

Memorandum



CITY OF DALLAS

DATE January 24, 2025

TO Honorable Chair and Members of the Parks, Trails, and Environment Committee

SUBJECT **Stevens Park Golf Course Revenue Bond Action Plan**

The City of Dallas owns and maintains six golf courses and the associated five pro shops. Operations are managed through a public/private partnership with a golf professional operating the pro shop and cart barn for the individual golf courses, while the city maintains the courses and the necessary infrastructure(s). Our six courses average 268,000 rounds, operate on a general fund budget of \$5.01M and generate an average of approximately \$6M in annual revenues.

Golf course infrastructure, not limited to, but including the greens, tees, and fairways, cart path maintenance, requires continued improvements to keep up with the latest in course design while also ensuring buildings, irrigation systems and pump stations are up-to-date and functional. Since 2002, the department has completed both planned, and unplanned improvements on our courses totaling approximately \$33 million. Funding for these improvements has been provided through a variety of sources to include Golf Improvement Multiyear Fund (MYF), Bond Funds, and loans from Dallas Water Utilities. The Department anticipates the retirement of existing debt service on its DWU loans to be in 2034 and forecasts an annual contribution of \$3.1M, or 55% of revenues, into the Multiyear Fund.

During the 2024 Bond Program, there was \$1M allocated for capital improvements and this was directed to Cedar Crest Golf Course. This has left the department seeking alternative funding sources for the necessary improvements needed. At the time of the Bond Program, the following projects were being considered for completion within the period covered by the 2024 Bond and are necessary to keep the city courses updated and competitive in the golf market:

- Stevens Park Golf Course Pro Shop Expansion Estimated Cost: \$4 to 7.5 million

 - Expansion of the existing pro shop to address restroom facilities, kitchen and dining room space, tournament hosting space and retail space

- Tenison Glen Golf Course Renovation Estimated Cost: \$6 million

 - Conversion of the course from an 18-hole to a 9-hole course
 - Improvements to the irrigation system and associated pump station

- Keeton Park Golf Course Renovation Estimated Cost: \$9 million

 - Renovation of the golf course, irrigation system, and pump station
 - Improvements to the levee system
 - Maintenance barn renovation

- Luna Vista Golf Course Estimated Cost: \$3.5 million

 - Renovation of the golf course irrigation system and pump station
 - Improvements to the levee system and the drainage system for the course)


The department has been working with the Office of Budget Development on the possibility of utilizing Revenue Bonds as an alternative source for course funding. As of this date, the City’s bond consultant reviewed our plan and has advised there is no market for bonds associated with golf course work. Based on this opinion and the outcome of the 2024 Bond, we need to consider the possibility for the only funds to be available would be through our Multi-year Fund (MYF) and available Samuell Trust Fund, and the possibility that many projects will have to be scaled back until such time as the next City Bond Program. The current MYF balance is approximately \$5.3 million and annually, approximately \$3.1 million is contributed to the fund. Annually, \$2 million is needed from the fund to meet our current small projects, equipment, and debt service on our outstanding DWU loan for past renovation projects. With around \$5 million currently available for capital projects and our estimated annual revenues contributed to the fund, below is a rough, and aggressive, schedule on how to address our needs and still meet our MYF obligations:

<u>Project Year</u>	<u>Project</u>	<u>Estimate</u>	<u>Fund Source</u>
2025/2026	Tenison Driving Range	\$2.1M	Samuell Trust/MYF
2026/2027	Stevens Park Pro Shop – Phase I	\$3M	MYF
2027/2028	Keeton Irrigation Replacement	\$3M	MYF
2028 - 2034	Tenison Glen Renovation	\$4M	Bond
	Luna Vista Irrigation Replacement	\$3.3M	MYF
	Keeton Park Maintenance Barn	\$2.5M	Bond
	Tenison Highlands Renovation	\$8.5M	Bond/MYF

Stevens Park Pro Shop renovation would need to be a phased project with Phase I only addressing the restroom and kitchen expansion. If a larger scaled project is considered, e.g., expansion of the pro shop and café area, in addition to the restroom and kitchen, then this project would need to be placed on hold until the next bond program and/or until golf course bonds become more favorable and there is sufficient capacity in the City’s bond program to address this, and other golf course needs.

Park and Recreation Department staff will continue to evaluate our capital project needs, available funding sources and developing renovation plans for the above projects based on the timeline provided. We will also be working on seeking Park Board project and funding (e.g., Samuell Trust) approval for these upcoming p

If there are any questions, please feel free to contact me or John Lawrence, Assistant Director, at 241-670-4073.



John D. Jenkins, Director
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- Melissa De La Cruz, Superintendent