

# News

## PRIVATE VS. PUBLIC

### Burlington, N.C. owners fight city course

A fight by 10 owners and pros of daily fee courses in Burlington, N.C., and surrounding Alamance County against the low fees and occasional no markup of pro shop merchandise at a municipal course has spurred an investigation of that course's business practices by the Burlington recreation commission.

The fight envelops many of the traditional issues that daily fee owners normally object to, specifically low rates. But there are also a number of deviations from the norm that make the Burlington situation unique.

The city of about 50,000 persons purchased the golf course in 1975, even though there were already too many golf courses in Alamance and the three surrounding counties for all to be profitable, according to National Golf Foundation figures. The new course, Indian Valley Golf Club, lies about 4 miles north of the city limits and draws numerous players from outside of Burlington who do not support the course with taxes.

And now, in reaction to the charges of cut-rate greens fees, an ad hoc committee of the recreation commission will recommend that rates be raised to match those at daily fee courses. If the city council approves the increase, one major reason for establishing a municipal golf course has become nullified.

The daily fee operators and pros joined forces and hired an attorney after an advertisement December 17, 1977, in the Burlington Times-News. The city said in the ad that numerous pro shop items would be sold at discounts for Christmas specials; all golf balls were sold at \$11 a dozen, gloves at \$4, sweaters from \$6.50 to \$13.

But it also advertised that all shoes, golf bags, and accessory items would be sold at \$1 over cost and golf clubs at cost plus tax. Sets of Wilson model 1200 woods and irons were sold at \$265, Wilson LD woods and irons at \$155, Wilson Staff woods and irons at \$250 and

all Hogan Apex and Director woods and irons at \$265.

Even though this tactic upset the daily fee owners, they were more concerned about the methods they believed the city was using to keep up the course. "We're worried about the use of unlimited funds for the golf course more than about merchandise, but the merchandise was proof of their attitude," said Steve Walker of the Shamrock Golf Club in Burlington.

The daily fee contingent is maintaining that the city course has attempted to needlessly undercut their operations in the past. They point to lower rates, special discounts for nearby college students (\$2 for 18 holes on weekdays) special group rates, and the use of city employees from other city departments to cut course maintenance costs that are not reflected in their expenses.

The city denies many of the charges, especially the one concerning the use of other city employees. They were also embarrassed by the discovery that 47 sweaters intended to be sold at the Indian Valley pro shop were allegedly delivered to city hall and purchased by city employees for \$6.25 each.

The city purchased the course from a private individual in 1975 apparently for about \$425,000. Cecil McKay Jr., a golf course

realtor in Lansing, Mich., told GOLF BUSINESS he had tried to sell the course for \$472,000 before the city bought it, but had no takers after more than 30 inquiries. Prospective buyers complained that the second nine was not complete and that course equipment and the clubhouse were inadequate.

City officials told residents that the federal government would pay for half of the purchase cost when attempting to sell the idea, according to Walker. Once the property was purchased, the Bureau of Outdoor Recreation, an agency of the U.S. Interior Department, turned down the city's bid since there was no public need; there already were enough courses.

The reason for the purchase is still hazy. Some residents and daily fee officials blame former mayor and councilman Paul Andrews. He was accused at a public meeting of playing golf for free at the course with a guest pass and also waiving fees for his guests. The city does allot 19 free passes for its officials and the media, but no one has been able to prove that Andrews is guilty of any wrongdoing concerning the purchase.

The cries of the daily fee owners have brought some preliminary recommendations from a committee of the recreation commission that should please them.

The committee has agreed to increase fees 50 cents, which raises rates to \$4 on weekdays and \$5 on weekends, the same as those at many daily fee courses.

They also want to take softgoods out of the pro shop, hire a ranger to monitor those who pay for nine holes but attempt to play 18, and limit discount rates to students who are 18 years or younger.

Approval of the recommendations must be given by the city council.

## PUBLIC COURSES

### 100 Michigan owners join association

About 100 daily fee golf course owners in Michigan, troubled by increasing financial problems, have each anted \$25 and formed the Michigan Association of Public Golf Courses.

The group has been formed to derive financial benefits and put together educational programs to help owners improve their golf course and operations management.

The association was formed about three months ago, said Dick Grossnackle, a member and owner of the Perry Golf Course in Perry, Mich. He said the primary catalyst in forming the group was a hope that insurance costs could be trimmed.

"After talking to five or six different companies, we found one who will write for the individual courses that are members of the association at about a 25 percent savings," Grossnackle said. The owner said his \$4,600 insurance premium was slashed by \$1,100 since the insurance company received business from so many golf courses.

The group feels, though, that this is just one way they will benefit from the association. They want to hire a full-time manager in about a year to coordinate the insurance program and act as a lobbyist on tax issues that concern the owners. The owners feel they need an organization to help them fight ever-increasing property taxes, said Cecil McKay Jr., a golf course appraiser and realtor in Lansing who is the group's acting executive secretary.

"The seminars on taxation were the most poorly attended sessions at the National Golf Foundation's workshop for daily fee owners in November," McKay said. "It's because they're frustrated and

### NATIONAL GOLF FOUNDATION BOX SCORE

January-May 1978		REGULATION COURSES	EXECUTIVE COURSES	PAR 3 COURSES	TOTAL
OPENED FOR PLAY	New	12	6	1	34
	Additions	11	4	0	
STARTED CONSTRUCTION	New	22	3	1	41
	Additions	12	2	1	
PROSPECTIVE		49	4	4	57