

spotlight

No. 318 – April 24, 2007

WILSON LOSES ON LINKS

The city government has no business being in the golf business

- KEY FACTS:**
- Over the past five years, Wilson's city owned and operated golf course experienced operational losses of over \$1 million.
 - The city unfairly competes with eight private courses in the area.
 - Private golf courses pay taxes that support government services; the city golf course does not.
 - Unlike police and fire protection, golf is not an essential city service.
 - If the course were sold, city taxpayers would gain the amount of the sale and avoid paying its average annual losses of over \$210,000 per year.
 - Also, a privately owned golf course would contribute to the tax base of the city and county.

.....

Wilson boasts that it is the home of "the East Coast's largest antique market." But given the city's spending habits, Wilson should also be known as the home of taxpayer subsidized golf. The city owned and operated Wedgewood Golf Course lost more than \$1 million over the last five years.

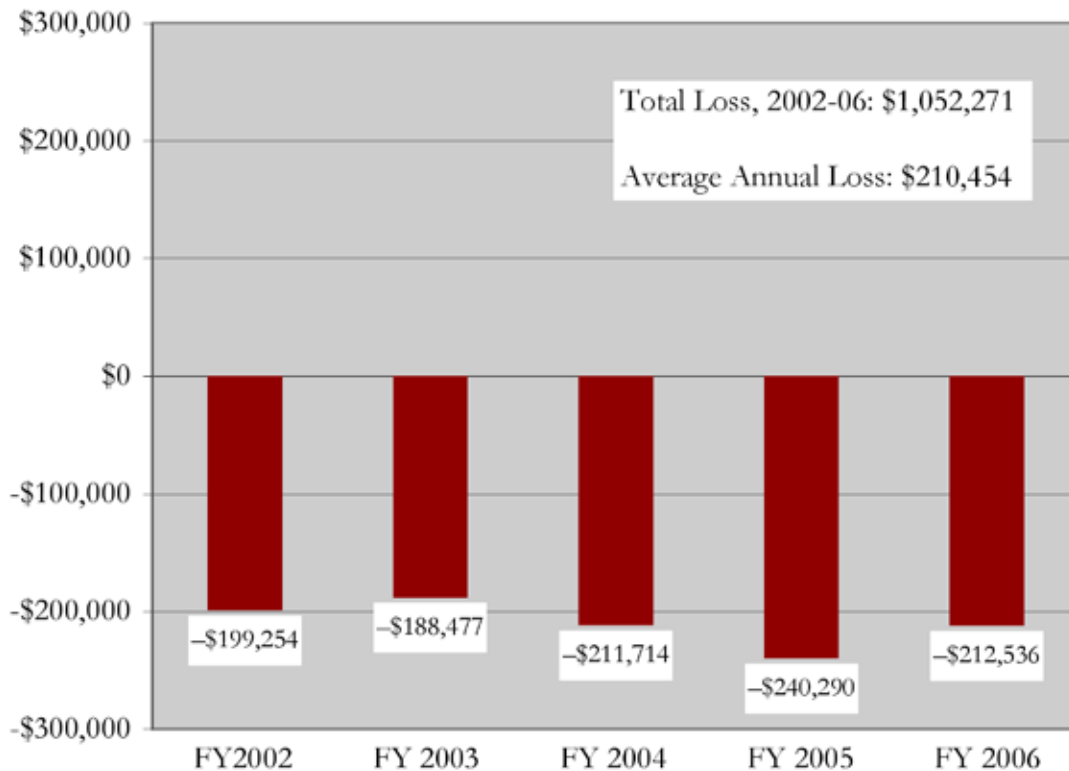
Nothing against golf, but many cities consider it more important to spend scarce tax money on the police and fire departments and improving the streets than paying for the recreation of a small minority of golfers. Think of it this way. What would happen if the mayor suggested that the city devote about 125 acres of city land and spend more than \$200,000 per year for a polo field that benefits a very small number of Wilson polo players? I don't think he would be reelected. But the mayor and city council are doing just that for Wilson golfers.

In addition, the taxpayer-subsidized golf course competes with eight private golf courses in the area. Several of these courses offer green fees that are competitive with the city golf course's even without the taxpayer subsidy. In fact, when the taxpayer subsidy is added to the green fee at Wedgewood, the true cost of a round of golf there is about \$30 for 18 holes. This higher fee is comparable with some of the more exclusive courses in the area.

200 W. Morgan, #200
Raleigh, NC 27601
phone: 919-828-3876
fax: 919-821-5117
www.johnlocke.org

The John Locke Foundation is a 501(c)(3) nonprofit, nonpartisan research institute dedicated to improving public policy debate in North Carolina. Viewpoints expressed by authors do not necessarily reflect those of the staff or board of the Locke Foundation.

Annual Operating Income, Wilson, N.C.



Source: City of Wilson Comprehensive Annual Financial Reports, various years.

Private golf courses pay taxes that support essential governmental services. The 125-acre city golf course is not on the tax rolls, unlike the three private golf courses in Wilson. Imagine how would you feel if you owned a sporting goods store and you were forced to support a city-owned competitor that offered sporting goods at lower prices because it receives more than \$200,000 per year in tax subsidies. The city golf course is unfairly competing with private courses in the area.

Will Rogers, the great Oklahoma humorist, said: “When you find yourself in a hole, first stop digging.” The city council should follow his advice and cut its losses. The golf course should be sold to a private golf company.

Recommendations

Selling the golf course would benefit Wilson’s taxpayers in three ways. First, the city would gain funds from the sale that could be used for essential city services such as hiring more police officers and filling potholes. Next, the city budget would be increased by more than \$200,000 per year because the city would no longer have to cover the golf course’s operating deficit. Finally, by transferring the land to the private sector, the land would be returned to the tax rolls and the new owners would pay taxes, boosting the city budget and perhaps preventing a future tax increase.

Dr. Michael Sanera is Research Director and Local Government Analyst for the John Locke Foundation.

Michael Moore is a research intern for the John Locke Foundation.