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FFM Scorecard Shows City-Owned Golf Courses Tee Off on Taxpayers

Muni-golf a handicap to city residents, who subsidize tens of thousands of rounds and carts annually

Minneapolis, MN -- A Freedom Foundation of Minnesota analysis of city-owned golf courses throughout the state concludes that municipal golf courses lost approximately \$2 million in 2007, the most recent year with comprehensive available data of municipal golf enterprise funds. At \$50 per round, that's the equivalent of about 40,000 rounds of taxpayer-subsidized golf a year. [Click here to view the full report.](#)

"Our scorecard shows that many muni-golf courses are teeing off on the taxpayers," said Tom Steward, FFM investigative director. **"City-owned golf courses are placing an ever-increasing financial handicap on many residents, who are subsidizing green fees and cart rides, whether they play golf or not."**

Of the more than 500 Minnesota golf courses, just over 100 municipal courses are owned by approximately 70 cities across the state and the vast majority of city courses lose money. While many city courses were built during a golfing boom in the 1980s and 1990s, the popularity of the game has declined steadily in the last decade, leading to fewer rounds, fewer green fees, and subpar financial results at many city-run links. The problems of struggling municipal courses are compounded by declining revenues at all levels of government and reductions in Local Government Aid (LGA).

The City of Moorhead, which lost \$1,488,226 on its golf courses between 2003-2007, tops the FFM scorecard of top 10 municipal golf money holes in Minnesota. The city has not turned an operational profit in more than five years, and its taxpayers will be paying off golf course bonds until the year 2021. Golf spending accounts for 2.8 per cent of Moorhead's 2009 budget, more than the information technology and library budgets combined.

"By competing with private enterprise, city governments also undercut small business," Steward said. **"Since government need not turn a profit, it can set artificially low prices, forcing taxpayers to cover the losses. Too often, it's a case of lose-lose for taxpayers and small businesses."**

The negative trend recently led the city of Renville to get out of the golf game by selling Stoney Creek Golf Course to a local business. Between 2003-2007, the city's operating losses approached \$600,000 in a community of 1,200. Now taxpayers are off the hook, while the new owner expands operations. "There are definitely some benefits to the private sector," said Paul McLaughlin, Renville city administrator.

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The Freedom Foundation of Minnesota is an independent, non-profit 501(c)3 educational and research organization that advocates the principles of individual freedom, personal responsibility, economic freedom, and limited government. Founded in 2006, we hope to create a better and more vibrant future for every Minnesotan by helping shape sound public policy. We tackle issues important to every Minnesotan and provide real-time, proven research and policy alternatives to help further the debate among leaders in government, the media, and the citizenry.

Top 10 Municipal Golf Money Holes in Minnesota		
City	Operating Loss (2003-2007)	Golf Course(s)
Moorhead	\$1,488,226	The Meadows and Village Green
Buffalo	\$1,428,458	Wild Marsh Golf Course
Chaska	\$1,180,793	Chaska Par 30 and Chaska Town Course
Anoka	\$739,347	Greenhaven Golf Course
Becker	\$623,130	Pebble Creek Golf Club
Virginia	\$588,563	Virginia Golf Course
Little Falls	\$439,500	Little Falls Country Club
New Prague	\$386,171	New Prague Golf Club
La Crescent	\$323,549	Pine Tree Golf Course
Janesville	\$304,856	Prairie Ridge Golf Course

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