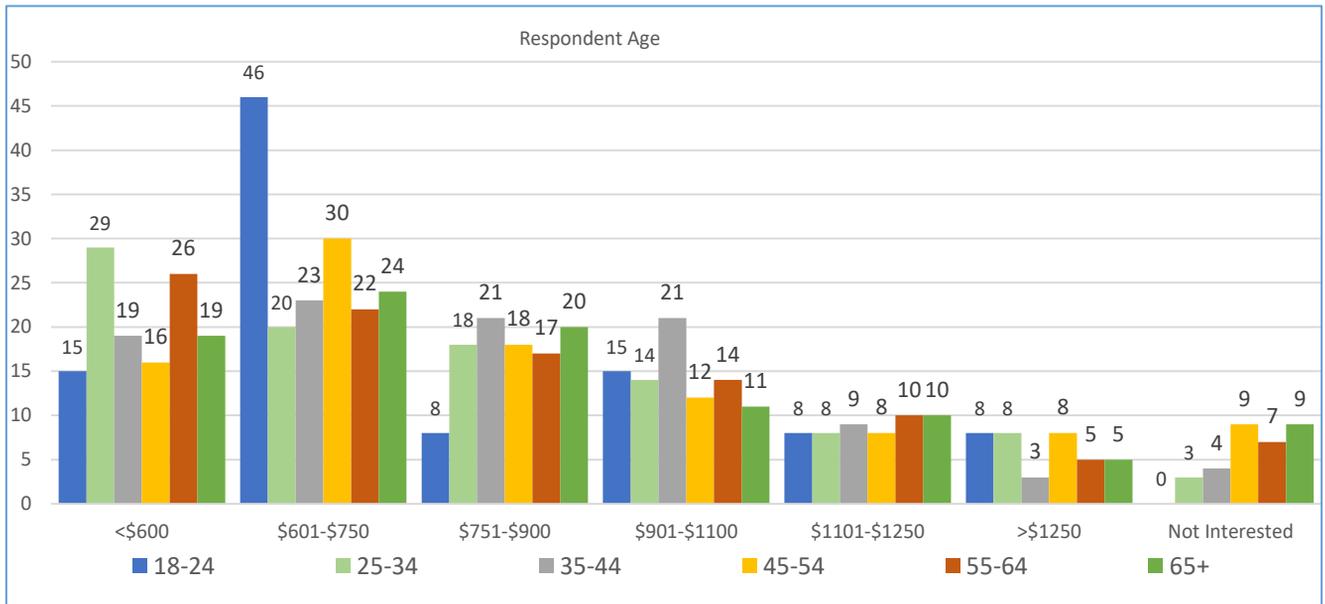
The 'Not Interested' group are those golfers indicating they would not be likely to play either of the Duluth courses.

Age analysis is on the next page.

ONLINE SURVEY

KEY FINDINGS

Q21: How much are you willing to pay for a season pass (with cart) to play at either Enger Park or Lester Park golf courses?
N = 577



Age Analysis - \$750 or under

- 18 to 24 = 61 percent
- 25 to 34 = 49 percent
- 35 to 44 = 42 percent
- 45 to 54 = 46 percent
- 55 to 64 = 48 percent
- 65 or older = 43 percent

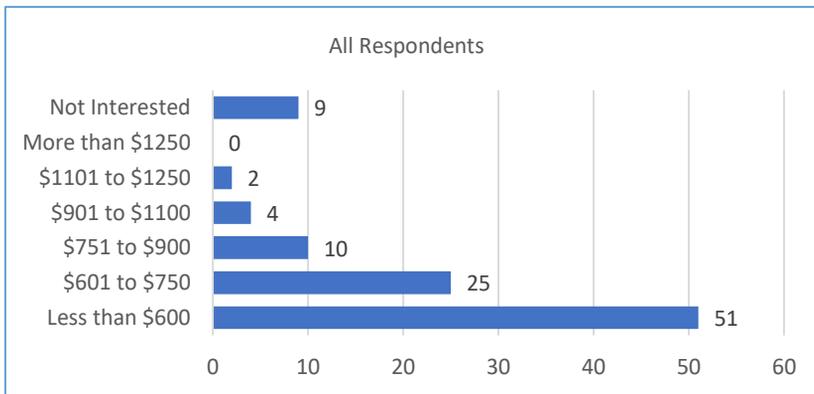
42 percent or more of respondents in each of the age groups indicated they were willing to pay \$750 or less for a season pass that included motorized cart use.

ONLINE SURVEY

KEY FINDINGS

Q22: How much are you willing to pay for a season pass (without cart) to play at either Enger Park or Lester Park golf courses?

N = 579



A slight majority of respondents indicated they would be willing to pay less than \$600 for a season pass without a cart to play both of the courses.



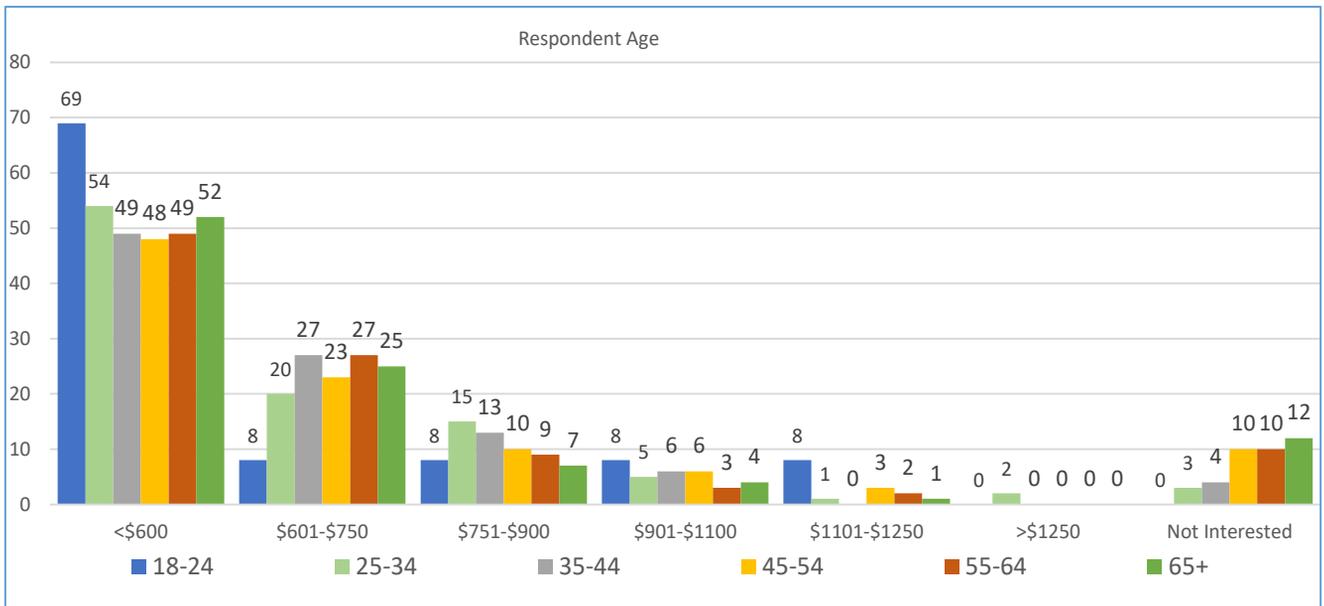
69 percent of the respondents who had a season pass – or lived with someone who did at the time of the survey – indicated they would be willing to pay \$750 or less for a season pass without cart, compared with 79 percent of those persons who did not have a season pass.

Age analysis is on the next page.

ONLINE SURVEY

KEY FINDINGS

Q22: How much are you willing to pay for a season pass (without cart) to play at either Enger Park or Lester Park golf courses?
N = 579



Age Analysis - \$750 or under

- 18 to 24 = 77 percent
- 25 to 34 = 74 percent
- 35 to 44 = 76 percent
- 45 to 54 = 71 percent
- 55 to 64 = 76 percent
- 65 or older = 77 percent

In all age groups, more than 7 of every 10 respondents indicated they would not be willing to spend more than \$750 for a season pass that did not include cart use.

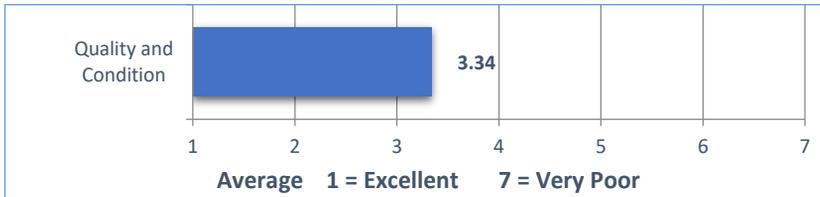
Q23: Are you a member of Friends of Duluth Golf?

See Demographics

ONLINE SURVEY

KEY FINDINGS

Q24: How would you rate the overall quality and condition of the two City-run golf courses? Let's use a 1 to 7 scale where 1 is Excellent and 7 is Very Poor.
N = 606



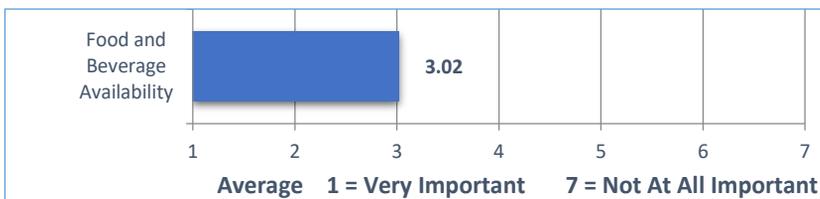
6 percent of the respondents rated the overall quality and condition as Excellent; 3 percent rated the quality and condition as Very Poor.

Q25: How would you rate the total overall experience you have during your average visit to one of the two Duluth public golf courses?
N = 604



21 percent rated their overall experience as Excellent. Combined, 53 percent rated the experience at the two highest levels.

Q26: How important is the availability of fresh-made food and alcoholic beverages to you during a golf experience?
N = 606



25 percent of the respondents said the availability of fresh made food and alcohol was Very Important to them during a typical round of golf.

ONLINE SURVEY

KEY FINDINGS

Q27: Approximately how much do you typically spend on food and/or beverages during an average golf outing at any golf course other than one of the two public courses in Duluth?

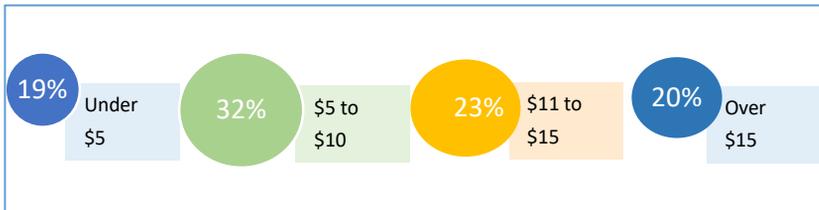
N = 596



60 percent of respondents said they typically spend more than \$15 during a golf experience at a course other than one of the two public courses in Duluth.

Q28: Approximately how much money do you typically spend on food and/or beverages during an average golf outing at one of the Duluth public courses?

N = 597



Respondents indicated they were likely to spend less money overall on food and beverages at a Duluth golf course than at some other facility.

Q29: Which one other golf course in our region do you/they play most often?

N = 552

Golf Course	Percent
Black Bear Casino - Carlton	7
Cloquet Country Club	0
Enger Park – Duluth	16
Hidden Greens – Solon Springs	6
Lakeview – Two Harbors	2
Lester Park – Duluth	18
Nemadji Golf Course – Superior	43
Northland Country Club – Duluth	2
Ridgeview Country Club - Duluth	5

43 percent of the respondents indicated Nemadji Golf Course was the one they would play most often. It is possible there was some confusion among the participants, in that the question asked “which one other” even though an earlier question had asked which course they play most often.

ONLINE SURVEY

KEY FINDINGS

Q30: Are you or is a member of your immediate family currently a City of Duluth employee?

See Demographics

Q31: Could you please confirm your Gender?

See Demographics

Q32: Which of the following groups best describe your combined annual household income before taxes?

See Demographics

Q33: The City will be conducting additional research about the future of golf operations. Would you like to be included in that research?
N = 577

323 of the respondents indicated their desire to participate in additional research. Those indicating their desire were asked to provide a name, email address and telephone number in Q34 to facilitate further contact.

Q34: Contact Information

Q35: Finally, is there something you'd like to relay to City of Duluth officials who are in a position to make some decisions about the future of city-owned and managed golf courses?
N = 387

A complete listing of respondent comments is available in the Verbatim Response section of this report.

FOCUS GROUPS

INTRODUCTION

This summary report concludes the three phases of research conducted for the City of Duluth by Zenith Research Group on the future of public golf within the community, most specifically pertaining to Lester Park Golf Course and the potential for its sale and repurposing by an interested developer.

Previous research phases:

- ❑ Telephone survey of Duluth residents which included 456 fully completed and 400 partially completed interviews
- ❑ Online survey of 676 known golfers who had registered for play in Duluth through Billy Casper Golf, and a pool of golfers registered through Golf Now for play at Nemadji Golf Course in Superior, Wisconsin

This third phase qualitative research included two focus group sessions on November 7, 2018.

- ❑ Group One: Golfers who had completed one of the previous surveys and expressed an interest in further participation
- ❑ Group Two: Non-golfers who had either participated in the telephone segment and expressed an interest in further participation, or had completed an application for consideration through an online survey

Each session was held at Northland Country Club in Duluth.

A light meal was served during each of the sessions and each attendee received \$50 for their participation.

In selecting the participants, Zenith Research attempted to seat a panel that represented a demographic cross-section of Duluth residents, including those variables of age, gender, income and Zip Code.

Each focus group tends to take its own direction. For that reason, not all questions originally developed as part of the two discussion guides were asked in the same order.

Sometimes, a topic is covered under another discussion point, so not revisited. In some instances, the direction of the discussion indicates a change in the question sequence in order to keep the momentum of the discussion moving forward.

Overall reactions and responses to the variety of questions and topics discussed is summarized. Specific quotes from participants are included where they are relevant to understanding the impressions and opinions that were offered during each focus group. This is not a total and complete transcript of the proceedings.

Participants were promised anonymity. Their names will not be included in the report. Although it was not provided with this report, a complete written transcript of each session is available upon request.

Group One began at 5:30pm with 14 participants including 9 men and 5 women. The session ended at 7:00pm.

Group Two began at 7:30pm with 15 participants including 5 men and 10 women. The session concluded at 9:05pm.

FOCUS GROUPS

INTRODUCTION

Panel One

Zip Code	Age	Sex
55804	55 - 64	Male
55803	65+	Female
55812	65+	Female
55811	55 - 64	Female
55811	25 - 35	Male
55805	45 - 54	Male
55804	35 - 44	Female
55806	65+	Male
55803	45 - 54	Male
55808	18 - 24	Female
55805	45 - 54	Male
55802	25 - 34	Male
55807	55 - 64	Male
55812	35 - 44	Male

Panel Two

Zip Code	Age	Sex
55805	55 - 64	Female
55811	25 - 34	Male
55812	45 - 54	Female
55807	55 - 64	Female
55804	45 - 54	Female
55811	65+	Female
55806	45 - 54	Male
55804	35 - 44	Female
55803	25 - 34	Male
55804	65+	Male
55805	25 - 34	Female
55812	45 - 54	Female
55810	65+	Female
55802	25 - 34	Female
55808	35 - 44	Male

FOCUS GROUPS

Session One

November 7, 2018

5:30pm to 7:00pm

Moderator: Patty McNulty, Vice-President, Zenith Research Group

INTRODUCTION

Good evening. Thank you for coming to this session.

I'm Patty McNulty, Vice President of Zenith Research Group here in Duluth. I'll be moderating tonight.

Before we really begin, I'd like you to take a moment to silence your cell phone so we don't have any interruptions during this session. As you do that, I'll just remind you that our session tonight should last no more than 90 minutes. We don't intend to take any breaks. If you need to use the rest room, they are just down the hall on your left. If you'd like to have more refreshments, please feel free to help yourself.

At the end of this focus group, you'll each be paid \$50 in cash. I can't pay you if you leave early, but you are free to leave at any time. I do need to tell you that you are not employees, but are here as participants so you won't be getting any kind of W-2 or tax form for being here tonight.

We are recording this session, but let me assure you this is purely for the purpose of getting an accurate record of what is said tonight. Only members of our research team will see this video. At no time will your name ever appear publicly as a result of you being here.

Each of you had earlier indicated your willingness to participate in this research. You were all selected at random after completing one of our screening surveys. In the case of this meeting, you were all selected because you indicated you were residents of Duluth and were golfers. Later tonight we have a session for people who said they were non-golfers and had completed a similar survey process as you did.

I'll be asking you a series of questions tonight and I hope you'll be as candid in your responses as you can be. Remember, what you say tonight will be part of our report we'll present to the City of Duluth as its administration and elected officials debate the future of public golf in our community.

In my role tonight, please understand I'm not able to answer many questions you might have – in fact, I'd prefer you wait until the end of this session to ask any. At that time, I'll do my best to answer, but you need to know I'm not at liberty to share much information about any decision-making process the City might be engaging in. Our role at Zenith Research is to gather as much public comment as we can. We've done some of that already through a series of telephone and online surveys – this session is the final phase of our research effort.

So, with all of this in mind, I'd like to begin by going around the room so you can introduce yourself, and let everyone know just how long you've been a resident of Duluth.

((Participant Introductions))

Thank you.

FOCUS GROUPS

Now, I'd like to learn a little more about what you like about living in Duluth and maybe things you'd like to see changed about Duluth. Let's start with the things you like – what makes Duluth the place you choose to live?

Who wants to go first?

Several panelists commented on Duluth's natural beauty, its proximity to wilderness areas to the north and easy access to hunting and fishing. Other sentiments centered on the choice of the community as a good, safe place to raise a family, with some participants noting the "way of life" as a positive influence in their decision to reside in Duluth. Among the key topics mentioned:

- Location, environment, natural beauty, wilderness, hidden gems
- Proximity to hunting and fishing, outdoor sports, easy access to parks and recreation
- Arts and way-of-life, family-friendly
- Mass transit options, less traffic and congestion
- Good healthcare
- Size, commonly-shared interests
- "I've lived in Alaska so it's the location and proximity to the wilderness for me. I just wanted to raise my family in a similar environment to what I was raised in."
- "It's just the beauty. The ability to see Lake Superior every day."
- "I'm impressed that for a town our size we can find people with a common interest in an issue that you're trying to address. And, in a fairly quick amount of time you can gather them around and figure out a plan with enough resources to get it done. The problems we have aren't so insurmountable that we can't come up with a solution to address the need. I think that's a main attraction to our community."

That's great. Now, I imagine there must be some things you'd like to see a bit different in Duluth. Things that would make it a better community. Understanding that there's nothing we can do about the weather, what else would you like to see that would make Duluth a better home?

Economic issues were important to the panel, including:

- Affordable and available housing, greater housing options (condos/townhomes)
- Wider variety of jobs, jobs with higher salaries that encourage young people to stay in Duluth
- More child care options
- Better school system options
- Greater fiscal management by the City
- "I think if we're going to attract young families, we need higher paying jobs for the parents and a wider variety of options for the kids within the schools."
- "Our economy seems to be set on three paths. It's either schools, healthcare or the hospitality industry. There needs to be more opportunity for employment."

Many Duluth residents are very engaged in discussions about the future of our community, studying ways in which to make it even better. Some residents volunteer to serve on various City boards and commissions. I'd like to spend a few moments talking about the role of city government. We know people have many opinions. So, what do you think? What's the role of government in Duluth?

The very first comment set the tone for much of the discussion which centered on a greater focus on the "basics." While not everyone was in agreement with the sentiment, many within the group believed the City should be focused on providing greater opportunities for residents with less focus on the tourism industry.

- "Along with the basics of fire and police protection, we do need stability and vision in pursuing changes that encourage growth. We can develop a process, but we need to see progress that encourages growth."

FOCUS GROUPS

- “I think we also need to be ready to change course when things aren’t going well. Sometimes our vision is 10 or 20 years. That’s fine. We need to find ways to accomplish things along the way. Some things take time but we have to adapt without being frustrated at lack of progress.”

One of the many things that city government in Duluth does is fund various facilities and services, often with money raised through taxes, grants or other revenue sources. I’d like to go around the room and have you tell me some facilities or services that are supported with resources and funds from the City. Who’d like to begin?

Basic city services such as fire and police departments were mentioned, but were not at the top of the participant listings of facilities or services. In order of mention:

- Spirit Mountain
- Lake Superior Zoo
- Great Lakes Aquarium
- The golf courses
- DECC
- Recreational facilities
- Parks
- Traverse
- St. Louis River corridor
- Port Authority
- The airport
- Fire and police
- Non-profits through CDBG grants

Let’s just take a look at some of these you mentioned. Who has an idea how much money is allocated each year for:

- Spirit Mountain: One participant mentioned \$500,000 and no one else offered another dollar amount, although another panel member suggested Spirit Mountain funding was largely dependent on the year and snow conditions
- DECC: “I think the DECC gets \$3 million from tourist funds. I saw something on social media about how tourism funds are being spent. I think the Western Waterfront Corridor also gets a good chunk of money.”
- Zoo: “Under a million?”
- Aquarium: “I think we give the Aquarium some funding for marketing and promotion.”

Among the list of facilities or assets that receive City money are the City’s parks, trails and athletic centers. Many of these are under the direction of the Duluth Parks & Recreation Department. Let me read the department’s mission statement:

The mission is to promote the health and well-being of our community, environment and economy by facilitating recreational opportunities and coordinating the enhancement of our parks, facilities and natural resources now and into the future.

FOCUS GROUPS

Keeping that mission statement in mind, what type of facilities, activities or sports do you believe the City should be supporting?

Most of the panel members believed the City must look at funding for a wide variety of activities to provide ample opportunities for what residents like and want to do. This section of the session was among the longest in terms of comments and opinions.

- “The thing that sticks out to me is not just the managing of the Parks and Recreation Department, but the need to do more to encourage involvement. We need to encourage our young people to get involved in more activities than hockey or just school sports. Our community needs to help Parks & Rec, but I see the struggle is getting people interested in the services or the facilities that are available.”
- “Earlier we all said we’re here because of the environment. It was at the top of our list. We might need to get Parks & Rec to change their focus to get more people involved, not just young people.”
- “I think Parks & Rec does a great job at covering a lot of ground. I’m amazed. I didn’t know we had Pickleball until I saw someone with a uniform walking along the Lakewalk. I think it points to the need to support everything, from our parks and trails to our golf courses.”
- “I even see people using the trails for horseback riding. That’s a pretty limited audience.”
- “Our struggle in Duluth is our physical size from Brighton Beach to Fond du Lac. It’s a unique geography with an insane amount of activities. Trying to coordinate the multiple uses for trails alone presents issues, with hikers, bikers, horses all wanting to use the trail at the same time. We only have so many level terrain options so you’ve got baseball, softball and soccer all fighting for time. The budget is never what it needs to be but we benefit from the committed organizations and entities that help to organize activities and fund and finance when our resources run tight.”
- “Of the time, energy and dollars that the City has, it comes down to what can they do to benefit the most? If it’s something that has multi-use options that’s going to get more traction than something that benefits a small, passionate group.”
- “I appreciate the conversation and the points made. They all seem fair. It does seem to me, however, that we have more focus on the young and very little attention is being paid to seniors and their recreational needs.”

It’s worth noting that at this point in the focus group, this panel of golfers had mentioned public golf just once while discussing recreational opportunities in the community. It should also be noted that no one in the group was a member at a private golf country club. It was at this point when the conversation was directed specifically toward golf and the City’s public golf courses.

You were invited here tonight to talk about some of the issues we’ve already discussed, but primarily you’re here to talk about golf. So I thank you for your opinions about these other topics we’ve discussed.

Let me just give you a little bit of background information about public golf in the City of Duluth. I imagine most of you are aware of this, but I want to make certain there’s no misunderstanding. The City of Duluth owns, operates and maintains two public golf courses – Enger Park and Lester Park. Each of the courses has 27 holes. Currently, the courses are managed by Billy Casper Golf, under a management agreement with the City. My first question on this topic concerns the approximate amount of money the City spends each year to maintain and operate its golf courses. Who can tell me how much that is each year?

Only three dollar amounts were mentioned.

- \$750,000
- \$1 million
- \$1.5 million

FOCUS GROUPS

- “I think this points to a problem. The City is filling us with partial information that doesn’t really tell the whole story.”

While this was the first time someone had questioned the City’s data and information on golf course finance, it would not be the last in either this session or the later one among non-golfers.

- “I agree with that. I’ve been to some meetings and I’ve never seen the financial reports on how much we pay Billy Casper, how much revenue we’ve generated in the past three years, what’s the depreciation on the buildings, how much money do we owe? We talk too much about what’s happened in the past. We can’t change that. Golf is on a down-slide across the country, but it doesn’t mean it isn’t going to come back. I think we should focus on the potential and how we get there. If we don’t invest in these courses we’re going to lose them. I’d hate to get to the point where we feel we have to do something with our golf courses only in hindsight to then say ‘we probably shouldn’t have done that.’”

Several of the women in the group talked about the lack of adequate changing and locker facilities at either Enger Park or Lester Park for women. This led to a wider ranging conversation about the infrastructure at each of the courses, primarily the “inadequate” clubhouses which was a topic that would be revisited. In addition, the group discussed using the golf course for winter activities.

I’d like to see a show of hands on this question: How many of you believe the City golf courses are self-sustaining? In other words, they’re basically paying for themselves.

No one in the group suggested the courses were self-sustaining, although some questioned whether they could be. The conversation took a turn before getting back to the question of golf course financing.

- “I suspect they’re not that much different than any of the other parks and recreation areas that people are using. There are some things like Chester Park that has a user group that helps finance the skiing there. I can’t believe that is self-sustaining.”
- “The trails don’t make money. People come to use them and spend money up here. How much money goes into maintaining Wheeler and Wade? They probably don’t make money.”
- “The last report I saw from Billy Casper Golf on Lester Park indicated the trend line was pretty good even with their limited budget for promotion. From what I remember, they claimed Lester Park lost \$100,000 last year (2017) on 25 or 30,000 green fees. That’s kind of a no-brainer. Why not charge me \$2 or \$4 every time I sign in? I just don’t think there’s enough transparency for us to know. The establishment of *Friends of Duluth Golf* is a pretty good first step for the golf community, something we haven’t had before. Until recently, I didn’t know there was an accumulating debt.”

Others in the group brought up other venues that might also be accumulating debt. Spirit Mountain was mentioned as a venue that was never designed to make money, although someone else reminded the group that Spirit Mountain was initially privately owned. The conversation eventually returned to golf.

- “Over the years we’ve seen the shape (condition) of the golf course change a lot. It used to be unplayable. We’ve seen improvement since Billy Casper took over. Remarkably so. I think it was mismanaged terribly. When the City ran them, it was always as if they were doing you a favor instead of serving us.”
- “I think if they look more closely at the player as a customer and make it a really nice place to go I think the revenue situation would improve because no one would mind paying more to offset the improved service. That’s the thing that’s been missing.”
- “This company is trying to take care of the golf course and educate the help. I think it’s in the right direction and there’s no reason why it can’t be a little more self-sufficient.”

FOCUS GROUPS

As long as you brought that up...in fact, annual revenue from the golf courses typically falls short of the annual expense to operate them. In recent years, the City has used General Fund revenue to fund the differences. Does anyone have any idea how much money that is?

- “You can’t get that information from anyone.”
- “I’ve never heard that.”

Some initial estimates were in the \$150,000 to \$300,000 range per course. Other estimates put the funding at \$800,000 to \$1,000,000 for each of the two golf courses.

- “I know that the equipment and the watering and irrigation system is very poor right now and in need of upgrading. So, if you want to factor that into the equation, I think the number would be much greater.”

A recent accounting indicates that there’s been an accumulated loss of about \$2.2 million. But what I want to know is what you think is an appropriate amount the City should be spending every year to support the City golf program. What do you think?

There was an immediate negative reaction to the disclosure of the accumulated loss with several panel members disputing that figure.

- “How do they figure that? The City puts out figures that don’t make sense. They come up with a figure that’s three or four times what the actual cost of something is. I see that in many of the events and the cost of public safety.”
- “They inflate the numbers to get the results they want. The numbers they put out are not real numbers.”

Not everyone disputed the accumulated loss figure.

- They’re not trying to deliberately obfuscate anything. It’s bureaucracy in government and the budgeting process we don’t often understand. I don’t know what it takes to run a golf course on the shore of Lake Superior built largely on hills of clay.

The group continued to dispute the \$2.2 million until it was reminded this was “accumulated” loss and not an “annual” loss.

- “That might make sense considering what we’ve lived with the past 35 years. With fewer golfers, bad maintenance, bad management and bad attitudes by the employees, that’s where you’re losing all the money.”
- “If it’s a normal budget a huge percentage of that is accumulated debt. And interest on the debt. You’re not going to solve any of that by closing or selling the golf courses.”
- “I think the amount of money we spend has to be relative to the hours of enjoyment. Let’s take the number of rounds per season and see how that compares to the money spent by the city when compared to use of the trails, dog parks or whatever the case might be. Duluth likes to spend money on the arts and tourism which isn’t necessarily bad, but it doesn’t consider the hours of enjoyment on the golf courses.”
- “I think you first have to decide whether you’re in or out of golf. If you’re in you spend what you need that year to improve so it doesn’t degrade. You can’t do that with anything else. You let 18 holes in Duluth degrade, it gets very expensive to get that back up because it’s such an enormous task.”
- “The condition of our courses is an embarrassment. Our clubhouses are an embarrassment. If I was from out-of-town and played them I would never go back. You ask us how much money we should spend. That’s not a fair question for this group. We don’t know how much money is being spent on other things, like Spirit Mountain or Park Point. If the City gets out of golf, it’s gone. You’ll never get it back. You’ll have Northland and Ridgeview and a lot of low income people, family people can’t afford that.”

FOCUS GROUPS

I would imagine some of you are aware about some of the ongoing conversation taking place about the future of the two 27-hole publicly-funded golf courses. You may have even followed this topic in the news. The closing of all of one – or possibly a portion of one or both – is something the city is exploring. This research is part of that discovery effort. Before we go any further – what are your general thoughts about the possibility of closing any portion of one or both of the courses at Enger Park or Lester Park?

Several of the panel members considered the closing of any portion or all of a course as a last resort. Some questioned whether the sale of property would see the proceeds invested in any portions of the courses not closed rather than to the general Parks & Recreation Department budget.

A segment of the group questioned why 27 holes were originally built and the problems the City has experienced paying for and maintaining them rather than the original 18 at each location.

- “It comes back to a sales and marketing thing to me rather than closing. It was a terrible plan to build an additional 9 holes at each course. But we are where we are. Sales and marketing are a big part of it. I don’t think anyone would balk at paying a few extra bucks to play. Just look at Nemadji and how they’re able to market their course, especially to corporate events which has been really, really successful. Duluth has just been horrible at marketing our golf courses for that kind of thing. If it comes down to selling 27 holes or shut down 9 holes to maintain 18, absolutely. I’d shut down 18 to maintain 9 before I would shut everything down.”

The discussion continued for several minutes on the condition and use of the clubhouses at both Enger Park and Lester Park. Those who had traveled to other golf courses in the region or statewide said it was an “eye-opening” experience to see the condition and use of facilities elsewhere and how Duluth’s are under-utilized, especially since they’re unavailable for use between golf seasons.

- “I would think the Park Department would be behind improving the clubhouses so they can stay open when we might want to be out in the winter using the golf courses for cross-country skiing or whatever. That speaks directly to their mission.”

Some within the group did question whether any revenue from any sale of property would be used for improvements to clubhouses or the condition of the golf courses.

- “There’s no way that the partial sale of a golf course will be used for anything other than to pay off debt. That’s what it’s going to go for. That’s just a fact of life. If we want to improve the golf courses we need to come up with a revenue source. It has to be a separate activity.”

As I’m sure many of you know, the City has received a request from a developer who wants to further investigate development at Lester Park. City officials and a citizen’s advisory group have encouraged the developer to explore opportunities. Is this something you support? How many believe we should be encouraging alternative development uses at Lester Park?

At this point, the group was not advised about the decision to give the developer six months to prepare a proposal for alternate uses for Lester Park. The group was also not advised how citizens – including golfers – had responded in the previous research to the questions related to development and alternate use. In beginning to discuss this topic, many within the group questioned what the developer’s intent was. Before that discussion continued, 9 of the panel members said they were receptive to exploring other uses if portions of the golf course were maintained while two of the panel members were strongly opposed.

- “I think we’d be naïve to say that whatever the cost is that they’re willing to pay for it...I think you have to look at what the off-set is. The amount of infrastructure the city and state would have to put in would probably be in the millions of dollars. So, you’d have to know what the off-set is before you move along.”

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- “I know the City is going to look at how much money they’re going to bring to this area versus how much money is actually coming from golf, and they’ll just go with that. The entire City Council will approve it – actually, it will be 8 to 1 – but it will go through. They don’t care what we want. It’s what they want. They want money and they want a quick solution.”
- “Golf courses are not part of the agenda of this administration. They’ve never even been to Lester Park. None of them are golfers. They’re going to look at getting the money and not look at the long term impact that’s going to have. Our administration has been very poor at making decisions.”

Even before the group was asked about potential uses for any portion of the golf course that was closed, there was a conversation about housing as an option.

- If the City wants to develop that land for housing, whether it’s like another Endi or Kenwood Village, that doesn’t benefit any of us. None of us are looking for a townhome or condo. There’s not going to be any money from that development benefitting people in the city anymore. A golf course at least keeps us happy.”
- “That’s just not true. You are looking at property taxes that will be created by the developer and owners. That will impact all of us.”

In an attempt to gather more input before the session closed, the conversation turned away from Lester Park to some other topics.

Whatever decision the City makes about Lester Park that still leaves the City with 27 holes at Enger Park. What do you think the City should do with it?

- “We need to invest in it. The City is investing in other parks and recreation, but we’re barely getting by with our golf courses. I think we’re so far behind on our clubhouses that we just cannot see the light at the end of the tunnel. We have to get creative. We don’t need a Taj Mahal. We need a year-round facility. Overall, we’re shooting ourselves in the foot if we start selling our property. Friends of Golf is just getting started. We need more people involved. Enger needs money, I’m just not sure how to do it.”
- “I think we should contract it out, just like they do in Superior.”
- “Time is an important element. How much time do we have? I see promotions for Golf North and Black Bear, but have never really seen any advertising for Duluth Golf. If a tourist stumbles across it that’s great. We need to do something before we run out of time. Once that land is gone, it’s gone forever.”

I know you’re all golfers and probably have played quite a few courses. I’d like to know what many of you think about pricing. In this case, what do you think is a reasonable fee to play 18-holes of golf? Let’s assume this is with a motorized cart and let’s assume this is not at either Enger Park or Lester Park, but somewhere else in our region on a public course. What would you be willing to pay?

Immediate responses varied from \$40 to \$55.

- “People are pretty conservative around here. Make it attractive.”

Some within the group suggested that local residents get a preferred rate.

FOCUS GROUPS

What would you be willing to pay for an 18-hole round of golf at either Enger Park or Lester Park. Again, with a motorized cart.

Members within the group were hesitant to suggest any price, choosing to question whether any fee was based on the current condition of the golf courses or in the event they were improved. Some decided they'd prefer to pay a yearly membership but weren't certain they'd pay more than the current rate, although some did suggest a \$50 annual increase wasn't unreasonable.

- "If you're running a business, you should have a pretty good idea what it costs to operate for a year. You'd just work that backwards and set the price for a green fee."
- "Except, you're forgetting the mission. It is a parks and rec facility."
- "I think you'd find some resistance if you raised the annual fee \$100, especially without some improvement in the condition of the courses. I think you'd see a lot of guys, especially senior citizens, quit if you jumped the annual fee by \$100. I just do."
- "Any increase, in daily fee or annual fee, has to be reasonable and with a goal. I don't know why everyone who plays any amount of golf doesn't have a membership. That's not the point here though, is it? We need to allow the golf company to manage this golf course and we need to help them before we pull the pin. I think this is just a desperate move and I feel like there's a hidden agenda."

That's all the questions I have for you tonight. You've been extremely helpful in assisting our research efforts. As I mentioned, no one from the City will see this videotape, so I really appreciate your candor and honesty. We'll be submitting our summary report of this session to the City in a few days, along with the summary of the next session. Before I let you go, are there any questions I can answer before we say goodnight?

The session closed with a brief discussion about the research being conducted on behalf of the City by Zenith Research Group, including some of the early findings from previous research and the difference between the quantitative and qualitative segments.

The session ended at 7:00pm.

FOCUS GROUPS

Session Two

November 7, 2018

7:30pm to 9:05pm

Moderator: Patty McNulty, Vice-President, Zenith Research Group

INTRODUCTION

Good evening. Thank you for joining us tonight.

I'm Patty McNulty, Vice President of Zenith Research Group here in Duluth. I'll be moderating tonight.

Before we really get started, I'd like you to take a moment to silence your cell phone so we don't have any interruptions during this session. Our session tonight should last no more than 90 minutes. We don't intend to take any breaks. If you need one, the rest rooms are just down the hall on your left. If you'd like to have more snacks or a sandwich, please feel free to help yourself.

At the end of this meeting you'll each be paid \$50 in cash. I can't pay you if you leave early, but you are free to leave at any time. I also need to tell you that you are not employees, but are here as participants so you won't be getting any W-2 or tax form from us for being here tonight.

We are recording tonight's session, but this is only for the purpose of getting an accurate account of what is said tonight. Only members of our research team will see this video. Your name will never appear publicly as a result of you being here tonight.

Each of you indicated your willingness to participate in this research. You were selected at random from among people who completed one of our screening surveys. You were selected because you told us you were residents of Duluth and were non-golfers. Earlier tonight we held a session for people who said they were golfers.

I'll be asking you a series of questions tonight and I hope you'll be as candid in your responses as you can be. What you say tonight will be part of our report to the City of Duluth as the administration and elected officials debate the future of public golf in our community.

Please understand that I'm not able to answer many questions you might have – in fact, I suggest you wait until the end of this session to ask any. I'll do my best to answer, but you need to know I'm not able to share much information about any decision-making process on the part of the City. Our role at Zenith Research is to gather as much public comment as we can through a series of call center and online surveys – this session is the final phase of our research effort.

So, with all of this in mind, I'd like to begin by going around the room so you can introduce yourself, and let everyone know just how long you've been a resident of Duluth.

Thank you.

((Participant Introductions))

FOCUS GROUPS

Now, I'd like to learn a little more about what you like about living in Duluth and maybe things you'd like to see changed about Duluth. Let's start with the things you like – what makes Duluth the place you choose to live?

The panelists were quick to point out the natural scenic beauty of Duluth, highlighting what one participant labeled as “Kodak moments.” There were also several references to the city’s “family-friendly lifestyle” and its dedication to arts and culture. It should be noted that transportation options were mentioned again in this group just as they were in the first session; panel members were especially complementary of the DTA in each of the two groups. Among the participant listings:

- Proximity to hunting and fishing
- Lake Superior
- Life options – and the natural beauty
- Family-friendly – cultural opportunities
- Kodak moments – such great potential
- Magical, unique world
- Minnesota Nice
- Big small town
- Opportunity – no real shortcomings
- Transportation options – the DTA
- Greenspace
- “I’d been to Duluth once to help some college buddies move here. I had a great job with the State of Indiana and one day I was having a bad day. I told my boss, ‘Your choice. Do I come tomorrow? Give you a 30-day notice? What’s it gonna be?’ I just moved to Duluth. This city has such great potential.”
- “I came to Duluth to teach at UMD, figuring I’d stay 2 to 3 years. That was 30 years ago. I fell in love with that lake.”
- “Everything is here. Everything you need to have a full life is right here.”
- “I think our town has a lot of opportunity whether it be educational or financial, whether you want to be in a white collar role or blue collar, we have so many industries that encapsulate the town. We’ve got huge local musical talent, and a thriving arts and cultural scene. There are really no shortcomings in our town.”

I don’t know for sure, but maybe you do see some things you’d like to see a bit different in Duluth. Things that would make it a better community. Everybody talks about the weather, but there’s nothing we can do about it. So, other than change the weather what else would you like to see that would make Duluth an even better home?

Housing was a primary discussion point among the panel members, both in terms of cost and availability. Among the topics listed for change:

- Infrastructure – roads and bridges
- Housing costs and housing options
- Low wages – poverty level incomes
- Gentrification – neighborhood struggles – “ghettoizing”
- Senior housing options – young family options
- “Duluth has some of the highest, if not the highest, housing costs in the state. When compared with the income levels. We just don’t have the options available to us at a price many of us can afford.”
- “I think our housing problems are a direct result of our low wage structure in the community. Low wages result in poverty.”

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- “I think the City directly and indirectly fights against gentrification of the downtown and central hillside area in every possible way. It’s as if they only want to see it done in only one neighborhood and they fight against everything we want to do. We’re “ghettoizing” this beautiful city, preventing gentrification by guaranteeing that we’ll only put in resources in certain neighborhoods.”
- “We need options for senior citizens to move from their homes into other livable spaces to open up their homes to young families just starting out.”
- “You just don’t see people without means moving east of 21st. There’s no real option for economic diversity there. Of course, part of the rental issue is because so many properties are owned by out-of-city, out-of-state individuals or corporations. That’s a model in a lot of college towns.”

Some of you mentioned government in your comments. Let’s spend a few moments talking about the role of city government. We’ve heard some of your opinions, but what else can you share? What do you think? What’s the role of city government in Duluth?

Although many within the group looked beyond basic city services, others were more likely to focus on issues more closely associated with city government. Included in the discussion topics:

- Infrastructure
- Business growth – job creation
- Manage Positive spending
- Zoning – control issues
- Public safety
- Access through non-vehicle options
- “The City needs to quit feeling like they have to control every little thing. (“Absolutely” – from another panel member) Zone an area for a certain activity and then let that activity take place. Let go of the control. Zone and forget.”

There was some discussion following this comment about the issue of liquor licensing in Lakeside and whether any obstacles are in place that are preventing new restaurants or bars from opening in the area.

I’d like to stay on this topic for a moment longer. One of the things that city government in Duluth does is fund various facilities and services with money from many sources, but largely taxes. I’d like to go around the room and have you tell me some facilities or services that are supported through city funds. Who’d like to begin?

The group was quick to list a number of services, and offered some that were not named during the first panel earlier in the evening:

- Library
- Parks
- Public transit
- Community centers and golf courses
- Steam plant
- Boat launches
- Zoo
- Aquarium
- Road and utilities
- WLSSD
- Spirit Mountain
- DECC
- The Depot

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Let's just take a look at some of these you mentioned. For instance, who has an idea how much money is allocated each year for parks?

- "I think they have their own tax revenues based on a referendum a few years ago."
- "I would guess zero after the referendum because after that it's very well funded. Basically the people of Minnesota decided that city officials were doing a lousy job so citizens took direct control for funding through a series of referendums. I fully expect that politicians would approve of funding it directly. So I think they use referendum money first."

Even with the discussion, no one on the panel provided an estimate of how much money is either raised or allocated to or spent on parks within the city each year.

Among the items that you mentioned and are on this list, are there any that you think they City should not be funding or financially supporting?

Initially, not a single participant suggested any of the facilities or services should not be supported by City funds, although one participant proposed selling off some properties. Others did propose some changes in how funds are allocated.

- "I think they should be funded by a percentile. If we're going to look at them as non-profits they should be generating income on their own as well."
- "I agree. I'd like to know the income that is generated, for instance, from the Zoo and the Aquarium. As much as I feel they are a great attraction I also think they're tourist traps built into the tourist industry. They're not really bringing in income. That would be my concern. No income = no support."
- "Let's look at Spirit Mountain. You have to look at some of these things as places for the kids to go do stuff. We do need to subsidize them whether they're profitable or not. We need to have these things in our community."
- "I don't think we can lose sight of the fact that these things are not cost effective for the consumer. Take a family to the Aquarium and you're talking upwards of \$100. Same thing with the Zoo. Maybe it's supply and demand. When movies charge \$5 you can't get in. While I understand these places have to generate revenue to stay open, we should be able to find a balance that allows these resources to be utilized by the community while also generating a profit."
- "I just look at the DECC. We're supporting it at the same time it's in direct competition with other businesses across town."
- "I guess I look at this differently, but I don't want to be in a city that only has for-profit opportunities."

Following these initial comments, the group more openly questioned whether City funds should be allocated and under what circumstances.

- "I don't think the City should be subsidizing most of these things that would fall under the general category of hobby, like the Zoo or Aquarium and these sorts of things. I understand if the City wants to support some of them, but what about the ones they don't want to support? They don't get to do their hobby on the cheap. I don't think it's fair. Even with some subsidy, it's still very expensive to do or be at some of the places on that list. What would happen if they weren't subsidizing them? Would it be cheaper?"

This led others within the group to briefly discuss the role of the tourism industry and its benefits to the city and residents through expanded opportunities. However, that position was not something everyone on the panel supported.

- "These people coming from the outside are not paying market rate to do a hobby that I'm directly supporting or subsidizing because I live here. How does that benefit me? This is a beautiful place. If we stop subsidizing the hobby industry people are still going to come."

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- “The tourists that keep coming benefit the businesses and the thousands of workers they employ. As a parent of young children, if we didn’t have those things I would not have moved here. I moved here because there were opportunities for my children to have many of the things on that list. If you don’t attract young families then I’m not certain what will happen to Duluth.”

As much as I’d like this conversation to continue, I do need to refocus your attention. More specifically, I want you to think about parks and recreation. Among the list of facilities or assets that receive City money are the City’s parks, trails and athletic centers under the direction of the Duluth Parks & Recreation Department. Let me just read the department’s mission statement:

The mission is to promote the health and well-being of our community, environment and economy by facilitating recreational opportunities and coordinating the enhancement of our parks, facilities and natural resources now and into the future.

So here’s my question: Keeping that mission statement in mind, what type of activities and sports do you believe the City should be supporting?

Before anybody answered the question, one of the panel members questioned whether the public golf courses were under the jurisdiction of the Parks & Recreation Department. Yet another talked about the Chester Bowl Improvement Fund, suggesting they also operated without City involvement. The participants were reminded that the moderator was not in a position to offer any response. Among the activities and sports that were suggested for City support:

- Golf courses
 - Chester Bowl
 - Outdoor hockey
 - Trails of all kinds
 - Hunting and fishing
 - The entire park system
 - Campgrounds
 - Soccer and baseball fields
- “I think the youth fields are really important. I live by the Lake Park Sports complex and that’s actually 100 percent funded by the participants. That was annexed by Duluth in their own choosing and they don’t fund it at all.”

Thank you.....we invited you tonight to talk about a number of issues, but mostly the future of public golf in Duluth – so I thank you for your opinions about these other topics we’ve discussed. Let me just give you a little bit of background information about public golf in the City of Duluth. I imagine most of you are aware of this, but I want to make certain there’s no misunderstanding. The City of Duluth owns, operates and maintains two public golf courses – Enger Park and Lester Park. Each of the courses has 27 holes. Currently, the courses are managed by Billy Casper Golf, under a management agreement with the City.

Of course, there’s a question here. Can anyone tell me approximately how much money the City spends each year to maintain and operate its golf courses?

Initial guesses ranged from \$200,000 to \$500,000.

- “I would guess (inaudible) percent more than when the City ran it themselves. It was a lot cheaper when they had their own in-house people.”

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- “Part of the problem with our courses is that we’re not teaching the young people to play golf. I don’t think any of the colleges offer golf and I’m not certain about the high schools. Is it just old people that play golf? Another panel member did suggest that most of the high schools within the Twin Ports did offer golf as an activity.
- “I think the real reason kids aren’t playing golf or hunting or even fishing is because they’re all locked up on their mobile devices playing games. It’s all technology with these kids. I see it everywhere. That’s the answer. You’re not going to get them back”

I’d like to see a show of hands on this question: How many of you believe the city golf courses are self-sustaining? In other words, they’re basically paying for themselves.

- “No. They’re not. And won’t be as long as we’ve got contractors running them.”
 - “I think it’s one of those cases where if we provide enough upkeep they can be self-sustaining.”
- When asked for a show of hands, just one person believed the golf courses were self-sustaining.

I can tell you that annual revenue from the golf courses typically falls short of the annual expense to operate them. Currently, and in the recent past, the City has used General Fund revenue to fund the difference between revenue and expense. Does anyone have any idea how much money that is?

As with a previous estimate, the group suggested annual financial support was between \$200,000 and \$250,000, although one panel member put the price at \$500,000 per course.

A recent report on City finances listed an accumulated loss at the golf courses at about \$2.2 million. I’d like to know is what you think is an appropriate amount the City should be spending every year to support the City golf program. What do you think?

There was an immediate sense of confusion among many of the participants who doubted the dollar amount while others questioned why any debt was allowed to accumulate to that extent.

- “I wonder what the real cost is for the golf courses to support themselves.”
- “I’d like to know how that compares with other things we subsidize, like Spirit Mountain.”
- “I think how much they’re used should also have a relationship to how much is spent to operate them.”
- “I don’t know how you can expect them to make money when they sit idle for seven months of the year bringing in no revenue. I don’t know why someone hasn’t come up with a plan to use them the remaining months.”
- “I don’t think we know enough about why they aren’t used more. Why aren’t the clubhouses used for events more often? Even in the off-season.”
- “Let me get this straight. We have an accumulated loss of \$2.2 million. Basically, the City is asking every man, woman and child in Duluth to pony up 30 bucks every year to keep this hobby going for a very small set of the population, and a little bit of tourists that might come along. Why haven’t we taken a look at the total number of people who use the facilities and come up with a rate that we have to charge them so the rest of us wouldn’t have to pony up tax revenue?”
- “No matter what, it depends on the total loss. I believe it’s an issue of accountability. \$2.2 million accumulated loss, regardless of how long it is, is more money than most of us will ever make in a lifetime. Right now that’s money that is just lost going into a program to subsidize something that most of us will never use. If we can’t facilitate the numbers through the market to make this work then Duluth needs to take a serious look at when we bail out. At what point do we sell these properties or give them to a private company? Otherwise we continue to have this accumulated loss and that harms everyone in this community.”
- “I’d rather see it sit bare as greenspace then see it developed. Let it go back to nature. At least it will remain a city asset. I understand selling would create tax revenue, but at what cost?”

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The conversation continued for several more minutes as the participants debated the use of funds directed at local residents rather than tourists; several discussed venues such as the Aquarium or other attractions that are more directly supported by visitors to Duluth.

There were some within the group who were adamant in their support for continued subsidies to provide golf as a recreational activity for local residents, while others saw the potential for new development.

- “As a community, everyone pays something to support things they don’t use. I maybe ride the bus twice a year when the weather is bad and I don’t want to drive. But, I want my taxes to support the bus because it’s a worthwhile service for this community to have. My kids play hockey but we don’t ski. But, I want to support Chester Bowl. I may never golf, but that doesn’t mean I don’t believe my tax dollars going to support that is a worthwhile thing. It is.”
- “It’s like education. You may not have kids, but you want to support public schools.”
- “We can’t continue with the status quo. There are things that can be done to address other needs within the community. Do we need 27 holes at both courses? I think we absolutely have to explore other options whether it’s some re-use for the existing properties or scaling back. Eliminating 9 holes at each course is a 33 percent reduction in maintenance at each facility. Leave the excess as greenspace or develop it. We need to stop applying Band-Aids to a sinking ship.”

Before the discussion continued, one the participants said the City of Proctor was able to develop condominiums along their 9-hole golf course and wondered why Duluth hadn’t embarked on a similar effort.

- “Golf course living is popular everywhere and yet with the exceptions we don’t offer people that opportunity. I wonder what we’re missing out on. I think seniors would grab them up as fast as we could build them. How can Proctor be doing this while we do nothing? I think if we want to talk about quality of life we should be considering these additional housing options, especially when we have locations that can offer some fantastic views in such a beautiful area.”

As much as I appreciate this discussion, we are running short of time and I have a few more questions. I imagine some of you might have seen some news reports about the possible closing of some golf course properties. If you haven’t, the closing of a portion of or possibly all of one course is something that’s been discussed. This research is part of the overall discovery process.

The City has received a request from a developer who wants to further investigate development at Lester Park. City officials and a citizen’s advisory group have encouraged the developer to explore opportunities. Is this something you support? And, if you do, what do you believe is the best use for the property?

- “Well. Right off hand I’d rather they close Enger than Lester.”
- “I think they should consider 18 holes at both properties. You start saving money immediately.”

There was a continuation of earlier conversation about the focus on tourism revenue rather than opportunities for local residents. Returning to the topic of development, 8 of the panel members were very supportive of exploring options for other uses for portions of the golf course property.

- “Without a doubt, housing.”

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Even though the conversation about closure was directed to Lester Park and the suggestion of housing was widely supported, there was some continued conversation about the importance of Enger Park to the community.

- “I am opposed to closing any part of Enger. When we think about east-west equity in Duluth and amenities in West Duluth and keeping it an attractive place to live while we explore ideas to reinvest in that part of town, I don’t think closing a public resource like that would be helpful. I think closing a portion of each would make more sense as we try to find ways to make them more multi-use for activities year-round.”
- “I really don’t want to see them turned into a housing development because of the greenspace. I’d rather they let it become a natural forest or some other lower cost recreational area that becomes more useful.”

We are almost out of time and I want to give you an opportunity to share any other thoughts you have, something you’d like officials with the City to consider as they debate the future of the public golf options.

On several occasions throughout both sessions, there were participants who doubted the financial figures mentioned in some of the moderator remarks. As the discussion began to wrap up, the validity of accumulated debt and operational costs was questioned once again.

- “It occurs to me that there’s a good chance that these numbers are full of lies in the same way the numbers were full of lies about the Library, for example. We had an administration who wanted it to appear the Library was horribly expensive to run and decided to create these bogus bills for millions of dollars to say it costs too much for water (heat/cooling) to make the Library operate. The numbers were full of lies. It dawns on me that they might be using the same argument on the golf courses concerning their water use. Are they making their budget full of lies again? Before this community makes any decision, I want to make sure we’re dealing with facts and not another pack of lies.”
- “I want to go on the record saying closing a portion of each golf course would make me more comfortable. I’d like to see them at least break even and stop the losses. I think there’s a balance between conserving greenspace and using the space for housing, whatever model that is. If it’s condominiums, these are not people who are going to be year-round residents. If they can afford to live on a golf course they’re not going to be full time residents. You and I aren’t going to living in any golf course housing anytime soon.”
- “I think we can see what the City is capable of when we look at what they did along the lake and Lakewalk. They took land that was donated as park space and let it fall into private hands. What we got was a housing and commercial development that was allowed to fill in the lake and abuse city rules against some type of developments.”
- “I think we need to be open to different perspectives. I’m sure any developer is going to propose multiple types with multiple options and focus.”
- “I think we need to encourage this discussion. It’s not a binding thing. I just think it could be extremely positive for us to explore the options.”
- “I would hope the City hasn’t already made its decision and is just going to push this through like they did on 21st where they ignored so many things. My experience has been that they make a proposal that says one thing but then they change their plans and it becomes this big monster.”
- “We have to remember this is public land and a community asset. What happens to it has to be driven by the people who live here not by an outside developer who will likely bring in high-cost housing and other amenities that will benefit a small portion of our community. I would hope that we’d open up the process to other potential developers to see what options they might propose.”

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That's all the questions I have for you tonight. I want to thank you again. I really appreciate your honesty in answering some of our questions tonight. We'll be submitting our final report to the City in a few days. So, unless there's anything else you'd like us to report, I'll close the meeting. Thank you.

The session ended at 9:05pm.

RESEARCH PARTNER

We certify the contents of this document to be a factual representation of the data collected during the interview process.



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As such, please contact us directly for any additional data analysis or summary of key findings.

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