

# 90 GOLF: IN THE PUBLIC INTEREST

The golf boom rolls along, though the 'one-course-per-day' goal is distant. More public links are needed, or Joe Golfer faces longer lines.

by Terry McIver, associate editor

**G**olf course developers in the 1980s harkened to the call for more and better golf courses. But as the industry enters the '90s, development of more public-access courses must quicken to match the demand expected by the year 2000.

Ribbon-cutting continues at courses across the nation. Regionally, the Southeast is most active in new project development. Florida leads

the region, with 39 courses planned. Angelo Polermo, vice president of golf course development for the National Golf Foundation (NGF), says construction nationwide continues at a good clip, based on annual NGF surveys, but still warns of a "capacity gap" of 4,000 golf courses by the year 2000, "even if the number of rounds played grows at the rate of two percent each year."

NGF expects 315 new courses to be opened nationwide by 1990. At least 138 of those, according to Polermo, will be resort/residential courses out of reach for the public golfer. "We (the United States) have 24 million golfers playing 487 million rounds of golf," says Polermo. "There is certainly a continuing need for public courses."

Still, Polermo is justifiably excited



Great scenery and year-round sun are big draws for golf states like Florida and California. Above, Ironwood Country Club in Palm Desert, Calif.

when he sees the golf construction industry harken to the call for more courses.

"The industry recognizes the validity of the NGF's research, which indicates that there are some very strong golf markets out there," he notes, "and this is demonstrated by the number (of golf courses) under construction and recently opened."

### Financially speaking

California's Palm Springs area, long a premier golf mecca, has a thirst for more public courses that won't take a divot out of middle-income pocket-books. Bob Stucynski, superintendent at Ironwood Country Club in Palm Desert, notes that the surrounding Coachella Valley has only six or seven public/semi-public courses that charge from \$25 to \$50 a round. The yen for private, residential courses seems to be driven by developers' desires for quicker investment returns. Much of the thinking, according to Stucynski and other supers, is that with high land prices and no housing developments to provide extra income, the lag time before a public course can be successful is a million yards long. A public course built for \$2-4 million would take 10-15 years before becoming profitable, especially with low green fees.

"Even if you run 380 rounds through each day," reasons Stucynski, "you still have operational budgets (which will vary), depending on what condition you want the course to be in. Let's say your maintenance and pro shop operation costs \$2 million per year, with salaries. You've got to generate \$2 million worth of outside play. Where are you going to get the money to pay off the initial premium?"

### Public courses work

Funding is the biggest bunker to clear when it comes to development, and the combined resources of multi-investors can make it easier.

More private investors have to become aware of the money-making potential for new courses.

"No question about it," says Tom Haugen, of Stonebrook Golf Course in Shakopee, Minn. when asked if a public course can be a more profitable venture.

"You've got so many more people to draw from," states Haugen. "People don't like to play 20 rounds of golf at one place (as do members of a private club). It's an easy way to set up a golf course, with virtually no advertising other than to announce that you're open."

Jerry Lemons, superintendent at Tennessee's Old Hickory Country Club: "The business has been looked at by owners as an 'ego-driven' enterprise rather than one by which owners can profit."

How much money can a public golf course make? "If you can keep land

hire a lot of lawyers and environmental engineers, and face a two- to three-year permit process before you can even break ground. In many cases the privates have access to more financing, but that's a generalization."

But to some experts, the "members only" golf course is not an absolutely more profitable way to play the game. Golf course architect Michael Hurdzan serves as president of the American Society of Golf Course Architects. Hurdzan believes there is a mistaken belief that a golf course developed in tandem with housing must someday become a private course in



Florida golf course designers Lloyd (left) and George Clifton believe in an "absolute need" for more public access courses in the state, just as in the U.S.



Bob Stucynski says that, for quicker investment returns, developers build residential courses. Wholly public courses don't prove as profitable as soon.

and construction under \$2 million," insists Lemons, "you can pay for that course in five years."

But is it indeed that quick a return? According to Pat Jones, director of communications for GCSAA, a public course can be a hard row to hoe.

"It takes quite a bit of capital to work for two or three years in advance of construction," reminds Jones. "To go through the permit process, to complete environmental audits, and deal with the government, you've got to

order to exist profitably.

"Primarily," states Hurdzan, "golf development is in the golf resort and second home market. That doesn't mean the most demand is there; that simply means that that's the easiest way to develop."

According to Hurdzan, "20 percent of the people who buy homes in a golf course development play golf. The other 80 percent want the amenity of not having neighbors; they just want to sit on their patio (and enjoy the view)."

"We in the golf industry can make the boom continue for a long time," Hurdzan warns, "or we can kill it by charging too much and trying to put too many people on too few courses."

The average golfer needs the help of the golf course construction industry. A developer in suburban Chicago, for instance, says golfers at courses there constantly face long lines.

More groups of private investors looking for a long-term commitment are needed. Those who will build the course and manage it for a long term. It can be done, and is in the best interest of golfers everywhere serious about the game.

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