Repositioning for Profit

By Ronald W. Fream

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There are over 25 million golfers in America. There are nearly 17,000 golf courses. Play has actually been decreasing or at best leveled off at many of the top end high priced daily fee courses. Price point resistance has been reached. But, to capture more play, some moderation in green fee rates may be necessary in certain markets. Focusing on repeat play and the middle of the golfer market is where expansion of demand is available. The low-priced courses will always have players and few profits. For profit, high-end is the place. There is now room to move older or rundown courses up market, renewing them so that the large middle market can be attracted.

Even with golf play growth of only one or two percent a year, it is now difficult to add enough courses to provide new playing venues. Were golf play to increase to the 1980s rates of around 4 percent per annum, a severe under supply of courses would exist.

There is a growing middle- and older-aged population; 52 percent of the national population by 2010 will be over 35 years of age. This includes about 13 percent who are 65 years or older. This is a group with expanding leisure time and disposable income. It is also the group that can be attracted to good quality, reasonably priced daily-fee courses.

Escalating land prices, land shortages near population centers, auto route traffic, government agencies and bureaucracy, environmentalists, no-growth advocated and construction costs make it ever harder and ever longer to build and open new courses. The success of public and daily fee courses depends upon attracting repeat play and providing value for price. Being able to accept increased player usage can help expand the profit margins. For this to happen a niche opportunity exists to significantly upgrade an existing course rather that create a new one.

Creating new golf courses now involves so much public agency negotiation and regulation, accommodation, mediation and time delay that the resulting cost to realize the project will often put the feasibility of long-term profitability in question.

EAGLE RIDGE GOLF CLUB - HOLE NO. 2
GILROY, CALIFORNIA
VIEW TO GREENSITE, PAR 3

Eagle Ridge Golf Club – Hole No. 4
Gilroy, California

2nd Shot Approach to Green, Par 5

This often overlooked opportunity to ever rising development costs for new golf courses is to take that older, established, and often reasonably profitable course and completely reposition, upgrade, modernize, facelift and improve it. To do a makeover of an existing course often involves minimal local agency approval and no zoning changes or prolonged permit processing. It is hard for environmentalists to condemn and argue against a course that has been there for 20, 30 or 50 years. The older course provides mature trees, an established clientele and a location that is close in, accessible and well-known. The land beneath the course usually is free and clear.

Repositioning an older course can present a fresh new layout, not just a facelift. To accommodate today's improved equipment, healthier longer hitting players and enhanced expectations of turfgrass quality, redesigned courses can present a new appearance, a new personality and inspire an increased demand to play. One focus of makeovers is to expand carrying capacity to permit more play without adversely impacting maintenance effort or cost. The ultimate result is a new course that can justifiably increase green fees. Since this is often more than enough to cover the cost of the improvements, repositioning can pay for itself and provide increased player demand and higher profits.

Repositioning implies more than a mere remodeling. While many older and old courses would benefit from some amount of cosmetic enhancement to counteract evolutionary green creep and bunker creep[1], this work often is superficial and focuses only on retaining the status and/or repairing some visible, obvious play or maintenance related problem.

These solutions are often a cheap and quick fix, and the results often offer little or nothing to encourage more play, repeat play or even justify an increase in green fees. This effort costs, does not earn, and is temporary or ongoing.

Repositioning is a one-of-a-kind, site-specific and singular effort. A comprehensive master plan, working drawings and a works program must be prepared. The master plan must fully consider existing safety factors, conditions of the course layout and hole arrangement, boundaries, specimen quality trees, water supply, maintenance factors, adjacent area land uses and both the present user market and the proposed or intended new user market. A clubhouse and clubhouse-area review is also desirable. Evaluating existing maintenance area facilities is also appropriate.

What can be done in one market may well be too much in another market. Careful overall analysis of the pros and cons, the options and potentials, the cost-to-benefit relationships, implementation timing, phasing and methods must all be part of the master plan preparation process. This is not the job for the golf pro, the club manager, or the golf superintendent. Too close a familiarity does not provide the broad umbrella overview really necessary. Too close a view, for too long, does not provide the diverse experience from which this program really benefits.

Repositioning requires an expansive viewpoint. A broad view, optimistic, creative, visionary and practical, with wide past experience, can see what others, more closely focused, will not or cannot see.

Being able to ask "what if?" leads to useful solutions. Repositioning can and should be ambitious, forward looking and consider not only design aesthetics and playability, but also long term oper-

[1] Bunker creep and green creep are terms used to describe the day-by-day, inch-by-inch inward movement of the putting green edge or bunker edge, shifting ever so slowly from the original turf position as age and maintenance continues.

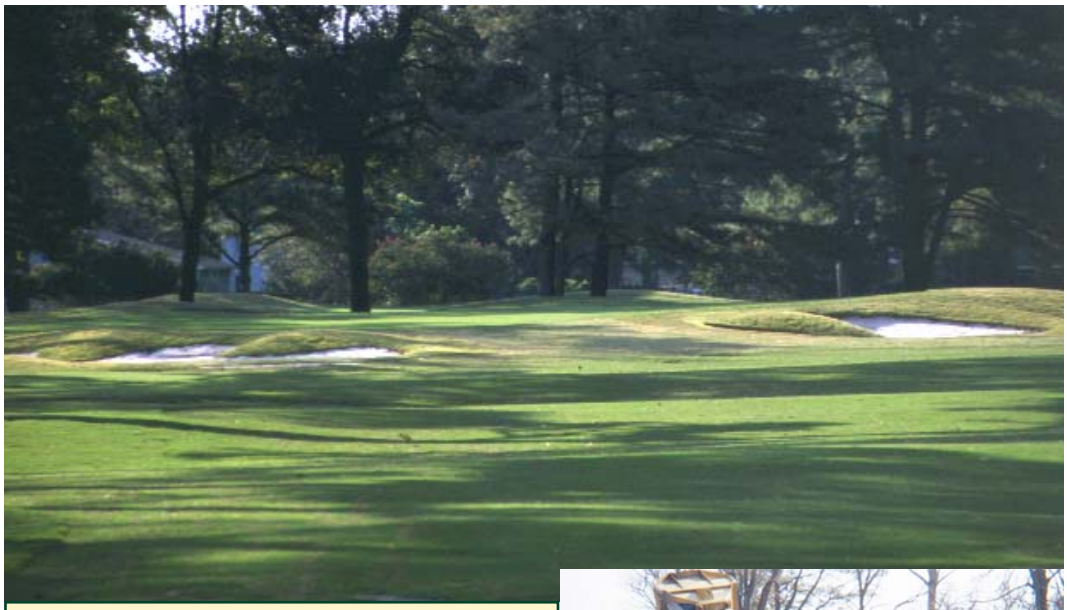
ational and long-term turfgrass management matters.Construction working drawings (blueprints) should be accurate, detailed and specific in response to the master plan. Design by hand waving or arbitrary tractor driving only yields over- budget, mediocre or stereotypical results. Experienced golf construction personnel should be used to implement the work, not one's existing maintenance staff.

Repositioning an existing course will not cost nearly as much to realize as building a new course from scratch. There are numerous opportunities for cost efficiency. A more ambitious, more dramatic result can be achieved for less investment and usually in far less time.

Repositioning brings positive cash flow sooner and the "new" course can justify a significantly higher green fee than before. Price increases of 25 or 35 percent would be quite reasonable to expect.

Aesthetic redesign is not the only objective. Obtaining greater turfgrass maintenance operational efficiency, utilizing new resources, such as effluent irrigation water or an improved more efficient irrigation system, should be considered. Drainage improvements often are necessary. As the course ages, soil structure deteriorates. Compaction is the result and turf quality, in general, is lessened. Utilizing the correct USGA-inspired seedbed materials and the latest in turfgrass varieties is essential. Utilizing formerly unused land, expanding the carrying capacity of the course to accommodate increasing volumes of play, eliminating or reducing pre-existing safety hazard conditions and adapting to the existence and value of now mature trees, are each an important factor. It is the symbiotic effect of combining these elements that help yield the superior results.

The state of the game today is driven by modern technology, prodigy players and an Augusta National obsession with immaculate maintenance. These factors are not necessarily good for the game automatically. In many cases, this has led to detrimental actions. Immaculate maintenance conditions are appropriate for only very few courses.



Ocean View Golf Course, Norfolk Virginia
Hole No. 3, Par 4

Remodeled to resemble Pinehurst.

However, redesigning with vision can produce a fresh new course, perhaps a longer one, a course that will challenge and test the longer drives of today's stronger players. At the same time, new course designs must fully respect and accommodate the women and the younger players as well as the increasing population of senior golfers.

Playability, fairness, scenic diversity, beauty, capacity and speed of play and maintainability at reasonable cost must all be factored in. We are, after all, seeking profit enhancing and profitable long-term results

Repositioning will provide player-pleasing new design offerings; a change from the round and flat of so many older courses. Increasing carrying capacity is essential. This means eliminating blind hazards, reducing excessive or punishing roughs, expanding, adjusting and re-siting teeing positions, making sand bunkers function and be visible before the shots are made. Longer hitting means longer bunker placement. Larger and repositioned teeing areas will help counter new golf balls, club heads and shafts and reduce divot wear.

Redesigned greens should not be round and flat, but offer visually dynamic approach shots and five, six or even seven fresh distinct pin placement positions. Larger greens with distinct putting character add interest and diversity for repeat players. They also help better accommodate higher volumes of play. Putting surface design must be carefully fashioned so two putt greens are the norm. Bunker redesign, addition or elimination will help support the new image and new playing conditions. The redesigned course should visually appear more intimidating than it really is.

The makeover may require the expansion of existing lakes or ponds and the addition of new lakes to accommodate more irrigation storage and also to provide an inexpensive local source of fill soil. Adding ornamental treatments to lake edges, such as log or stone walls of some natural form, can add visual aesthetics and interest as the lakes are reconfigured. Deepening some lakes may help eliminate weed growth and

Shore Gate Golf Club,
Cape May County, New Jersey

Hole No. 18, Par 4

summer algae buildups. Fairways can be contoured for interest and for drainage improvement. Subsurface drainage and even a sand cap layer over fairways can turn a fair weather hole, or course, into an all weather "waterproof" expanded-play condition.

The redo must consider the type, age, density and location of existing trees. Redesigning will bring a specimen tree into play or expand a fairway landing area with selective clearing, remove some shaggy trees to improve or speed play. Some trees can be transplanted for better use. Thinning to alleviate excessive shade will help improve turf conditions and perhaps help eliminate wet areas. Correct surgical care for trees is preferable to wood-cutter style pruning. Care must be taken regarding the protection of the roots of existing trees. Cutting or filling of the soil around mature trees can lead to their decline and death.

Thinning or total removal of some trees can also coincide with rough area rehabilitation. Often, over time, the rough areas evolve from long grasses to shrub growth, reeds, more trees or thorn thickets. Such areas are magnets for balls. Removing dense rough or re-maintaining rough areas to help speed miss-hit ball recovery or discovery helps speed play. Increased play obviously is one of the main goals of repositioning.

In some locations new tree plantings are desirable. Ornamental varieties can provide leaf and/or flower color or winter silhouette beauty. Some new tree plantings may be necessary to support or compliment safety factor changes made in the redesign. These safety factor changes made in the redesign to ameliorate include adjacent land use situations as well as within the course situations. Over time, safety hazard liability and responsibility have increased.

Cart traffic on turf areas causes compaction, resulting in turf growth problems. Adding or expanding cart paths can help speed play at times and will help turf quality and appearance. Increased cart use can improve revenues. Installing curbs may help direct some traffic. Paths of concrete last longer than those of asphalt.

An upgrading, repositioning program should consider enhancing and expanding the practice facilities and driving range. Perhaps a better teaching area can be provided. A creative facelift of these areas can help boost revenue. Adding night lighting can also increase revenue in some locations.

Repositioning does certainly involve introducing new turfgrass varieties. Many advances have occurred over the past 20 years. There are greatly improved creeping Bentgrasses for greensites and in some climates for tees and fairways. Major improvements in Kentucky Bluegrasses, Ryegrass and the Fescues offer the golf architect some interesting options.

New warm climate Bermudagrasses offer significantly improved turf for faster, truer putting surfaces. The new seeded Bermudagrasses now rival some hybrid varieties in fineness of texture and color for tees and fairways. Several Paspalum varieties offer new hope for arid climate and saline soil and water environments. There are some Zoysia varieties available now that serve not only the transition zone, but have other interesting uses. The selection of grasses should consider long-term maintenance factors.

Repositioning may well require a more ambitious turfgrass maintenance program. A new or improved maintenance building may be desirable. More equipment, new equipment or better-trained staff may be required to take advantage of the upgraded work. However an excessively ambitious or too high a goal for maintenance will raise the costs and may not help increase profits.

This course that is new and "in town" and readily accessible may actually have an asset that has been overlooked by the too close management. There may be some property within the course, or adjacent, where it would be feasible to develop home sites, a golf lodge or expand the clubhouse to offer executive meeting rooms. Drawing upon the latent value of the adjacent open space can be a very profitable and compatible use.

Adding more golf holes into the available open land also can add significant value. The once tired looking course is now fresh and modern and more players will come. Demand now will justify the investment of an additional nine holes. Demand will pay for those holes through the increased green fees the players are willing to pay for the greatly more enjoyable, more beautiful new course.

Repositioning for profit is a here and now event. It will become more common and more in demand with each passing year. Do it smartly. Do it well. Benefit from the effort.

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