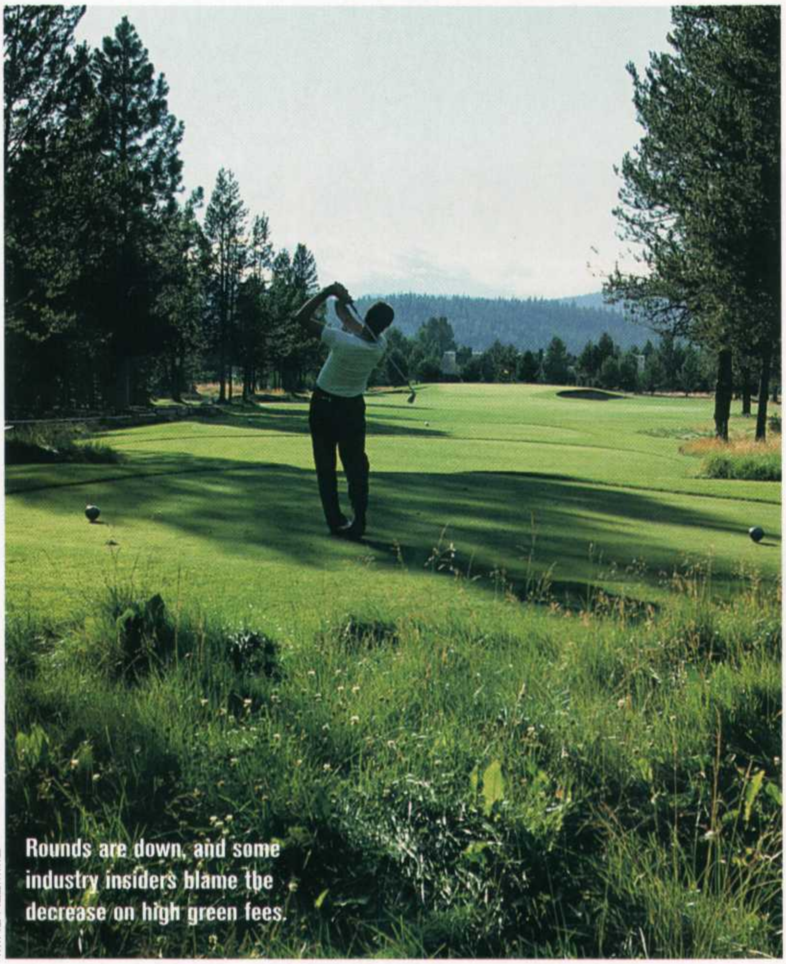

# The Price Is *Not* Always Right

**The industry needs affordable golf now more than ever. Who's going to lead the charge?**

BY LARRY AYLWARD, EDITOR



MIKE KLEMME

Rounds are down, and some industry insiders blame the decrease on high green fees.

"Alister MacKenzie made golf an art form, Robert Trent Jones Sr. made it a business, and Jack Nicklaus made it expensive."

A grinning golf course architect recently related this quip about the three famous designers. Some architects think it's funny and true, especially the last part.

For sure, the Golden Bear and his high-priced golf courses haven't helped the game shed its "rich, white man's game" label. Nicklaus, however, is not alone. Some of his peers are in no hurry to design golf courses for $3 million with green fees of $30.

To be fair, people are willing to pay $150 to play Nicklaus- and Tom Fazio-designed courses because THEY ARE Nicklaus- and Fazio-designed tracks. But while high-end daily-fee and resort courses serve a purpose, they're not growing the game. These country-club-for-a-day courses, which dominated the building boom in the mid to late 1990s, are pricing many golfers out of the market with their lofty green fees.

Owners, builders and superintendents have also done their part to escalate the price of golf, industry insiders say. There's the owner whose ego and pocketbook drive him to build the most

*Continued on page 16A*

*Continued from page 14A*

extravagant course in town. There's the builder who issues costly change orders. There's the superintendent who makes great use of his unlimited maintenance budget.

## Asking Price

The top five states with the most- and least-expensive average weekend green fees (including carts where applicable), according to the National Golf Foundation:

| Most expensive | |
|---|---|
| Nevada | $92 |
| Hawaii | $81 |
| Arizona | $54 |
| South Carolina | $51 |
| Georgia | $50 |
| **Least expensive** | |
| North Dakota | $17 |
| South Dakota | $19 |
| Kansas | $20 |
| Iowa | $22 |
| Nebraska | $23 |

According to the National Golf Foundation, the average U.S. weekend green fee for 18 holes and a cart is a pricey $35. The highest average fee is a whopping $92 in Nevada, and the lowest is a budget-saving $17 in North Dakota.

Rounds are down throughout the country, according to Golf Datatech, a Kissimmee, Fla.-based golf market research firm. Through August, rounds decreased 2.4 percent on U.S. courses from the previous year. Rounds were down 3.8 percent in the mountain region, which includes golf resort destinations Arizona, Nevada and Colorado. (Remember, this number was taken *before* Sept. 11 when people weren't afraid to fly.)

If rounds continue to decrease and golf's price continues to increase, the industry could suffer financially. That could mean anything from courses delaying greens renovations to courses laying off maintenance workers to courses closing their doors. "If fewer players take up the game in coming years for economic reasons, everyone operating golf courses will surely feel the impact," says Ronald W. Fream, founder of Golfplan, an architectural firm based in Santa Rosa, Calif.

The main reason for reduced play is price, Fream insists. He and others, including Brad Schmidt, general manager of Lincoln, Neb.-based Landscapes Unlimited LLC, believe golf needs lower green fees now more than over.

"Ever-higher green fees in the long run are self-defeating since the number of players available is inversely proportional to the size of the green fees," Fream says.

"Quality, affordable golf is what's going to grow this game," Schmidt says. "Affordable golf means building a golf course that doesn't charge $100 a round."

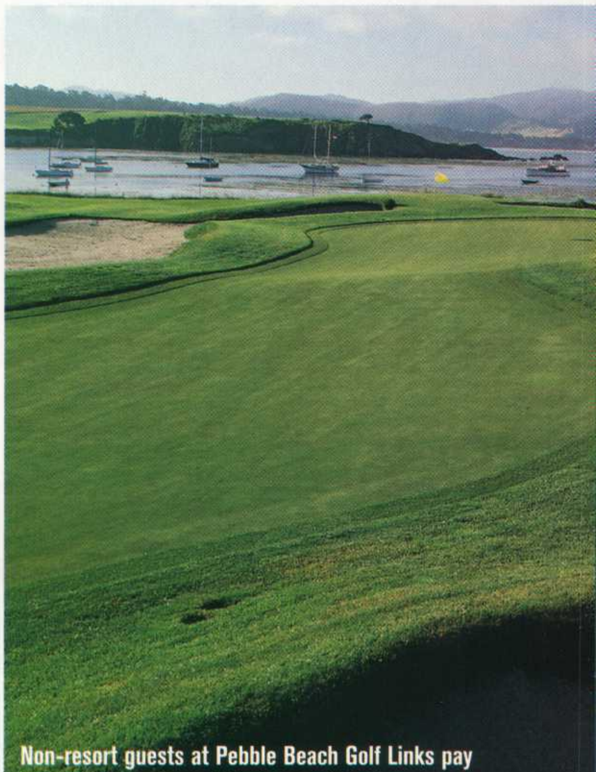
With affordable golf, however, the industry could experience an increase in rounds and attract new players. "But who's going to lead the charge?" Schmidt asks.

That's a good question. For starters, the people who comprise the different components of the golf course industry need to be on the same side. There's a lot of finger pointing throughout the industry. Owners blame contractors and architects for exorbitant fees and vice versa. While some of the criticism is warranted, these groups must work together if they want to achieve affordable golf.

When Damian Pascuzzo began his term as president of the American Society of Golf Course Architects last May, he said promoting affordable golf was at the top of his to-do list. Pascuzzo is not knocking high-end daily-fee courses, but he says entry-level affordable golf has been lost in the shuffle.

"Maybe I'm more sensitive to that now because I have three children," says Pascuzzo, a partner with architect Robert Muir Graves. "But try taking a family of that size to play golf when the green fees are $50. It's ridiculous."

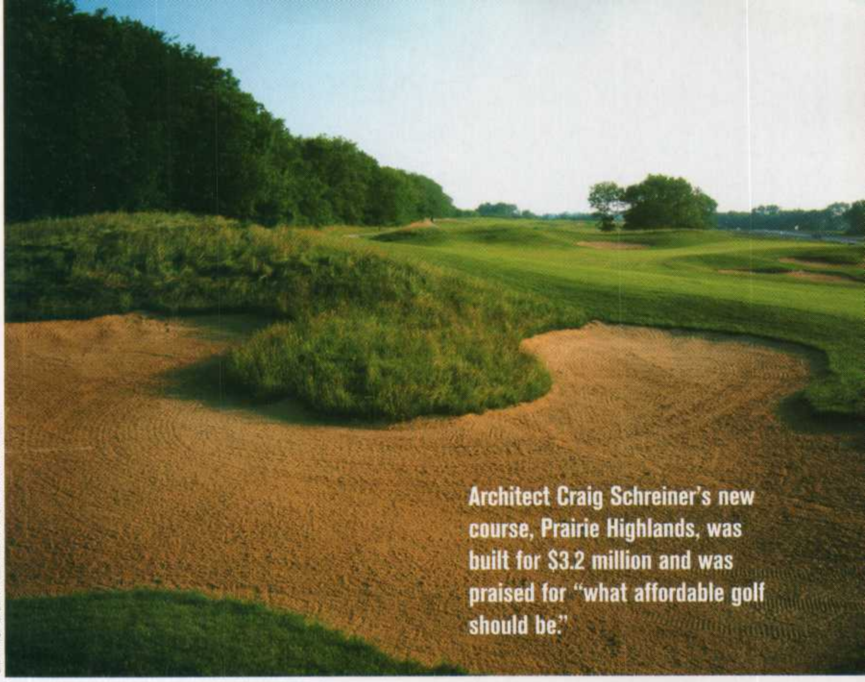
But as Barry Frank, vice president of growth



Non-resort guests at Pebble Beach Golf Links pay $350 to play 18 – and that doesn't include a cart or caddie. But people are paying the lofty green fees because . . . it's Pebble Beach, after all.

and development for the National Golf Foundation, points out, there's a fine line between affordable golf and a floundering business. Nobody is going to build a second-rate golf course and lose money on it, Frank says. "If somebody isn't building it from a cash-flow standpoint, then he's building it for all the wrong reasons, and he won't be in business for long," he adds.

The rule of thumb is that for every $1 million spent on a golf course, an owner needs to charge $10 in green fees, Frank explains. If the land costs $3 million, that means another $30 in green fees. "You have to build a course and price it based on what a certain market will bear," he says.



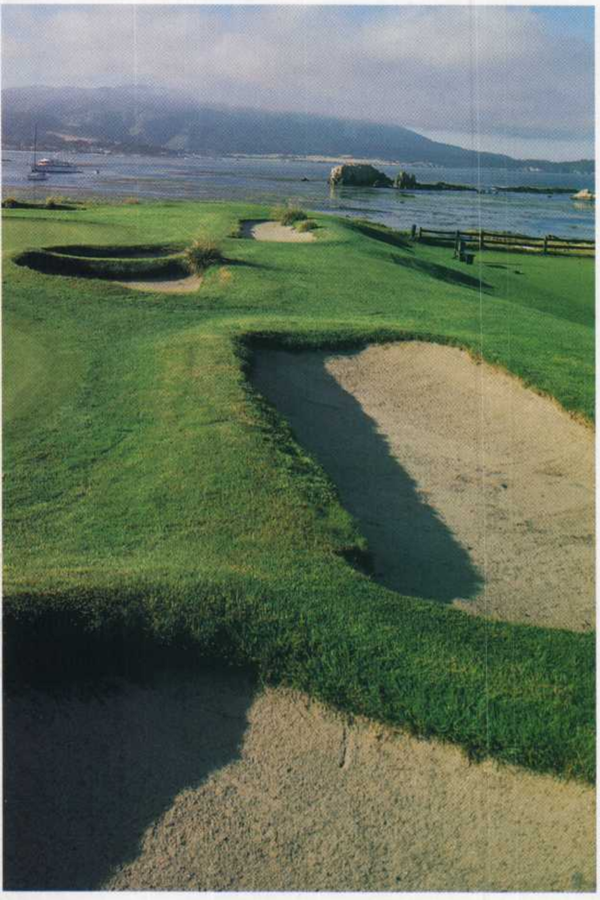
CRAIG SCHREINER GC ARCHITECTS

Architect Craig Schreiner's new course, Prairie Highlands, was built for $3.2 million and was praised for "what affordable golf should be."

### What's out there?

Cleve Cleveland, owner of Newark Valley GC, a mom-and-pop track in Newark Valley, N.Y., says today's new owners all want high-end courses. "They don't want to build low-end, podunk courses," he adds.

In Boise, Idaho, Judy Hutt, general manager of Shadow Valley GC, says few owners are catering to the new golfer population by building affordable, entry-level courses. "Everyone is trying to build better mousetraps so they're building bigger and more expensive golf courses with higher green fees," she adds.



MIKE KLEMME

Mike Hughes, executive director of the National Golf Course Owners Association, says most courses built in the past 10 years are high-end tracks, and he doesn't see the trend changing soon. "Most of the courses I see coming out of the ground are high-end courses," he says, noting there are about four courses in the Charleston, S.C., area, where NGCOA is located, that are "ultra" high-end tracks.

The new high-end courses have also forced their competition — older courses with lower green fees — to renovate so they can remain marketable. Hence, the older courses must increase their green fees to help pay renovation costs. "They didn't start out as high-end public golf, but they've become that because they had to compete with what was coming online in their markets," NGF's Frank says.

**Enjoyable and attractive golf for a reasonable price can be a profitable venture.**

RONALD W. FREAM, ARCHITECT

However, some industry insiders believe construction of high-end courses is on a downslide. Lee Hetrick, executive director of the Lincoln, Neb.-based Golf Course Builders Association of America, says there's more focus on building affordable golf courses, mostly because of the recent economic downturn.

Kansas City, Mo.-based architect Craig Schreiner, a proponent of minimal design and affordable golf, recently completed Prairie Highlands GC in Olathe, Kan., for $3.2 million with green fees of $35. "It's better than or equal to — in terms of look and playability — the

*Continued on page 20A*

*Continued from page 17A*

courses that charge twice as much," Schreiner says.

Schreiner says many golfers don't mind playing on courses that feature minimal designs, a big reason for their low green fees.

"I've always engaged in sound engineering, simple design, minimal bunkering, maximum tees and wide-open fairways," Schreiner says. "I cut my teeth with (the late Columbus, Ohio-based architect) Jack Kidwell, who built a lot of golf courses for less than $1 million that were pretty damned good."

Schreiner says too many architects and developers focus on making golf courses extravagant and difficult. They move too much dirt, build too many bunkers and design too many intricate green complexes, which drive up the price. "It's easy to make a golf course hard, but it's hard to make it playable and challenging," Schreiner says.

### Fewer "No. 1" courses

Frank says the topic of green fees often falls under the basic category of supply and demand. In the New York City area, for instance, golfers will pay higher green fees because the area is undersupplied. "But if you build a golf course in Waterloo, Iowa, you have to ask yourself if that area will support $90 green fees, which it probably won't," Frank adds.

Despite the influx of high-end courses, Frank argues there are still thousands of golf courses with moderate and low green fees. But Frank agrees the industry should keep affordable golf top of mind.

"If not, then golf will only be for people in the upper-economic division," he says. "We have to avoid that."

Pascuzzo wants to see more par-3 courses built on 30 acres. For that to happen, the public sector must get involved, he states. "I don't see it happening in the private sector because there's not a lot of profit motive," he adds.

Pascuzzo says city parks and recreation personnel, and public works directors must lead the charge. "They need to understand the economic and recreational benefits these facilities can have on their cities," he adds.

Most everyone agrees that egos and affordable golf are opposites. "When you have a lot of money and a big ego, you want to build the No. 1 course in the country because you can afford it," Schmidt says.

Not that there's anything wrong with that, Schmidt adds. At the same time, however, he believes the industry needs more quality and affordable golf courses, and less "No. 1" courses with $100 green fees.

Fream says "enjoyable and attractive golf for a reasonable price" can be a profitable venture. "A well-done course for $3.5 million or $5 million can often produce a better rate of return on investment than that $10 million or $12 million ego- or star-driven effort," he says. ■

## Customer Service Rules

We asked superintendents: What can courses do to attract or retain players during tough times?

**"Modify pricing structures and add more incentives to make golfers feel like they're getting more bang for their bucks."**
*Kevin Goolsby, superintendent*
*The Sportsman Golf Resort, Pensacola, Fla.*

**"Price reduction during hard times shows you have a heart for a game that you enjoy."**
*Pat Blum, superintendent*
*Colonial Acres GC, Glenmont, N.Y.*

**"Great service to patrons from the time they get out of their cars. Make them feel special."**
*Greg Pheneger, CGCS*
*John's Island Club, Vero Beach, Fla.*

**"Free beer and pretzels."**
*Robert DiRico, CGCS*
*Brae Burn CC, West Newton, Mass.*

**"Provide better-than-expected conditions and a positive, friendly atmosphere. Focus on service and those things that do not necessarily cost money."**
*Darren Davis, CGCS*
*Olde Florida GC, Naples, Fla.*

**"Sometimes just stopping to talk to your players is enough to make them feel better about being at your facility."**
*Ed Walsh, CGCS and Project Manager*
*Wending Creek GC, Coudersport, Pa.*