

## ECONOMIC TRENDS IN GOLF COURSE CONSTRUCTION

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Being with the National Golf Foundation gives me the opportunity to study the trends that are developing in the golf course industry which is a very important part of our work. Through our facility development program and our statistical department we are able to keep abreast of current trends.

The Foundation keeps a record of all golf facilities that are in operation; those that are under construction and those that are in the planning stages. We have five full time facility development consultants that travel the length and breadth of the United States. These men have undergone specialized training and are in a position to assist planning groups with the development of needed golf courses in their respective areas.

There is no charge for our consultation service provided appointments are made in accordance with the consultant's regularly scheduled trip to a given area within his territory. Among the duties of the consultants are: Meeting with individuals, private groups or community organizations to assist in the preliminary feasibility and potential use of planned facilities; presenting facts and sample figures on construction costs, methods of financing and operation; keeping abreast of golf course needs in their respective areas and providing information and services that will enhance a sound continued growth of golf.

Let us look at some meaningful statistics. Of the 371 new course openings in 1971, 33% were private operations, 48% semi-private, 15% municipal and 4% miscellaneous (collegiate, industrial or military). About 35% of the courses opened were part of real estate or resort developments.

About 65% of the courses opening for play in 1972 are expected to be semi-private or municipal operations. We estimate that 40% of the private and semi-private facilities will be associated with new planned communities, high rise apartment and condominium complexes, second home projects or recreation and resort areas.

There is a continued growth of semi-private and municipal golf courses and this is in keeping with the trend of recent years. Golf no longer belongs solely to a few; it is everyone's game and the game of a lifetime.

Sixty new municipal golf courses opened for play in 1971. This represents an increase of 43% over 1970. The breakdown showed 35 were regulation in length, 12 were additions to existing courses, nine were par-3 or executive layouts and 4 were par-3 additions. Many of these new facilities are part of extensive municipal park and recreation complexes. In addition to a well designed golf course, they often include tennis courts, swimming pools, artificial ice skating rinks, play ground and picnic areas, a community center building, fishing, camping, hiking, nature study trails and sometimes ski areas.

This new look for municipal recreation complexes is being spurred by strengthened federal incentives currently in operation. Many municipalities are taking advantage of a state grant-in-aid program administered by the Bureau of

Out Door Recreation, U.S. Department of Interior, or the Legacy of Parks Program directed by the Department of Housing and Urban Development.

The new Legacy of Parks Program which became effective July 1, 1971 replaces the former Open Space Land Program. Only public bodies are eligible for grants under this program, although matching funds may come from a private source. Ownership of land acquired with program assistance, however, must remain in the hands of public bodies. The matching grants of HUD may cover up to 50% of project costs based on fair market value of property acquired and other eligible costs.

Among those projects eligible for matching grants are large city parks, regional parks and area wide recreational facilities. This includes development of swimming pools and areas devoted to picnicking, camping, hiking, fishing, hunting, nature study and skiing. It also includes land acquisition costs for golf course sites. For detailed information on this program, write to "Legacy of Parks" in care of the U.S. Department of Housing and Urban Development, Washington D. C. 20410.

Another agency, the Bureau of Outdoor Recreation, makes grants from the Land & Water Conservation Fund to states; and through them to political subdivisions and other units of states for planning, acquisition and development of public outdoor recreation facilities - including golf courses.

Prime importance is attached to projects in areas where concentrations of people live. Projects must be available for use by the general public. Development of basic rather than elaborate facilities is favored; and projects furnishing a broad range of outdoor recreation uses and experiences are preferred. Funds apportioned to the states under this program finance 50% of total allowable project costs on a matching basis. This program became operational in 1965. Since its inception through 1971, \$503 million were approved for 50% matching grants. Grants have helped to finance such diverse projects as multi-purpose metropolitan parks, picnic areas, camp grounds, bicycling paths, swimming pools and golf courses.

The trend in using government money continues to grow. Secretary of the Interior Rogers C B Morton has announced the distribution of \$255 million dollars which was appropriated by Congress for fiscal year 1972 grants. These funds will be utilized by states and their cities and counties under the Bureau of Outdoor Recreation Land and Water Conservation Fund Program.

This year's appropriation provides the largest amount of money for grants to states in the history of the Fund program. "With apportionment of these funds," Secretary Morton said, "we will have provided more than three quarters of a billion dollars in Federal funds. When matched with an equal amount of state and local money this means an investment of over 1.5 billion for preservation of needed outdoor recreation areas and for development of facilities to serve public needs.

We have spoken concerning the trends in real estate developments, of municipal facilities, and the increased role by federal agencies. For a moment let us look at a trend that is developing which I am sure will have an impact on our industry. That trend is the short course that is being built today. While most short courses can be properly called par-3 courses (designed so that no hole exceeds the 250 yards maximum established by the United States Golf Association for a par 3 hole) there are other short courses that contain par 4 holes and an occasional par 5. These are called Executive courses. A true par-3 course would have a par 27 for nine holes and a par 54 for 18. An Executive course would contain a par 28 to 33 for nine holes and a par of 55 to 67 for 18.

It is obvious that shorter courses require less land; that construction and maintenance costs are lower; and that a big factor in their favor is less playing time. In addition to these advantages the possibility of night play is enhanced. Furthermore, there is a great psychological advantage of playing the Executive golf course in the ego status which is attained. It's interesting to note how many players are shooting in the 70's and low 80's on these courses. This is a big boost in their morale and they now think they are capable of the Arnold Palmer charge. In my thinking, this a great because they are getting a feeling of satisfaction and accomplishment which couldn't be done on a regulation size course.

These courses attract all levels of skill, plus both the junior and elderly players and not the least, women. We at the Foundation feel women make a tremendous contribution to this wonderful game. I'm sure we could start a discussion about women golfers; however, I for one am glad they have become such avid participants.

Another trend that has had so much publicity in our industry that I am almost reluctant to bring it up. We are all aware of the problems that face the private clubs today. There seems to be a trend and I use the term loosely, of higher property taxes. Operational costs are skyrocketing, and in many clubs a declining membership which pays the bills.

It has often been said that from things evil there always comes some good. You will note that all around the country people are beginning to talk of the ecological importance of a golf course. People are becoming aware of the fact a golf course does have an economic impact on the community. Clubs pay taxes, they employ a number of people, buy goods and services from their community and by their very existence enhance property values of the area. No one can deny that when we lose a golf course to a real estate development the entire community suffers. When this happens, the schools become a little more crowded; more police, fire protection and hospitals are needed; and services such as sewage and public utilities become a major problem to the entire community. People are now uniting their efforts to obtain green belt legislation. Clubs are now looking more closely at their operational costs and programs with a view of bringing their costs into proper focus. These problems have united many organizations throughout the land to work for their mutual benefit in meeting this crisis. That is one trend that I'm happy to say will do nothing but good for our private clubs.