MUNICIPAL COURSES:
Golf for the Masses

by David J. Slaybaugh, editor

Without a doubt, the most outdated cliche in the world of golf is that of it being a "rich man's game." Today golf truly is a game of the people, and nowhere is that more evident than on the municipal courses of the nation.

Recent reports in GOLF BUSINESS, based on National Golf Foundation statistics, have shown that although private clubs account for 42 percent of the golf courses in the United States, their members make up only 16 percent of the country's golfers. Daily fee operations, our June article ("Public Course Report, Part 1") pointed out, provide 44 percent of the golf courses and are patronized by 45 percent of the golfers — making them the heart of the industry.

Which leaves municipal courses. They are comparatively few in number — only 1,650, or 14 percent, of the nation's 11,560 facilities — but 39 percent of the golfers play on them.

Obviously, as NGF Mid-Central Regional Director Fred Stewart has pointed out, municipal courses "play a much greater role in the golf market than their number suggests." In addition to the 39 percent of the golfers men-

tioned above, Stewart said, "many of the 4 million casual golfers (those playing less than 15 rounds annually) play at municipal courses."

A history of growth

Appropriately, the nation's greatest metropolis, New York City, opened the first municipal golf course, at Van Courtland Park in 1895. According to Stewart, "Within 20 years municipal golf courses had been built in the south, the midwest, and as far west as California."

By 1931 (the earliest year for which golf facility statistics are available) 543, or 10 percent, of the country's golf courses were municipal facilities. By 1970, the number had more than doubled — growing to 1,321, or 13 percent of the total courses. In the past 6 years, the growth rate of municipal courses has been greater than that of private or daily fee facilities, as shown in the chart below. New municipal courses have been fewer in number than others, but represent a growth rate of 25 percent.

That growth trend is likely to continue throughout the 1970's. As Stewart said in his presentation at last year's NGF midyear meeting, "The outlook for the future of municipal golf is bright. The energy crisis, high gasoline costs, shorter work week, and increasing participation in leisure activities will all add to the demand for access to public golf facilities located in or near the population centers."

Indeed, the NGF is even now working on a player development plan based on the results of a study of golf course locations and population characteristics of the 259 standard metropolitan statistical areas in the United States (see pages 26-28 of this issue). Ed Wells, director of research and statistics for the NGF, told GOLF BUSINESS the study will show which areas need more courses and which need further player development programs.

Although construction of new municipal golf facilities will probably continue unabated for some time, that is not the only way the number of municipal courses will grow. "Municipalities will," Stewart said, "purchase more existing courses owned by daily fee operators, real estate developers, and private clubs rather than lose them to urban expansion. Such acquisitions enable them to get into the golf business immediately, and it is generally easier to marshal support for the purchase of an existing course, especially when the alternative is loss of the facility and its open space, than it is to acquire propertty and develop a new facility — a process which may take years."

Another way the number of municipal golf facilities is likely to continue to grow is through leasehold agreements. According to William W. Amick, president of the American Society of Golf Course Architects, "Many municipalities have the open space which is needed for developing golf courses. However, some governmental units do not have the development funds or managerial experience to build and operate a public golf course profitably. Also, some municipal governments are reluctant to propose any such projects that would add to the burden of the taxpayers."

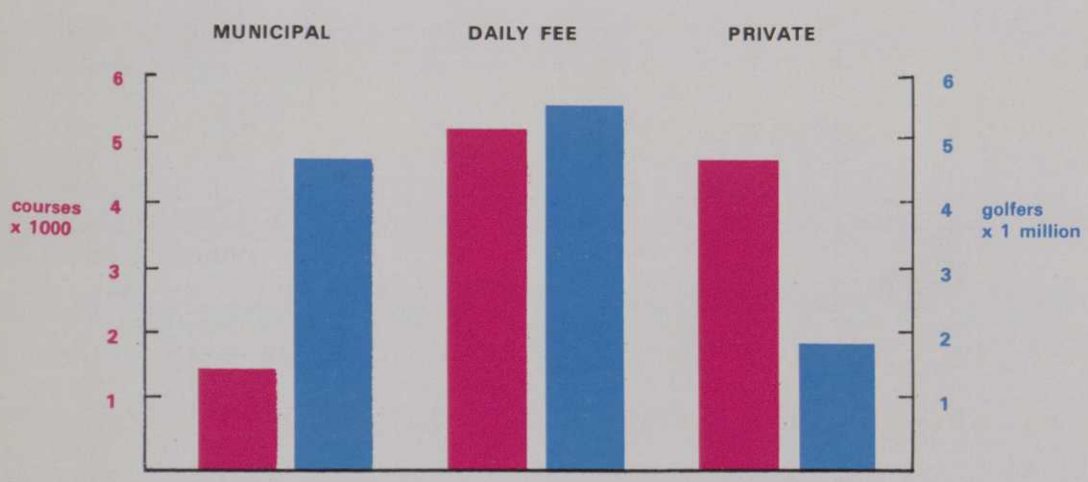
Leasehold agreements, Amick said, "bring municipal government and private enterprise together in a mutually beneficial relationship." Government-owned land is made available to a promoter on a long-term lease, for up to 50 years. The promoter and his investors, generally including persons experienced in golf course development, provide the necessary construction funds and assume the major share of the risk.

In return for use of the property, the investors pay the municipal landlord a percentage of the course revenues, a fixed fee, or a combination of both. At the end of the lease term, the property and improvements revert to the municipality.

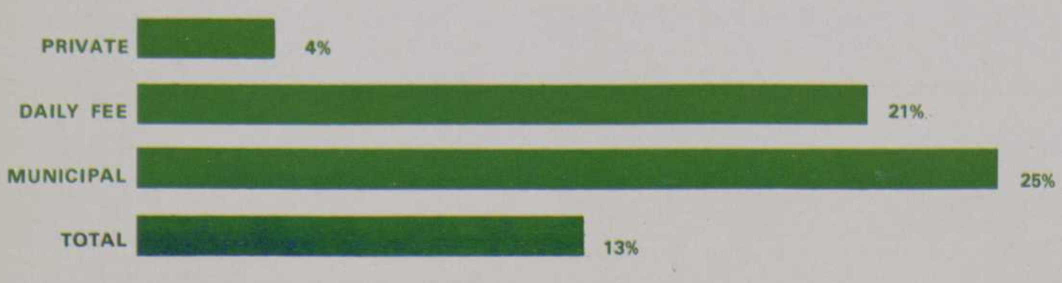
Golf courses are already being built under leasehold agreements all over the country. The Huron-Clinton Metropolitan Authority is building two municipal golf courses in the

Number of courses vs. number of golfers (1976)

based on National Golf Foundation reports



Growth in number of courses since 1970



Detroit area, using leasehold agreements with private developers in Ann Arbor and Fort Wayne. The developers will operate the course under graduated rent schedules, based on a percentage of the gross income, including green fees, cart rentals, and restaurant revenues. About 45,000 rounds of golf are played on Detroit municipal courses annually (just about the national average for municipal facilities). Green fees for 18 holes are $5 on weekdays and $6 on weekends.

"With that kind of play," Amick noted, "It certainly appears that the developers and municipalities will benefit from construction of the new courses."

Other leasehold projects are under construction or on the drawing boards in Burlingame and Melpistas, Calif., and explorratory discussions are in progress in several other California communities.

Southern California's San Bernardino County hosts the 36-hole El Prado golf facility, developed under leasehold agreement by a limited partnership headed by a retired dentist. Stock was sold in $2,500 units, and the courses then built at a cost of $3 million. It has been calculated that the developers will enjoy a return of 13.1 percent by year 10 of the 50-year lease.

Clearwater Golf Park in Florida has operated under a lease from the city since 1971; its 18-hole executive course attraacts an average of 90,000 rounds annually.

"Well-planned golf courses can serve as the cornerstone of successful park operations," Amick said, "generating revenues to support themselves, as well as other park facilities. Ample playing facilities will also propagate the game's popularity for years to come."

A story in numbers

Further proof of the size of the municipal market in the golf business lies in the statistical results of the Profile of the Industry survey done by GOLF BUSINESS earlier this year.

Our results showed that despite the comparatively small number of municipal courses, they represent some big figures. For example, municipal lead the league in rounds played per facility in 1976 with 44,700 — almost twice that of private (23,800), substantially higher than the national average for all courses (25,800), and even greater than daily fee (42,100).

Interestingly, although green fees at municipal courses (about $2.75 for nine holes and $4.00 for eighteen, on the average) were the lowest of the various types of facilities, almost 60 percent of the municipal facilities said they had not raised their rates in the past year. Although this is probably good from the golfers' viewpoint, it may not be so good for the courses — as Cincinnati's Gene Burress points out in his article this month (see page 22).

Municipal courses did report substantial income from golf car rentals in 1976, an average of $33,800 per facility. Survey returns showed that actually more municipal facilities (88.9 percent of them) have golf cars to rent than daily fee (85.3 percent) or private courses (78.2 percent). At 65 percent of the municipal courses renting cars, the pro operates the concession; he collects the profits at half of them — quite a different story from that of daily fee and private courses. At private clubs, the pros operate half of the golf car concessions and collect the profits at little more than a quarter of them. They fare even worse at daily fee operations, however, operating the concession at just 21 percent of the courses and collecting the profits at only 9 percent.

Maintenance not neglected

Although it is a popular conception that municipal courses are not maintained as well as their private and privately owned competition, the figures would seem to prove otherwise.

First of all, municipal golf facilities last year had larger operating budgets, on the average, than daily fee courses — although nowhere near as big as private clubs. The private clubs averaged revenues of $334,200 and expenditures of $267,600 — followed by municipal facilities at $193,900 in revenues and $171,200 in expenditures — followed by daily fee courses with $128,400 coming in and $120,200 going out. Municipal facilities also reported spending a greater dollar amount on maintenance than did daily fee and private courses.

The most telling statistic, however, is probably that of maintenance considered as a percentage of total expenditures reported. Here municipal operations led the pack, with course maintenance accounting for 65 percent of facility expenditures. This figure is double the percentage spent on course maintenance by other types of facilities: daily fee courses reported 31 percent of their expenditures as maintenance; and private clubs, 28 percent.

Daily fee golf operations often

have more amenities in the way of a pro shop and foodservice than do municipal facilities, and private clubs normally have a good-size clubhouse to maintain (and may include locker and shower rooms, saunas and steambaths, tennis courts, and a swimming pool) — which would account for a greater amount of their expenditures.

But the biggest reason municipal facilities spend more on course maintenance is probably because they simply have to. They get more play, and the players are often more careless and less accomplished than those golfing on other courses.

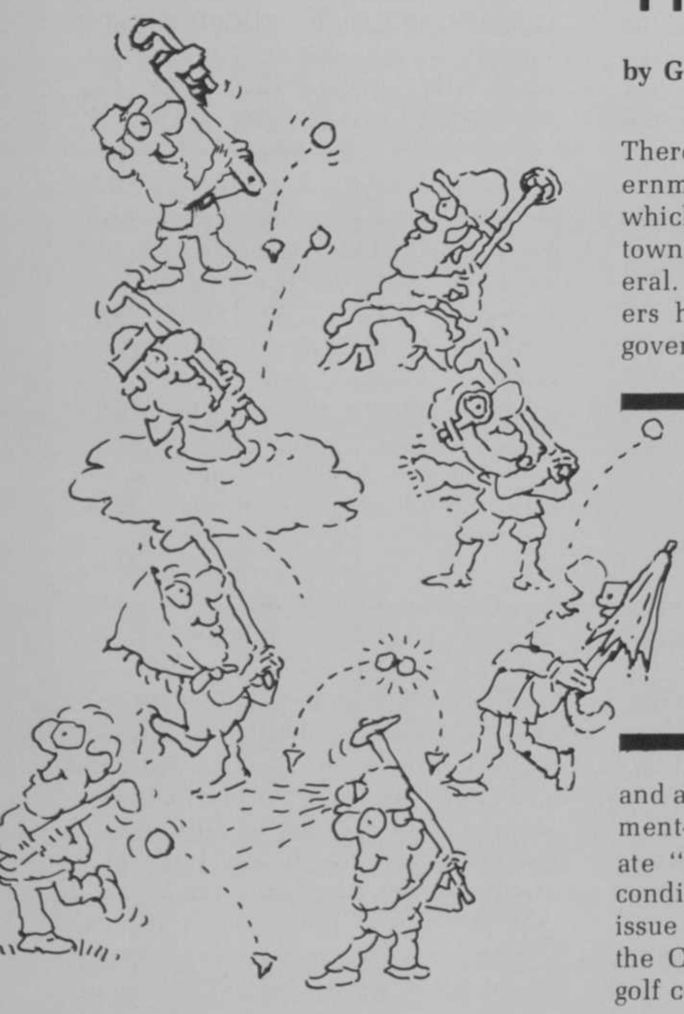
Such players do, however, have a right to play and deserve a place to learn and develop their golf game. That is perhaps the fundamental role of municipal golf courses: to provide facilities for those golfers who do not have the skill or the money to play elsewhere. Municipal courses can and should play an important role in developing junior golf as well, by providing public facilities for young golfers and by serving as the arena for school golf programs.

No one begins as a scratch golfer; everyone should have a place to improve his game without being embarrassed or disparaged while doing it. We cannot afford to discourage any potential golfer. □

GOVERNMENTAL GOLF

Time to stop giving it away

by Gene Burress, CGCS



There are several categories of governmental operated golf courses, which could be referred to as city, town, township, county, state, and federal. The common complaint taxpayers hear from all of these forms of government is the "money crunch,"

"At many courses, green fees are structured to a bygone era."

and a very large percentage of government-operated golf courses do operate "in the red." The unsatisfactory conditions expressed in the April issue of GOLF BUSINESS concerning the City of San Francisco municipal golf courses are not unusual. The success of the City of Cincinnati golf program (GOLFDOM, June 1974) has resulted in many inquiries to that city concerning their unique City Ordinance. The question most often raised is this: "How long can government-operated golf courses be permitted to give golf away and operate at a deficit at the expense of the nongolfing taxpayer?"

Basically, governmental golf courses have not kept pace with changes in the golf industry. Green fees have gone up in some cases to keep up with rising costs of maintaining the golf course, but elsewhere they have not, and either the taxpayer or the condition of the golf course has borne the burden. The failure of government golf courses has been in their organizational and management applications, especially funds management.

Golf is no longer referred to as the "rich man's game," but the public

As supervisor of golf for the Cincinnati (Ohio) Recreation Commission, Gene Burress oversees the operation of seven courses. He is a certified superintendent and a member of the GCSAA educational committee.