

September 7, 2021

**VIA HAND DELIVERY**

Mayor Wade Kapszukiewicz  
City of Toledo, Ohio  
One Government Center, Suite 2200  
Toledo, Ohio 43604

Dear Mayor Kapszukiewicz:

Thank you for allowing Toledo residents the opportunity to present ideas pertaining to expenditure of funds awarded to the City of Toledo through the American Rescue Plan Act of 2021. The undersigned citizens are affiliated with "Friends of Ottawa Park Golf Course," an informal organization which represents thousands of Toledoans who patronize and are concerned about the condition of Ottawa Park and Detwiler Golf courses. We attended the August 17, 2021 meeting at the Toledo/Lucas County Library and presented a proposal for \$1,015,000.00 for Capital/Infrastructure improvements spanning Five (5) years.

In addition to its request for capital improvement spending, the undersigned respectfully submit additional comments and suggestions regarding the current structure of legislation applicable to golf course operation and related financial reporting.

The Permanent Special Golf Fund was created under TMC 953.03 and ORC 5705.12 as a Special Revenue Fund in 1952 (commonly called the Golf Improvement Fund). The "Permanent Special Golf Fund was created to "relieve the General Fund of any expenditures for such purpose ... and such specified golf courses shall be self-supporting" and "maintenance, operation, improvement and construction." Three items are of interest: the enabling legislation, the Fund's financial operations and financial reporting.

In order to provide you additional information to support our request, we have attached the following:

**Attachment One-** is a copy of the capital improvements list we presented at the public hearing on August 17, 2021, together with specific photographs illustrating some of the current conditions. We are developing additional, detailed information for the Detwiler Golf Course portion of this request. Please be advised that the expense figures for requested improvements are estimates. Actual costs may well exceed the cost presented.

**Attachment Two-** is the original Enabling Legislation with some thoughts on improving TMC 953.03 that appears beneath the existing legislation (at the bottom of the page).

**Attachment Three-** is an explanation and draft hybrid financial statement for consideration.

**Attachment Four-** is an article concerning changes made to the operation of Brookside Golf Course in Ashland, Ohio that appeared in Golf Week Magazine on August 21, 2021. Originally appearing in the Ashland Times Gazette, the article contains a number of helpful ideas which are instructive and applicable to the situation faced by golf operations in our community courses.

**Attachment Five-** is an article that appeared in Club and Resort Business Magazine on July 1, 2019 specifically directed to funding and operational issues experienced by our city during the transition from Master Golf to Davey Golf. Of particular note is that portion of the article reporting remarks made by former councilman Peter Ujvagi who, when commenting on a city financial review of golf fund transfers to the general fund in the approximate amount of \$3.86 million since 1996, made the following observation while approving stopgap financial aid: "This is not even a payment. It's really a repayment of a portion of the profits that have been generated and were in the City's golf fund, and \$700,000 out of \$3,863,000.00 pales."

**Attachment Six-** is an article entitled, "Muni golf: Why some courses fail, why some succeed, and where the industry is going," which appeared in Golf Week Magazine on June 16, 2021. Peter Hill, chairman and CEO of Indigo Golf Partners, referred to as the "Sixth Most Powerful Man in Golf," explains in detail the issues facing municipal golf and paths to successful operation.

We sincerely hope you favorably consider this request for American Recovery Plan Act funding for our municipal golf courses as requested.

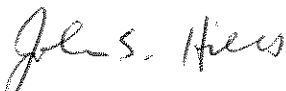
If the ideas of making possible additions to TMC 953.03 and/or the development of new financial reporting procedures appear helpful, please let us know at your convenience. Current annual and long-term financial reporting procedure for golf operations may benefit from the proposed hybrid report concept outlined in Attachment #3.

If deemed appropriate, cooperation is offered for the creation of a group or entity to act as a Qualified Subrecipient for the management of designated funds.

Sincerely,



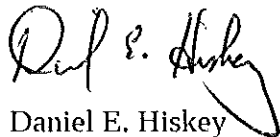
James C. O'Neal  
Officer  
Toledo Metro Golf Association



John S. Hills, C.P.A.  
The Hills Group, LTD.



Thomas L. Kovacik  
Former Chief Operating  
City of Toledo



Daniel E. Hiskey  
Former Auditor  
City of Toledo



Jeffery B. Johnston, Esq.  
Friends of Ottawa Park Golf Course

## AMERICAN RESCUE PLAN ACT OF 2021

REQUEST FOR FUNDING FOR OTTAWA PARK GOLF COURSE AND DETWILER GOLF  
COURSE IMPROVEMENTSOTTAWA PARK GOLF COURSE

Cart barn replacement	\$ 45,000.00
Replacement of cart path sections various holes >1,500 sq. ft.	\$ 15,000.00
Replacement of bridge at 16 <sup>th</sup> hole; same style as bridge at course entrance.	\$ 10,000.00
Reconstruction of historic stone bridge at 10 <sup>th</sup> hole.	\$ 5,000.00
Construction of bulkhead in front of 18 <sup>th</sup> green to prevent continuing erosion from the creek; will require engineering estimate.	\$100,000.00
Repair/replacement of historic bridge from 17 <sup>th</sup> fairway to 18 <sup>th</sup> green.	\$ 20,000.00
Recoat asphalt vehicle parking lot.	\$ 10,000.00
Construction of gazebo to accommodate golf outings (dedicated to Arthur Hills, famous course designer).	\$ 75,000.00
Replacement of pumping station for fairways on holes #2 and 3.	\$ 20,000.00
Total:	<u>\$300,000.00</u>

DETWILER GOLF COURSE

Irrigation system replacement (entire course).	\$700,000.00
Replacement of driving range netting.	\$ 15,000.00
Total:	<u>\$715,000.00</u>



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8/7/2021

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OTTAWA PARK GC HOLE 10 BRIDGE

### **953.03. Special golf fund.**

#### **(a) Establishment.**

Under the authority of Ohio R.C. 5705.12 there shall be created a permanent special golf fund to which shall be credited all fees collected for the playing of golf on the fee charge courses in the City.

#### **(b) Use of Special Golf Fund.**

The special fund herein established shall be used only for all proper maintenance, operation, improvement and construction of municipal golf courses in the City for which a fee is charged; and all appropriations therefrom shall be made for only such purpose.

#### **(c) Appropriation from General Fund.**

An appropriation from the General Fund for the maintenance, operation and improvement of municipal fee charge golf courses of the City shall be construed as transfers to the special fund herein established and the General Fund shall be reimbursed for any expenditures under such appropriations from all revenues that may be thereafter credited to the special fund established by this section.

#### **(d) Purpose.**

The purpose of subsection (c) hereof is to establish a permanent special golf fund from which the entire expenditure of the maintenance, operation and improvement of the present fee charged municipal golf courses or construction of additional fee charged municipal golf courses of the City shall be paid and of relieving the General Fund of any expenditures for such purpose. Such specified golf courses shall be self-supporting.

#### **(e) Preference in Use of Fund.**

Preference shall be given to the proper maintenance, operation and improvement of the municipal fee charged golf courses already established before funds from the aforesaid special golf fund are expended for the construction of additional municipal fee charged golf courses.

(1952 Code § 3-25-4 to 3-25-8)

#### **If a re-write of TMC 953.03 is in order, consider things such as:**

- 1. Require the creation of a Reserve for Emergencies/Budget Stabilization from the ending fund balance. It could be as a percentage or a set dollar amount.**
- 2. Require that a 5-year Capital Improvement/Infrastructure plan be developed incorporating not only with the fund balance but also any Grants or contributions received so all funds show.**
- 3. Define what is permitted to be Transferred IN/OUT of the Fund and only by legislative authority and define what constitutes an 'emergency' (loss of revenue, equipment failures, etc.). Require that an internal audit be performed during any given year for receipts and for the condition of all operating equipment and this report be provided to the Mayor and Council at least annually at the completion of any golf season, pertaining to the equipment.**
- 4. Require that internal cash audits be performed during the season and that a comprehensive equipment audit be performed at the end of each season and this report be provided to the Mayor and Council.**

# ATTACHMENT 3

## A DRAFT HYBRID PERMANENT SPECIAL GOLF FUND REPORT

While you may already have both adequate monthly financial and annual Capital financial reporting, to the Mayor and City Council, you may wish to consider developing a report similar to the attached if one does not already exist. Having limited access to detailed financial information, monthly on-going operational information, and given the fact that the Permanent Special Golf Fund is a Special Revenue Fund, the attached report might provide both Management and Elective leadership a more comprehensive picture of the Fund. This is more a management report than a financial one FYI.

1. **TMC 953.03 created the Permanent Special Golf Fund as a SPECIAL REVENUE FUND in 1952.** At some point, perhaps by newer legislation not yet found, the Fund has become to be called the Golf Course Improvement Fund or the Golf Improvement fund, as both titles have been used in Legislation. As a Special Revenue Fund and as specifically worded in the fund language, it encompasses both OPERATING AND CAPITAL IMPROVEMENT revenue and expenditures in one single fund. This is not a problem but it can make for somewhat confusing when it comes to financial reporting and presentation. Currently this Golf Improvement fund only includes Operating expenses actually.

**As you look at the draft "Hybrid" report, note that it begins with**

- Your CAFR fund balance as approved by the State Auditor in your financial audit.
- Then it lists Revenue to the fund from multiple sources both for Operating and Capital Expenditures.
- It then moves into the Expenditures for the fund for both the Operating and the planned Capital Projects over a 5-year window.

**The draft "Hybrid" report encompasses three (3) stages of the fund to provide you a clear picture of all of the fund's revenue and expenditures for the past, present and future.**

- First, it is retrospective and provides you audited financial information to show the past fund balances lifted directly from the past year's CAFR (pages 195, 220, 203).
- Second, it provides you current budget information that you approve in the Operating budget (pages 31 & 32).
- Three, it lays out future possible Capital & Infrastructure projects & the payments back to the General Fund at \$65,000 per year for the General Fund loan made in 2019.

**This "Hybrid report" requires more work as we do not currently have access to current reporting.** For this report to be useful, if you decide to move in this direction, the following needs to occur:

ONE--Posting of the 2020 CAFR data as of the August 27 CAFR release. 2021 now begins the year with a fund balance beginning 1/1/21 of \$257,000. IF all current revenue and expenditures are on track FOR 2021. you may have a of \$185,740 year-end balance.

Verifying the financial information in the draft report is accurate. We used what we could find. The full categorization of Sources and Uses appearing in the left column needs to occur, adding and deleting them as is appropriate by management for both Operational and Financial data.

The report could be in addition to what is currently being reported as the year progresses.

While the Contractor's reports are very informative, they may not include other Fund expenditures such as expenditures made from the Fund that do not pass thru you current contractor? Thus, any on-going Operational or Capital project expenses from any source will appear to the credit or the debit of the Fund.

This is not a standard financial report. It is in line with the original wording of TMC 953.03 passed in 1952, the Permanent Special Golf Fund. That TMC code section states that this one fund will include both Operating AND Improvement/Construction expenses.

Page #195	CAFR #220	CAFR	BUDGET	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED
		2020	2021	2022	2023	2024	2025
			257,000.00				

8/31/2021



## An Ohio golf course went from red to black in four years by cutting an \$80K pro, adding sponsors and more



(Photo by Tom E. Puskar/Ashland Times-Gazette)

Grant Ritchey, Ashland Times Gazette

August 21, 2021 11:42 am ET

Listen to this article



ASHLAND, Ohio – Brookside Golf Course, which sits in this small city almost equidistant from Cleveland and Columbus, is seeing more green this year — as in profits.

The course is up \$100,000 over expenses so far this season, a stark contrast to its deficit just four years ago.

The city had to subsidize Brookside a total of \$232,362 in 2017 to help offset annual operations. In 2019, the city contributed \$65,000 to the golf course, Mayor Matt Miller said.



By the following year, the course officially climbed into the black.

How? By cutting costs, realigning staff and improving fundraising and community support.

And more people are playing these days, which helps maintain a higher revenue stream.

So far this year, golfers have played 16,800 rounds. That's more than played the entire year (16,788) of 2017.

Brookside is exceeding expenses by \$101,519 so far this season with a few more months to continue the upward trend, Miller said.

### **Making Brookside profitable again: 'Three things we needed to change'**

When Miller ran for mayor in 2017, he focused on addressing the realities of the operation's financial books.

"There were three things we needed to change," Miller explained, all centering around staffing.

The city eliminated the golf pro position with its \$80,000 annual salary.

Billy Christian was appointed superintendent. Mick Briggs took over a part-time position overseeing the clubhouse. Another key player in the economic transformation is Steve Fast, a part-time employee who has a history in banking.

Fast, who retired from the course in April due to health concerns, worked at Brookside for 10 years, he said.

"Briggs and Christian were very instrumental in turning the course around," Fast said. "I think everybody came together and all the employees came together and even people who were not employees of the course came together and really worked, and we got the course built back up."

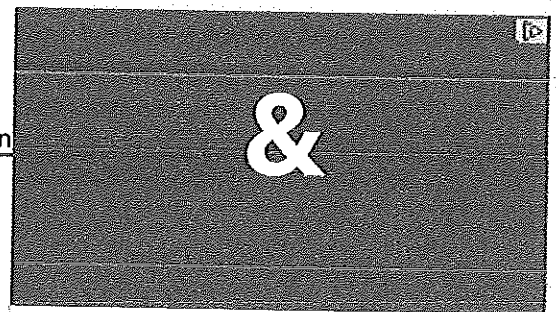
#### **Related**

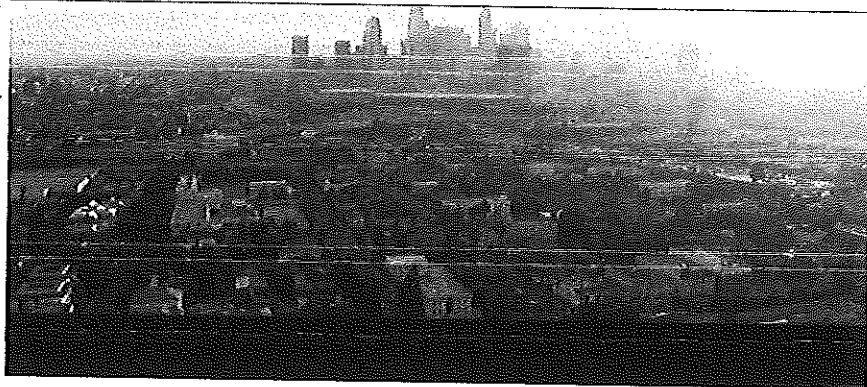
[Muni golf: Why some courses fail, why some succeed and where the industry is going](#)

[The best golf courses you can play in Ohio: Golfweek's Best](#)

#### **Community steps up to play golf**

Fast credits Ashlanders for the increase in money coming into the operation.





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### **Related**

Muni golf: Why some courses fail, why some succeed and where the industry is going





(Photo of Detwiler Park GC by Amy E. Voight, *The Blade*)

Article - Joe Banks.

**The opening of the courses for 2019 had been delayed and imperiled because of weather, a need for upgraded maintenance equipment, and a management firm change. The funds were transferred from the city's general fund to its golf course improvement fund, with the city council President also indicating that going forward, course revenues will now go directly into that golf course fund.**

The city council of Toledo, Ohio has approved using \$700,000 in general fund money to keep Toledo's three municipal golf courses from shutting down, *The Blade* of Toledo reported. The council characterized the action as a one-time transfer to the city's golf course improvement fund, rather than the loan that the administration of Mayor Wade Kapszukiewicz had initially asked for.

C+RB reported in May on the crisis that the city was facing in getting the courses open for the 2019 season, as a result of unfavorable weather, a lack of funding for needed course-maintenance equipment, and the dismissal of the Master Golf Management Group from management of the three courses (<https://clubandresortbusiness.com/toledo-ohio-still-without-municipal-golf-as-may-begins/>).

course closed because of flooding.

The Detwiler and Collins Park golf courses are now set to open by July 4<sup>th</sup>, *The Blade* reported.

Mayor Kapszukiewicz's administration initially asked the council to approve a loan that was to be paid back to the general fund over 15 years through annual payments of \$65,000, *The Blade* reported. But after a financial review showed that the city's general fund has taken in more than \$3.86 million from the golf course improvement fund since 1996, many councilmen said they viewed the \$700,000 transfer simply as a repayment.

"This is not even a payment. It's really a repayment of a portion of the profits that have been generated and were in the city's golf fund, and \$700,000 out of \$3,863,000 pales," Councilman Peter Ujvagi said. "I strongly support doing this and providing the dollars that hopefully will be sufficient to be able to operate through this year."

The city council in January voted to leave a 10-year contract with the company one year early, after Master Golf Management struggled to maintain the properties and was unable to pay rent to the city, *The Blade* reported. City figures show that the courses lost money the past two years.

After discovering how the courses and maintenance equipment were left in poor condition by Master Golf Management, city officials evaluated and purchased mowers and other equipment from Master Golf for \$150,000 for use by Davey Golf, a division of the Davey Tree Expert Co., that took over management of the three courses at the end of March and began working with city crews to try to get each course up to par. But it soon became clear that equipment needed to be replaced, *The Blade* reported.

"Somebody dropped the ball and we need to learn from that and we need to fix that and move forward," Councilman Chris Delaney said.

The council then approved in May spending \$99,000 a year for up to five years on a lease-purchase agreement with John Deere Financial to replace the city's golf course maintenance equipment.

Councilman Delaney said he is glad the city is moving toward getting the courses back into shape so they're able to open and once again generate revenue, *The Blade* reported. But the city's leaders need to closely monitor Toledo's golf program to make sure it is sustainable, he said.

"Just because we have a management company running a golf course doesn't mean we don't pay attention to what's going on at these courses," he said. "It's our responsibility to provide this service to our citizens who expect to be able to go there and golf."

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Going forward, said Council President Matt Cherry, the revenue generated from the courses will stay in the golf course improvement fund rather than be transferred into the general fund.

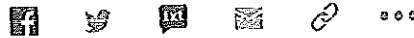
Rob Ludeman was the lone councilman to vote against the \$700,000 transfer, *The Blade* reported. He believes the city should privatize the golf courses.

"Let's get through the year, that's fine, but I think we need to put it in the hands of folks that are willing to take it over and do it in a privatized way," he said.

#### ABOUT THE AUTHOR

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## Muni golf: Why some courses fail, why some succeed and where the industry is going

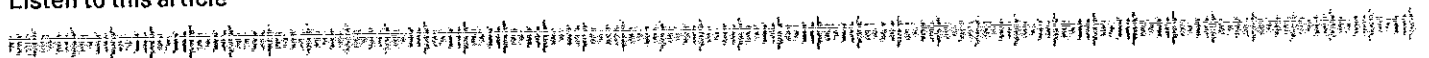


Danny Lee, Russell Henley and Cameron Davis walk up the first fairway during the Vivint Houston Open at Memorial Park Golf Course in Houston, Texas. After years of holding the event at suburban country clubs, the Tour stop was relocated into the city in 2020. (Photo by Maddie Meyer/Getty Images)

**Tim Schmitt**

June 16, 2021 7:00 am ET

### Listen to this article



(Editor's note: After the upcoming U.S. Open at Torrey Pines, there are no municipal golf courses on the majors schedule for the foreseeable future. In a three-part series, *Golfweek* sheds a spotlight on municipal golf, why it's a crucial piece of the golf industry and how it's evolving. [To see the first part, click here.](#))

To spend an hour listening to Peter Hill explain the history of North American golf course construction, primarily public-access golf, is like getting Warren Buffett to drop by your college business class for a lecture on investing.

There's little emotion in Hill's voice as he thoroughly dissects how and why municipal golf courses have been built, where they've been built, why many were set up for failure, and what obstacles they need to overcome in order to become successful.

Hill loves golf, for certain, but for more than three decades he managed these facilities — some good, some bad, some in urban areas, some in the suburbs — in a cunningly calculated fashion. While others get warm and fuzzy discussing the sentimental value of their local muni, Hill came at these sites with a checklist to mark — tee sheet percentages, payroll totals, pace-of-play averages, utility expenses, etc.

Get the numbers to work, and the course will be a success. Allow too many columns to slip into the red and suddenly there's a permanent closed sign on the clubhouse door.

Hill co-founded Billy Casper Golf in 1989 with Robert Morris and 51-time PGA Tour champ legend Billy Casper. By the time the firm became Indigo Golf in 2020, the group managed over 160 properties in 26 states, and was one of the largest privately-owned golf course management companies in the United States. Hill's group didn't own municipal golf courses — if they did, they'd no longer be classified as municipal. Instead, they helped those that had trouble helping themselves. Often, municipalities allowed courses to fall into disrepair, didn't manage the books well, or had trouble finding the proper price point. Or sometimes they realized they simply didn't know how to run a golf course efficiently.

Hill's group started small, but as word spread of their success, more courses came seeking their services.

Soon after the name change, Indigo sold out to Troon, which has become one of the biggest power players in golf. Others who handle similar services for municipal courses include Hampton, ClubCorp, Arnold Palmer and Arcis, just to name a few.

But how did we get to this point, one in which municipally-owned courses need an added level of management?

With decades of this knowledge under his cap, Hill is the perfect person to explain why we're still losing a few municipal courses each year, why some are financially self-sustaining while others aren't and where the industry is headed as a whole.

Peter Hill worked with Billy Casper Golf (later Indigo Golf Partners) for 31 years until the company was acquired by Troon Golf. (Contributed photo)

## **Before the '90s: 'Franchise locations'**

The older the course, the more likely it's in a city center, Hill explained. In the 1960s, when television shined a light on golf with Arnold Palmer and others, municipal courses boomed. Those cities that didn't have a course — or multiple courses — added them as sound recreation alternatives.

And the time was right in terms of land purchases and access to utilities.

"You really need to look at this as a time series," Hill explained. "Historically, a lot of municipal golf that was built before the 1990s, those courses have been there a long time. I'll say there were probably a couple thousand that probably predated the 1990s in municipal golf.

"And so as a result of that, they were built when land was cheap and when it didn't cost a whole lot to build them. So a lot of these municipal course facilities have what we would call 'franchise locations.' They're closer to population, they're more in the fill, they're core golf courses and so the bedrock of municipal golf, going back to 50 to 60 years is that they're really well located."

These courses, like Austin's Lions Municipal, were built in prime areas, but often the land prices have gone up dramatically, making such a large greenspace far too valuable. If the land hasn't increased in value, it's likely the area has hit hard times, and that presents another series of problems.

## **The '90s boom: Too many courses**

As Tiger Woods hit the scene and golf came back in style, suburbs were in the middle of wooing inner-city dwellers, often competing for potential residents with a few handy trump cards — good schools and better recreation.

"That's when the municipalities look sort of looked around and said, 'hey, why don't we build one?'" Hill said. "And because golf was popular and they had the land, that resulted in a lot of municipalities building golf courses."

Cities, towns and counties did this in conjunction with private developers, many of whom saw golf as an opportunity; many of these courses wind through residential neighborhoods.

"A lot of the stuff that was built in the 1990s and in the first decade of this millennium had to be built farther out. They were more remote and not as well located as the initial municipal inventory that was built 50 years prior," Hill said. "A lot of stuff that was built in the 1990s and in the first five or eight years of the 2000s, there were a lot of courses built that shouldn't have been built."

As Hill tells it, many of those municipalities that built courses in this era did so for all the wrong reasons — not because demand wasn't being met, but rather to add to the city's jewel box. When play started to dip again, these courses were ill-prepared to weather a storm.

"When participation started to decline from the early 2000s up until recently, you had an oversupply for the first time in the history of the game," he said. "And a lot of that oversupply was driven by municipalities deciding that they should get in the business.

"Which, by the way, irritated a lot of people in the private sector. These people were like, 'go build bowling alleys or bars and restaurants.' Instead, they just picked golf as a segment because they had the land and it was politically expedient. Many of them looked across the street and saw their brethren who built a golf course — so they said, 'why don't we go build one too?'"

Papago Park Golf Club was a municipally-run course, but now is operated by Troon Golf and has become the home for the Arizona State University golf teams. (Courtesy of Troon Golf.)

## **The move to managing courses**

Hill added that many municipalities didn't use sound vetting processes when building newer courses, often ignoring factors like the move to online tee times and discounted rate demands, circumstances that also caused a dip in the hotel market.

Hill's company originally started by helping to complete the design process, but quickly realized there was a larger need in managing the courses. This vision is one of the reasons he was consistently listed among Golf Inc. magazine's 10 Most Powerful People in Golf list.

"We'd be hired on to see these projects through and we'd say to the municipality, 'We want you to know you're probably not going to realize the financial returns or financial performance that you anticipate for years.' And they'd go, 'No, that's not right, because we have this study over here done by Joe Blow who says we're gonna have X amount of revenue and X amount of expenses and we're gonna make that much money,'" Hill said. "And we'd say, 'well, that may have been the case eight years ago when you started this thing, but it's not the case today.'

"We already saw the headwind of increased supply and decreased demand, but no one would ever really wanted to hear the bad news and they went ahead and did it."

## **Issues: Expenses or revenues?**



According to the National Golf Foundation, only an estimated 67 percent of all public-agency golf facilities made enough revenue in 2019 to cover all on-site expenses. So why do it?

Those in socio-economically thriving communities can afford to take the hit. And often, large cities see this as a means to keep residents from fleeing to suburbs. But when the pandemic hit and budgets were smashed, the microscope returned, even in areas where the number of golf rounds skyrocketed.

All this leads us to the bigger question — what helps make a golf course economically sustainable?

Like with any business, it's either a revenue issue or an expense issue.

If it's a revenue issue, Hill said:

- Either the course isn't charging enough
- The course isn't managing its tee time inventory properly
- It's in a bad location
- It's an indication of how well the facility is maintained

"Golfers really care about playing conditions. You can have a really well-located golf course that is in a high-demand area that's in terrible shape — the greens and the tees and the fairways are just not up to snuff — and nobody's going to come," Hill said.

Meanwhile, on the expense side, the following factors come into play:

- Simple daily overspending: "You can spend an unlimited amount of money on a golf course. What's the right amount to spend? That's the question."
- Labor: Muni courses often fall under a parks and recreation umbrella with municipalities. Often, the workforce is fit to accomplish the work necessary, rather than building a workforce to accomplish the work. In other words, 30 employees from the parks and rec department split up chores because they're already on staff, rather than hiring the necessary number of bodies — say, 10 — to get all the tasks completed.
- Utilities: How much does water cost? Are there land expenses? What arrangements are worked out with local utility companies?

Hill said when a municipality came with its books open, he could determine if the course could remain viable almost instantly. Practices like tiered pricing allowed Hill and his company — like many others now in the space — to optimize golf course profitability.

"I could tell within a half an hour of looking through the financial information how much it would cost to run that golf course and if it would be profitable long-term," Hill said. "Remember, golf courses are like sporting events cruise ships, airlines, stadiums. All seats should not be sold at the same price. There's tiered pricing depending upon demand, time of day and how far out you make a reservation."

## **Clubhouses, restaurants and other pieces**

One fallacy Hill wants to shed light on is the notion that bigger clubhouses, better restaurants and merchandise shops are a sure-fire path to economic success.

In fact, Hill said, while these auxiliary pieces might help on the revenue side, they are often major drains on the expense side. And remember, if the goal is financial sustainability, it's all about the balancing act of revenue and expenses.

"If you took a really high-quality public golf course in a good location and you have a choice between running that golf course out of a double-wide trailer, which is dressed up in order to look like a nice thing, or building an 8,000-square foot clubhouse,

you'll make more money running it out of the trailer. Always," Hill said. "You'll gross more money if you have a clubhouse that has food and beverage and whatnot with a big golf shop. Your gross will be higher, but your margin will be less.

"Look, the margin on an incremental round of golf is 85 or 90 percent. The margin on a food and beverage business is 15 percent, right? There's nothing wrong with it, it's just a completely different business. If you want to do things in the most efficient way, the double-wide wins every time."

A scenic view from the second hole tee at the Vivint Houston Open at Memorial Park Golf Course on October 13, 2020, in Houston, Texas. (Photo: Keyur Khamar/PGA Tour via Getty Images)

### **Case study: Houston's Memorial Park**

A municipal golf course is akin to a college — people seem to develop some of their strongest friendships there and even if they graduate to ritzier surroundings, they still hold a soft spot for it.

Case in point — Houston Astros owner Jim Crane, who grew up playing the city's once-proud Memorial Park, and has since revived the course through his Astros Golf Foundation, which helped to fund a \$34 million renovation that enlisted the services of top architect Tom Doak.

When the makeover was complete, the Houston Open, which had been at Memorial until 1964 when it fled for the suburbs, returned for the 2020 season.