

# spotlight

No. 334 – September 20, 2007

## GOLDSBORO IN THE ROUGH

The city government has no business being in the golf business

**KEY FACTS:** • Over the past six years, Goldsboro's city owned and operated golf course experienced operational losses of over \$2.5 million.

- The city unfairly competes with seven 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 nearly \$450,000 per year.
- Also, a privately owned golf course would contribute to the tax base of the city and county.

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**g**oldsboro is proud of its history as a railroad junction town, named after Major Matthew T. Goldsborough, an assistant chief engineer on the railroad line. Given the city's spending habits, however, it could be renamed "Golfsboro." The city owns and operates the Goldsboro Municipal Golf Course, which is a losing investment for the city and for taxpayers. Over the last six years the Goldsboro Municipal Golf Course has lost over \$2.5 million. In other words, city taxpayers paid over \$2.5 million to subsidize the recreation of a small minority of golfers.

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. If the mayor urged the city council to devote 97 acres of city land and spend nearly \$450,000 per year for a polo field that would benefit only the small number of local polo players, it's highly doubtful that city voters would re-elect them. But the mayor and city council are doing that very thing for Goldsboro golfers.

To make matters worse, the taxpayer-subsidized golf course unfairly competes with seven private golf courses in the surrounding area. Several of these courses offer green fees that are competitive with the city's green fee. In fact,

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when the taxpayer subsidy is added to the green fee at the Goldsboro Municipal golf course, the true cost of a round of golf is \$39 for 18 holes. The higher fee is comparable with some of the more exclusive private courses in the area that are open to the public.

Private golf courses must pay property taxes to support essential governmental services. The 97-acre city golf course is not on the tax rolls, unlike the 4 other, private golf courses in Wayne County. Imagine if you were in the sporting goods business and you had to pay taxes to support a government-owned

competitor that offered sporting goods at lower prices because it received nearly \$450,000 per year in tax subsidies. The city golf course is unfairly competing with private courses in the area.

**Recommendations**

The city council should follow the advice of the great Oklahoma humorist Will Rogers, “When you find yourself in a hole, first stop digging.” The golf course could be sold to a private golf company or it could be converted to another public use, such as a multi-purpose park. According to the Wayne County tax assessment, the municipal golf course is worth \$1.2 million dollars. If the course were sold at the assessed market value the city would gain \$1.2 million that could be used for other projects.

Selling the golf course would benefit Goldsboro 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 nearly \$450,000 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 with the current tax rates of Goldsboro and Wayne County, the course would be paying about \$16,900 per year in property taxes. The new owners would pay taxes, boosting the city budget and perhaps preventing a future tax increase.

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