Prognosticating construction budgets

By Peter Elzi & Andrew Bush

It has been our experience that golf course construction costs are dependent upon two primary factors: the market and the site. Site-related factors include vegetation cover, topography, hydrology and geologic issues.

Determining course quality in relation to the market factors is a more dynamic process that includes a variety of assumptions and decisions that relate directly to the feasibility analysis discussion covered in Part I of this series [GCN April '97]. The following discussion presents an outline of the approach we utilize to analyze these variables and prepare detailed budget estimates prior to golf course design.

Market Positioning Variables

Alternatively, the anticipated market niche for a golf course influences the cost of construction in a variety of ways. For example, a resort course competing in the Scottsdale market may average 6,800 square feet per green and 8,500-square-feet of teeing surface per hole. A daily-fee facility in the Midwest, competing primarily with municipal courses, may average 5,500 square foot greens and only 5,500 square feet of teeing surface per hole. This alone can easily result in a $250,000 cost difference between projects.

Irrigation systems are also based on geographic area and market niche. While some of these variations are often attributable to site features, the majority relate to coverage and the range of control for a given system. The result is that while a $700,000, double-row irrigation system may be completely adequate for a mid-price daily fee project in the Midwest, it is not uncommon to spend $1,300,000 to gain the coverage and control needed to compete in an arid resort market.

Bunkering and shaping, and width and length of cart paths are all additional variables that relate primarily to market positioning.

Site-Related Costs and Constants

Historically, the most significant site-related variable in course construction has been mass earthwork. While the recent move toward “mini-golf” has somewhat curbed the excesses of site manipulation and mass grading seen in the 1980s, earthwork costs on a course can still vary from $100,000 to $1,000,000 or more.

By Peter Elzi & Andrew Bush

SECOND OF TWO PARTS

Development Letter subscribers:
They have seen it all before...

By Peter Blais

The latest National Golf Foundation Golf Facilities in the United States report [see story on page 5] and the reaction of those in the red-hot East North Central (Michigan, Wisconsin, Illinois, Indiana, Ohio) development market highlight the need to be fully armed with up-to-date information when it comes to the new course business.

For example, for the fourth straight year, Michigan led the nation in new course openings. In fact, Upper Midwest brethren Ohio, Indiana, Illinois and Wisconsin were all in the Top 10 when it came to new course openings in 1996. Those numbers may surprise casual observers, who likely believe the development heat bathes the Sunbelt rather than the Snowbelt. But savvy golf industry veterans, like those who read the Golf Course News Development Letter, know better.

The GCN Development Letter reported on 14 approved and under-construction courses in Michigan during 1996 (this is not a listing of the total number of courses under construction), more than any other state and an early indication of the amount of openings set to take place in that golf-crazed state.

But the idea in business, and golf is no exception, is to stay ahead of the game. And this is where the GCN Development Letter can really help.

A look at the number of courses in the planning stages reported in the GCN Development Letter for the 14 months from January 1996 through February 1997 indicates the Upper Midwest is still hot, but that Illinois may be ready to displace Michigan as the region's development darling.

We reported on 30 Illinois projects in the planning stages —

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Blais comment

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where many architectural, building, manage-
ment and supplier contracts had yet to be signed —
during the 14-month period. Michigan was second
in the five-state region with 19 followed by Indiana,
14, Ohio, 11, and Wisconsin, 10. An indication
of things to come? We think so.

Other states that are among the leaders in
new course openings over the next few years —
based on the number of planned projects reported
in the GCN Development Letter during the 14-month
span — include California (45), Massachusetts (19),
New York (18), Florida (18) Texas (14), New Jersey
(12) and Arizona (11).

If knowing about new course development
and yet-to-be-signed contracts is important to your business, then take a
good look at the GCN Development Letter subscription offer many of you will re-
ceive in May. If the offer doesn't show up in
your mailbox, then call us at 207-846-
0600 and we'll gladly mail or fax along a
copy for you to review.

Listen, I'm not really trying to rain on
this Tiger Woods' parade. But, it's been
four days now since Tiger's march
through Augusta. I've hung around a lot
of youth hockey players and Little Leagu-
ers since then. And I can honestly say I
haven't heard a single one of them men-
tion Tiger's name.

The only time I've heard this year's
Masters champ discussed by anyone born
after 1979 has been on television, when a
microphone has been placed before the
youth and a reporter asked, "So what do you
think of Tiger?"

Now granted, I live in Maine where golf
isn't exactly a statewide passion. The mud
is flowing and golf is still just a gleam in
most Mainers' eyes this drizzly April 17
morning. Our family doesn't belong to a
golf club, so we're not spending a lot of
time around the clubhouse waiting for
people to come in. Our family doesn't belong to a
golf club, so we're not spending a lot of
time around the clubhouse waiting for
time to pass.

Golfers are required by law
to undergo training, certifi-
cation and licensing, as well as
to keep records of each job
performed.

But I wonder: Is Tiger Mania a golf industry/
media creation, or is it really the start of a junior golf
boom? Time will tell.

Leslie comment

Continued from previous page

headlines were 2 inches tall in the papers.
The publicity was really something, and
that's how we got our name in golf. Then, of
course, I was named to the women's
executive committee and played in the na-
tional tournaments, on the Curtis Cup team
and was captain of the World Cup team.

"It's been a wonderful trip," she added.
"And we've shaved so much. Pete does
maybe 75 or 80 percent of the architec-
ture. Pete's an artist. He's very, very cre-
vative and has wonderful ideas. They
change and evolve, as we all do and as we
see the type of people playing golf being
different today than when we started.

"I'm the other side. I'm the side that
comes up to him and says, 'Pete, you can't
do that. That bunker wall is too steep.
Somebody's going to get hurt.' Or, 'You've
got to put rock around the edge of this
green so when they back up to line up a
putt they feel they are on sort of a warning
track.'

"When the original green at Sawgrass
sloped toward the water, I said, 'You can't
do that. If there is a wind behind them,
they'll never finish the tournament.'"