to operate the course. You also see shorter-term, specific agreements that involve F&B, pro shop, that type of thing."

The pendulum swings back and forth, Singer says. "Twenty years ago that was the craze," he says. "Then in the 1990s and this last decade it seemed to swing back the other way, with municipalities self-operating. Now they're swinging back in the opposite direction."

There are positive and negative aspects in hiring management companies to run a golf facility, Woodward says. For instance, facilities that are run by a management company have a "different spin," he says.

"The city loses some control," he says. "But, all in all, they can structure the agreement so that the city maintains control of the fee structure to provide the affordable golf it wants for its residents.

"Plus, a management company can come in with resources to fix up the course and make it competitive from a conditioning standpoint," he adds. "A lot of municipalities shop out the

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Government-owned golf provides the playing fields for the masses

By Dennis Lyon

The argument against government-owned golf courses is usually based on an opinion that golf is an "inappropriate activity" for government or that government courses compete "unfairly" against private sector daily-fee operators.

According to recent information from the NGF, there are 15,945 golf courses in the U.S. Of these courses, 11,643 (73 percent) are open to the public. There are currently 2,458 government-owned courses in the U.S. This number represents 15 percent of all courses and 21 percent of all public courses. The first 18-hole municipal golf course in the United States opened in 1895 in Van Cortland Park, in New York City. Van Courtland Golf Course remains in operation today.

Lyon

Based on the long history and number of government-owned courses, this category of golf is woven into the fabric of golf in this country and is an important segment of the game. Government-owned golf provides the "playing fields for the masses." It is also the "point of entry" for a great many players. I submit that keeping golf accessible – to as many people as possible – is a very good thing?

Government is motivated to go into the golf business for many reasons. The most common reasons are to serve its citizens and provide a healthy recreational activity.

Additional reasons may include promoting a community's image, partnering with developers to increase property values, efficiently utilizing and preserving open space, generating revenue to support other community programs and promoting tourism. The bottom line is: Government's primary mission is to improve the quality of life of its citizens. I cannot think of a more appropriate vehicle for government in supporting this mission than accessible, affordable, quality golf.

The other argument against government golf is "unfair competition" with the private sector. In my opinion, unfair competition occurs only when an entity utilizes predatory business practices to intentionally damage or drive the competition out of business. I submit when it comes to competition between golf courses, regardless of ownership, there are no level playing fields. Some government-owned courses do not pay property taxes; most privately owned courses do. Some government-owned courses have to deal with labor unions; most privately owned public courses do not.

In my case, Aurora Golf does not pay property taxes. However, a daily-fee course in our market pays $10 per acre foot for water. One of my courses pays $960 per acre foot for water. Another daily-fee course in our market is owned by a homeowner's association (HOA). This course was given to the HOA debt free and uses dues to offset operating costs.

My golf operation is a separate enterprise business and receives no financial support from the city. Our operation also has very high debt service payments. I am sure many daily-fee course owners can cite similar situations where government-owned courses have an advantage. I submit these are not examples of "unfair competition." They simply reflect the challenges and business environment all golf managers operate in every day. As stated previously, "There are no level playing fields."

In summary, government-owned golf is deservedly here to stay and every owner or manager operates in his unique business environment. The courses that will survive and prosper, regardless of ownership, are the ones with strong management, superior customer service, great course conditions and the ability to maximize the value of the golf experience.

Dennis Lyon, CGCS, is a former president of GCSAA and has managed the city of Aurora, Colo., golf program for the past 37 years.

good move, protecting the town tax base and their neighbors."

Helping calm any storm is the $49 fees, which includes a golf cart. "All other places around here are $30 to $150 higher than us," Shroll says. "We think our model will attract a lot of people."

Municipal courses may be doing better, but Singer says you have to look at it from the revenue and the expense sides. "On the revenue side, yes, some of them are doing better, although not all," he says. "On the expense side, particularly with the self-operating munis, it is much more difficult for them to cut costs than the private sector. So the net may not be any better for the public sector."

So how are municipal courses' finances comparing to their daily-fee compatriots? "I've heard of golf courses that have gone under and been turned into condos," says Wooward, "but not any municipal structure." GCI

Mark Leslie is a freelance writer based in Monmouth, Maine.

PRO/CON

A cautionary tale

By Charlie Birney

As those who know me can surely attest, I've always felt passionately about this topic and about why I believe municipalities should stay out of the golf course business.

From my experience, those who oppose the growth of government-supported golf, or worse, voice their opinions on this subject, are dismissed by many both inside and outside of our industry as not supporting the growth of the game.

This couldn't be further from the truth.


Birney

Now, I could easily launch into an extended treatise on the perils associated with supporting government golf. But I fear that for many of you reading this it's a tired argument that may do more to encourage you to turn the page than to consider the ramifications I, and many other pretty smart people in this great profession, believe government-supported golf will have on the long-term sustainability of our industry.

At its base level the argument against is a very simple one: Don't support the growth of government in the golf business because ultimately everyone loses. Why? Well, I believe the support of this argument needs to have more legs to it than the same old "small business owner opposes government competition in the private sector" story. It hasn't worked and only turns people off to the big-picture issues.

Ultimately, this is the classic "Death of a Thousand Cuts" and it's a battle that will only be won if we are all understand that our businesses are truly at stake. We need to look our elected officials in the eye, especially those in county government, and tell them this is a failing business model.

Yes, it's easier said than done. So humor me for a moment and consider this cautionary tale.

Our company, along with 16 other state groups and associations, opposed the growth of government golf in Maryland by the Maryland Economic Development Corp. (MEDCO), a quasi-governmental institution which exists to promote economic growth. At the time they had four major golf projects underway – resorts, a conference center and, of course, a 36-hole course which supported someone else's housing development.

It just didn't seem to make sense.

The case was simple: MEDCO was supposed to do stuff in the state's economically depressed areas. More importantly, these were to be development projects that the private sector did not want to do themselves. Well, MEDCO was not operating in an economically depressed area of the state for this golf project. And the private sector had tried to build the project, but MEDCO beat them on financing. I actually had testimony from two individuals who couldn't get zero-interest bond financing like MEDCO.

MEDCO forged ahead and we accused them of acting outside the limits of their founding charter. So in response to our claim they passed legislation to take away any limits whatsoever. Now MEDCO can open a shoe store in downtown Baltimore if they so choose.

We appealed everything we could, but the golf course got built and every day it eats away at our corporate-outing business. In a nutshell, here is the moral to my little story: The golf course was managed poorly and the county had to buy back a $17-million bond package.

I wish I could say there was a happy ending in this story, but you won't find one because this isn't a fairy tale. It's reality, and in my opinion, it's typical of what happens when government intervenes in the golf industry, and why municipalities have no place running local golf courses.

To borrow from the Kingston Trio and Charlie on the MTA – "Citizens – This could happen to you!"

Charlie Birney is the former president of the National Golf Course Owners Association and managing director of The Brick Companies.