

# A golf course for less than \$1 million

Hurdzan says site selection crucial for economy courses, and he has proved it

BY KATHY BISSELL

At the November 1988 Golf Summit, created and chaired by the National Golf Foundation, golf's private research arm, the topic was how to assure that golf — the sport and the industry — would be as healthy in the future as it is today. One of the biggest needs facing all golfers is the demand for courses.

The National Golf Foundation (NGF) has estimated that if both the demand and the number of courses being created stay the same, the United States will have a shortage of 4,478 courses in just 12 years. If tee times are tough to get now, just wait. It'll get worse.

One reason for the shortfall is the cost of creating a new golf course. It's a cost that can easily climb into the several millions..

Today's most heralded courses, like the TPC (R) Stadium Golf (R) Course at PGA WEST — or any course by a top name designer — are expensive propositions. Joe Walsler Jr., senior vice president of Landmark Land Co. Inc., in LaQuinta, Calif., says of the construction cost at The Stadium Golf Course, "I gave (architect) Pete Dye an unlimited budget, and Pete exceeded it."

Not every golf developer is fortunate enough to have such deep pockets. But it serves as a basis of comparison for Dr.

Michael Hurdzan's stance that a golf course can still be built for around \$1 million.

To most, \$1 million sounds like a lot. After all, Jack Nicklaus has won just over \$5 million in his career.

But when it comes to building a golf course, it's bare bones. Consider, again, the PGA WEST Stadium Golf Course. Earthmoving costs were about \$1 a cubic yard. Two million cubic yards of earth were moved to create The Stadium Course. That's just earthmoving; never mind irrigation, planting, cart paths and the rest. The scope of the problem becomes more clear.

However, Hurdzan doesn't just theorize about his price. He has done it. In places like The Vineyards near Cincinnati, Ohio, which Golf Digest names as one of the best new places to play. At Crystal Highland Golf Course, near St. Louis. And at Willowhead, near Hyannis, Mass.

But there are rules to follow to create a golf course of your own on a limited budget. And as Hurdzan cautions, expectations must be balanced with reality.

Here are his guidelines:

The cost of land is not included in the \$1 million.

An 18-hole golf course needs a minimum of 150-160 acres.

Unlike agricultural needs, it doesn't have

## Forum Feedback

Question to Michael Hurdzan, former President of the American Society of Golf Course Architects: What line items are you including in your \$1 million construction cost?  
Response: The main categories of golf course construction budgets and unit costs are as follows:

Activity	Unit Cost	
	Low	High
1. Tree clearing, thinning, & disposal	\$1,200/ac	\$3,500/ac
2. Major drainage structures	\$1/dia"lf	\$2/dia"lf
3. Earthmoving	\$1/cy	\$3/cy
4. Minor drainage	\$2/lf	\$4/lf
5. Golf green construction	\$.50/sf	\$.60/sf
6. Irrigation	\$450/head	\$750/head
7. Pumps	\$75,000	\$200,000
8. Planting bed prep., & planting	\$1,500/ac	\$3,000/ac
9. Sand bunkers	\$1/sf	\$3/sf
10. Cart paths (8' wide)		
a. Aggregate stone	\$1/lf	\$4/lf
b. Asphalt	\$4/lf	\$12/lf
c. Cement	\$8/lf	\$16/lf
11. Bridge	\$5,000/ea	\$50,000/ea
12. Shelter houses, restrooms, etc.	\$2,500/ea	\$25,000/ea
13. Rock removal	\$5/cy	\$25/cy
14. Sodding	\$2/sy	\$6/sy
15. Landscaping	\$0	\$500,000

### Abbreviations

lf = linear foot    sf = square foot    sy = square yard    co = core    cy = cubic yard

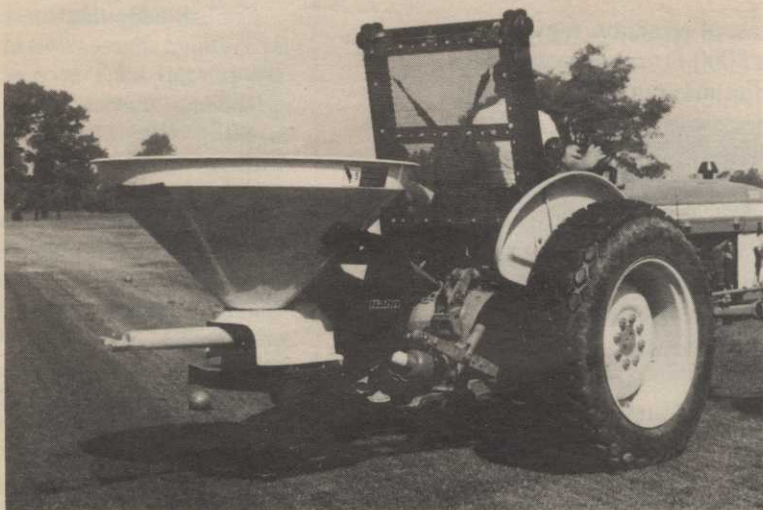
These unit costs are the same whether you are building a one million dollar golf course or a ten million dollar one. It is the quantity of each item that determines the final cost. So to keep costs low, one must keep quantities as low as practical, or get the lowest unit price.

Finally, assuming a good-to-ideal golf course site in a non-arid region, the possible construction budget aimed at achieving the highest reasonable perceived value for \$1 million might look as follows (recognizing that exact amounts may shift between activities depending upon exact site conditions):

Step	Activity	Cost	Step	Activity	Cost
1.	Mobilization of contractor	\$10,000	8.	Planning	
2.	Clearing			(120 acres @ \$2,000/ac)	\$240,000
	(40 acres @ \$2,000/ac)	\$80,000	9.	Sand bunkers	
3.	Major drainage (estimate)	\$75,000		(50 @ \$500 ea)	\$25,000
4.	Earthmoving		10.	Cart path	
	(100,000 cy @ \$2/cy)	\$200,000		(partial 5,000 lf @ \$4/lf)	\$20,000
5.	Minor drainage		11.	Shelter houses	
	(25,000 lf @ \$3/lf)	\$75,000		(2 @ \$2,000 ea)	\$4,000
6.	Greens construction		12.	Sodding around bunkers	
	(100% sand over tile)	\$75,000		(10,000 sy @ \$4/sy)	\$40,000
7.	Irrigation and pump				
	(low grade automatic)	\$250,000		TOTAL	\$1,094,000

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to be 100 percent tillable acreage. Ravines, streams, rolling landscapes that would be completely unusable for farming may make an ideal setting for a golf hole. Dye often has said that the first thing he does when he sees a piece of property is to "walk it and discover the four or five or six naturally occurring holes in the land." Then he molds the others around what Nature provided. (However, there are some who believe that Pete and Nature never have been on speaking terms.)

The land must have good drainage.

Hurdzan says, "Given a choice between a site that costs \$1,500 an acre and needs \$1,000 an acre in drainage improvements, or well-drained land that costs \$2,000 an acre, the choice should be obvious."

He also points out that costs apply to "non-arid locations," meaning that much of the western United States and popular locations such as Southern California and Arizona will not meet the criteria.

Similarly, sites in South Florida, or other locations where the water table is just below the surface of the soil, can not qualify. The costs of moving, draining and rearranging earth will not fit into the low-budget category.

"The land needs to have good surface topography," he adds, "and good water

movement. If you have 100 acres and it costs \$60,000 an acre to drain it, you have \$600,000 in drainage costs."

The land needs to have good topsoil, few obstacles — environmental and legal — and irrigation water available.

Today's golf course construction planning is not a simple matter. After land acquisition and right-of-way questions have been tackled, there remains environmental impact statements, utility questions, historical designations, zoning changes and more.

Creating a golf course takes as much land-planning expertise as building a business park or a residential community.

According to Hurdzan, "The more complicated planning or construction problems a site presents, the greater expenditure required to make the site suitable."

The shape of the land is important.

According to Hurdzan, a square or rectangular shape is ideal — almost essential — for budgetary reasons. "If the shape has jagged edges, it is difficult to fit golf holes."

Owners must come to grips with why they want to build a course.

Do they Hurdzan feature want it for real estate? For an event? As a destination? For ego? Or to make money?" Hurdzan asks.

Continued on next page



One of Michael Hurdzan's favorite holes — the par three 16th he designed in the midst of a cranberry bog at Willow Bend Country Club in Cape Cod, Massachusetts

It's important to know what you want. You look at the ground and the budget and see — if you want an Augusta National—if we can build an Augusta National. If it's not in the budget, then we figure out what we CAN do for the price. We maximize planning and minimize construction."

Move as little earth as possible and still get the result wanted.

"There is big money in earth-moving cost," Hurdzan points out. He gave a low of \$2/ cubic yard and a high of \$3/ cubic yard. "I'm talking 100,000 cubic yards, whereas other people might move a million."

Don't expect a lower planning fee for a lower budget course.

"We don't charge less for a low-budget course. Sometimes it takes more time — a lot more — in planning and problem-solving and time in the field than for a more expensive course. We work within the budget."

Use \$8 a round for each million spent in construction as a rule of thumb.

"If a golf course is well designed and built, you should be able to get 40,000 rounds per year out of it. At \$15 per round for fees, plus whatever you get for carts and the shop, you can probably gross a million dollars a year," Hurdzan says. "We find people have to charge \$8 a round for each million dollars of investment to break even. And these are for good golf courses. The best tribute is that The Vineyards in Cincinnati was listed as one of the best new public courses to play. And it is a million-dollar golf course."

**Hurdzan's Experience**

There are those who might balk at Hurdzan's ideas. However, Hurdzan has been involved in golf since he was a youngster. "I used to shag balls at Beacon Light Golf Course, where my dad was the golf professional. When I was 13, I started working for Jack Kidwell during the summer. I worked for nine summers."

In the meantime, Hurdzan also attended school, receiving a Bachelor of Science in turfgrass management at Ohio State and then his master's and Ph. D. from the University of Vermont. He started a landscape company to finish work for golf courses, but subsequently had an opportunity to become

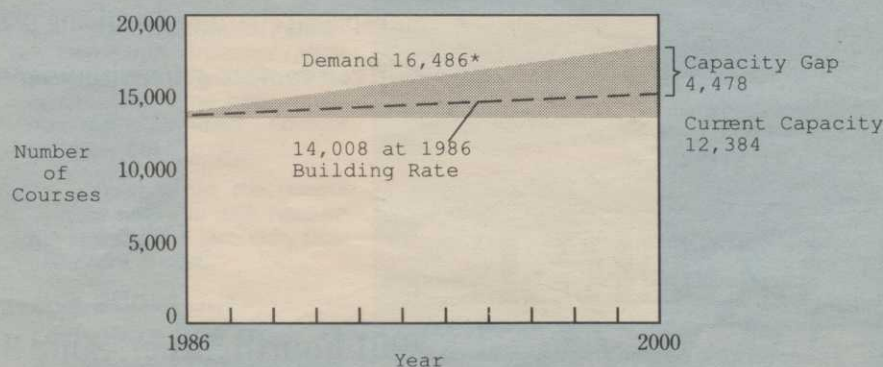
**Hurdzan Design Group Work Completed in 1988**



Project Name	Location	# of Holes	Approx. Cost
Baker Reserve	Minn., Minn.	10	.7
Boone Links	Florence, Ky.	9	1.0
Cedar Brook	Belle Vernon, Pa.	27	—
Cliffside GC	Gallipolis, Ohio	18	—
Crystal Highland	Crystal City, Mo.	18	2.3 all amenities
Grand Oak GC	Harrison, Ind.	18	1.3 course only
Hampton Park	Hampton, Va.	27	3.0 course only
Hillcrest CC	Batesville, Ind.	9	Confidential
The Links	Cleveland, Ohio	18	1.8 course only
Renaissance Park	Charlotte, N.C.	18	—
Shamrock GC	Columbus, Ohio	18	1.1 course only
Willowbend CC	Cape Cod, Mass.	18	4.5

**CAPACITY GAP BY YEAR 2000 UNDER 2% GROWTH SCENARIO**

**Number of Courses**



\*Projected Based on Year 2000 Participation Rates, Holding Number of Rounds Per Golfer Per Year Steady, and Keeping Annual Rounds Per Course at Today's Levels  
Source: NGF McKinsey Analysis

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**--- Michael Hurdzan**

Kidwell's partner in golf course design.

"Three years ago, Jack was nearing the age of 70 and sold the interest to me," Hurdzan explains.

Most Kidwell-Hurdzan business has been from city, county, state and governmental agencies, though in recent years they have seen an upswing in the private investors who want a golf course built

"About 60 percent of our work now comes from governmental agencies and 40 percent from country clubs and daily fee type courses. Of the 40 percent, probably 10-15 percent is daily fee and 10 percent is country club, with the rest housing or resort." They have 35 courses in some stage of construction at present.

"We have the strongest demand right now from daily fee, privately owned and publicly owned courses. But when the economy turns around, the private investors are gone. The government built golf courses even during the Depression. They have a recreational imperative to meet. And golf courses make money."

Hurdzan's courses stretch from Kansas to Massachusetts and from Toronto to Georgia. Most of his business falls east of the Mississippi.

"Just because we have built courses for low budgets doesn't mean it's the only kind of work we do. If you give us \$4 million, we'll build a world class golf course. Right now, we might not be famous, but we help people make money. We've been in business a long time. We try to be competitive, but we think our work compares with anybody's."

*Kathy Bissell is vice president and director of public relations for Landmark Land Co., Inc.*

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