

Planning a new course?

CUT OUT THE GUESSWORK

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Building a golf course today is too expensive an investment to leave to chance. Don't find out after you've built your golf course that you shouldn't have built it in the first place



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ILLUSTRATED BY SANDY HOFFMAN

A golf course today is an expensive investment. Rising land prices and construction costs often call for a budget of \$500,000 or more to put 18 holes into play.

That level of spending limits the locations where courses can amortize the investment. Some public and private groups are hesitant to plunge that deeply. The money must also be spent wisely.

So, many cities and private investors are relying on feasibility studies to guide their decisions. Often used for other developments, a feasibility study is a relatively new concept in golf course planning.

What is a golf feasibility study? It is simply a report combining facts about the market area, need for golf facilities and projections on whether a new course will be successful.

Doing a feasibility study is specialized work. There are probably no more than 10 qualified individuals or firms in the country offering such services. They include architects, landscape architects, engineers and certain others with golf business backgrounds.

One of these is Richard Phelps, president of Phelps-Brauer & Associates, Inc., Denver, Colo. As site planning consultants, his firm is strong in golf course design. With Brauer & Associates, Inc., Minneapolis, Minn., they offer feasibility studies, all design, engineering and construction supervision services for golf courses and other recreational facilities.

Phelps is the golf specialist. He spent summers while in school working on golf courses. He graduated from Iowa State University with a major in Landscape Architecture, then took his M.A. there, specializing in golf architecture. His thesis on course landscaping was adopted by the United States Golf Assn. Green Section as a basic reference. He was principal designer for more than 30 courses before establishing his own firm in 1967.

Phelps believes a feasibility

study is a must in planning most golf courses. It should precede all other steps.

Purposes of a feasibility study include:

- Determining whether the community's market area can support a new golf facility and what type;
- Recommending whether one or more proposed sites would be suitable for a golf course;
- Projecting probable construction costs, annual income and expenses of a new course.

"The value of such research to any public or private group is tremendous," declares Phelps. "There is no way they can plan their financing or even decide if the course will pay for itself without all relevant figures."

Here is a step-by-step economic workout of a typical private membership club:

1. A group of 500 citizens organizes or are sold the idea for a new country club in a growing community;

2. Each of the 500 puts up \$600 as an initiation fee to provide \$300,000 for the purchase of necessary land (about 150 acres);

3. After land is acquired, each member is assessed an additional \$1,000 to provide one-half of the \$1,000,000 needed to construct and equip the golf course, clubhouse, tennis courts and swimming pool. Contracts are let and construction begins;

4. The remaining \$500,000 for construction is obtained through mortgage financing. This requires annual payments of about \$75,000 for 10 years to cover amortization and interest at 8 per cent;

5. Construction is completed and the club opens. Annual dues are set at \$500 per member family, as an equal share of the annual net operating cost of \$250,000;

6. In addition to dues and assessments, each member pays \$150 annually for 10 years as his share of the mortgage principal and interest;

7. For the use of golf, tennis

and swimming facilities, each member family pays an additional \$75 annually for locker rentals, storage and cleaning of golf clubs;

8. Finally, the typical country club finds that rising labor costs and insufficient sales volume cause a loss in the restaurant operation. To encourage members to make more use of the club, a minimum charge of \$15 per month is imposed on top of dues. This is credited against a member's food and beverage bill for the month.

With this much money at stake, any major error in planning can be fatal. Such mistakes can be: misjudging the need for a new club, planning of too elaborate facilities, underestimating costs or proceeding with too few members. For a daily fee or municipal golf course, problems of finances are often due to overestimating the market, and/or underestimating development costs.

One recent study by Phelps-Brauer in a small midwestern city illustrates the point. The city owns considerable land around its airport. Using cost estimates from several years ago, officials had been hoping to build a new 18-hole golf course for \$200,000.

Needing professional guidance, the city retained Phelps to study the plan. His report estimated the cost of what they wanted would be about \$300,000, with only a small clubhouse. Research also uncovered a potential water shortage for irrigation.

The overall report was favorable in terms of feasibility, however. The potential site was a good one. Potential play should pay for the course and make a profit in future years. Plans are going ahead for its development.

Not all studies confirm the need and feasibility for a course. A realistic, objective look often saves a private group or city from financial disaster.

A private group in a Rocky Mountain area city retained

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PLANNING A NEW COURSE?

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Phelps to study the potential for a new 18-hole course. The city already operated one public course. The client, a real estate firm and other investors, hoped to promote construction of a second course on city land, then build a country club and housing units on adjoining private ground.

The final report did not agree with the client's optimism. It found the potential site to be mediocre as a golf course setting.

It found that previous cost estimates, and thus financing plans, were inadequate. It raised legal questions about proposed private capital being used to develop a municipal course, without proper control. It predicted that a second course would probably cause both courses to lose money for several years.

Understandably then, the client dropped the idea. The site may still be used for a future municipal course when population gains warrant it.

Other studies may concentrate on selection of a site, if several are available, or advising an existing club whether to rebuild, expand or move to a new location.

A study usually takes 60 to 90 days. The final report averages about 50 pages. Major subjects covered are: the market area, the growth of golf past and future, golf play and needs in the community, site evaluation, cost projections, financing methods, projected income and expenses and suggested operating policies. □

From farm to feasible golf course

The Royal Crest Dairy farm has made the big switch to the Royal Crest GC.

Because their farm is located on the eastern edge of Lorain County, Ohio, in the path of greater Cleveland, owners Joe and Bill Madak found their farm and retail milk business being smothered by homes.

Instead of giving up the land and moving elsewhere, they decided to cash in on the booming urban expansion. They figured they could use family labor on a golf course, the same as on the farm.

The Madak Brothers have been cooperators with the Lorain Soil and Water Conservation district since 1953. They had a going conservation plan with the district, aided by the district conservationist of the U.S. Department of Agriculture, Soil Conservation Service. The golf course plan was developed by using information from a soil survey and by studying area golf courses.

The Soil Conservation Service made a topographic survey of the original farm plus 70 acres purchased to provide space for 18 holes. Pond sites were mapped and a drainage plan worked out.

The Madaks hired a golf course specialist to lay out fairways, greens and tees, and an experi-

enced contractor installed the tile, built the ponds and constructed tees, greens and fairways.

The soil survey information, plus a mechanical analysis by a soil laboratory was used to determine the best mixture for the surface of the greens. Tests showed a large amount of silt and an absence of sand, typical of soils in northeast Ohio. To insure good drainage on the finished greens, the Madaks purchased \$6,000 worth of sand and mixed it with topsoil. Peat was also added to make the greens soft. The mixture for the first nine holes was laid out in two one-fourth-acre plots about eight inches deep. It was plowed and fitted periodically for six months and was treated to kill weeds. As a result, greens have uniformly good playing qual-

ity. The three ponds hold irrigation water storage.

The dairy barn was remodeled into a clubhouse, after tongue and groove pine ceiling and inside walls were sand blasted.

Construction started in 1964. The first nine was opened two years later; the second nine opened this spring.

Joe and Bill say that a basic tile and surface drainage system is a must on these soils. "I think our investment in tile will pay off in a short time," says Bill. "We had the only playable course in a 23-mile radius during the last week of March. Fifteen hundred people played. That makes \$3,000."

The Madak Brothers and their families say they are happy working with the public and that prospects look bright.



Richard S. Keep, district conservationist, checks out the grounds in front of the remodeled barn that now serves as the clubhouse for Royal Crest GC.