

# Evaluation of Starcke Park Golf Course City of Seguin, TX



## Final Report

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# General Limiting Conditions

This report is based on information that was current as of spring, 2022. The assessment is based on conditions at the time of the analysis (e.g., economic and market conditions) and significant changes in those conditions may affect the relevance of the assessment. Because future events and circumstances, which cannot be predicted as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by NGF Consulting that any of the projected values or results contained in this study will actually be achieved.

Although we believe that the expectations in this report are reasonable, any or all of the estimates contained herein could prove to be incorrect. To the extent possible, the NGF has attempted to verify and confirm all estimates and assumptions used in this analysis. However, some assumptions may not materialize as a result of known or unknown risks and/or unanticipated events. Consequently, actual results achieved by any golf facility during the period covered by NGF projections may vary from our estimates and these variations may be material. As such, the National Golf Foundation accepts no liability in relation to the estimates provided herein.

Every reasonable effort was exerted in order that the data contained in the written report reflects the most accurate and timely information possible, and is believed to be reliable. However, no responsibility will be assumed for inaccuracies in reporting by the client, client's agents, or any other data source used in preparing the report.

The Client ("City") agrees that the report is not to be used in conjunction with any public or private offering of debt or equity securities or to otherwise induce investment without the prior written consent of NGF Consulting which may be conditioned upon client agreeing to pay an additional fee in an amount to be reasonably determined by NGF Consulting.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

# Executive Summary

This section comprises NGF Consulting’s summary of key findings related to the analysis of the City of Seguin’s 18-hole municipal golf facility, Starcke Park Golf Course. Findings and conclusions are based on the consulting team’s analysis conducted in late winter and early spring of 2022. *Full detail, along with supporting narrative and exhibits, are found in the body of the report and appendices.*

## INTRODUCTION AND PURPOSE

The City of Seguin, Texas (“City”) retained NGF Consulting (“NGF”) to help assess operations, current conditions, capital needs, and utilization of the City’s 18-hole municipal Starcke Park Golf Course (alternatively referred to in report as “Starcke Park” or “SPGC”). The City sought an independent consultant to provide a comprehensive analysis of the City’s golf asset, to include an evaluation of facility operations, identification of opportunities to enhance service levels and revenue performance, and recommendations regarding needed golf facility capital improvements. Of particular concern is that most of the golf course’s infrastructure is well past its expected useful life, with the front nine holes dating back to 1938 and the back nine to 1980.

NGF conducted a comprehensive study that included a market analysis, physical review of the golf course, stakeholder engagement, and operations review. The latter component comprised an analysis of elements such as: recent historical performance; fee structure (daily fees, passes, etc.); marketing; staffing levels; customer service; use of technology; and, player development & programming; staffing. The results and conclusions of the NGF analysis will be used to help determine the appropriate course of action regarding the Seguin golf system going forward.

The NGF Consulting study was managed by Ed Getherall, MBA, Director of Consulting, with assistance from Research and Consulting Administrator Jodi Reilly. The golf course site analysis, physical evaluation and capital improvement planning was managed by Jeffrey Brauer, ASGCA, owner of Golfscapes, Inc., with assistance from ASGCA golf course architect, Brian Ross.

Key consultant activities undertaken in completion of this effort included, but was not limited to:

- Collection and analysis of golf facility information and data, including recent historical rounds played, revenues, and expenses, fee structure, staffing levels, etc.
- On-site kick-off meetings with SPGC General Manager and Head Golf Professional, as well as City Manager and Deputy City Manager (via conference line).
- On-site meeting with the City’s Golf Advisory Board and phone conversation with Councilperson Mark Herbold.
- Golf course tours with management staff.
- Competitive market analysis, including visits to key competitors of SPGC follow up phone calls with area golf operators.
- On-line golfer survey.
- Regular progress meetings via phone with the Golf Course Manager.
- Collection of materials to aid in understanding the local market area, including economic, demographic, and climatological data.

## SITUATION SUMMARY

The City of Seguin's 18-hole Starcke Park Golf Course is located within the 227-acre Max Starcke Park in Seguin, along the scenic Guadalupe River. The course opened as in 1938 as a 9-hole layout designed and built by famed (and legendary) Texas Golf Course Architect, John Bredemus. The golf course was expanded to 18 holes in 1979. The City is taking a proactive approach to preserving and enhancing its golf course asset for the future, and thus brought in NGF Consulting to evaluate the aged-out and deteriorating infrastructure of the golf course, prepare a preliminary improvement plan for the facility, and assess operations in the context of industry best practices

SPGC is fully self-operated with City employees, but up until 2016 was managed under contract to a private golf professional, who received all golf cart, driving range, and food & beverage revenue. This operating structure resulted in large deficits for the City that required the Golf Special Revenue Fund to be subsidized by the General Fund. Despite improving economics over the last 5 years. The facility has had positive net operating income since FY17, and total operating revenue increased by \$409,000, or more than 48%, between FY17 and FY21, and by 25% between FY20 and FY21.

## MARKET SUMMARY FINDINGS

To assess the current positioning, potential market opportunities, and rounds played potential for SPGC, the environment in which the facility operates must be understood. In the body of the report, NGF provides a summary of key "external" trade area factors that have the potential to affect demand for golf. The overview includes NGF's macro perspective of the U.S. golf industry. On a local/regional basis, we analyze area demographic and economic factors, as well as golf supply and demand indicators, that characterize the trade area for Starcke Park GC.

Following are key NGF takeaways from the national overview and local / regional market analysis:

- ▶ Remarkably, U.S. golf facilities (including SPGC) experienced a surge in the number of new golfers, higher frequency of play from existing golfers, and an increase of about 60,000 million rounds in 2020, despite widespread shutdowns of golf courses in March and April. The surge continued, though moderated, in most markets in 2021. Another outcome has been higher average green/cart fees for those facilities that are able to practice dynamic pricing.
- ▶ In terms of the potential long-term impacts of the Covid-19 pandemic, it is too soon to tell what, if any, the lasting effects on golf participation and demand will be. Ultimately, post-pandemic success at retaining new golfers depends largely on operators successfully engaging these customers and giving them a reason to continue playing, even as other avenues of recreation and entertainment have become widely available again.
- ▶ The demographic profile of the Seguin area is not predictive of high golf participation and demand, but this area of Texas, and Seguin itself, are experiencing vigorous population growth that should bolster demand for golf over the coming years and decades.
- ▶ Offsetting the suppressed participation is a favorable golf demand-supply ratio (i.e., golfers per 18 holes), compared to the national benchmark. For example, the broader 20-mile market, which has almost 5 times the population base of the 10-mile ring, has more than twice as many golfing households per 18 public holes than does the US overall.
- ▶ There is a variety of golf courses for consumers to choose from in the regional market and, based on our golfer survey results, customers of Starcke Park GC play at quite a few other area courses. Key competitors include: The Bandit Golf Club, the City of New Braunfels' Landa Park GC (a more formidable competitor since its facility renovation in the mid-2010s); Olympia Hills (Universal City), and the City of San Antonio (Alamo City Golf Trail) municipal golf courses, such as Brackenridge Park, Willow Springs and Northern Hills.



- ▶ At just \$40 for peak riding green fees, SPGC is positioned at the low end of a market. As the current “value” provider, SPGC should have room to move closer to “market rate”, especially after a major renovation.
- ▶ While the demographic profile of the area is not predictive of high golf participation and demand, public golf courses in this regional market are active compared to the national benchmark, especially in the denser areas such as San Antonio. Golf courses in the 20-mile market produce 36,000+ rounds per 18 holes, compared to the national average of about 29,000. Bolstered by the pandemic surge, facilities such as Landa Park, Olmos Basin and Willow Springs topped 50,000 rounds in 2021, while the four other 18-hole courses in the ACGT system averaged 60,000 rounds.

## GOLFER SURVEY RESULTS

NGF’s Golfer Survey Program (GolfSAT) was distributed in the beginning of March 2022 through the third week in April 2022, seeking opinions on the Starcke Park Golf Course. The survey was web-based and publicized via various methods, including through email and internet. The survey intent is to reach a sample of golfers who use the course to get a general opinion on some of the ‘satisfaction factors’ in these golf operations. A total of **137 surveys** were collected by NGF, a number below NGF’s desired threshold of 250+/- responses; however, the information collected is still very useful to NGF in providing directional guidance for course management. The survey responses for SPGC revealed some strong opinions about the facility. Detailed findings can be found in the body of the report.

- ▶ Results showed some positive satisfaction ratings across several factors, benchmarked against like facilities and the overall national sample of public facilities.
- ▶ Overall, the survey group was favorable about the course staff, the convenience of course location and its affordability.
- ▶ Respondents showed strong dissatisfaction with course conditions, including the greens, fairways, tees and fairways; quality of practice facility; and, condition of golf carts.
- ▶ The survey also included a number of “custom” questions aimed at obtaining feedback on some key issues:
  - Of particular interest, the results indicate that the strong majority of respondents – nearly 9 in 10 – are willing to pay higher green fees if SPGC is improved through a facility renovation.
  - Additionally, there was strong interest in expanded food & beverage service at the facility.

## PHYSICAL CONDITIONS ASSESSMENT

This section of the report summarizes findings relative to the NGF Consulting team’s evaluation of the Starcke Park golf course asset. The physical evaluation was conducted by NGF team members and ASGCA golf course architects, Jeff Brauer, President of GolfScapes, Inc., and Brian Ross, President of Ross Golf Design. Findings and recommendations are based on and extensive discussions with SPGC’s General Manager/Superintendent, as well as the team’s tour of the golf course on February 15, 2022.

The Golf Course Physical Evaluation (details are in body of report) provided an assessment and discussion related to SPGC:

- a. Design – Routing and Features
- b. Infrastructure and Conditions

Golf facilities must plan on almost completely rebuilding and upgrading themselves to current standards every 25-30 years. For economic reasons, many courses extend the lifespan of their infrastructure, but eventually it becomes a losing battle. The USGA/ASGCA “Life Cycle” chart, shown in [Appendix G](#), is a good general guide to the life expectancies of various golf course features. **As detailed in the report, Starcke Park Golf Course has many of its infrastructure elements, including irrigation system, greens, drainage, bunkers, and tees, out-of-date.**

Studies repeatedly show that good maintenance is the biggest factor in golfers deciding where to play, as shown (both overall and in specific detail of greens first, then tees and fairways, then bunkers) Good infrastructure is a prerequisite for good maintenance conditions, even if good superintendents often mask difficulties. Infrastructure investment has multiple benefits of keeping the golf product fit for business, potentially reducing some maintenance costs (allowing more resources in other needed areas) and increasing appeal to golfers via better maintenance, indirectly adding revenue.

The NGF team also evaluated the golf course for potential safety issues. The most noticeable safety issues relate to the driving range, which is neither long enough nor wide enough for current space needs, and employees have been hit by balls on their way to or from the maintenance area. Shots over 250 yards imperil golfers playing # 8 rough. If the #1 and #10 tees are not moved to accommodate a longer range, the facility will have to go to restricted flight balls unless netting can be accommodated within the improvement budget. In the body of report, we discuss a potential mitigation of this safety issue by way of a partial re-routing.

## **GOLF COURSE IMPROVEMENT RECOMMENDATIONS**

Based on our analysis of the current age, condition and expected useful life of the golf course components, the NGF team recommends a large-scale improvement plan be undertaken at Starcke Park Golf Course. SPGC improvement recommendations are based on both age and actual current condition. We believe a key consideration is the potential “cost of doing nothing” to address the deferred capital needs of the golf course. Deferring the highest priority improvements will likely result in rounds played attrition and worsening performance over time. There is also a cost in terms of product quality when maintenance resources and staff time are frequently diverted to making emergency, stop-gap repairs.

In the body of the report, NGF provides two renovation options, along with preliminary cost estimates:

**Option 1 (recommended)** is an extensive renovation that addresses the major infrastructure needs as discussed above, while also enlarging and improving the driving range (landing area and tees), adding a short game practice area, and mitigating safety issues. This option requires rerouting of Hole #s 10, 14, 17 and 18, thus introducing enhanced design features on these holes. The recommended plan – discussed further and illustrated in the report - also includes redoing all of the green complexes, pecan tree mitigation, and enlargement of the irrigation lake along the 18<sup>th</sup> hole.

**Option 2 (“Critical Fix”)** closely tracks with the proposed improvement plan completed by SPGC staff. The primary items that this “critical fix” option subtracts from Option 1 are:

- There is no rerouting of holes around the driving range to allow for enlargement/enhancement and mitigation of safety issues (and thus no enhancement of design features on those holes).
- Redoing the green surrounds is limited to Hole #s 1-4, and 13.
- The driving range improvement plan is more limited (e.g., enlarging the tee line, adding a tee line for artificial mats, netting at back, new range machine).
- The irrigation lake along #18 is dredged, but not enlarged.
- There is no pecan tree mitigation budgeted.

In a perfect world without budget constraints, addressing all issues at one time is the preferred course of action and likely to produce biggest and most sustainable impact. It always makes sense to fix everything that is broken once you decide to close the course down, and where possible, raise the design and

infrastructure to at least moderate standards to work well in the future. This is especially true when there has been deferred maintenance that requires that most parts of the golf course will soon, or eventually, need rebuilding.

Thus, the NGF team **recommends** that the City of Seguin:

- Pursue the Option 1, more comprehensive plan, including enlarging the practice range and re-routing four holes, together with redoing green complexes for consistency and long-term health.
- If funding is an issue, pursue Option 2 “critical fix” plan, which will still be impactful, though not ideal.
- Close the course and pursue the renovation in one year (see phasing discussion that follows).

## Phasing Considerations

NGF concluded that a phased approach – i.e., 9 holes each over 2 years - is **not** the most viable for the City of Seguin. Rather, we recommend a one-year program as the preferred method from both construction and business perspectives. Key factors considered include:

- ▶ With the expectation of inflation continuing to run high, undertaking these big-ticket work items sooner, rather than later, should result in the lowest total project cost. It is our opinion that splitting the project into two 9-hole phases will likely add 8% to 13% or more to the total cost of the renovation, not including any additional lost revenue.
- ▶ NGF was told that if the renovation was to be phased over two years, the back nine would be remodeled first. During that time, the backup/transfer pump at the water plant would have to be used to irrigate the front nine. This pump supplies only enough water to run 4 sprinklers at a time, which would mean that greens and tees could be watered, but not much could be done for the fairways or roughs. Also, if that pump or the 40-year-old pipes that carry water from the plant to the course should fail during the summer, the greens would likely be lost while waiting for the repairs to be made.
- ▶ Although SPGC has a loyal customer base and is the closest public golfing option for many area residents, NGF experience tells us that the golf course will lose substantial revenues if operating with only 9 holes. This is especially true for SPGC, given that much of its play reportedly comes from as far away as San Antonio due to the affordable nature of the facility. We concluded that operating for two consecutive years with only 9 holes open for play is likely to result in higher net revenue loss and higher risk of losing some customers permanently than if the facility is closed for up to a year to complete the entire project.

## Preliminary Renovation Cost Estimates

The NGF team’s intent is to provide a “concept budget” for the recommended improvements at Starcke Park GC that will serve the purpose of generally informing the City of current golf course development costs and some foreseeable project specific conditions that might affect the eventual cost of the project. These costs are for golf course construction only, and not the cost of any new equipment, clubhouse, parking or entry improvements, the new cart barn and maintenance area. They do not include lost revenues or interest and carry cost (which should be addressed elsewhere as applicable).

Our estimates include some, but not all, anticipated “soft costs”. In addition to actual golf course construction costs, soft costs likely to be incurred include the following approximations, adding up to a total of 23.5% (built into NGF estimates):

- 2% for Grow In/Maturation after construction
- 1.5% for Contractor Bonds and Permits (required on most city bid projects)
- 10% for a Construction Contingency

- 10% for Professional Fees and Soft Costs

Cost estimates detailed in the body of the report and summarized below assume a one-year total renovation, beginning in 2023 (we have built one year from the date of this report into the unit prices). If the project is delayed, the City should add at least 3.25% to the expected budget per year. The cost estimate tables in the report assume single-year construction and include soft costs and contingency.

- ▶ Option 1 - Recommended Renovation, including Priority Fixes, Extensive Driving Range Improvement, Four (4) New Holes: **Estimated Cost on the Low End is \$6.86 million, and on the High End, \$8.4 million.**
- ▶ Option 2 - Priority “Mission-Critical” Fixes: **Estimated Cost on the Low End is \$5.28 million, and on the High End, \$6.43 million.**

## OPERATIONAL CONSIDERATION AND RECOMMENDATIONS

In addition to the market analysis and physical evaluation of Starcke Park Golf Course, NGF Consulting completed an operations review, focusing on best business practices and including recommendations intended to help the City improve the bottom-line performance of SPGC. In the body of the report, NGF provides a broad overview of best practice recommendations related to key aspects of the golf course operations. Key recommendations, summarized below, related to: playing fees; staffing levels; player development and programming; and, food & beverage service. Others - related to areas such as marketing, customer service, merchandising, and utilization of technology – are detailed in the report.

### Golf Playing Fees

NGF recognizes that preserving these low rates, with only infrequent increases, is an understandable element of public policy for some municipalities. Still, in light of market and facility factors discussed in the report, NGF makes the following observations and best business practice considerations for green/cart fee and membership pricing at SPGC (2022 dollars):

- ▶ SPGC’s daily green fees have changed little over the last six years, with a \$1 increase every other year since 2017; cart fees have been the same for the last 4 years. For the short term, the City should start implementing annual nominal increases that reflect the need to keep up with rising “cost of production” (especially in today’s strong inflationary environment), including those tied to increasing wage rates. It is an industry best practice to adjust fees modestly at least biennially to reflect a higher cost of producing rounds of golf and / or market competitive dynamics. (Several of the clubs in this market have raised fees just recently). Per-person cart fees should be raised **\$1 to \$2** to reflect the new fleet arriving later in the year.
  - **In the case of a facility renovation as proposed**, NGF believes daily fee increases of up to \$8 to \$10 maximum for prime tee times will be supportable (i.e., without significant change in demand) with a fully renovated facility. Other increases, such as for twilight times, would fall in the \$2 to \$3 range, while categories such as seniors and Players Card would see rate increases in the \$5 to \$7 range. For members, we believe increases in the per-round surcharge of up to \$4 are justifiable.
  - Golfer survey results indicate that there is recognition of the need for increased fees after a facility remodel. When daily fee players were asked how much additional green fee would they be willing to pay per round on an improved (multi-million-dollar renovation) golf course to help ensure the continued viability of affordable public golf in Sequin, more than 18% said they would pay “whatever the fees are”, 15% responded that they would pay \$8 to \$9 more, just under a third would pay \$5 to \$7 more, and about 1 in 4 support \$3 to \$4 increases. Only 11% said they are not willing to pay any more.
  - Starcke Park GC members were asked if they would be willing to pay an increase of \$4 to \$6 in a per-round surcharge after a multi-million-dollar renovation is complete and 51.4% said they would, while 18.9% would not and 29.7% were unsure.

- ▶ While we did not make a specific recommendation regarding Membership dues, we noted that they have not changed during the last 6 years (the per-round surcharge, which had been \$3 from 2017 to 2020, increased by \$1 in 2021). Membership prices at SPGC are by far and away the lowest in the market for 18-hole regulation, non-military facilities. For example, the cost for a ‘Single’ membership at SPGC is \$650, compared to \$1,890 at Landa Park (up from about \$500 prior to its renovation).

## Staffing Levels

Golf course **Maintenance** staffing is lean, consisting of only five (5) full-time employees (not including the GM/Superintendent) and one (1) part-time groundskeeper. This low level of staffing is exacerbated by failing course infrastructure and generally older maintenance equipment.

- ▶ The size of the maintenance staff needed for a particular golf operation depends on factors such as budget considerations, maintainable acreage, age and condition of infrastructure components, etc. The NGF team’s minimum recommendation for maintenance staffing for the 18-hole, SPGC is 6 full-time + 3 part-time positions – this level should be adequate to maintain the golf course to a quality standard befitting its price point and value proposition. We believe a more appropriate staffing level after a facility renovation would be some combination of 6 to 8 FT employees and 4 to 6 PT employees.
  - NGF completed a Regional Maintenance Benchmarking effort as part of this study for the City. The sample included Starcke Park GC and 11 other facilities, including the seven 18-hole golf courses in the San Antonio system. The sample average staffing (excluding SPGC) 6.2 FT and 3.7 PT per 18 holes, with an average overall maintenance budget of \$639,000. We also included National staffing and maintenance budget averages from NGF’s recent comprehensive survey of municipal golf courses, which showed the average maintenance staffing for sunbelt 18-hole golf courses to be 5 FT and 6 PT workers, with an average maintenance budget of \$614,000.

**Operations** staffing, which comprises both pro shop and outside services personnel, appears to be adequate to manage the facility given its current service level. However, we note that the current staffing levels and responsibilities do not allow for much facility programming, including golf lessons, group clinics, etc. The Head Golf Professional has primarily administrative responsibilities, and the former Assistant Golf Professional worked primarily in the golf shop (though she also ran the First Tee program at SPGC, any lessons she offered were on her own time).

- ▶ NGF’s general guideline is that operations / clubhouse staff size should be sufficient in terms of shop attendants, starters, rangers, cart attendants, etc. to ensure an enjoyable golfer experience. With that in mind, the City may want to consider adding 1-2 additional part-time outside services personnel to help with things like cleaning carts, especially given the new and expanded fleet size coming later this year. Also, the overall enhanced service level that should come if the City invests multiple millions of dollars in the golf course will likely require additional part-time staff.

## Expanded Food & Beverage Service

In the case of SPGC, the results of the NGF golfer survey indicate that customers would like to see a higher level of food & beverage service. When respondents were asked how likely they would be to purchase food and beverage items if the services were expanded, 49% responded ‘very likely’, while an additional 30% said somewhat likely. Given the apparent demand for expanded service, but in recognition of SPGC’s constraints to offering full F&B service (noted in body of report), NGF offers the following for consideration:

- ▶ Try a hot dog cart. (We were told the last contracted manager had a successful hot dog stand).



- ▶ Explore whether offering grab-and-go items, such as fresh premade sandwiches, snacks, etc., is feasible. Similarly, coffee, juice, Danish, etc. can be made available for early morning golfers. (The constraint to having grab-and-go items is reportedly that potential suppliers would not want to go to the trouble of labeling each item for ingredients and nutrition).
- ▶ Run an outside barbecue grill during busier times, league play, etc., with items such as hamburgers, hot dogs, and grilled chicken at the ready.

## Enhanced Player Development and Programming

Cultivating new golfers is not only key to the future of golf but has also proven to be an immediate generator of revenues for facilities. PGA of America data shows that a successful player development program produces at least 200 new golfers per facility. NGF has found that the public golf facilities that are most successful tend to be very active in adult player onboarding and development, as well as other “grow-the-game” initiatives. Creative programming is especially effective in onboarding new players from segments (e.g., women and millennials) that represent strong latent demand for the game but that may not prefer to be introduced to the game in traditional ways, such as individual lessons.

Starcke Park GC is active with respect to organized group play, such as leagues and outings, but much less so with respect to player development and programming. In terms of instruction, the Head Golf Professional has mainly operational duties and only occasionally give lessons. The Assistant Golf Professional (recently resigned) gave lessons only on her own time, but ran the facility’s only program – the First Tee of San Antonio chapter.

- ▶ NGF recommends that the City strongly consider making player development and programming a higher priority at SPGC. A good head start on this initiative would be to hire the new Assistant Golf Professional with the thought that these will be the primary job responsibilities, with other part-time positions added to work the pro shop.

## FINANCIAL PROJECTIONS

NGF Consulting has created cash flow models for Starcke Park Golf Course, in consideration of actual recent facility performance, as well as current and expected market conditions. In the report, we present two 5-year cash flow model scenarios (key assumptions detailed in report; all estimates in 2022 dollars):

1. “**Base Case**” or “**Steady State**”, which assumes no substantive physical improvements, but increased maintenance and operating budgets, inflation-based fee increases, and operational enhancements.
2. For a significantly improved, “**Post-Renovation**” golf course at higher price points and with a higher maintenance standard.

While NGF fully expects the City to invest significantly in SPGC, we present the Base Case to illustrate the potential “cost of doing nothing” for comparison to results that can be achieved after a facility renovation, as proposed.

## Financial Model Summary Results: Base Case Scenario - FY 2023 to FY 2027

Utilizing the assumptions and activity/revenue/expense estimates presented in the report for the ‘Base Case’ scenario, NGF’s 5-year pro forma financial model (see [Appendix K, Exhibit 1](#)) for Starcke Park Golf Course for the period of FY 2022/23 through FY 2026/27 shows total gross operating revenues of about \$1.3 million in FY23, falling to \$1.27 million by FY27 as with rounds played decline. (We note that gross revenues include funds typically disbursed to the Capital and Building funds each year). Based on preliminary expense projections prepared by NGF, including the expected budget request for FY23, SPGC is projected to generate a positive cash flow of about \$72,000 in FY23, declining throughout the period to an **operating loss** of about **(\$143,000)** in FY27, as expenses grow and revenues remain stagnant due to lack of facility investment.

## Financial Model Summary Results: Renovation Scenario – Year 1 to Year 5

Utilizing the assumptions and activity/revenue/expense estimates presented in the report for the ‘Post-Renovation’ scenario, NGF’s 5-year pro forma financial model (see [Appendix K, Exhibit 2](#)) for SPPC for the first five full years of operation after reopening shows total gross operating revenues of about \$1.47 million in Year 1, increasing to \$1.76 million by Year 5. Based on preliminary expense projections prepared by NGF, SPGC is projected to generate a positive cash flow of about \$164,000 in Year 1, increasing to a **stabilized profit of about ±\$284,000** by Year 3.

## Model Comparison

This projected stabilized operating profit compares to a growing operating *loss* under the Base Case / Steady State scenario. The difference in net operating revenue between FY27 in the Base scenario – a projected loss of about **(\$143,000)** - and the stabilized profit of ±\$284,000 after facility renovation is **\$427,000**. If we assumed that was the net incremental annual cash flow resulting from the City’s decision to renovate Starcke Park GC, we could calculate a “warranted level of investment” in the golf course project of about **\$5.8 million** based on the following inputs:

<b>Net Incremental Revenue</b>	<b>\$427,000</b>
<b>Financing:</b>	
Term (years)	20
Interest Rate	4.00%
Coverage	1:1
Warranted Inv. (stabilized NOI for Reno. Scenario)	<b>\$5,803,069</b>

Of course, these numbers would be different under different financing assumptions. However, we also note that the “cost of doing nothing” is likely to increase each year, which is not fully captured above.

## SUMMARY STATEMENT

Starcke Park Golf Course is an historic and well-loved golf course that the City of Seguin is rightly proud of. A key objective of the City with respect to this asset is to identify a potentially sustainable model that eliminates the need for recurring annual subsidies of the Golf Fund, while preserving and enhancing the golfing experience for the facility’s customers. In this report, the NGF team has outlined a number of physical and operational recommendations that should help the City achieve these goals.

While the financial bottom line of the golf operation has been improving over the last 5 to 6 years, especially over the last couple of year due to the pandemic surge, NGF does not believe this trend is sustainable unless the City invests significantly in updating and replacing facility infrastructure. The lack of investment over the years means that all golf course infrastructure is essentially past its expected useful life, resulting in maintenance inefficiencies and inconsistent conditions, and forcing SPGC to compete on the basis of value-priced golf, rather than quality of golf experience.

The key to positioning Starcke Park GC for long-term success is substantially improving the product through major capital investment and improved maintenance standards. As the low-end “value” provider in the market, SPGC – even in its current condition - appears to have room to increase green/cart and membership fees to at least keep up with the rapidly rising cost of being in business. A major facility renovation should allow the City facility to approach the next tier of competitors – such as Landa Park GC and several of the Alamo City Golf Trail courses - in terms of golfer experience and price point. With an improved product, rapidly growing local and regional population base from which to draw customers, and increased emphasis on marketing, use of technology, and player development and programming should provide great opportunity for future success at Starcke Park Golf Course.

# Starcke Park Golf Course Overview

In this section, NGF provides a summary situation analysis of the City of Seguin's municipal golf facility, the 18-hole Starcke Park Golf Course, that is intended to provide the appropriate background and context for the analysis and discussions in this report. More intensive discussions of the physical assets and operations are presented later in this report. All findings are based on the NGF team's review and analysis in the late winter and early spring of 2022.

Following is an overview of Starcke Park Golf Course, including a synopsis of how the golf course is operated and a summary of the golf course and support amenities. Later in the report, we provide a detailed assessment of current conditions, capital needs, and recommended improvements, as well as NGF operational recommendations aimed at improving the financial performance of the golf course (in conjunction with recommended facility improvements).

## MANAGEMENT, ACCOUNTING AND OVERSIGHT STRUCTURE

Starcke Park Golf Course is operated by a staff comprising both part-time and full-time City employees. (Up until 2016, a contracted Golf Professional received all golf cart, driving range, and food & beverage revenue, an operating structure that resulted in large deficits for the City). Staff is led by the General Manager, who is also the Superintendent and functions in both roles. Direct City oversight is provided by the Deputy City Manager and then the City Manager. Major policy changes, as well as annual approval of green and cart fees, must be approved by City Council. The Golf Advisory Board meets regularly and provides input on golf course operations and policies.

The golf course finances are accounted for within a Special Revenue Fund, a structure used to account for specific revenues that are legally restricted to expenditures for particular purposes. Special revenue funds provide an extra level of accountability and transparency to taxpayers that their tax dollars will go toward an intended purpose. This accounting method is less restrictive than the Enterprise Fund structure that is in common use for municipal golf, and which requires the operating expenses (and, often, capital needs) of the golf courses to be covered by user fees each year. NGF consulting experience and survey research has established that these annual subsidies are not unusual for municipal golf operations. However, we have noted a distinct trend of municipalities that are experiencing these enterprise losses converting to general fund accounting.

## STARCKE PARK GOLF COURSE

The 18-hole Starcke Park Golf Course is located within the 227-acre Max Starcke Park in Seguin, along the scenic Guadalupe River. The property was a pecan orchard prior to the park's dedication in 1938. The park offers a variety of recreational activities that include a regulation 18-hole golf course and is named after a former mayor of the City.

The course opened as in 1938 as a 9-hole layout designed and built by famed (and legendary) Texas Golf Course Architect, John Bredemus. Among other things, as second place finisher, Bredemus was awarded Jim Thorpe's AAU medals after Thorpe was stripped of both those and his 1912 Olympic medals for having played semi-pro baseball.

By 1914 he took up golf and by 1920, he had designed his first golf course in Texas, spending the remainder of his life as a golf course architect. In 1922, he co-founded the Texas PGA and the winter golf tour, which was a forerunner of today's PGA Tour. He moved to Mexico and designed at least six more courses there. He was inducted into the Texas Golf Hall of Fame posthumously in 1991.

The golf course was expanded to 18 holes in 1979, with most sources crediting local pro Shelly Mayfield as the designer, but noting he had worked with well-known Dallas based golf course architect Ralph



Plummer in what would have been one of his last projects before his death in 1982. It is possible that Plummer routed the back nine but couldn't do the final design work due to failing health at the time.

Starcke Park GC Scorecard			
Tees	Rating	Slope	Yardage
Blue	71.7	121	6,676
White	70.5	117	6,416
Gold	66.7	113	5,645
Red	64.4	108	5,115

Starcke Park GC includes the following basic amenities and support structures:

- Golf course – 18 regulation holes;
- All-grass driving range with about 20 hitting stations;
- Practice putting greens in front and rear of clubhouse;
- Clubhouse with golf pro shop, meeting room, offices, restrooms, back patio;
- Golf maintenance building and adjacent cart barn (both soon to be relocated);
- On-course restrooms (2); and
- Parking lot – ±120 spaces.

## Clubhouse

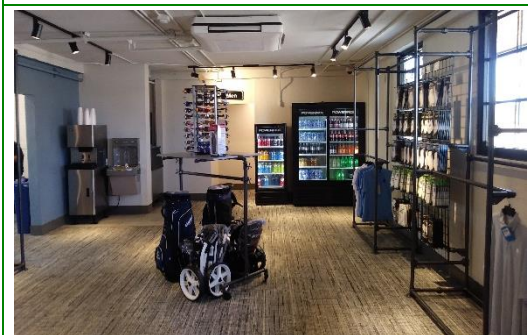
The original single-story clubhouse at SPGC, sitting on a footprint of about 3,500 sf, was recently renovated and reopened in October 2020. The building is primarily poured concrete. The back of the structure, which comprises a fairly sizable covered patio with concrete floor and about 8 tables, overlooks the new practice green that was completed in August 2021.



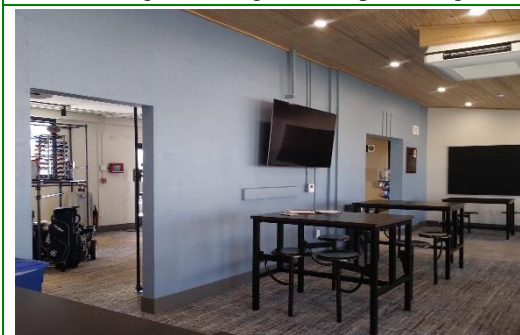
The Starcke Park GC clubhouse exterior.



Outside patio facing new practice green, with local high school golf team practicing.



Lightly stocked SPGC pro shop. F&B beverage service is limited to coolers and snacks.

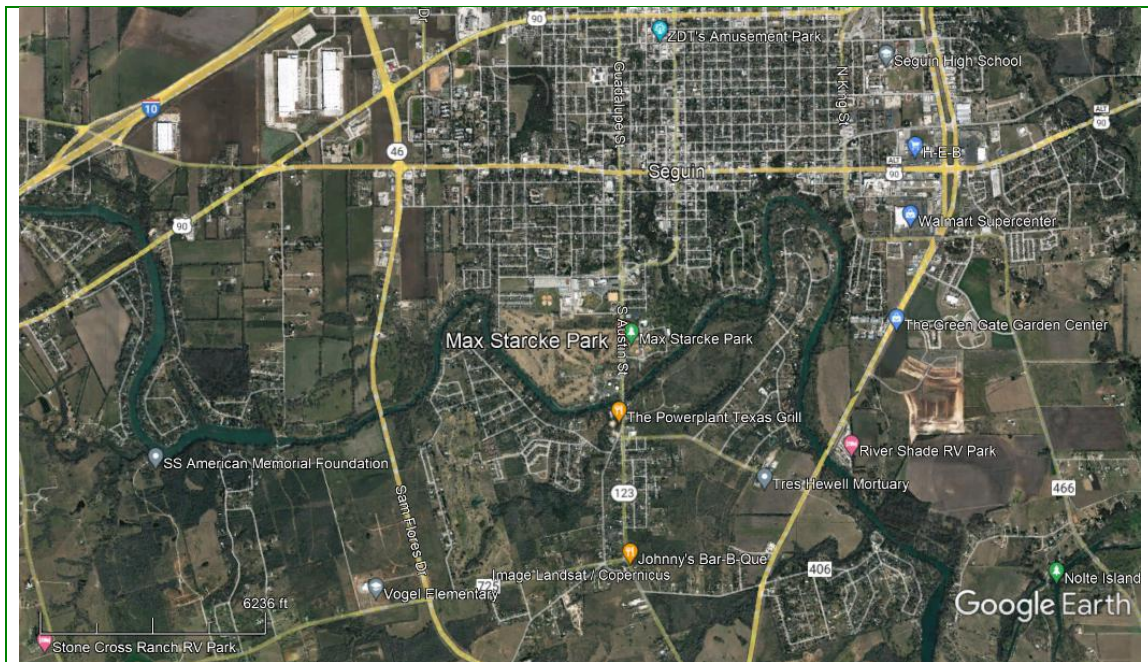


Clubhouse meeting room.

## Property Location

Starcke Park Golf Course is located within Max Starcke Park at 650 River Drive West in Seguin, TX, which is the Guadalupe County seat. The site is located east of TX 46 (Sam Flores Dr), south of US Alternate 90, west of TX 123, and north of the TX 46 and TX 123 confluence. Seguin itself benefits from a strategic location – it is about 40 minutes from San Antonio, home to about 2.4 million residents in its metro area, and less than one hour from the Austin metro area and its 2.2 million residents. Seguin is easily accessible via major arterials I-35, I-10, SR 46, SR123, and Toll Road 130.

## Google Earth Image



Google Earth image of Starcke Park GC, showing location within Max Starcke Park on River Drive W. Interstate 10 can be seen off to the northwest.

## Golf Playing Fees

As the fee table below illustrates, Starcke Park Golf Course is positioned as a “value” provider in this public golf market. As one of the lowest priced 18-hole regulation golf courses – with a peak riding green fee of only \$40 on weekends – it is able to attract cost-conscious players from a fairly wide area, including San Antonio. SPGC’s daily green fees have changed little over the last six years, with a \$1 increase every other year since 2017; cart fees have been the same for the last 4 years. Price of memberships has not changed during the 6 years shown in the table, though the per-round surcharge, which had been \$3 from 2017 to 2020, increased by \$1 in 2021 (More discussion and recommendations later in report, in context of competitive market).

Starcke Park GC – 6-Year Fee Comparison						
<b>Green Fees</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>
Adult	\$20.00	\$20.00	\$21.00	\$21.00	\$22.00	\$22.00
Senior	16.00	16.00	17.00	17.00	18.00	18.00
Junior	10.00	10.00	11.00	11.00	12.00	12.00
Weekend	23.00	23.00	24.00	24.00	25.00	25.00
Weekend JR	11.50	11.50	12.50	12.50	13.50	13.50
Twilight	x	x	13.00	13.00	14.00	14.00
9 Hole	11.50	11.50	13.00	13.00	14.00	14.00
<b>Cart Fees</b>						
18 Holes	\$14.00	\$14.00	\$15.00	\$15.00	\$15.00	\$15.00
9 Holes	9.00	9.00	10.00	10.00	10.00	10.00
Trail Fee	12.00	12.00	12.00	12.00	12.00	12.00
<b>Memberships</b>						
Adult	\$650.00	\$650.00	\$650.00	\$650.00	\$650.00	\$650.00
Senior	550.00	550.00	550.00	550.00	550.00	550.00
Couple	750.00	750.00	750.00	750.00	750.00	750.00
Trail Fee	575.00	575.00	575.00	725.00	725.00	725.00
Surcharge	3.00	3.00	3.00	3.00	4.00	4.00
<b>Players Card</b>						
Adult	\$375.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00
Senior	375.00	250.00	250.00	250.00	250.00	250.00

## Operating Results / Rounds Played, Revenues, and Expenses (FY17 – FY21)

Following are summary findings regarding the recent operating performance of Starcke Park Golf Course during the FY 2016-17 to FY 2020-21 period, according to information supplied by the City. **Note:** NGF has included the 21.75% and 16.85% of green fee revenues that annually goes into the Capital (earmarked for equipment replacement) and Building Funds, respectively, as part of the Golf Course Receipts line item. [See Appendix A Tables](#)

- ▶ **Total rounds played** increased by nearly 24% between FY17 and FY21. After an uptick of 11.1% in FY18, rounds averaged 33,143 the next three years before increasing by 12.8% to 37,282 in FY21, with a strong boost due to the pandemic-related surge that golf experienced. More important, paid rounds increased by 29.2% over the 5-year period, and there was a 16.6% uptick just between FY19 and FY21.
- ▶ **Rounds breakdown:** In FY21, 75% of total rounds were ‘regular’ daily fee rounds, while members played 11.6% of rounds, down from 17% in FY17. Meanwhile, 7.5% of rounds last year were complimentary (no revenue) rounds, and about 6% came from Players Cards.
- ▶ **Total facility gross revenue** (excluding contributions from the City) increased by \$409,000, or more than 48%, between FY17 and FY21, and by 25% between FY20 and FY21 (revenues were down in the pandemic year of 2020). **Golf course receipts** (includes green fees, member dues, and driving range revenues) + **cart rental revenue** averaged \$865,000 over the three-year FY18-FY20 period, and then increased by 21% in the pandemic-fueled FY21.
- ▶ In terms of percentage of **revenue by type**, golf course receipts consistently account for about ±50% of total facility revenue each over the 5-year period, while cart rental revenues have accounted for 32% to 35%. Concessions accounted for 11% to 12% and merchandise sales 3% to 4%. Remarkably, concession revenue generated close to \$4 per round in FY19 and FY21, despite the facility offering only vending beverages, beer and snacks.
- ▶ **Total operating expenses** (including cost of sales and excluding depreciation) increased by 22.5% between FY17 and FY21, with labor increasing by 23.1%. Personnel costs (including benefits or “burden”) consistently accounted for between 70% and 75% of total expenses, which is higher than the industry norm of 60% to 65% that NGF typically observes.
- ▶ **Operating profit/loss:** When revenue diverted to the Capital and Building Funds is added back into operating revenues, SPGC has been profitable from a cash flow perspective every year from FY 17 to FY21. The average operating surplus average \$171,553 over the FY18-FY20 period, before reaching \$319,000 in FY21, when the operating margin was a very strong 25%.



# Market Analysis – External Factors Affecting Demand for Golf

To assess the current positioning and potential market opportunities for Starcke Park Golf Course in the near-to-intermediate term, the environment in which the facility operates must be understood. Below, NGF Consulting provides a summary of key “external” trade area factors that have the potential to affect demand for golf. The overview includes NGF’s macro perspective of the U.S. golf industry. On a local/regional basis, we analyze area demographic and economic factors, as well as golf supply and demand indicators, that characterize the trade area for SPGC

## NATIONAL GOLF INDUSTRY OVERVIEW

Prior to the pandemic year of 2020, the golf industry was healthy and was continuing a macro trend toward stabilization in terms of participation and demand, though golf course closures continued to greatly outpace openings. Much of the attrition in the number of golfers off of the peak levels achieved two decades ago was among occasional golfers, while the number of avid golfers has remained largely the same. Ultimately, total spending on golf and club memberships will always be vulnerable to outside forces such as the economy, but the game remains popular and is fortunate to have a deep well of interested prospects. The chief challenge is *getting more non-golfers who express interest in playing ('latent demand') to give golf a try, and converting more beginners into committed participants.*

Since spring 2020, golf has received a strong, though perhaps temporary, boost in demand resulting from the Covid-19 pandemic. This has been due to many factors, not the least of which is the fact that golf is an outdoor activity that is conducive to social distancing. While research indicates that the number of golfers has not changed markedly, some new golfers have joined the game (especially juniors) and rounds activity by existing golfers increased significantly. It will be up to golf’s stakeholders (major associations, course operators, golf professionals, instructors, and other staff) to make sure that a strong percentage of new and reactivated golfers stick with the game now that other leisure, recreation and entertainment activities are widely accessible.

## Key Trends in Demand

**Participation** - The national golfer number (defined as those people age 6+ that had played at least one round of golf the prior 12 months) showed net attrition since 2012, but has been on the rise over the last several years, increasing from 23.8 million people in 2017 to 25.1 million in 2021. Overall, the number of golfers has declined by about 5.5 million since peaking at 30.6 million in 2003.

**Rounds Played 2019-2021** – Nationally, 2019 rounds played (year-over-year) were up by 1.5%, according to Golf Datatech. Remarkably, despite nationwide Covid-19-related golf course shutdowns beginning in March, national rounds played surged in 2020 after reopening, finishing 13.9% (about 60 million rounds) **ahead** of 2019’s numbers. The South-Central region, which includes Texas, finished 2020 up by 20.3% (see [Appendix B](#) tables), while Texas was 21.4% ahead of 2020. Rounds data for 2021 shows a national gain of 5.5% YOY, an impressive result given the surge in rounds in 2020. (Texas rounds increased by 4.2%). Through June 2022, national rounds were down by 5.7% over 2021, but both Texas and the San Antonio market were *up* by about 0.5%.

**Baby Boomer Effect and Generation G (the “Golf Generation”)** – As Baby Boomers age and retire over the next 15 years or so, we expect to see a measurable increase in total rounds played in the U.S. Boomers - born between 1946 and 1964 - are currently 57 to 76 years old. About 6 million of them are golfers; that’s approximately 1/4 of all golfers, and they currently play about 1/3 of all rounds. While not technically a generation, the 46-65 age cohort is the most vital group for the golf industry, accounting for

the most golfers, rounds and spend in the industry – more than \$9 billion in total annually. Generation G includes younger Boomers and older members of Generation X.

### Golf Course Supply

The number of course closures has outweighed new openings for 14 consecutive years during the ongoing balancing of supply and demand. According to NGF data, since the market correction in golf course supply began in 2006, there has been a 10% cumulative reduction of U.S. golf courses in terms of 18-hole equivalents (18HEQ). In 2019 there were 279.5 permanent closures, about 40% higher than the level experienced in the prior two years. (For perspective, golf supply grew by 44% from 1986-2005). The rate of permanent closures slowed over the last two years, despite the pandemic, with 193 18HEQ shutting their doors in 2020 and 130.5 in 2021, down 53% from its peak two years ago, prior to the pandemic.

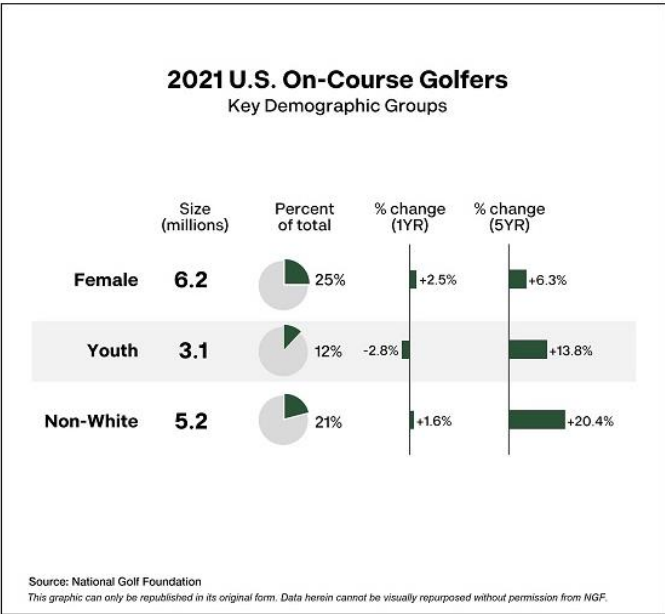
The demand for land to develop residential and commercial real estate is influencing the supply correction in golf. Closures tend to be more value-oriented, public facilities in the best-supplied areas: Florida, Texas, Ohio, California, and New York had the most closures in 2019 and all rank among the top six states with the most golf courses.

### Other Measures of Health

Other metrics to consider when measuring the health and trajectory of golf include:

**Investment in Facilities:** Investment in major renovation projects has replaced new construction as the largest source of U.S. golf course development activity. NGF tracked more than 1,400 major renovations completed since 2006, totaling ~\$4.2 billion in spending.

**Increasing Diversity:** A closer look at on-course participants (golfers) in 2021 shows a continuing trend towards diversification – spurred in some respect by the heightened interest and engagement being generated by off-course forms of golf. Women now comprise 25% of golfers, and people of color 21%, both groups having increased meaningfully. Overall, the number of non-White golfers has increased by about 900,000 since 2017, while the number of women golfers grew by about 400,000 over that time.



**Beginners:** The number of beginners rose to a record 3.2 million in 2021, surpassing the record of 3 million set the prior year set in 2016 and representing an increase of about 1 million since 2014). The last two years have set records and exceeded the year 2000, when Tiger Woods was in his prime and drawing newcomers to the game in unprecedented numbers. According to NGF's Graffis Report "In addition to the largest-ever recorded increase in beginners (+23%), 2020 saw the most significant gain for youth golfers (+25%) since 1997." Nearly 37% of beginning golfers are women, and the percentage of non-Caucasian beginners is significantly higher than the percentage of non-Caucasians in the total golf population.

**Off-Course Participation:** Driven primarily by the popularity and growth of Topgolf, a non-traditional form of golf entertainment, there were an estimated 23 million off-course participants (only those activities that involve hitting a ball with a golf club) in 2019, up by 2 million from 2017. In 2020, the number grew to 24.3 million, nearly half of whom did not play on a golf course.

**Latent Demand:** Overall interest in playing golf remains very high. NGF survey research indicates that the number of non-golfers who say they are "very interested" in taking up golf – which had doubled between 2014 and 2018 (CAGR of  $\pm 15\%$ ), has continued to steadily rise to a record 17.8 million in 2021, representing an increase of 2.9 million, or just under 20% growth since 2017.

**Dedicated:** Several years ago, NGF developed a scale to gauge participant engagement with golf. NGF annual golfer survey research indicates that the number of dedicated golfers has remained steady at 20 million for the past 8 years. These dedicated golfers are responsible for  $\pm 95\%$  of rounds played and spending. Those who are more engaged are significantly more likely to continue playing.

## National Golf Industry Overview Summary

It is difficult to conclude how the national trends discussed above will affect any particular golf course, as we cannot definitively predict which, if any, of these trends will continue. On balance, however, we believe that a continuation in the growth of beginning golfers, successful activation of the large cohort of non-golfers that have expressed interest in playing ("latent demand") by golf operators and organizations, such as National Golf Foundation (through its "Welcome2Golf" program), and the continued golf course supply correction towards equilibrium, should have a positive effect on the golf facility industry.

In terms of the potential long-term impacts of the Covid-19 pandemic, it is way too soon to tell what, if any, lasting effects on golf participation and demand will be. With less competition from other sports and activities, the pandemic, at least in the short term, has had a very positive effect on golf demand, with a significant rise in new and returning golfers manifesting in fuller tee sheets across the U.S. Another outcome has been higher average green/cart fees for those facilities able to practice dynamic pricing.

As noted above, US golf facility activity increased by about 60,000 million rounds in 2020, despite widespread shutdowns of golf courses in March and April, and year-end rounds for 2021 were up another 5.5%. In 2022, golf has had a slower start through April – down 10% year-over-year; though some of the decline can be attributed to poor weather, it could be that some of golf's Covid "dividend" is slipping. Ultimately, post-pandemic success at retaining new golfers depends largely on operators capturing information from and successfully engaging these customers, giving them a reason to continue playing even as other avenues of recreation and entertainment are available again.

## LOCAL / REGIONAL MARKET OVERVIEW

Below we provide an overview of local demographic, golf demand, and golf supply measures and metrics for the Seguin / Guadalupe County area. NGF Consulting utilizes predictive models as benchmarks for estimating potential market strength. Refer to [Appendix C](#) tables.

### Defining the Primary Trade Area for Starcke Park Golf Course

A number of factors assist in determining the expected market area for a golf facility. In addition to the quantity, quality, and nature of the subject facility and competitive facilities in the area, the availability of highway and major thoroughfare infrastructure, traffic patterns, economic and demographic factors, and the propensity for golfers to travel to play golf all play a role in establishing the primary market area for a golf facility.

Based on NGF's analysis of SPGC in the context of the factors cited above, we expect that Starcke Park draws the majority of its customers from a market comprising a 10-mile radius of the golf course. However, due to its affordable pricing and easy accessibility via major thoroughfares, the facility also draws a significant amount of play from beyond 10 miles away, from places such as Universal City to the west, New Braunfels to the northwest, San Marcos to the north, and from as far as eastern parts of greater San Antonio.

### Demographics

Below, NGF provides key observations regarding the population, median age, and median household income trends for the City of Seguin, and the 5-, 10- and 15-mile market radials around Starcke Park Golf Course. (See [Appendix C](#) for source tables).

#### City of Seguin

- ▶ The population of Seguin is 29,433, while the median age is 35.1 and median household income is \$49,039, compared to the corresponding national figures of \$63,709 and 38.3, respectively. The population is 63.4% Hispanic or Latino. With relatively low median income and age, and a high Hispanic population, Seguin does not have a demographic profile predictive of strong demand for golf. (NGF consumer research has long shown a strong positive correlation between both age and income with golf participation, and Caucasians have the highest golf participation rate).
- ▶ The 30-minute drivetime market is much more populated, with about 458,000 residents. The 45-minute DT has about 1.7 million residents, while the population of the 60-minute DT brings in 3.3 million people due to the addition of parts of the San Antonio and Austin metro areas. Household incomes are also higher in these broader markets; for example, the median HHI in the 30-minute market is \$66,000+, or about  $\pm 5\%$  higher than both the state and national figures.

### Submarkets

Following are NGF summary observations regarding the demographic profiles of Starcke Park GC's 5-, 10-, and 15-mile submarkets.

- ▶ **Population:** SPGC has only an estimated  $\pm 60,000$  residents living within 10 miles, but about 287,000 within 20 miles. Population growth rates in all the submarkets are more than 4 times the national growth rate and more than double the State of Texas growth rate.
- ▶ **Median Household Income:** Median Household Incomes in the radial submarkets around SPGC range from about 26% lower (5-mile market) to about 11.2% *higher* (20-mile market) than the corresponding national figure, estimated at \$63,709. The HHI in the 10-mile primary market - just under \$59,000 - is about 7.8% lower than the U.S. median. As noted above, there is a strong positive correlation between income levels and golf participation rates.



- ▶ **Median Age:** Median ages for the submarkets are moderately lower than the national median of 38.3 years. Golf participation and frequency of play are positively correlated with age, except among the elderly.

## Local Golf Demand and Supply Indicators

Below is a summary of key findings regarding the public golf demand and supply profiles in the trade areas for Starcke Park Golf Course. This information is derived from the NGF Demand Model (based on ongoing NGF golf participation research), NGF U.S. Golf Facilities Database, and NGF Golf Market Analysis Platform (GolfMAP).

- ▶ **Golf Participation Rate:** The household golf participation rates (defined as having at least one golfer in the household) in the submarkets range from 28% lower (5-mile market) to 47% lower (5-mile) lower than the national benchmark rate of 14%, primarily attributable to a demographic profile that is not predictive of strong golf participation, as well as a relative lack of golf courses.
- ▶ **Number of Golfers and Average Rounds Played per 18 Holes:** The 10-mile primary market for SPGC is home to an  $\pm 3,700$  golfers, while the 20-mile radial market contains about 18,500 golfers. Based on facility self-reported and NGF-modeled activity levels, average annual rounds played per 18 holes of golf in the 20-mile submarket is about 36,000, comparing favorable to the national average of about 28,500.
- ▶ **Latent Demand:** People who express an interest in playing golf but have not yet started include former golfers and those who have never tried. The demographic profile of latent demand tends to be more female and younger than the population as a whole. Surveys show these golf-interested non-golfers cite several barriers to entry into golf, including the cost and social aspects (no one to play with). NGF research projects about  $\pm 3,000$  interested non-golfers living within the defined 10-mile primary trade area for SPGC. These interested non-golfers represent a well of “prospects”, some of whom can be activated with creative programming aimed at inviting and “onboarding” them into the game.
- ▶ **Golf Supply:** The 10-mile market for SPGC is home to only two golf courses, including the subject and The Bandit Golf Club in New Braunfels, which could be considered a secondary competitor due to its significantly higher quality and price point. Even the broader 20-mile market has only 4 golf facilities, three of which are open to the public. It is only as one travels farther west/southwest toward the San Antonio metro area, and farther still north/northeastward toward Austin, that golf course supply becomes considerably denser.
- ▶ **Supply-Demand Ratios (per capita supply):** Despite having only two golf courses, the 10-mile primary trade area for SPGC has 34% fewer golfing households per 18 holes of public golf than the national benchmark. Conversely, the broader 20-mile market, which has almost 5 times the population base of the 10-mile ring, has more than twice as many golfing households per 18 public holes than does the US overall. Recent public golf course closures have helped with supply-demand balance, including two 18-hole daily fee facilities in 2018 - Northcliffe Golf Club in Cibolo (along the Guadalupe-Comal border), which reportedly supplied as many as 48,000 rounds back in 2015), and Chaparral Golf Club in Seguin. *Absent further golf course development, these ratios will become more favorable for golf operators as population growth continues.*

## Local Economic and Climate Factors Affecting Demand for Golf

Following is a summary of key economic factors that have the potential to affect demand for golf in the Seguin / greater San Antonio area. **Sources:** City of Seguin; miscellaneous online.

- ▶ Seguin – the county seat and primary commercial center of Guadalupe County - has a diverse economy comprising many sectors, including manufacturing, distribution and warehousing, healthcare, agriculture and education. Nearly 30% of Seguin’s workforce is employed within the manufacturing industry.
- ▶ Seguin’s education and healthcare sectors are growing. Texas Lutheran University was ranked by U.S. News & World Report as the “#1 Best Value” school for Western Regional Colleges and the “#5 Best Regional College” for the Western Region. The Guadalupe Regional Medical Center (GRMC) was recognized in 2021 by Healthgrades as one of the top 5% of hospitals nationwide for patient experience. GRMC contributes about \$40 million each year to the local economy in salaries and benefits alone.
- ▶ The local and regional economy continues to rebound from the impacts of the Covid-19 pandemic, with unemployment rate falling from 7.0% in 2020 to 4.9% in 2021, and jobless rates continuing to decline in 2022. However, with low unemployment, rising wages, and higher input costs for materials, Starcke Park GC faces inflationary pressures in expenses.
- ▶ While the Seguin economy has lagged somewhat in the retail area, it benefits from many positive attributes, including accessibility and proximity to major Texas metro areas, rapid population growth, a dense regional population base, a pro-business climate, competitive financial incentives at the local level, and its relative affordability.
- ▶ Seguin’s population has been growing at a significant pace, including a 17% increase between 2010 and 2020; during the same timeframe, Guadalupe County grew by 31.3%. Bordering Hays (#1) and Comal (#2) were the fastest growing counties in Texas, and fastest growing US counties with 100,000+ pop. Nearby Austin, with about 2.2 million residents, is fastest growing metro area in the U.S. and Texas. (San Antonio metro has about 2.4 mm pop.)
- ▶ The number of residential building permits issued by the City climbed to 550 in 2020 (94% single-family) and 996 in 2021 after averaging 207 per year from 2015 through 2019. In total, about ±13,000 new housing units are in the development pipeline, and 24 new residential subdivisions are currently under construction. About one in four of the housing units in the pipeline have been platted.
- ▶ Seguin benefits from a strategic location – about 40 miles and minutes to San Antonio International Airport and 57 miles from Austin Bergstrom International Airport. It is easily accessible via major arterials I-35, I-10, SR 46, SR123, and Toll Road 130.
- ▶ Seguin’s top 5 employers are Caterpillar (1,500 employees), Vitesco Technologies (1,500), Seguin ISD (1,100), CMC Steel (900), and Guadalupe Regional Medical Center (765). These and other mid-size and large businesses, along with organizations such as civic groups, churches, schools, etc., are candidates to hold outings at area golf courses.
- ▶ **Climate** – Seguin, TX is a year-round golf market. The summers are hot and oppressive, while the winters are short, cold, and windy. Over the course of the year, the temperature typically varies from 42 to 96 degrees and is rarely below 30 degrees or above 101. About 33.5 inches of precipitation falls annually, with the wetter season lasting about 6 months, from late April to late October (May is wettest month).
  - The hot season lasts from May 31 to September 21, with an average high temperature above 89°F. The hottest month of the year in Seguin is August, with an average high of 95°F and low of 74°F. The cool season lasts for just under 3 months, from November 28 to February 21, with an average daily high temperature in the upper 60s. The coldest month of the year in Seguin is January, with an average low of 43°F and high of 63°F.

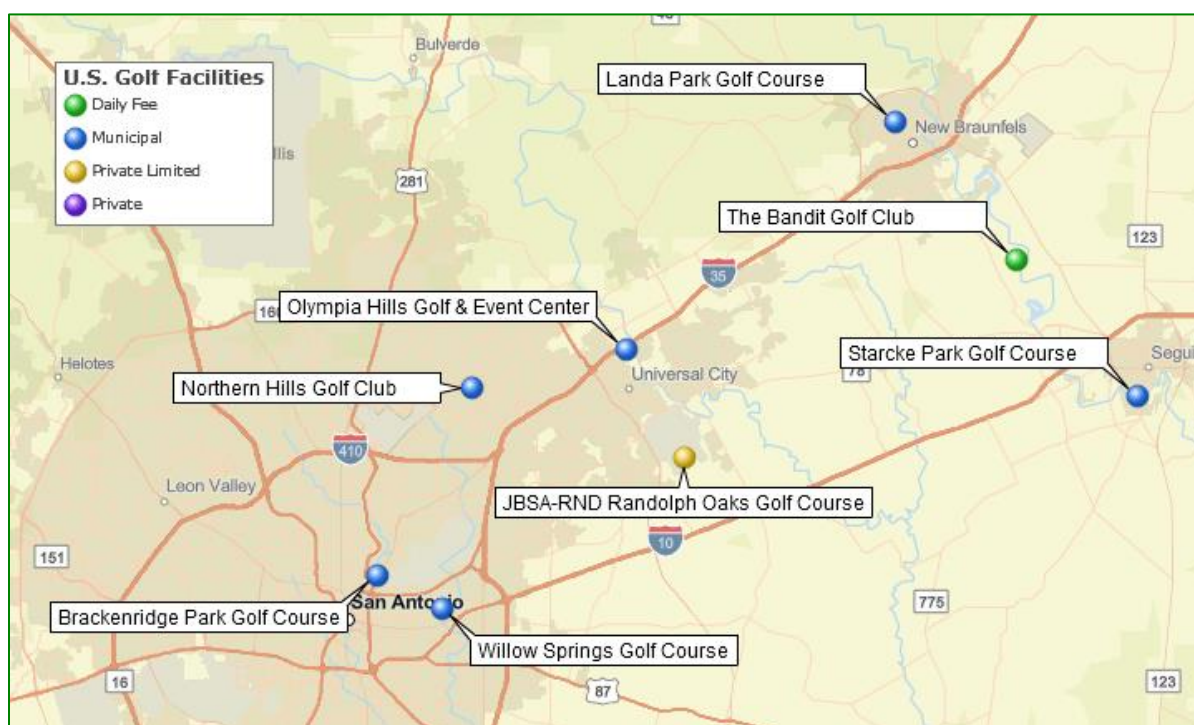
- The length of the day in Seguin varies from 10 hours, 15 minutes of daylight on December 21, to 14 hours, 3 minutes on June 21.
- ▶ Recent new industrial activity / business development in Seguin includes three new large developments since 2019, totaling more than \$130 million. These three projects – Teijin Automotive Technologies, United Alloy, and Yukon Ventures, are projected to add 700+ jobs over a five-year period. Additional recent industrial expansion activity has resulted in more than \$85 million in new capital investment in the city.
- ▶ Regionally, major new industrial projects include:
  - Tesla Gigafactory (Austin) – 2020: \$1.1 billion vehicle manufacturing facility; up to 5,000 new jobs; future facility located ±45 minutes northeast of Seguin.
  - AW Texas (Cibolo) – 2019: \$400 million transmission manufacturing facility; up to 900 new jobs; located at I-10, 11 miles west of Seguin.
  - Navistar (San Antonio) – 2019: \$250 million truck manufacturing facility; up to 600 new jobs; future facility located ±40 minutes southwest of Seguin in San Antonio.
  - Toyota (San Antonio) – 2019: \$391 million expansion of manufacturing facility; up to 600 new jobs; future facility located ±45 minutes southwest of Seguin in San Antonio.

## COMPETITIVE GOLF MARKET

Based on market knowledge, discussions with Starcke Park's Golf Manager, the results of the NGF golfer surveys, and feedback from area golf operators, NGF has identified a representative subset of public golf courses (18-hole or greater regulation length) that comprises the primary and secondary competitors to SPGC. Summary information regarding these competitors is shown in the tables below the facility map. Information regarding memberships can be found in the table in [Appendix D](#).

The competitor list is not intended to be exhaustive, as golfers in this market (including SPGC customers, as borne out by results of the golfer survey) tend to spread the wealth among area courses, even if they do have a favorite. Additionally, interviews with golfers and market operators indicate that public golfers in the area are willing to travel up to an hour or more to play the courses they like and/or for an occasional "luxury" round at higher-fee courses like The Bandit, Kissing Tree in San Marcos, and Olympia Hills.

### Competitive Facilities Map



### Facility Summary Information – Key Starcke Park Golf Course Competitors

Golf Facility	Location	Type	Year Open	Par / Slope	Front Tee/ Back Tee	Miles Distant to Starcke Park GC	Range Stations
Starcke Park Golf Course	Seguin	MU-18H	1938	71 / 121	5,115 / 6,676	-	20
The Bandit Golf Club	New Braunfels	DF-18H	1997	71 / 134	4,408 / 6,909	8 NW	15
Brackenridge Park Golf Course	San Antonio	MU-18H	1916	72 / 126	5,279 / 6,234	31 W/SW	0
JBSA-RND Randolph Oaks GC	Randolph	MI-18H	1948	72 / 125	5,486 / 7,172	17 W/SW	40
Landa Park Golf Course	New Braunfels	MU-18H	1938	71 / 136	4,538 / 6,205	15 NW	0
Northern Hills Golf Course	San Antonio	MU-18H	1969	72 / 123	4,987 / 6,602	25 West	15
Olympia Hills Golf & Event Ctr.	Universal City	MU-18H	2000	71 / 135	5,359 / 6,764	20 West	15
Willow Springs Golf Course	San Antonio	MU-18H	1923	72 / 133	5,311 / 7,029	28 SW	0

\*Air miles from subject site, rounded to half-mile; actual driving distances will likely be greater.

Type: DF – Daily Fee; MU – Municipal; MI – Military

Summary Daily Fee Pricing – Competitive Subset						
Golf Facility	18H Prime Time Green Fee (WD/WE)	18H Twilight Green Fee (WD/WE)	9H Green Fee (WD/WE)	Senior Green Fee (WD/WE)	Junior Green Fee (WD/WE)	PP Cart Fee (9/18)
Starcke Park Golf Course	\$22/\$25	\$14/\$14	\$14/\$14	\$18/\$18	\$12/\$12	\$10/\$15
The Bandit Golf Club	\$51/\$89	\$41/\$53	\$30/\$49	\$42 M-Fri only	\$25/\$35	Included
Brackenridge Park Golf Course	\$53/\$63	\$33/\$38	\$28/\$34	\$44 M-F only	n/a	\$8.50/\$16
Landa Park Golf Course	\$45/\$49	\$35/\$35	n/a	\$39 M-Fri only	\$10.50/\$13	Included <sup>1</sup>
Northern Hills Golf Course	\$29/\$34	\$23/\$28	\$17/\$20	\$23 M-F only	n/a	\$8.50/\$16
Olympia Hills Golf & Event Ctr. <sup>2</sup>	Open \$58/\$67 Res. \$45/\$46	Open \$45/\$50 Res. \$35/\$40	n/a	\$52/\$57	\$15/\$20	Included
Willow Springs Golf Course	\$29/\$34	\$23/\$28	\$17/\$20	\$23 M-F only	n/a	\$8.50/\$16
Randolph Oaks Golf Course	E1-E4 \$14/\$18 E5-O10 \$19/\$24 Non-DoD Civilian \$27/\$32	\$11/\$13 All categories	n/a	n/a	n/a	\$15

Fees as presented on website; some may include tax, others not; rounded to nearest half-dollar.  
Discount program rates, such as Alamo City Golf Trail Players Club, not shown.  
1. Carts included except for Junior rates.  
2. Resident discounts available for Universal City residents

## Significant Findings – Competitive Public Golf Market

NGF Consulting research indicates the following significant findings for the competitive market that Starcke Park Golf Course operates in:

- ▶ There is a variety of golf courses for consumers to choose from in the regional market and, based on our golfer survey results, customers of Starcke Park GC play at quite a few other area courses. The Bandit Golf Club appears to be a key competitor (58% of survey respondents indicated they play there) due to its proximity, and despite its significantly higher price point (\$89 peak). Other key competitors to SPGC include Landa Park, Olympia Hills, and San Antonio’s Brackenridge Park, as well as the other Alamo City Golf Trail municipal courses, such as Willow Springs and Northern Hills.
- ▶ Interestingly, while a sizable part of SPGC’s customer base reportedly travels quite a distance to play it because of its affordability, the golfer survey indicated that some of SPGC’s customers also play at higher priced (in some cases, significantly so) facilities such as The Bandit, Kissing Tree, Plum Creek, Olympia Hills, and Landa Park GC, which has become a formidable competitor since completing its facility renovation in the mid-2010s.
- ▶ Golf courses in the 20-mile market produce 36,000+ rounds per 18 holes, compared to the national average of about 29,000. Bolstered by the pandemic surge, facilities such as Landa Park GC and ACGT golf courses Olmos Basin and Willow Springs topped 50,000 rounds in 2021, while the four other 18-hole courses in the ACGT system averaged 60,000 rounds. Adjusting for only public golf courses, the market average would be moderately higher.
- ▶ There is a relative lack of driving ranges in close proximity to Starcke Park GC. The only public facilities with ranges within 20 miles of SPGC are The Bandit (15 tee stations), Randolph Oaks (40 tees), located 16 miles away, and Olympia Hills (15), about 18 miles from Starcke Park. Landa Park GC offers only warm-up cages and a large putting / short game practice area.



- ▶ At just \$40 for peak riding green fees, SPGC is positioned at the low end of a market with mostly low-to-mid fee competitors. At the top of the regional fee spectrum are: Kissing Tree GC in San Marcos (\$100+ peak riding fee; The Bandit (peak fee of \$89); San Antonio's Brackenridge Park (\$79); and, Olympia Hills (\$67 for non-residents with recent fee increase). A middle tier comprises: Landa Park, with a peak fee of \$49; Randolph Oaks (\$47 for Non-DoD civilian; ACGT's Cedar Creek and Olmos Basin (\$54); and ACGT's Northern Hills, Riverbend, and Willow Springs, all with a peak fee of \$50. As the current "value" provider, SPGC should have room to move closer to "market rate", especially after a major renovation.
- ▶ Fee discounts for seniors, juniors, and the military are common in this market; discounted green fees can be accessed through facility-specific programs that allow frequent golfers to play at discounted rates, including the Alamo City GT's Players Club and Olympia Hills' PDP (Universal City residents also have discounted green fees).
- ▶ In addition to SPGC, a number of the other market public golf facilities offer memberships that allow for unlimited play. These include: The Bandit (initiation fee is \$4,000; \$3,000 dues for single, \$4,200 family; range use included); Landa Park (\$1,890 single, \$2,835 couple); and the Alamo City golf courses, which are priced at \$2,900 for access to all courses (\$4,100 with cart. Olympia Hills also offers a variety of memberships, including 'Bronze' (Monday-Friday only), with dues ranges of \$1,632 to \$2,880, 'Silver' (\$2,652 to \$4,680), and 'Gold' (\$3,672 to \$6,480). Ranges use is included with all three programs, while cart is included in Gold. The fees for the Starcke Park GC memberships, at \$550 for senior, \$650 for single, and \$750 for couple, are easily the most affordable in the market, though the per-round \$4 surcharges do raise the effective cost somewhat.

## LOCAL / REGIONAL MARKET SUMMARY

Following are key NGF takeaways from the Seguin area market analysis:

- ▶ While the demographic profile of the area is not predictive of high golf participation and demand, public golf courses in this regional market are quite active compared to the national benchmark, especially in the denser areas such as San Antonio.
- ▶ Offsetting the suppressed participation is a favorable golf demand-supply ratio (i.e., golfers per 18 holes), compared to the national benchmark. For example, the broader 20-mile market, which has almost 5 times the population base of the 10-mile ring, has more than twice as many golfing households per 18 public holes than does the US overall. The continued vigorous population growth that is projected for Seguin and the region should help SPGC attract more golfers, especially if no new public golf courses come to market.
- ▶ Market golf courses, including Starcke Park GC, and the majority of golf courses across the nation have experienced a significant increase in rounds played due to the Covid-19 pandemic. While some of the demand uptick – which began in the spring of 2020 and persisted through 2021 - may prove to be transitory, proactive operators across the country are identifying new customers and finding ways to engage them in the golf experience with the intent to turn many of them into committed golfers.
- ▶ The key to Starcke Park GC being able to sustain itself financially for the longer term appears to be substantially improving the product through major capital investment and improved maintenance standards. As the low-end "value" provider in the market, SPGC appears to have room to increase green/cart and membership fees to at least keep up with the rapidly rising cost of being in business. A major facility renovation should allow the City facility to approach the next tier of competitors – such as Landa Park GC and several of the Alamo City Golf Trail courses - in terms of price point.

# Golfer Survey Results

NGF's Golfer Survey Program (GolfSAT) was distributed in the beginning of March 2022 through the third week in April 2022, seeking opinions on the Starcke Park Golf Course. The survey was web-based and publicized via various methods, including through email and internet. The survey is not intended to be a scientific study of the SPGC golfers. Rather, the intent is to reach a sample of golfers who use the course to get a general opinion on some of the 'satisfaction factors' in these golf operations. The NGF survey has been implemented at hundreds of courses across the country, allowing us to compare results with other similarly priced courses nationwide (except for custom questions).

A total of **137 surveys** were collected by NGF, a number below NGF's desired threshold of 250+/- responses; however, the information collected is still very useful to NGF in providing directional guidance and understanding the likes, dislikes, concerns and suggested changes of a select group of active users of the golf course. The customer segment groups were classified as the following:

Respondents by Type	
Member	25.5%
Daily Fee Player	36.8%
Daily Fee Player (League Only)	38.7%

## SUMMARY OF FINDINGS – STARCKE PARK GOLF COURSE

The survey responses for SPGC revealed some strong opinions about the facilities. For example, results showed some positive satisfaction ratings across several factors, benchmarked against like facilities and the overall national sample of public facilities. Overall, the survey group was favorable about the course staff, the convenience of course location and its affordability, but showed strong dissatisfaction with course conditions, including the greens, fairways, tees and fairways; quality of practice facility; and, condition of golf carts.

A summary of general findings is shown below:

### Benchmarking

1. Overall satisfaction with Starcke Park GC is considerably lower compared to other value courses and the national benchmarks, with only 10% of other value courses receiving lower customer ratings on this measure. The customer loyalty index ranking is 5.9% which is calculated by the percentage of customer promoters (40.9%) minus the percentage of detractors (35.0%), compared to the Value benchmark of 18.1%. (Value = golf courses with a peak green fee + cart <\$40). Areas of most concern include overall course conditions, condition of golf carts, on course services (portable toilets, drinking water) and overall quality of the practice facility.
2. There was no significant difference in scores between SPGC members, daily fee players, and league-only daily fee players, although the league-only players (39% of sample) did give the course slightly higher marks related to total satisfaction. We also noted that golfers within the 30-39 age group (9.5% of sample) gave higher overall satisfaction ratings than their older counterparts.
3. **Competition:** The survey indicated that Starcke Park GC is competing for wallet share with a number of local facilities, including their most proximate – but significantly higher priced - competitor, The Bandit Golf Club (58% indicated they also play there). The other courses

that the survey respondents are playing include: Landa Park Golf Course (50%); Plum Creek Golf Course (16%); and, Olympia Hills Golf & Event Center, Brackenridge Park GC and Kissing Tree Golf Club (all three 12%).

4. The profile of Starcke Park GC survey respondents is predominantly male (96%) and the majority are over age 50 (61%), with 29% in the 70+ age group. 28% of respondents said they played Cazenovia between 8-24 rounds annually, 20% played between 25-49 rounds, and 29% played 50+ rounds.

## Custom Questions

1. SPGC respondents were asked to select their preference between using Option 1: restricted flight balls or Option 2: move hole #1's tee box back 20 yards (requiring #1 tee box to be moved several yards to the left and #10 tee box moved several yards to the right) a clear majority (69%) chose Option 2 over Option 1.
2. When asked how important it is for SPGC to continue to provide a natural grass option on the driving range even if bucket prices increase, responses were fairly even, with 53% saying it is important to have the option to use natural turf on a rotating basis and 47% satisfied to use an artificial tee every time they use the range.
3. When daily fee players were asked how much additional green fee would they be willing to pay per round of golf on an improved (multi-million-dollar renovation) golf course to help ensure the continued viability of affordable public golf in Sequin, they responded:
  - \$5 to \$7 (31.2%)
  - \$3 to \$4 (24%)
  - I will pay whatever the fees are (18.4%)
  - \$8 to \$9 (15.2%)
  - Not willing to pay more (11.2%)
4. Starcke Park GC members were asked if they would be willing to pay an increase of \$4 to \$6 in a per-round surcharge after a multi-million-dollar renovation is complete and 51.4% said they would, while 18.9% would not and 29.7% were unsure.
5. Respondents were asked how much they typically pay for golf shirts they purchase at retail stores (including online); the responses were:
  - Less than \$20 (6.4%)
  - \$21 to \$30 (21.3%)
  - \$31 to \$40 (24.1%)
  - \$41 to \$50 (13.5%)
  - \$51 to \$60 (9.9%)
  - \$61 or higher (5%)
  - I don't purchase golf shirts (19.9%)
6. When respondents were asked how likely they would be to purchase food and beverage items if the services were expanded at SPGC, 49% responded 'very likely', while an additional 30% said somewhat likely. Only 17% were not very likely to purchase, and 4% didn't know.
7. Players were asked what their level of concern regarding the safety of golfers at SPGC relative to potential ball flight conflicts on some adjoining golf holes and 63% said they were not at all concerned, while 30% said they are somewhat concerned and only 3% are very concerned. 4% didn't know.



8. Finally, players were asked to briefly describe what aspect of SPGC they believe represent the highest priority need for improvement from a maintenance perspective; the most common mentions included:
  - Greens (49 mentions)
  - Fairways (32)
  - Sand bunkers (17)
  - Irrigation/water issues (16)
  - Grass (need more) (14)
  - Tee boxes (14)
  - Range/practice area (9)

### General Open-Ended Comments

1. In review of the general open-ended comments survey respondents made about **what they like most about Starcke Park Golf Course**, NGF noted several key themes that were common themes, including:
  - Friendliness of staff
  - Location and accessibility
  - Cost
  - Layout and its walkability
  - Nicely maintained in season
2. In review of the general open-ended comments about **what needed improvement at Starcke Park GC**, NGF noted a handful of comments with a variety of topics; the most common themes included:
  - Overall maintenance of course, with greens being the number one concern (removal of poa annua, weeds)
  - Tee boxes & sand traps need improving
  - Fairways/grounds/turf need more water (especially around the greens)
  - More consistent irrigation
  - Need to overseed in the winter
  - Add more F&B options/amenities to include an on-course snack cart
  - Improve the range conditions and add a short game area with bunker
  - Add an on-course marshal to monitor pace of play

## **OTHER STAKEHOLDER ENGAGEMENT**

In addition to fielding the golfer survey, the NGF team also met with the Golf Advisory Board (GAB) after our initial meetings with City and golf courses staff, and the tour of the golf course. We offered the group a debriefing of initial preliminary findings. Additionally, early in the process NGF team members spoke to City Council member Mark Herbold – an avid golfer and frequent player at SPGC and other area golf courses.

We spoke to both the GAB and Mr. Herbold to ascertain their thoughts and opinions about Starcke Park GC, including its current condition, potential improvements they think would like to see, and things they like about the golf course. Some of the recurring themes centered around their overall appreciation for the golf course and its staff, the need for better course conditions, and dissatisfaction with some of the current maintenance protocols. Members of the GAB, in particular, expressed a desire for green / membership fees to remain affordable.

# Golf Course Physical Assessment

This section presents findings and recommendations relative to the NGF Consulting team's evaluation of the Starcke Park golf course asset. The physical evaluation was conducted by NGF team members and ASGCA golf course architects, Jeff Brauer, President of GolfScapes, Inc., and Brian Ross, President of Ross Golf Design. Findings and recommendations presented in this section are based on and extensive discussions with SPGC's General Manager/Superintendent, as well as the team's tour of the golf course on February 15, 2022. Course condition photos can be found in [Appendix E](#).

This Interim Report is broken into two main sections:

1. **Golf Course Physical Evaluation** - after a brief synopsis of the history of Starcke Park Golf Course, we provide assessment, discussion, and recommendations related to SPGC (subject pictures to be included in full Draft Report):
  - Design – Routing and Features
  - Infrastructure and Conditions
2. Golf Course Improvement Recommendations – this discussion comprises:
  - Improvement Recommendations Summary
  - Renovation Phasing Discussion and Recommendation
  - Construction Considerations
  - NGF Preliminary Improvement Cost Estimates

## HISTORY

The 18-hole Starcke Park Golf Course in Seguin, Texas is located within the 227-acre park of the same name along the scenic Guadalupe River. The property was a pecan orchard prior to the park's dedication in 1938. The park offers a variety of recreational activities that include a regulation 18-hole golf course and is named after a former mayor of the City.

The course opened as in 1938 as a 9-hole layout designed and built by famed (and legendary) Texas Golf Course Architect, John Bredemus. Among other things, as second place finisher, Bredemus was awarded Jim Thorpe's AAU medals after Thorpe was stripped of both those and his 1912 Olympic medals for having played semi-pro baseball.

By 1914 he took up golf and by 1920, he had designed his first golf course in Texas, spending the remainder of his life as a golf course architect. In 1922, he co-founded the Texas PGA and the winter golf tour, which was a forerunner of today's PGA Tour. He moved to Mexico and designed at least six more courses there. He was inducted into the Texas Golf Hall of Fame posthumously in 1991.

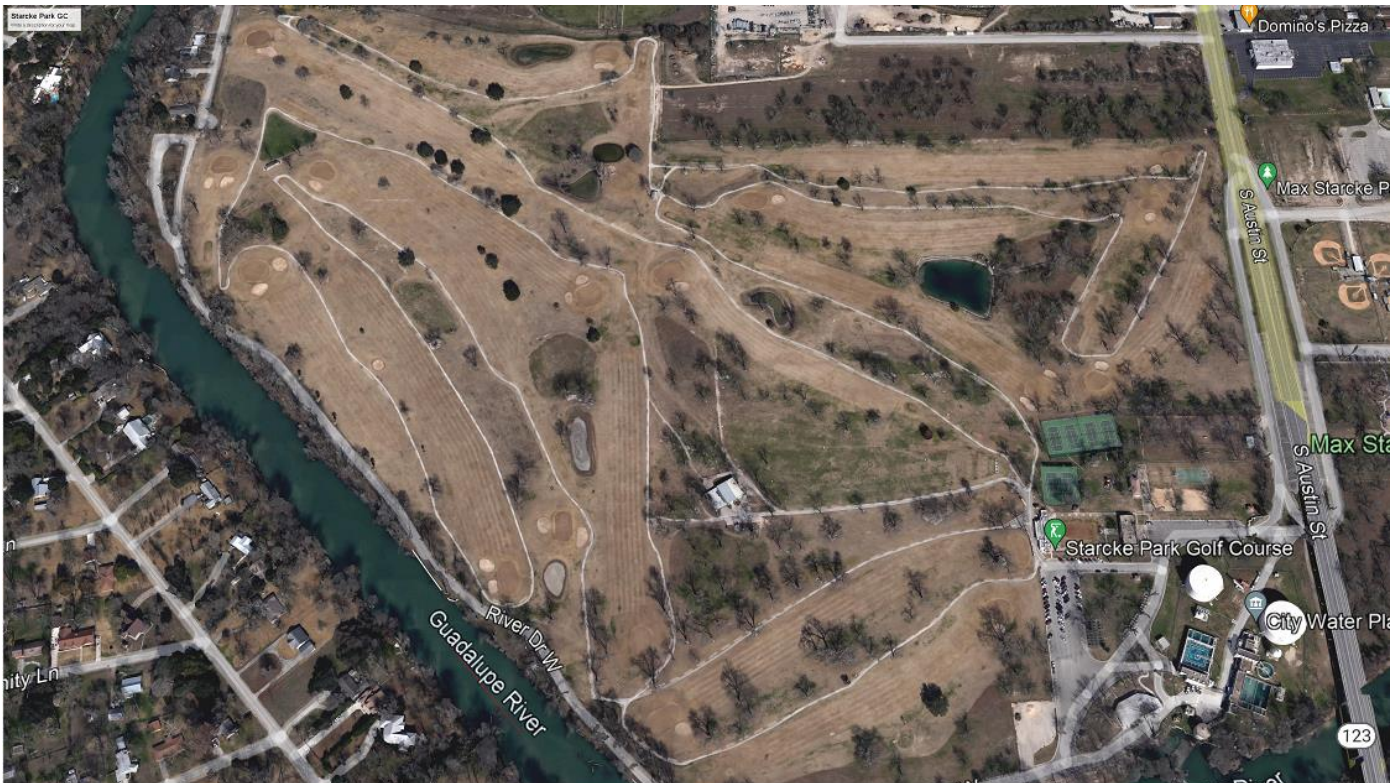
The golf course was expanded to 18 holes in 1979, with most sources crediting local pro Shelly Mayfield as the designer, but noting he had worked with well-known Dallas based golf course architect Ralph Plummer in what would have been one of his last projects before his death in 1982. It is possible that Plummer routed the back nine but couldn't do the final design work due to failing health at the time.

Mayfield, who locally helped establish high school golf teams, won three PGA Tour events and had two other top ten finishes. He had been golf professional Lefty Stackhouse's most famous student. Mayfield "partnered" with the famous golf course architect Dick Wilson, though he may more accurately have been an employee who assisted in design and/or construction of Wilson's famous designs like Bay Hill, Doral, and Pine Tree (all in Florida), as well as La Costa in California, which is currently being upgraded to be a permanent host to the NCAA National Collegiate Golf Championships.

## DESIGN EVALUATION

No major changes have been reported at the course. The front nine generally has more “grace” in its design, which we would associate with an architect like Bredemus, while the back nine features are a bit less graceful, which would be expected of a course whose design was turned over to a local pro.

However, overall, the course exudes a nice charm, and is a good design for its current lower fee public course role in the marketplace. The front is considered the easier of the two nines, but the 457-yard No. 3 plays uphill into a gentle dogleg left, with the left side protected by a lake. On the back nine, holes 11-13 are difficult, but the hardest hole on the course is the 18th.



Below, the NGF team’s ASGCA golf course architects, Jeff Brauer and Brian Ross, provide a summary discussion of golf course design parameters that affect Starcke Park GC – **Routing** and **Features**.

### Routing Assessment

Routing is the footprint or floorplan of the golf course, and no good course is poorly routed. For a renovation to yield the maximum results, re-routing may be necessary, and the final proposed routing must be set first before studying design features makes sense. So, what is a good routing? The best routings turn a collection of good holes into a more satisfying golf round if they capture the qualities discussed below. See [Appendix F](#) for additional discussion on golf course routing.

### Sequence and Rhythm

A good routing provides a nice mix of hard and easy holes, par 3, 4 and 5 holes, and avoiding consecutive holes with the same length, or look, (unless stunning!) difficulty, or primary challenge (i.e., narrow tee shot, heavily contoured green). Starcke Park GC has acceptable variety in length as seen above but, in most cases, features like fairway width, green size, and design, etc., are repetitive, common with many courses of this age group. Depending on the scale of a future renovation, the chosen golf course architect will most likely introduce a wider variety of design features.



## Good Circulation / Speed of Play

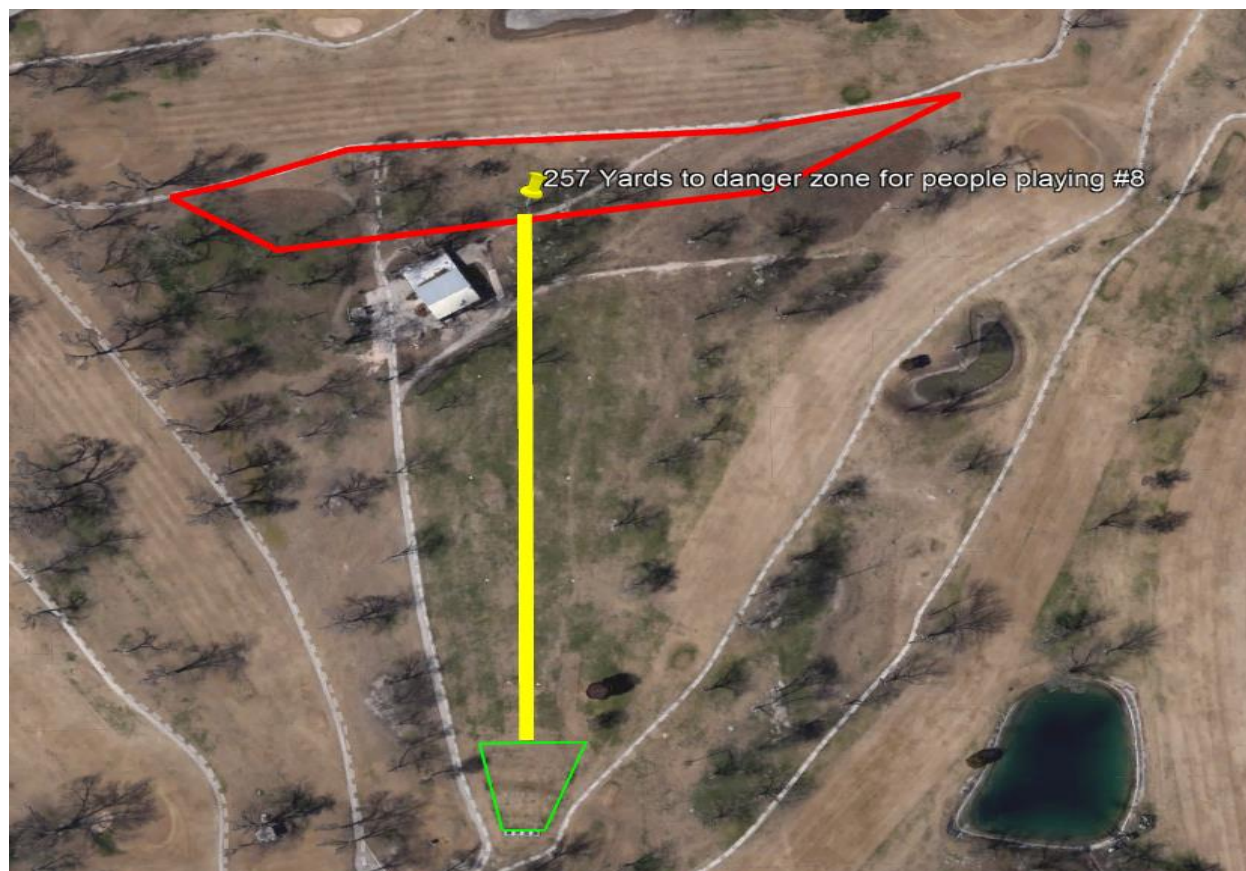
Good circulation and speed of play are among the most important design considerations. Holes arranged to facilitate fast play and easily understood routes to the next hole are key to fast play. Course policies are a major component in the battle to speed play, including spacing out tee times to at least ten minutes, keeping reasonable rough height and green speeds, effective marshalling, etc., most of which the course already does. In any redesign, the golf course architect may be able to modify some routing and/or design features that cause circulation and pace of play problems.

Starcke Park GC should generally play fast as a shorter and compact course, with mostly short and direct walks to the next hole. There are longer walkarounds to get from hole 1 to 2, and 8 to 9. Walking back into the line of play to the next tee introduces pace of play and potential safety problems, such as at Hole #s 4 to 5, and #s 13 to 14.

## Safety

This includes holes spaced well away from boundaries and each other, without dangerous areas or blind spots, and as applicable, safe road crossings for cart traffic. SPGC is a compact course, so errant golf balls reaching nearby holes should be expected, as is typical of courses designed in 1938, and to some extent, in 1979. Given there are ample trees, and not really any way to spread out the routing, we expect the course will continue to live with whatever problems exist, such as the issue noted above at Hole #s 4-5 and #s 13-14.

The most noticeable safety issues relate to the driving range, which is neither long enough nor wide enough for current space needs. We understand that employees have been hit by balls on their way to or from the maintenance area (will be mitigated with relocation of maintenance function). The diagram below illustrates that shots over 250 yards imperil golfers playing # 8 rough. If the #1 and #10 tees are not moved to accommodate a longer range, the facility will have to go to restricted flight balls unless netting can be accommodated within the improvement budget.



## Par/Length

**Par** – Par 72 is preferred, but the 71 at Starcke Park GC is acceptable.

**Length** – Currently, the most popular overall yardages among golfers, relative to length of various tees, are in the range of 4,400 for forward tees to about 6,800 yards for back tees, with intermediate tees at roughly 5,000, 5,600, 5,800, and 6,200 yards, depending on the number of overall tees existing at a particular golf course.

As shown in the scorecard below, SPGC hits most of the prescribed preferred distances decently. Yardage over 7,000 from the back tees is desired by only about 1% of public golfers (e.g., longer-hitting, low handicap), so we do not consider the length of SPGC to be a detriment based on its market positioning.

Hole		1	2	3	4	5	6	7	8	9	OUT	10	11	12	13	14	15	16	17	18	IN	TOT
Blue	71.7/121	390	167	462	522	394	163	431	403	340	3272	409	536	380	187	551	325	193	392	431	3404	6676
White	70.5/117	383	151	445	505	386	151	413	393	323	3150	386	528	364	171	526	313	176	386	416	3266	6416
Gold	66.7/113	306	136	354	485	356	114	360	369	305	2785	358	472	294	145	462	276	155	346	352	2860	5645
PAR		4	3	4	5	4	3	4	4	4	35	4	5	4	3	5	4	3	4	4	36	71
HCP		7	9	1	15	11	13	5	3	17		6	18	8	2	12	16	10	14	4		
Red	64.4/108	283	137	315	427	336	111	317	317	287	2530	296	423	257	88	434	269	141	337	340	2585	5115
PAR		4	3	4	5	4	3	4	4	4	35	4	5	4	3	5	4	3	4	4	36	71
HCP		9	17	5	1	11	15	7	3	13		10	4	12	16	2	14	18	8	6		

## Design Variety

**Design Variety** – Even great holes are less special when they are too similar to the one before or after. All things being equal, a good routing features a balanced mix of holes that hold golfers’ interest, varying by Length and Features, allowing the use of “every club in the bag”. Starcke Park GC has decent distance variety among its par 3, 4 and 5 holes, with varying and alternating distances and balance among different hole types, as shown in Appendix F.

**Dogleg Direction** – SPGC has mostly straight holes, and an approximately equal number of doglegs that bend right (1) and left (3), which is good for a public course.

**Wind** – SPGC plays in a variety of directions, but more holes play slightly cross wind than up and downwind, with the latter being easier on public golfers. However, it is generally an acceptable routing for a public course, with a mix of holes playing into every wind direction – down wind, head wind, quartering and cross winds, etc.

## Golf Features Assessment

As noted, good golf courses have a collection of good golf holes, first and foremost. In general, the golf holes at Starcke Park GC are solid. With some exceptions, good holes have:

- ▶ Aesthetic value, because all golfers enjoy beauty, regardless of handicap. The Pecan trees at SPGC, as well as glimpses of the river, provide excellent aesthetic value.
- ▶ Multiple Tees, creating appropriate play lengths for all golfers. As noted in our discussion of Routing, the course length is acceptable to most public golfers.
- ▶ Width enough to play comfortably and reduce lost balls (Generally, a minimum turf corridor of at least 200 feet or preferably more). Starcke Park has fairly narrow play corridors, but the wall-to-wall turf reduces lost golf balls. Width, overall, is acceptable.
- ▶ Challenge/ Playability – Good courses require low handicappers to hit good shots to make a good score, but allow most players to shoot near their average scores. SPGC has acceptable **Slope Ratings**, as shown below. The national average slope rating is 116 from the middle tees, while SPGC's is 117 from the White Tees. For average golfers to shoot their average scores, the slope rating should be within striking distance of the national average, making SPGC a good bet for average golfers to play well. Online reviews show most golfers calling the course fun to play and not too challenging (although the 18<sup>th</sup> hole has a reputation for difficulty). If there is a hole you want to be difficult, it would be the 18<sup>th</sup>, for a strong finish.
- ▶ Visible targets and hazards for strategic planning and safety, especially at resort courses. SPGC has no totally blind shots, and only a few partially blind shots (which can be repaired with some earthmoving), such as the tee shots on holes #7 and #11.
- ▶ Receptive targets that hold good shots, with size and contours that make them attainable targets for public course golfers hitting good shots. SPGC's tee shot landing zones do not seem to reject golf shots, apart from the cross slope #14. However, many greens have become smaller over time, and the back nine greens are often elevated, making for very difficult targets for average golfers.
- ▶ Good agronomic conditions – including infrastructure like irrigation and drainage, as well as adequate sunlight and air circulation for tees, greens, and fairways. **As discussed in the next section, agronomic conditions are deteriorating at Starcke Park GC. NGF believes this is due mostly to poor, infrastructure (drainage and irrigation) and tight soils.**

## Routing and Features Summary Recommendations

Re-routing golf holes is more expensive than rebuilding them in place but is sometimes the only way to solve a problem. NGF recommends re-routing a few holes at SPGC to facilitate expansion of the driving range and mitigate potential safety issues would provide substantial benefit for the City of Seguin. We have provided a concept rerouting (shown below), utilizing the land north of the 14<sup>th</sup> hole to move the 10<sup>th</sup> hole, and widen the range at both tee area and landing zone (for safety). This would greatly increase the natural tee area on the driving range (16,000 to 20,000 SF), provide room for 20-24 artificial turf hitting stations, and widen the landing area of the range significantly. This plan necessitates rerouting of holes #17 and #18 as well. The primary advantages of the conceptual plan are:

- Widening and deepening the practice range tee to create more hitting spots, thus providing a safer and more enjoyable environment for golfers to practice and play;
- Making maintenance more efficient by having a larger tee to spread out divots;
- Widening the landing zone for safety of holes on either side, particularly the existing 10<sup>th</sup> hole (slice side for righties); and
- Increasing revenues.





The NGF team recommends that the City implement the routing proposal (or a variation thereof) as part of its overall renovation plan for SPGC. This will provide better design features on four holes, while also mitigating the referenced safety issues around these holes proximate to the driving range. For consistency, these four holes should match the existing holes, OR the existing holes should be renovated to match a new and better design style.

Greens, tees, and some fairways need to be rebuilt for agronomic or infrastructure reasons, and the existing design features would benefit from enhancement, even if only on a limited number of holes. *Additionally, adding a redesign component is most inexpensive and efficient when done in conjunction with needed infrastructure improvements.* For example, if the course spends, on average, \$100,000 to replace greens mix and bunker sand, it would probably cost just another \$50,000 to \$75,000 per green to provide a completely new design. A proper design would enhance drainage, circulation, growth conditions, aesthetics, playability, etc.

Additionally, NGF recommends adding a new set of tees at a total distance of about  $\pm 4,500$  yards, and converting the existing red tees into new, shorter gold tees, aimed primarily at senior male golfers and other short hitters. Use of these new tees would shorten the course for those players and eliminate 5-10 “unnecessary shots” per round for average golfers.



## ASSESSMENT OF INFRASTRUCTURE AND CONDITIONS

Below is the NGF team's summary assessment of SPGC golf course infrastructure and conditions as of the team's February 15, 2022 site tour. The review comprises the following components:

- Greens, Tees, Fairway, Sand Bunkers, Roughs, Trees
- Green Complexes & Surrounds
- Irrigation
- Cart Path
- Drainage
- Trees

While golf holes are often considered natural, they are as constructed as structures and roads. As such, they are subject to wear and tear, and reduced efficiency and/or reliability as they age. Each item has a lifespan, which varies by region, original design and construction quality, ongoing maintenance, and usage, especially for irrigation. And, typically, replacement means "upgrade" to current expectations.

Facilities must plan on almost completely rebuilding and upgrading themselves to current standards every 25-30 years. For economic reasons, many courses extend the lifespan of their infrastructure, but eventually it becomes a losing battle. As someone said, "If your superintendent spends more time fixing his irrigation than running it, it's probably time to get a new one."

Studies repeatedly show that good maintenance is the biggest factor in golfers deciding where to play, as shown (both overall and in specific detail of greens first, then tees and fairways, then bunkers) **Good infrastructure is a prerequisite for good maintenance conditions**, even if good superintendents often mask difficulties. Infrastructure investment has multiple benefits of keeping your product fit for business, potentially reducing some maintenance costs (allowing more resources in other needed areas) and increasing your appeal to golfers via better maintenance, indirectly adding revenue.

The USGA/ASGCA "Life Cycle" chart, shown in [Appendix G](#), is a good general guide to the life expectancies of various golf course features. Starcke Park Golf Course has many, if not all, of its infrastructure elements out-of-date. One surprise is the cart paths, which appear to be in pretty good shape. Otherwise, each infrastructure element is nearly at, or past, its anticipated life. **SPGC reconstruction recommendations are based on both age and actual current condition.**

### Greens

The front 9 greens were built in 1938 and the back 9 greens were built in 1979. At that time, or soon after, all greens were sprigged with Tif-Dwarf Bermuda grass. After 40 years, mutation and turf decline have occurred, as is expected with any greens this age. After a 2004 misapplication of goosegrass herbicide killed the greens in 2004, they were again sprigged with Tif-Dwarf. Currently, Tif-Dwarf is considered an older, inferior variety of green surface. It was likely chosen again based purely on cost and cost of maintenance, over a customer-based perspective.

In 2013, the greens were resurfaced (no till) with Mini-Verde as the golf course had a very limited chemicals and fertilizers budget and this variety was easy to maintain (e.g., less verticutting, topdressing, less likely to get "thatchy"). Currently, it seems to have fallen out of favor with most Texas superintendents, but each superintendent has their own preferences. At SPGC, a combination of high play and low maintenance budgets, as well as the presence of about 7-8 mutations of grass (mostly Bermuda varieties) with different colors, grains, etc., has caused decline in the green surface and putting quality. Compounding the situation from a maintenance standpoint, these mutations tend to go dormant last, while emerging first in the spring. (For golfers, putting surface quality as far and away the most important maintenance consideration).

The current green size also works against quality greens. We recommend that greens average 6,500 SF on public courses, with 6,000 SF the absolute minimum. Starcke Park GC currently has only 88,000 SF of greens, or an average of about 4,400 SF each, when 120,000 to 130,000 square feet is ideal. The small size of the greens is compounded by lack of suitable pin placements due to severe slopes. The USGA recommends a maximum cup area slope of 3%; too much of SPGC existing greens exceed this threshold. As a result, cup locations are reused, and golfers are often putting over old cup locations. Any rebuilding of greens would need to include expanding the size and minimizing the slopes.

**Recommendation:** Taking all of this into consideration, the NGF team recommends removing the old sand mix and rebuilding the greens to higher standards and bigger sizes as the most viable way to resolve ongoing issues with the greens at Starcke Park GC.

## Green Complexes and Surrounds

The green complexes are relatively small by modern standards, averaging about 2/3 Ac per complex, or about 12 acres total. They suffer from some typical problems.

- Turf is a mixture of different bermudagrasses.
- They are generally in good shape close to the greens, poorer further away.
- Irrigation coverage causes most problems. The existing sprinklers cover only the green, whereas modern practice is to have a pair of sprinklers throwing in and out at the edge of the green to give the relatively high traffic areas around the green adequate irrigation.
- The design of the complexes is uninspiring, at best. In particular, sand bunkers have no character.
- On many greens, bunkers and slopes hinder circulation, which slows play. Greens #s 2, 7, 11, and 15 through 18 have these problems to varying degrees.
- Some have shade problems, which, in combination with poor irrigation and compacted soils, makes it difficult to grow turf well.

**Recommendation:** We conclude that the most efficacious way to resolve these problems is to rebuild and redesign all greens complexes, while trying to reduce cost by staying with the same general theme of traditional design, vs. something more extravagant. Improvements to the green complexes have the potential to elevate the market image of SPGC, lower maintenance costs, and result in increased revenues.

## Tee Boxes

The green complexes are relatively small by modern standards, averaging about 2/3 acre per complex, or about 12 acres total. They suffer from some problems typical to similar public (and some private) courses. These issues at SPGC and recommended remedies:

- They are undersized. Busy public courses need tees to average at least the same size as greens, i.e., at least 6,500 SF is preferred, with par 3 tees, and holes #1 and #10, plus any water holes, at least 25% larger.
- They are unlevel. Unlevel tees are among golfers' bigger complaints (behind greens and sand bunkers) They can be regraded in house, which will help.
- They are built mostly of topsoil and have become compacted making it hard to put a tee in the ground. Re-grading and adding a 4-6" sand layer, similar to that used in green construction is the best possible fix.

## Fairways

The fairways are average to below average condition for similar public courses. Turf is a contaminated mixture of Common, Coastal, possibly some Tif-419, and various mutations of Bermuda, with many worn spots in high traffic and poorly irrigated areas. Some golfers complain about the lower cut height in the winter, and other request winter overseeding. It is typical public players prefer a bit of cushion under their ball when playing off the fairway.

In general, winter overseeding is becoming less common. Even for courses with adequate water resources, most golf courses bow to the public perception that they are wasting water. Fairways, greens and tees can be painted in lieu of re-grassing to similar effect.

As seen in the ASGCA Life Cycle Chart, SPGC fairways probably need to be re-grassed to provide a playing surface golfers will like.

- The soil is very compacted after years of doing nothing. Treatments may include:
  - **Aerification**, which can be disruptive, expensive, and needs to be repeated every 6 weeks to be effective. In our experience, aerification has limited benefits, takes a long time, and may provide only a temporary solution.
  - **Soil Amendments**, including fertilizers and Gypsum on an ongoing basis.
  - **Re-grassing** would require killing the mix of existing grass and tilling the soil in preparation for new sprigs, which would decrease compaction. In addition, soil tests can determine what other fertilizers, amendments (like gypsum) and treatments might assist in long-term soil health.
  - If re-grassing, we recommend that consideration should be given to the most vigorous variety of bermudagrass now available, over selecting turf varieties for color, consistency, etc.

## Sand Bunkers

Sand bunker quality has generally eclipsed fairway and even tee quality as a golfer demand. In addition to good (i.e., relatively easy) playing conditions, golfers at all price point golf courses also typically demand consistency from bunker to bunker in the name of “fairness.”

The sand bunkers at Starcke Park do not live up to current golfer expectations, and receive their share of complaints, for good reason. The bunkers at Starcke Park are least 40 years old, and well past replacement need. The life cycle chart recommends replacing sand every 5 to 10 years. However, due to golfer demand, construction standards have gone up, and simply replacing sand at SPGC won’t be effective for long, if at all.

**Recommendation:** As presently built, there is no practical way for staff to improve bunker conditions, so the NGF team recommends rebuilding all of them. The **type of sand chosen** for the recommended bunker rebuild is a key consideration in the renovation. The big concerns in selecting sand type are playability and aesthetics, as well as cost:

- Golfers generally prefer white sand. In Texas, the most popular supplier for white sand is in Arkansas, and the transportation costs generally make this sand cost over \$125 per ton at current prices.
- Angular sand particles provide the best lie for golfers, minimizing plugged lies and buried balls. The current sand at SPGC is spherical in shape and golf balls tend to bury easily. This is also typical of Texas public courses, as most Texas sand is similar, but much less expensive to purchase, so it is used a lot, despite its shortcomings for golf.
- Sand bunker liners to separate the bunker sand from underlying clay and soil are now virtually standard at courses of all levels. The sand bunkers at Starcke Park have no liners, and have a

mixture of clay and silt bases, which don't drain well and contaminate any sand put in the bunkers. Periodic floods also leave silt in the bunkers.

- Steep slopes erode when it rains heavily, and silt and clay run off the bunker edges and mix with the bunker sand. A combination of the following is required to improve sand bunker conditions on a permanent basis:
  - Sand bunker liners
  - Re-grading the top edges of sand bunker to eliminate any surface water coming into the bunkers
  - Re-grading the interior sand bunker slopes to a maximum grade of 15-25% (depending on sand type chosen)
- Due to location in the floodplain and floodway, sand bunkers at SPGC can tend to wash out on all holes but those up on the ridge, and with the holes near the river being most affected. In similar cases, we recommend that sand bunkers on the river holes be replaced with other hazards like mounding, grass bunkers without sand, and fairway height chipping areas. These reduce maintenance problems and provide design variety.

The course isn't heavily bunkered, with only 18 greenside bunkers and no fairway sand bunkers. Total square footage is about 35,000 SF. Depending on design, sand type, and sand bunker liner type (there are 16 liners currently on the market) the smaller size will help keep sand bunker improvement costs down. Bunker construction cost has recently run in the \$8 to \$10 per SF range.

## Roughs

The same considerations as with the fairways generally apply. However, it is rare for modest budget public courses to completely re-grass roughs. The expense is high, and there probably should be a quality difference between the turf quality between fairway and rough.

If the irrigation coverage is expanded to get better coverage in the roughs, combined with ongoing weed control and periodic slit seeding or sprigging, we believe the roughs will improve enough to be satisfactory.

## Trees

The course was originally a Pecan grove, and the course is well known for its tree cover, which should remain in place. We do recommend the city arborist take an inventory and assessment of these trees to ensure they remain an asset.

We also note that in any golf course renovation, some tree removal is required, either to widen the driving range tee and landing zone, realign certain holes, and/or to provide adequate sunlight to high traffic areas to improve quality of turf, which include any greens, tees, fairways and even the roughs between fairway and cart paths in main traffic flows.

## Irrigation System

Last replaced 32 and 42 years ago, the irrigation system at SPGC is well beyond its useful life span. It experiences most of the symptoms of old systems that call for replacement, including increased maintenance time, low pressure, and poor, uneven coverage. To maintain pace of play, most public courses try to irrigate (at least to some degree) on a "wall to wall" basis, which is especially true on compact courses like SPGC.

Irrigation design standards have improved in all key design areas. In addition, any new system must meet State of Texas TCEQ imposed design standards, including a maximum water velocity of 4.5 Ft/Sec for irrigation systems, intended to avoid the water hammer issues the SPGC system faces now.

Irrigation systems, while always expensive, have also dramatically risen in cost in the last 18 to 24 months, having been affected by supply chain issues. As recently as 2019, a mid-grade system typically cost about \$1,500 to \$1,600 per sprinkler. In 2022-2023 (the earliest replacement time), the cost will typically be \$2,000 per sprinkler, and may cost up to \$2,200 per sprinkler, depending on market conditions at the time of replacement.

Starcke Park GC currently irrigates approximately 70 out of 110 acres. With only about 70 acres of maintained turf, which should probably be increased to about 85 to 90 Acres, and using a standard of about 12 sprinklers per acre, a new system at Starcke Park GC is likely to contain 1,020 to 1,050 sprinklers and cost about \$2.0 to \$2.2 million.

The course has few areas that could be left unirrigated, but many areas between holes that could get less than perfectly even coverage. While we anticipate that the total irrigated acreage with a new system will increase, perhaps to 85-90 acres of turf, only 30 to 35 acres will be “intensively” watered.

**Recommendation:** NGF concurs with golf course staff that ***total irrigation system replacement is necessary, and the time urgency is high.*** A qualified irrigation designer - ideally part of the golf course architect’s team for better coordination - should be retained to design a new system at the appropriate time.

### **Irrigation Lake (size, water holding, location, etc.):**

The lake on hole 18 serves as the irrigation lake. It is currently less than 2 acres in size. The typically recommended size for golf course irrigation lakes in Texas is a minimum of 2 acres, with 3 or more preferred as a safety factor. In recommending lake size, we consider both total storage volume as follows:

- We recommend minimizing erosion prone and unsightly lake banks to a maximum of 6” drop on any given night.
- For lake depth, the general rule is to be able to store at least one week of water, should the wells go down. Typically, golf course lakes need a minimum of 8 foot of depth, which reduces sunlight penetration to the bottom, which reduces algae growth.

Seguin receives 33.5” of rainfall a year, about average in most of Texas. The hottest month with the least rain is August, which averages only 4.75 rain days. In a typical week, the golf course will need about 1.5” of irrigation in the green areas, with 2” or slightly more required in the typical August, and with the possibility of zero rain days and hotter than normal temps that may increase weekly need to 2.5” or more. Typically, courses choose to deal with those occasional difficult years by either extending water times or letting less critical portions of the course go off color, as SPGC does now out of necessity.

Watering 85 to 90 acres would require an average of 0.25” per night (technically a bit less, but most irrigation systems are not 100% efficient in distribution) x 85 acres x 27,154” per acre-inch. An average water night is anticipated to use 577,000 to 611,000 gallons or about 1.77-1.875 acre-feet.

If weekly use averages 1.33 Ac. Feet, an 8-foot-deep lake would need to be at least 2.25 acres in size after accounting for side slopes, etc. Minimizing draw down to 6” will require an approximate lake size of 3.7-3.8 acres.

**Recommendation:** The current irrigation lake is also 42 years old. Due to soil conditions, it has a lake liner to prevent wasteful leakage. As per above, the lake will need to be enlarged, and it will need a new liner. There are many available, including HDPE, which is most effective. Our last pricing for either PVC or HDPE lake liner was about \$2 per SF. At 3.7 acres x 43,560 SF, that equates to an approximate lake lining cost of over \$320,000.

In final design, outside the scope of work in this report, we recommend a hole design on the 18<sup>th</sup> that creates 3.8 acres of connected pond, but if that is not possible, armoring the lake bank with rocks will reduce the unsightly look of exposed banks.



## Water Sources and Capacity

Golf course Irrigation Water Sources typically include wells, spring-fed creeks or ponds, on-site drainage capture, effluent, and municipal water (potable, pre-treatment if available), or a mix of the above. Starcke Park GC is fortunate to have several sources of water, with the primary source being fairly shallow wells (due to high water table), with supplemental water sometimes available from both the sewer treatment plant and river. (SPGC occasionally uses effluent water from the adjacent treatment plant).

There are water rights to the Guadalupe River, but they are subject to restrictions during drought, when they are most necessary, and generally becoming harder to obtain or retain. It would be wise to expect more restrictions on taking of river water in the future. (River water can also deposit unwanted weeds and grasses on the golf course). The water rights are currently being leased out by the City to assist in meeting the golf course's annual capital improvement bond payments. Returning to river water, would require coming up with an additional \$30,000 of capital revenue to offset the loss.

The primary water source is the existing two wells, which provide about 140 GPM and about 200,000 gallons per day each. The combined maximum capacity of 400,000 gallons is about 2/3 of the anticipated new demand. Clearly, additional well water is required, and there are options for correcting low-yield wells. These include:

- Well-deepening may be allowed if the static water table elevation has dropped.
- Hydraulic fracturing may yield more water if they are “fracked” to break up rock.
- In some cases, scale or slime formation on a well screen reduces flow, which can be overcome with “shock-chlorination,” using dry ice, or simply scrubbing the interior of the well casing and screen, generally using a large bottle brush.

**Recommendation:** We recommend adding a new well with an average output of up to 195 gallons per minute (GPM) that will provide close to, but not quite, ideal water supply in July and August (testing will be required by a local well driller). The reason is that new wells are currently possible under Texas water law but permitting is becoming more difficult. A review of typical Texas Water Conservation District rules shows that:

- Wells under 200 GPM face much less in the way of regulatory hurdles.
- Depending on actual yield, it is typical for wells to reduce capacity over time. Two wells may be required for best results. Best yield is obtained by spacing wells as far apart as possible.
- By TCEQ regulation, any new well should be at least 1175 feet from any existing well, plus 1.2 times the anticipated GPM.
- Wells should be located to minimize electric connection and operational costs.
- If future effluent will be used, any irrigation lake storing effluent water will probably need to be located outside the floodway, and much of SPGC is within the floodway of the Guadalupe River.

## Cart Paths

The concrete cart paths, which we believe are part of the original construction, are in surprisingly good shape in most areas. Given typical concrete pricing of \$4+ per SF, this is a possible area of reconstruction savings, if any redesign can maintain about 90% them in their present locations. However, their alignments are not attractive, and they are often too close to fairways, greens, and tees.

Overall, we surmise that most courses with paths in the condition of those at SPGC would opt **not** to replace paths until they have reached the end of their life cycle and begin to deteriorate.

**Recommendation:** Paths are narrow, so we recommend widening them at greens and tees, as well as adding curbs at key locations for traffic control. We note that rerouting hole #s 10, 14, 17 and 18 – under NGF's recommended improvement plan - will require considerably more linear footage of new paths (est. 2,500 LF as opposed to 750 LF).

## Drainage

Starcke Park GC is a flood plain golf course, and naturally has some drainage problems. During our site visit, they appeared to be minor. However, holes #1 and #9 were reported to have drainage problems, while other front nine holes have minor problems.

Any reconstruction of greens and sand bunkers will entail 4" perforated drainpipes as under drains. The current green drainage pipes are said to "daylight" into outer rough areas. Even if those outlets have gravel basins to allow slow filtering of water, in your clay soils they are unlikely to work well for long. Drainpipes work best when they end at a stream or pond. Therefore, we should anticipate some drainage as a line item in any renovation, at perhaps \$10,000 to \$15,000 per hole.

Some items that may need to be considered in any drainage improvement designs:

- There may be environmental guidelines preventing direct drainage into the Guadeloupe River.
- In floodplains and floodways, there is a greater chance of pipes clogging with silt. It will be important for the final drainage design to consider using larger than normal drainpipes and laying them with grade sufficient to achieve "self-cleansing velocity" of at least 3 feet per second.
- In the floodplain, we expect the drainage design will need to adhere to any regional flood control plans, and be designed and engineered to have a "no net rise" in 100-year flood levels. This will likely necessitate careful grading and cut and fill calculations by the golf course architect and any consulting engineer. When selecting a golf course architect for a renovation project, we recommend finding one with experience in flood plain design.

## Maintenance Barn

The maintenance barn is 40 years old and in need of replacement. In addition to its age, it is too small to accommodate all our equipment and probably doesn't meet current environmental guidelines for golf course maintenance structures.

At this writing, there is a chance to relocate the barn to either the new Seguin Operations and Maintenance Center on Fred Byrd Drive, or on the existing orchard property north of the 14th hole. Maintenance buildings should not be located in floodways and floodplains if it can be avoided, and it appears SPGC has the opportunity to avoid this. In addition, moving the maintenance building will allow enlargement of the range and improve the view from the clubhouse.

The cost of a new maintenance facility varies widely with design; replacement offers the opportunity to design for enhanced maintenance efficiencies. Some recent maintenance complexes have cost over \$1 million, and should be at least 6,000 sq. ft. (and ideally larger) in size. Modern standards mean providing adequate heat, air conditioning and running water, along with separate chemical and fertilizer storage and a complete maintenance bay vs. a majority of "cold storage." In addition to the actual buildings, it is common for a newly redesigned and upgraded course to have additional new equipment, with a complete package now typically falling in the range of \$700,000 to \$1 million, depending on property variables (annual lease cost would be lower).

## Cart Barn

The cart barn is in poor shape, with leaky roofs and other problems, and needs replacement. Its capacity is only 54 carts, when at least 60 carts is recommended to accommodate the play levels at Starcke Park GC. FEMA rules prevent building a new cart barn until the old Cart Barn and Maintenance Barn are torn down, to prevent any increase in flow blockage or flood levels. NGF estimates that a new cart barn and wash rack will easily cost \$600,000.

# Golf Course Improvement Recommendations

We understand that the City has diverse needs, and that there may be both practical financial and political difficulties related to funding a substantial golf course renovation that could range in cost from \$5.58 (low estimate of Option 2) to \$8.7 million (high estimate of Option 1) or even higher. However, as we detailed earlier, the NGF team's golf course evaluation revealed substantial deferred capital investment, including many high-priority "mission critical" items that need to be addressed if the City is committed to staying in the golf business and providing this high-quality recreational amenity to its residents. At this stage of the golf course's lifecycle, we believe relying on patches or short-term fixes becomes ineffective, and the business model will soon be at risk if capital improvements continue to be deferred.

Final costs and financing terms will dictate how much of the annual debt service can be paid through golf course net revenues. NGF's pro forma financial analysis will be presented in the full report to be delivered to the City. However, based on market factors, SPGC's loyal customer base, the results of our golfer survey, and NGF experience with past similar renovations, we believe there is a good possibility that the proposed improvement plan will help the City achieve many goals with respect to Starcke Park GC, even if some subsidy of the debt payment is required. That is to say, if the proposed improvement plan is implemented and "carried through" with an enhanced golf course maintenance budget after reopening, the facility should be able to increase market share and green/cart fee revenues (along with some ancillary revenues), improve maintenance efficiencies, and enhance both customer satisfaction and the image of the City.

## IMPROVEMENT RECOMMENDATIONS

Based on our analysis of the current age, condition and expected useful life of the golf course components at Starcke Park Golf Course, the NGF team has provided two renovation options, along with preliminary cost estimates.

**Option 1 (recommended)** is an extensive renovation that addresses the major infrastructure needs as discussed above, while also enlarging and improving the driving range (landing area and tees), adding a short game practice area, and mitigating safety issues. This option requires rerouting of Hole #s 10, 14, 17 and 18, thus introducing enhanced design features on these holes. The recommended plan also includes redoing all of the green complexes, pecan tree mitigation, and enlargement of the irrigation lake along the 18<sup>th</sup> hole.

**Option 2 ("Critical Fix")** closely tracks with the proposed improvement plan completed by SPGC staff. The primary items that this "critical fix" option subtracts from Option 1 are:

- There is no rerouting of holes around the driving range to allow for enlargement/enhancement and mitigation of safety issues (and thus no enhancement of design features on those holes)
- Redoing the green surrounds is limited to Hole #s 1-4, and 13.
- The driving range improvement plan is more limited (e.g., enlarging the tee line, adding a tee line for artificial mats, netting at back, new range machine).
- The irrigation lake along #18 is dredged, but not enlarged.
- There is no pecan tree mitigation budgeted.

In a perfect world without budget constraints, addressing all issues at one time is the preferred course of action and likely to produce biggest and most sustainable impact. It always makes sense to fix everything that is broken once you decide to close the course down, and where possible, raise the design and infrastructure to at least moderate (not Cadillac) standards to work well in the future. This is especially true when there has been deferred maintenance that requires that most parts of the golf course will soon, or eventually, need rebuilding.

Thus, the NGF team **recommends** that the City of Seguin:

- Pursue the more comprehensive Option 1 plan, including enlarging the practice range and re-routing four holes, together with redoing green complexes for consistency and long-term health.
- If funding is a constraint, pursue Option 2 “critical fix” plan, which will still be impactful, though not ideal.
- Close the course and **pursue the renovation in one year** (see phasing discussion that follows).

## RENOVATION PHASING DISCUSSION AND RECOMMENDATION

Assuming acceptance of the general direction of a major renovation, “what, when and how” become the next questions. There are three basic approaches to a major course renovation for the 18-hole golf course at Starcke Park Golf Course:

- Single-Phase Complete Renovation – complete in  $\pm 12$  months, including grow-in.
- Two-Year Renovation - complete 9 holes each in two consecutive years.
- Phased Renovation –
  - Mid Term - 6 holes over 3 years, or tackle major areas over 3 to 5 years
  - Long-Term Phased Renovation – 1-2 holes (or equivalent) over 9 years or more

Traditionally, there are advantages and disadvantages to each method. NGF provides summary discussion below, as they apply to 18-hole golf courses.

### Single Phase/Complete Renovation

Complete renovation entails closing the entire golf course for:

- 5 to 8 months of construction
- Another 3 to 12 months for maturation (3-4 actual growing months in this climate region)
- Completing grassing within prime grassing dates (May/June in the south) minimizes down time/revenue loss

We generally recommend complete renovation when one or more of these circumstances is in place: there is an immediate need due to flooding, freezing or major turf damage; the owner desires to experience positive effects quickly; there is sufficient financing to complete renovation in one phase.

### Advantages:

The major advantages to undertaking larger construction projects in one period include:

- Lower construction costs from economies of scale
- Minimizes overall timeframe for disruption/golfer inconvenience
- Construction consistency in look/quality by using one contractor
- Material consistency – Green and Bunker sands can vary over the years, even from the same supplier/pit
- Maintenance consistency – for example, three-year-old greens react quite differently (in both maintenance and play) than new greens
- More Impact upon Re-opening, as a “brand new” course worthy of playing

### **Disadvantages:**

The major advantages to undertaking larger construction projects in one period include:

- Financing a large project, usually requiring a loan or bond issue.
- Disruption/cessation of golf rounds and revenues; many operating expenses are fixed.
- Possible loss of “regular” users to other courses (most temporarily).
- Construction delays can be costly.

### **Short-Term (2-Year) Phased Renovation**

Two-year phasing programs have the following advantages and disadvantages, compared to the single-year, 18-hole renovation plan:

#### **Advantages:**

- Nine holes are open for play while remodeling the other nine.
- Some revenue streams maintained, though net losses very likely for most facilities due to high-fixed-cost nature of golf courses.
- Construction material inconsistency can be reduced by ordering all up front and by using a multiple phase/year contract with same Contractor, stipulating keeping key personnel for both phases to minimize quality differences.

#### **Disadvantages:**

- Less marketing impact than a one-time total 18-hole renovation.
- Overall disruption period is doubled to about 2 years.
- Construction cost is usually in the range of 10% to 30% higher than that of a one-year, total renovation.
- With the course partially open to play, it is unlikely that the maintenance crew (which is already limited by budget at SPGC) can substantially participate in construction, resulting in few, if any, cost savings.

### **Longer-Term Phased Renovation**

#### **Advantages include:**

Long-term renovations are preferred by some for the following advantages:

- Smaller projects can be done in-house (i.e., funded out of operations).
- Allows more time to raise funds via donations, assessments, partial loans.
- If properly planned and timed, cash flow disruption may be minimized.
- Most golfers will accept playing on a handful of temporary greens for a short period of time.

#### **Disadvantages include:**

- Funding may be unexpectedly cut off.
- Golf course is inconsistent in style, maintenance and play for years.
- Multiple years of disruption/golfer inconvenience (and possible resentment).
- Future Direction Change/Momentum Loss/Project Abandonment.



- Smaller projects result in sometimes substantially higher per-unit construction costs. For example, rebuilding 19 greens complexes may cost \$150,000 each if part of a full project, while 1-2 may cost ±\$200,000 each. This dynamic is due to several factors, including:
- Contractor supervision, move in, etc., not spread out over bigger project
- No economies of scale
- In-house crew can't assist the Contractor, because it must still maintain course
- Longer-term projects are more subject to cost inflation (the average US CPI index inflation is 3.5% annually, **but is currently much higher**). **Construction inflation is sometimes even more aggressive than general inflation, as is the case in 2022, where costs of input materials is skyrocketing.**
- With golf course contractors being very busy in 2022 and for the near future, it may be difficult to attract contractors to smaller projects. Even if some are interested in building 1-2 greens, tees, or holes per year, most courses find that it often costs too much to bring in paving, drainage, bunker, or irrigation subcontractors for only 1-2 holes, because unit prices and bids typically double on small projects.
- Construction Inconsistency - different looks/quality using different contractors each year (in bid situations).
- Material Inconsistency – see above.
- Maintenance Inconsistency – see above.
- Less marketing impact /membership sales from phased changes.
- Long-term master plan is required, incurring more design fees and “soft” costs.
- Need to establish safe golfer routes around construction areas for several years.
- With the course totally open to play, it is unlikely that the existing maintenance crew (already limited by budget) can substantially participate in construction.

## Construction Phasing Conclusions and Recommendation

Relative to actual implementation of a renovation plan for Starcke Park GC, on balance we conclude that the factors analyzed as part of this report and summarized above suggest that a phased approach is not the most viable for the City of Seguin. Rather, we recommend a one-year program as the preferred method from both construction and business perspectives. Key factors considered include:

- ▶ With the expectation of inflation continuing to run high, undertaking these big-ticket work items sooner, rather than later, should result in the lowest total project cost.
- ▶ NGF was told that if the renovation was to be phased over two years, the back nine would be remodeled first. During that time, the backup/transfer pump at the water plant would have to be used to irrigate the front nine. This pump supplies only enough water to run 4 sprinklers at a time, which would mean that greens and tees could be watered, but not much could be done for the fairways or roughs. Also, if that pump or the 40-year-old pipes that carry water from the plant to the course should fail during the summer, the greens would likely be lost while waiting for the repairs to be made. Further, we are told that the pipes that run from the water plant to the course have never been used at irrigation pressures, only to carry water to the irrigation lake under minimal head pressure.
- ▶ Although SPGC has a loyal customer base and is the closest public golfing option for many area residents, NGF experience tells us that the golf course will lose substantial revenues if operating with only 9 holes. This is especially true for SPGC, given that much of its play reportedly comes from as far away as San Antonio due to the affordable nature of the facility.

We concluded that operating for two consecutive years with only 9 holes open for play is likely to result in higher net revenue loss and higher risk of losing some customers permanently than if the facility is entirely closed for up to one year to complete the entire project. Based on our analysis and discussions with the GM, we believe that SPGC revenues will be reduced by up to two-thirds during the two years of operating with only 9 holes, while a very high percentage of operating expenses will remain. (As we will discuss in a renovation Case Study in the Final Report, the City of New Braunfels quickly dismissed the idea of completing its mid-2010s renovation of Landa Park Golf Course over two years, after analysis of the same factors discussed here).

## CONSTRUCTION CONSIDERATIONS

Following is a brief discussion relative to construction timing, as well as the type of contractors that NGF recommends for a golf course renovation project of the nature and magnitude that is proposed for SPGC.

### Construction Work Timing

For all types of construction that don't involve re-grassing, such as irrigation, tree removal, cart paths, etc., timing isn't critical. However, if substantial new grassing - new greens, green complexes, tees, fairway, roughs - is planned, as it is at Starcke Park GC, construction should be timed to meet prime grassing dates.

Greens in this part of Texas are normally sprigged from around May 1<sup>st</sup>, with sprigging before mid-June to beat the extreme heat preferred, and last sprigging (it usually takes 4-5 weeks to sprig an entire course) by July 15<sup>th</sup>, with August 1<sup>st</sup> being the last possible date to re-open in the same fall. (In this part of Texas, sodding, which accelerates reopening but is considerably more expensive than sprigging, can be done at almost any time but should be placed concurrently with any sprigs. If the project runs late, and the contingency funds have not been expended, extensive sodding can restore the re-opening schedule in some cases.

If completed in a single year, construction on SPGC should be complete in 4-5 months. If we allow for another 4 months for grown in, and a July 15 maximum end date for final completion, we recommend starting about January 1, 2023 in the given year, or perhaps just before Christmas. This should limit down time to 10 months, unless the adjacent river or very unusual weather unreasonably delays the construction schedule.

### Construction Responsibilities

We recommend use of a specialized golf course contractor as the general contractor to best ensure a successful project. The bidders should be limited to members of the Golf Course Builders Association of America, or be able to demonstrate prior evidence of success on similar projects. Most qualified contractors will be open to subcontracting portions of the renovations (e.g., paving, clearing, earth moving) to *local contractors* and using *SPGC in-house personnel* to save funds, but it works best if the main contractor maintains overall control of project management, shaping, irrigation, and feature construction to create efficiency.

Even among experienced golf course contractors, there are variations in their ability to “work clean” and “work around play with minimal disruption”, which can cause more problems than they solve, and the City's pre-qualification process can consider their recommendations from past clients with similar projects. Sometimes, going with the low bid is not in the best interests of a city, especially in the specialized world of golf course construction.

NGF further recommends using a golf course architect to provide necessary plans for bid and construction, and assist the City in selecting a contractor, in addition to making periodic site visits during construction to generally assess if the contractor is following the plans.

## NGF PRELIMINARY IMPROVEMENT COST ESTIMATES

The NGF team's intent is to provide a "concept budget" for the recommended improvements at Starcke Park GC, which will serve the purposes of generally informing the City of current golf course development costs and some foreseeable project specific conditions that might affect the eventual cost of the project. These costs are for golf course construction only, and **not** the cost of any new equipment, clubhouse, parking or entry improvements, the new cart barn and maintenance area. They do not include lost revenues or interest and carry cost (which should be addressed elsewhere as applicable).

We recommend that financial planning for this project not be based on the absolute lowest figures provided because there are typically more unpleasant surprises compared to pleasant ones in both long-term forecasting and actual construction. The cost estimate tables should be considered working tables, and the beginning of a refinement process that will continue into construction. This budget is not based on the final design and construction documents, and actual costs will ultimately be subject to factors such as final design, market conditions, and other variations that occur a year or more out into the future and before construction begins.

After outlining the improvement plan components with the SPGC General Manager / Superintendent, we used our experience to create reasonable work quantities. We then applied recent unit prices or allowances from known bids from qualified contractors, and/or "typical" industry unit prices as supplied by the Golf Course Builders Association of America, to those quantity estimates for "typical" public course components, including: green surfaces; green complexes; tee complexes; fairway development in both new and existing corridors; sand bunkers; irrigation systems and lakes; cart paths; and miscellaneous items we were able to identify based on our preliminary report.

Naturally, we try to minimize assumptions but, at the conceptual and pre-design stage, several costs cannot be determined. These arise mostly from areas requiring design (to meet permitting criteria, like floodway alterations) and unknown conditions like subsurface rock or springs. Before final bidding, budgetary differences can be made up from the contingency fund or changing the scope of work. In-house research by golf course staff was used to establish an initial budget for improvement plan items. Unfortunately, in this period of volatile price appreciation, that work could not reasonably have been expected to capture recent price increases.

The NGF team strove to find a combination of critical fixes that would come close to meeting the pre-established budget, but concluded that it will almost certainly need to be increased. A totally renovated golf course now costs about \$450,000 to \$500,000 per hole in Texas market conditions, or up to \$9.5 million (including range) for an entire new course. A mature course like Starcke Park typically costs about 15-20% less, or \$7.5 to \$8 million.

Note that in the interest of completeness, our estimates include some, but not all, anticipated "soft costs". In addition to actual golf course construction costs, soft costs likely to be incurred include the following approximations, adding up to a total of 23.5% (already built into NGF estimates):

- 2% for Grow In/Maturation after construction
- 1.5% for Contractor Bonds and Permits (required on most city bid projects)
- 10% for a construction contingency
- 10% for Professional Fees and Soft Costs

Cost estimates provided below assume a one-year total renovation, beginning in 2023 (we have built one year from the date of this report into the unit prices). If the project is delayed, the City should add at least 3.25% to the expected budget per year. It is our opinion that splitting the project into two 9-hole phases will likely add 8% to 13% or more to the total cost of the renovation.

## Option 1 – Recommended Improvement Plan

The table below summarizes the NGF team’s preliminary cost estimates for the preferred Option 1 renovation plan for SPGC, assuming single-year construction and including 23.5% for soft costs, grow-in, and contingency.

Cost Estimate Summary for Single-Phase 2023 Construction						
Option 1 - Recommended Renovation, including Priority Fixes, Extensive DR Improvement, 4 New Holes						
Item	QTY.	UNIT	MAX UNIT	MIN UNIT	LOW	HIGH
Green Surface	19.00	EA	\$ 71,000	\$ 47,000	\$ 893,000	\$ 1,349,000
Green Surrounds	18.00	EA	\$ 55,000	\$ 49,000	\$ 882,000	\$ 990,000
Sand Bunkers	30,000	SF	\$ 10.00	\$ 9.00	\$ 270,000	\$ 300,000
<b>Tee Complexes</b>						
New Forward Tee	18.00	EA	\$ 6,000	\$ 5,000	\$ 90,000	\$ 108,000
New Back Tee	3.00		\$ 7,000	\$ 6,000	\$ 18,000	\$ 21,000
Rehab EX. 3 Tees per hole	18.00	EA	\$ 12,000	\$ 11,000	\$ 198,000	\$ 216,000
<b>Fairway Development</b>						
Fairway Re-grade (Allow.)	1.00	LS			\$ 68,500	\$ 93,300
Re-routed Fairways 10, 14, 17, 18	4.00	EA	\$ 150,000	\$ 101,000	\$ 404,000	\$ 600,000
Pecan Tree Mitigation	1.00	EA	\$ 125,000	\$ 75,000	\$ 75,000	\$ 125,000
Fairways-Sprigged Only	12.00	EA	\$ 50,000	\$ 40,000	\$ 480,000	\$ 608,000
<b>Practice Range</b>						
Range - Tee Line & Tee (Cost = 2.5 Tees)	2.50	EA	\$ 25,000	\$ 22,000	\$ 55,000	\$ 62,500
Landing Zone (= 2 FW)	2.00	EA	\$ 60,000	\$ 44,000	\$ 88,000	\$ 120,000
Short Game (= 2 Greens & Complexes)	2.00	EA	\$ 126,000	\$ 96,000	\$ 192,000	\$ 252,000
Range Netting at End	12,000	SF	\$ 6.00	\$ 5.00	\$ 60,000	\$ 72,000
Range Machine	1.00	EA				\$ 40,000
Path and Parking	1.00	EA				\$ 30,000
<b>Irrigation and Lakes</b>						
Mainline/Sprinkler	1,125	EA	\$ 2,000	\$ 1,800	\$2,025,000	\$ 2,250,000
Pump Station	1.00	EA	\$ 300,000	\$ 250,000	\$ 250,000	\$ 300,000
Lake Ex – Expand 18 - 3 AC	35,000	CY	\$ 4.00	\$ 3.50	\$ 122,500	\$ 140,000
Lake Liners - 3, 12, 18 Expanded	220,000	SF	\$ 3.50	\$ 3.25	\$ 715,000	\$ 770,000
Armor Banks	350.00	CY	\$ 85.00	\$ 75.00	\$ 26,250	\$ 29,750
New Well	1.00	EA	\$ 125,000	\$ 75,000	\$ 75,000	\$ 125,000
No Net Rise Certificate	1.00	EA	\$ 75,000	\$ 50,000	\$ 50,000	\$ 75,000
Cart Paths	2,500.00	LF	\$ 40.00	\$ 36.00	\$ 90,000	\$ 100,000
<b>Phase 1 Total (rounded)</b>					<b>\$7,127,000</b>	<b>\$ 8,699,000</b>
<b>Notes (apply to both cost tables):</b>						
<p>Costs include 23.5% over construction to account for soft costs, grow in, and contingency.</p> <p>Low-cost Estimates Assume Maximum Value Engineering and Historically Reasonable Bids.</p> <p>We recommend using mid-point estimates for setting budget.</p> <p>Cart Barn and New Maintenance Area are assumed to be in other budgets.</p> <p>If Construction is delayed beyond 2023, we recommend adding 3.25% per year for inflation.</p> <p>Splitting construction into (2023 and 2025 to allow phase I to grow in) adds 10-15% to total Budget</p>						

## Option 2 - Critical Fix Improvement Plan

The table below summarizes the NGF team’s preliminary cost estimates for the Option 2 (“Critical Fix”) renovation plan for SPGC, assuming single-year construction and including 23.5% for soft costs, grow-in, and contingency.

Cost Estimate Summary for Single-Phase 2023 Construction						
Option 2 - Priority Fixes Only						
Item	QTY.	UNIT	MAX UNIT	MIN UNIT	LOW	HIGH
Green Surface	19.00	EA	\$ 71,000	\$ 47,000	\$ 893,000	\$ 1,349,000
Green Surrounds: 1, 2, 3, 4, 13	5.00	EA	\$ 55,000	\$ 49,000	\$ 245,000	\$ 275,000
Sand Bunkers	30,000	SF	\$ 10.00	\$ 9.00	\$ 270,000	\$ 300,000
Tee Complexes						
New Forward Tee	18.00	EA	\$ 6,000	\$ 5,000	\$ 90,000	\$ 108,000
New Back Tee	3.00		\$ 7,000	\$ 6,000	\$ 18,000	\$ 21,000
Rehab EX. 3 Tees per hole	18.00	EA	\$ 12,000	\$ 11,000	\$ 198,000	\$ 216,000
Fairway Development						
Fairway Re-grade (Allow.)	1.00	LS			\$ 88,000	\$ 120,000
Fairway-Sprigged Only	14.00	EA	\$ 50,000	\$ 40,000	\$ 560,000	\$ 700,000
Practice Range (Tee Only)						
Range - Tee Line & Tee (Cost = 2.5 Tees)	2.50	EA	\$ 25,000	\$ 22,000	\$ 55,000	\$ 62,500
Range Netting at End	12,000	SF	\$ 6.00	\$ 5.00	\$ 60,000	\$ 72,000
Range Machine	1.00	EA				\$ 40,000
Path and Parking	1.00	EA				\$ 30,000
Irrigation and Lakes						
Mainline/Sprinkler	1,100.00	EA	\$ 2,000	\$ 1,800	\$ 1,980,000	\$ 2,200,000
Pump Station	1.00	EA	\$ 300,000	\$ 250,000	\$ 250,000	\$ 300,000
Lake - Use Ex Lake on 18, Dredge Only	15,000	CY	\$ 4.00	\$ 3.50	\$ 52,500	\$ 60,000
Lake Liners 3, 12, 18	200,000	SF	\$ 3.50	\$ 3.25	\$ 650,000	\$ 700,000
Armor Banks	300.00	CY	\$ 85.00	\$ 75.00	\$ 22,500	\$ 25,500
New Well	1.00	EA	\$ 125,000	\$ 75,000	\$ 75,000	\$ 125,000
No Net Rise Certificate	1.00	EA	\$ 75,000	\$ 50,000	\$ 50,000	\$ 75,000
Cart Paths	750.00	LF	\$ 40.00	\$ 36.00	\$ 27,000	\$ 30,000
<b>Phase 1 Total (rounded)</b>					<b>\$ 5,584,000</b>	<b>\$ 6,809,000</b>



## **RENOVATION CASE STUDIES**

### **Landa Park Golf Course – City of New Braunfels, TX**

New Braunfels is a growing suburban market and tourist destination (home to world famous Schlitterbahn water park) located about 12+/- miles north / northwest of Seguin. The City's Landa Park Golf Course ("Landa Park" or "LPGC"), which sits on an island surrounded by the Comal River and tributaries, was originally developed by the City as a 9-hole public golf course in 1938, with a second 9 holes added in 1972. As a municipal facility, the golf course provided an affordable golf experience to a wide range of golfers, most of whom (80%) were City permanent or seasonal ("Winter Texans") residents.

#### **Background**

The original 18-hole LPGC was limited in appeal and challenge. The most outstanding feature of the course is the river, which winds around the golf course and is visible from several holes. Two holes - #s 2 and #14 - feature greens that are on an island in the river. Prior to renovation, the golf course was short (under 6,000 yards) and had only 8 sand bunkers. The Landa Park GC sits on a small footprint of about 112 acres, including approximately 90 acres of maintained turf.

The greens were older "push-up" design and had not been improved since original construction in 1938 or 1972. The clubhouse had also gone into disrepair and was becoming uncomfortable for golfers and non-golf patrons seeking basic F&B service. Overall, the facility had seen no infrastructure investment since the 1970s, and staff reported "chasing their tail" with irrigation leaks. Exacerbating irrigation system problems was the fact that a half-inch of rain could result in cart path-only policy for up to 3 days. As the activity and revenue showed continuous decline in the 1990s and early 2000s, the City began planning for an eventual upgrade to address the issues that were constraining the economics of the course.

#### **Prior to Renovation / Planning and Financing**

New Braunfels retained National Golf Foundation to study the market and financial feasibility of renovation. It was clear to NGF that, at minimum, infrastructure replacement was "mission-critical" to the ongoing viability of Landa Park GC. We ultimately presented the City with several redevelopment options, ranging from the least intensive - critical fixes only – up to full renovation of the golf course plus upgrades to the clubhouse. City leaders saw the opportunity to do something "special" at Landa Park that would align with the image of the city, and thus decided on the more intensive improvement plan.

The City Council approved the funding in 2013 and Landa Park was closed for renovation for one full year in 2014. (Council and staff quickly dismissed the idea of doing 9 holes at a time, as it would result in more golfer disruption, mobilizing in successive year, and greatly complicating the bidding process. No full-time jobs lost during construction, as some workers were reassigned within the City, and others participated in the renovation (the General Manager and Superintendent managed the project). The total cost of the project was a little over \$7 million (~\$6.3MM golf course and \$700k clubhouse), financed by a City Certificate of Obligation for 20 years. Annual debt service equates to about \$485,000 for 20 years, which the city had originally expected to be paid for by golf revenues.

#### **Renovation**

ASGCA golf course architect Baxter Spann was the designer for the golf course project. The renovation included a redesign of several holes, new irrigation system (including two new pump houses) and drainage, full reconstruction of all 18 greens to USGA specifications, new tees and fairways, new cart path system, and 36 new bunkers. The course was increased to just over 6,200 yards and par was reduced from 72 to 71, as one short par-4 on the front nine was modified to a par-3. The project added four new irrigation ponds that became new features for several golf holes. Also added were 7 riparian zones around the course to keep dirty runoff from the Comal River from coming onto the course. Finally, the clubhouse was updated to enhance the comfort and condition of the building and to make the space more efficient. This included new flooring, fresh paint, new HVAC units, and enclosing the outdoor patio to create a bar area.

## After Reopening

The revamped Landa Park GC reopened the first week of FY2015. Arriving at the appropriate price points for the new golf course proved took some time. Prior to the renovation, peak green + cart fees at Landa Park were \$36.00 for residents and \$41.00 for non-residents. The City's plan was to re-open with peak green fees at \$46.00 for residents and \$59.00 for non-residents. The new fees, which were in place from 2015-2017, proved to be too aggressive, especially for non-residents.

After the continued inability – despite robust marketing efforts - to attract out-of-town tourist golfers to the property, the City modified the rate structure in 2018, eliminated the non-resident category, and setting the peak fee at \$49.00 for everyone. Annual memberships had very large price increases, going from the \$400 to \$500 range to \$1,800 (hasn't gone up since). This is the structure still in place in 2021 and the result has been very successful, with Landa Park GC exceeding 51,000 rounds for the first time in over 30 years in 2021 (expected to be exceeded in FY2022).

The City continues to operate the golf course with City employees responsible for both pro shop and golf maintenance activities, while the food and beverage concession is private. The City considered a switch to a private management contract, but resident support for the existing structure was strong and the plan was scrapped. A summary of rounds, golf fees, revenues and expenses as reported by the City since FY2012:

<b>Landa Park Golf Course (City of New Braunfels) Economic Performance FY2012-FY2021</b>				
	Last Years before Renovation	Just After Re- Open	After new Price Change	Last Two Years
	<b>Avg. FY2012-2013</b>	<b>Avg. FY2015-2017</b>	<b>Avg. FY2018-2019</b>	<b>Avg. FY2020-21</b>
Peak Green + Cart Fee (Res./Non-Res)	\$36/\$41	\$47/\$59	\$49.00	\$49.00
Discount Green + Cart	\$18.00	\$24.00	\$21.00	\$21.00
Total Rounds Played	39,100	36,800	41,500	46,350
<b>Revenue</b>				
Greens/Carts/memberships	\$1,011,000	\$1,175,000	\$1,325,000	\$1,418,000
All Other Revenue*	261,000	297,000	335,000	378,000
<b>Total Revenues</b>	<b>\$1,272,000</b>	<b>\$1,472,000</b>	<b>\$1,660,000</b>	<b>\$1,796,000</b>
<b>Expenses</b>				
Golf Maintenance Expenses	\$710,000	\$753,000	\$821,000	\$844,000
Admin & General Expense	611,000	606,000	662,000	691,000
<b>Total Facility Expense*</b>	<b>\$1,321,000</b>	<b>\$1,359,000</b>	<b>\$1,483,000</b>	<b>\$1,535,000</b>
<b>Revenue Less Expense (Loss)</b>	<b>(\$49,000)</b>	<b>\$113,000</b>	<b>\$177,000</b>	<b>\$261,000</b>
Source: City Certified Annual Financial Reports (CAFR). *Expenses shown in this table do not include depreciation (which is included in City's CAFR).				

Despite moving into the black from an operating standpoint post-renovation, the golf course revenues were unable to cover deficits after debt payments, with the City's 4-B Board covering the difference for the first three years (this was as planned). While the Golf Enterprise Fund has contributed about \$100K towards debt service the last couple of years, the City Capital Fund now covers the remaining deficit. NGF was told that staff expects Landa Park's reserve fund to grow to about \$1.5 MM by the end of the FY2022-23 fiscal year.

The City also committed to an enhanced maintenance budget in order to provide the best possible golf playing conditions, including a winter overseed program that keeps the course lush and green through the winter. The overseed program for fairways, tees and green surrounds has been in place since 2019, costing anywhere from \$25,000 to \$30,000 extra for the fairways (has gone up significantly this year), plus the expense of winter mowing. Staff believes the protocols have resulted in up to \$150,000 in increased revenue, though some of this increase is likely attributable to the pandemic-related surge. The chemicals and agronomy budget more than doubled after the renovation, from about \$70K to \$150K.

Maintenance staffing increased from 6 full-time to 8 full-time, and two part-time/seasonal positions were added. Overall, the total golf course maintenance budget increased by about 20%.

The City’s investment in the golf course continues. It recently paid cash for a new cart fleet, and budgeted \$400,000 for a new maintenance fleet (have not received yet). Despite some early hiccups with the green fee pricing, the City staff that NGF interviewed for this case study deemed the renovation of Landa Park GC to be a “huge success”, and noted that the strong support from City Council and senior staff was integral to this achievement.

## Rockwood Park Golf Course - City of Ft. Worth, TX

The City of Ft. Worth’s renovation of its Rockwood Park Golf Course in the late provides a case study of a transformative municipal golf facility renovation that has paid major dividends for the municipality. Rockwood reopened in June 2017 after an extensive renovation (total cost ~\$5.0 million) that comprised a total rebuild (greens, tees, Better Billy bunkers, drainage, fairways) and redesign (John Colligan, ASGCA), including new routing, water features, native areas, cart paths, and lengthening the golf course from about 6,300 yards to more than 7,000 yards. The course is now challenging for lower handicap golfers (one of the goals of the city was to be able to attract events such as regional qualifiers), but very playable for less skilled players (for example, the few forced carries are all from the back tee).

Construction was funded through a combination of gas well revenues and a City General Obligation Bond issue. Around the same time as the renovation, the City opted to change the accounting of its four-facility municipal golf system from Enterprise Fund to Special Revenue Fund, in light of continued subsidies and the fund balance being “hopelessly in the red”. Ironically, the system now generates a small profit thanks to the turnaround at RPGC.

The City of Fort Worth provided ‘before’ (FY 15) and ‘after’ (FY 18) financial results for Rockwood. The results (albeit early) are extremely positive, as the table below summarizes. Rounds have increased by about 56%, from just under 26,000 rounds to more than 40,000. Gross revenues increased by a remarkable 142%, while a net loss of (\$232,000) turned into a net profit of \$463,000, a net positive turnaround of about \$695,000 despite the expense budget rising by 31% in order to maintain a much higher quality standard at Rockwood Park.

Rockwood Park GC “Before and After”		
	2018	2015
Revenues	\$1,673,495	\$692,195
Expenditures	\$1,210,745	\$924,330
Gain/(Loss)	\$462,750	(\$232,135)
Rounds	40,158	25,802

Early analysis of the tee sheets from the POS system revealed that about 25% of players after reopening were new to Rockwood Park GC, meaning the golf course had become a ‘must play’ in the market. The City approved higher rates for RPGC (up to \$50 with cart weekdays and \$60 weekends), but City golf staff opted to be more conservative, as the before and after fees below show. In any event, the facility has significantly increased its average daily rate (ADR, representing actual green/cart fee revenue per round), despite the price-sensitive nature of the market. The City has issued a new \$7.5 million bond to pay for a new clubhouse and improvements to the maintenance compound at RPGC.

Weekday/Weekend & Holidays Rates – Before and After								
	Regular	Twilight	Sundown	Senior	Junior	9-Hole	18-holes ½ cart	9-holes ½ cart
RW 2015	\$17 / \$21	\$12 / \$16	\$10 / \$11	\$12 / \$12	\$10	\$11 / \$13	\$14	N/A
RW 2018	\$29 / \$40	\$22 / \$30	\$15 / \$21	\$20 / \$20	\$20	\$14 / \$17	\$15	\$7.50
Weekday - Monday through Friday; Weekend - Saturday/Sunday/Holiday								

# Operational Considerations and Recommendations

Below, NGF provides summary recommendations for key facets of the Starcke Park Golf Course operations. Some of these recommendations – such as those related to marketing and direct selling – are likely to be much more resonant after a renovation of the facility. NGF has focused its operational recommendations on ‘big picture’ issues; other more granular recommendations focus on industry ‘best practices’. Findings and recommendations are presented below for consideration by the City.

## GOLF PLAYING FEES

We noted earlier in the competitive section that the Seguin / Guadalupe County area is a tiered, and relatively low-fee, public golf market, with Starcke Park GC among the lowest priced public 18-hole courses in the market. These low fees have traditionally elicited a strong influx of demand from regional areas as far away as San Antonio. NGF’s analysis shows that SPGC’s relative market positioning generally makes sense, the fees appear to be significantly below “market” rates, for both daily fee play and memberships. For example, the majority of the City of San Antonio (Alamo City Golf Trail) golf courses have a peak riding rate of \$50, compared to SPGC’s \$40, while Landa Park’s peak fee is \$49, Olympia Hills is \$67, Brackenridge Park is \$79, and The Bandit \$89.

NGF recognizes that preserving these low rates, with only infrequent increases, is an understandable element of public policy for some municipalities. However, the policy also makes it difficult for SPGC to keep pace with the rising “cost of production” - especially in today’s hyper-inflationary environment. (NGF surveys show that the vast majority of public golf courses have increased fees over the last couple of years as both demand and inflation surged, and more and more golf courses found they had “pricing power” during certain times of the day/week).

### NGF Observations:

In light of market and facility factors discussed in the report, NGF makes the following observations and best business practice considerations for green/cart fee and membership pricing at SPGC (2022 dollars):

- ▶ SPGC’s daily green fees have changed little over the last six years, with a \$1 increase every other year since 2017; cart fees have been the same for the last 4 years. For the short term, the City should start implementing annual nominal increases that reflect the need to keep up with rising costs (especially in today’s strong inflationary environment), including those tied to increasing wage rates. It is an industry best practice to adjust fees modestly at least biennially to reflect a higher cost of producing rounds of golf and / or market competitive dynamics. (Several of the clubs in this market have raised fees just recently). Per-person cart fees should be raised **\$1 to \$2** to reflect the new fleet arriving later in the year.
- **In the case of a facility renovation as proposed**, NGF believes daily fee increases of up to \$8 to \$10 maximum for prime tee times will be supportable (i.e., without significant change in demand) with a fully renovated facility. Other increases, such as for twilight times, would fall in the \$2 to \$3 range, while categories such as seniors and Players Card would see rate increases in the \$5 to \$7 range. For members, we believe increases in the per-round surcharge of up to \$4 are justifiable.
- We note that the golfer survey results indicate that there is recognition of the need for increased fees after a facility remodel. When daily fee players were asked how much additional green fee would they be willing to pay per round on an improved (multi-million-dollar renovation) golf course to help ensure the continued viability of affordable public golf in Seguin, more than 18% said they would pay “whatever the fees are”, 15% responded that they would pay \$8 to \$9 more, just under a third would pay \$5 to \$7 more,

and about 1 in 4 support \$3 to \$4 increases. Only 11% said they are not willing to pay any more.

- Starcke Park GC members were asked if they would be willing to pay an increase of \$4 to \$6 in a per-round surcharge after a multi-million-dollar renovation is complete and 51.4% said they would, while 18.9% would not and 29.7% were unsure.
- ▶ Membership “dues” have not changed during the last 6 years, though the per-round surcharge, which had been \$3 from 2017 to 2020, increased by \$1 in 2021. Players Card (entitles to) prices have not changed over the last 5 years. NGF was told that members generally account for about 12.5% of rounds, and about 8.5% of playing fee revenue. While this is not a huge discrepancy, we do note that the membership prices at SPGC are by far and away the lowest in the market for 18-hole regulation, non-military facilities. For example, the cost for a ‘Single’ membership at SPGC is \$650, compared to \$1,890 at Landa Park (up from about \$500 prior to its renovation), \$2,900 at the Alamo City Golf Trail (includes all 8 facilities), \$3,000 at The Bandit, and \$3,120 (Silver) at Olympia Hills. While we recognize that there are large quality / daily fee price differentials between these facilities and SPGC, the dues at the Seguin golf course still appear to be below market in a relative sense.
- ▶ The City could consider allowing a little more flexibility for golf staff to practice yield management by allowing periodic specials during traditionally slow demand times or, conversely, to take advantage of pricing power during peak demand times. Another consideration if SPGC begins offering expanded food & beverage service, such as a hot dog cart, would be to offer periodic ‘package’ specials that NGF has observed at many golf courses (e.g., all-inclusive rate during the typically slow midday periods that includes green fee, cart, beverage and hot dog for a specified price).

## GOLF COURSE STAFFING

Staffing for SPGC as of the time of the NGF study is summarized in the table below (with exception of General Manager / Superintendent), followed by key NGF observations / recommendations. The staff is supplemented by 6 volunteers that primarily move tees, and 6 marshals, each of whom work 2-hour shifts in exchange for playing privileges.

Starcke Park GC – 2022 Staffing	
Golf Course Maintenance	Operations / Service
F/T- Crew Leader	Head Golf Professional
F/T- Mechanic	Asst. Golf Prof. (vacant)
3 F/T Groundskeepers	6 P/T Pro Shop Assistants
1 P/T Groundskeeper	4 P/T Cart Staff
	2 P/T Range Staff
	1 P/T Cart Tech
	1 P/T Floater



## NGF Observations and Recommendations:

The following observations are made in recognition that certain realities, such as budget constraints and difficulty hiring and retaining (especially true in 2022's labor market), affect many municipal golf staffing decisions. See NGF's Regional Maintenance Benchmarking table in [Appendix H](#) for context on maintenance staffing recommendation.

- ▶ Golf course **Maintenance** staffing at **Starcke Park GC** is lean, consisting of only five full-time employees (not including the GM/Superintendent) and one (1) part-time groundskeeper. This low level of staffing is exacerbated by failing course infrastructure and generally older maintenance equipment.
  - The size of the maintenance staff needed for a particular golf operation depends on factors such as budget considerations, maintainable acreage, age and condition of infrastructure components, etc. The NGF team's minimum recommendation for maintenance staffing for the 18-hole, SPGC is 6 full-time + 3 part-time positions – this level should be adequate to maintain the golf course to a quality standard befitting its price point and value proposition. We believe a more appropriate staffing level after a facility renovation would be some combination of 6 to 8 FT employees and 4 to 6 PT employees.
  - For comparison purposes, NGF completed a Regional Maintenance Benchmarking effort as part of this study for the City. The sample included Starcke Park GC and 11 other facilities, including the seven 18-hole golf courses in the San Antonio system. The sample average staffing (excluding SPGC) 6.2 FT and 3.7 PT per 18 holes, with an average overall maintenance budget of \$639,000. We also included National staffing and maintenance budget averages from NGF's recent comprehensive survey of municipal golf courses, which showed the average maintenance staffing for sunbelt 18-hole golf courses to be 5 FT and 6 PT workers, with an average maintenance budget of \$614,000.
- ▶ Starcke Park GC **Operations staffing**, which comprises both pro shop and outside services personnel, appears to be adequate to manage the facility given its current service level. However, we note that the current staffing levels and responsibilities do not allow for much facility programming, including golf lessons, group clinics, etc. The Head Golf Professional has primarily administrative responsibilities, and the former Assistant Golf Professional worked primarily in the golf shop (though she also ran the First Tee program at SPGC, any lessons she offered were on her own time).
  - In light of this, and the discussion we will present later regarding the importance of programming for municipal golf courses, perhaps the new Assistant Golf Professional to be hired should have more player development and programming responsibilities, with other part-time positions hired to work the pro shop.
- ▶ NGF's general guideline is that operations / clubhouse staff size should be sufficient in terms of shop attendants, starters, rangers, cart attendants, etc. to ensure an enjoyable golfer experience. With that in mind, the City may want to consider adding 1-2 additional part-time outside services personnel to help with things like cleaning carts, especially given the new and expanded fleet size coming later this year. Also, the overall enhanced service level that should come if the City invests multiple millions of dollars in the golf course will likely require additional part-time staff.

## MARKETING AND DIRECT SELLING

The City has traditionally done very little in terms of marketing or direct selling for Starcke Park Golf Course, especially over the last couple of years with the surge in play that has resulted from the pandemic (some tee times have had to be blocked off during the busiest periods of Thursday through Sunday due to lack of carts). NGF was told that the City hasn't seen the payoff in past marketing efforts, such as an \$800 ad placed in *Texas Golf Insider*, as well as ads placed in the San Antonio Express-News a few times. SPGC's two primary avenues of marketing have been word-of-mouth (most affordable public golf course in area) and the facility's presence on Golfnow.com.

While the City does not seem to be inclined to actively market SPGC, we offer general commentary and some best practices below, based on our experience.

### NGF Commentary and Best Practices:

A marketing emphasis can be critical for a golf course to create awareness, increase activity levels, and correct misperceptions in the market. Strategies can include advertising to raise awareness and forge a brand image, developing a public relations campaign to tout facility improvements, and increasing utilization of web, print, and social media. Following are some NGF 'best practice' marketing and direct selling considerations for potential implementation at SPGC in the future, especially if a facility renovation is completed and the golf course is no longer competing primarily on price/value:

- ▶ **Marketing Plan and Focus** – An effective and comprehensive marketing plan incorporates research, planning, strategy, market identification, budget, advertising, timetable, and follow-up, such as tracking to adequately gauge effectiveness of various campaigns and vehicles. Management should, at least every couple of years, refine the marketing plan, including a synopsis of prior year results, review of the competitive landscape, proposed rates and programs, and marketing strategies. Plans should also include defined goals and a tracking mechanism to gauge the effectiveness of the various strategies and marketing vehicles.
- ▶ **Focus on Key “Differentiators”** – For example, facility/conditioning improvements, new golf carts, aesthetic value, walkability, etc. After a large-scale renovation of SPGC, there would be a compelling story to communicate.
- ▶ **Direct Sales** – Direct selling to recruit outside leagues and golf outings, as well as non-golf events such as corporate meetings, small banquets / receptions, and events is an important tool for today's proactive golf operator. (Of course, lack of food & beverage service at SPGC precludes the latter). Outings, leagues and other group play events can provide a supplemental income source and result from active outreach to local organizations, such as businesses, churches, civic organizations, chambers of commerce, etc.
- ▶ **Community Engagement** – Potential initiatives may include:
  - Utilize the very engaged Golf Advisory Board and encourage them to become ambassadors for the golf courses.
  - Explore marketing and networking opportunities with community organizations, including the Seguin Chamber of Commerce. For example, there may also be potential opportunity to host Chamber events, such as golf outings, happy hour events, mixers, etc. at SPGC (latter would have to be catered).
- ▶ **Website** – See discussion under 'Utilization of Technology'.
- ▶ **Email Database** - Improve customer data capture. See discussion under 'Utilization of Technology'.
- ▶ **Social Media** – In today's marketing environment, maintaining a strong social media presence is important in increasing engagement, especially among younger golfers, though it does require staff time and dedication to provide updates and keep content fresh (e.g., specials/promos, events/contests, tournaments, news about facility improvements, etc.) for

Facebook, Instagram, Twitter, etc. SPGC has a Facebook page, but is not active, especially now the former Assistant Golf Pro has moved on.

- ▶ **Loyalty / Frequent Player Program** - A loyalty / frequent player program could be developed for Starcke Park, perhaps integrated with a mobile app. These programs involve a low-fee (generally in range of \$50 - \$125 annually) or no-fee “membership” that entitles the holder to green fee and pro shop discounts or allow them to accumulate points that can later be applied toward purchases.
- ▶ **Grand Reopening (after renovation)** – see [Appendix I](#).

## UTILIZATION OF TECHNOLOGY

Starcke Park Golf Course, by today’s standards, is lagging the industry when it comes to utilization of technology, as discussed below. For example, there is no email database (management may have access to emails collected through Golfnow during tee time bookings) because SPGC customers “don’t want emails or texts”. This precludes any kind of email marketing or yield management.

### NGF Commentary and Recommendations

Like virtually all aspects of society and business, golf continues to undergo a digital transformation. As such, it is a best business practice to take advantage of today’s technology tools to help efficiently manage and market a golf facility. Appropriate application of technology tools can help a golf course management team to build market share, create customer loyalty, and boost revenue. NGF offers the following high-level observations and recommendations regarding some of the most common and effective ways that technology is being put to use at successful public golf courses.

**Email Communications** – E-mail marketing, with the exception of word-of-mouth and free advertising, is the most cost-effective advertising possible for a golf course and is an effective way to practice yield management to sell tee time inventory that might otherwise go unfilled. NGF recommends that the SPGC staff begin building a customer email database by soliciting addresses when golfers come into the shop and when they book tee times via phone. Addresses can also be collected through an ‘eClub’ section on the website (in return for a customer perk).

**Website and Internet** – The Internet is the most cost-effective form of advertising for golf facilities. Starcke Park GC does not have a true stand-alone website, but rather a landing page [https://www.seguintexas.gov/landing\\_golf.php](https://www.seguintexas.gov/landing_golf.php) hosted on the City website. NGF recommends that all public golf courses have a website that includes essential elements such as: current rates; tee time reservation portal; course layout/scorecard (and perhaps virtual tour); separate tab for the bar and grill (if applicable); news on instruction and programs; calendar of events; online store; place to capture email addresses (e.g., an E-Club); and, high-quality pictures of the golf course and support amenities. While the SPGC landing page has many of these elements, NGF recommends the City consider hiring a vendor to upgrade the look and feel of the site if SPGC is repositioned in the market after a facility renovation.

Also very important is search engine optimization (SEO), as many golfers – especially those visiting / new to an area –turn first to Google or another search engine to locate a place to play. Starcke Park Golf Course unsurprisingly showed up at the top of the search results under the phrases ‘Golf in Seguin TX’ and ‘Golf Seguin’, but also showed near the top of the listings for ‘Golf if Guadalupe County Texas’.

**Mobile App** – NGF has observed that municipal golf courses are increasingly utilizing smartphone mobile applications that include yardage guides and allows golfers to receive text alerts broadcast from the email system. The average person checks their cell phone 150 times per day. Having a mobile application facilitates connecting with the customers, and are increasingly popular even among golfers age 55+.

**Point-of-Sale System** – The City has a multi-year agreement with Golfnow as its provider for the online tee time reservation system and its POS. The deal is all ‘barter’ (several tee times a day to Golfnow to resell in exchange for these services), with no direct billing to the City. Comprehensive utilization of a quality, golf-oriented point-of-sale (POS) system helps management understand its customer profile segments, while also providing assistance in targeted marketing and customer tracking. The efficiency of software for tee time reservations, operations / accounting reporting, retail point-of-purchase reporting, and overall management information systems has advanced dramatically in recent years and can help improve overall performance. Some of the key features of industry leading POS systems - often underutilized by operators – are summarized in the bullets below.

- ▶ Creation of customer profile segments, including play and spending patterns, to help effectively practice yield management and implement targeted email marketing campaigns (i.e., data mining), rather than one-size-fits-all email blasts.
- ▶ Integrate social media tools into email marketing. This can be done automatically through delivery tools that automatically integrate to the leading social media forums, such as Facebook, Twitter, Instagram, etc.

There are also vendors that do not provide POS but offer comprehensive services that manage all aspects of online marketing efforts. For example, they may provide software that integrates information collected from the POS, tee sheet, website, mobile applications, booking engine, and social media networks to help general managers better understand and market to their customers.

## **PLAYER DEVELOPMENT / PROGRAMMING AND ORGANIZED PLAY**

Starcke Park GC is active with respect to organized group play, such as leagues and outings, but much less so with respect to player development and programming. In terms of instruction, the Head Golf Professional has mainly operational duties and only occasionally give lessons. The Assistant Golf Professional (recently resigned) gave lessons only on her own time, but ran the facility’s only program – the First Tee of San Antonio chapter. Below is a summary of organized activities and programs at SPGC.

### **Outside Tournaments / Outings**

Starcke Park GC is active with respect to outside tournaments such as corporate and charity events. (We note that market operators told NGF that the number and average size of outings were down significantly as the pandemic continued to affect organized play in 2021). NGF was provided with a list of 2021 events at SPGC. Corporate events comprised Niagara Bottling, with 40 participants, and TLU Homecoming, with 80 players. The rest of the larger outings were charity events and included:

- Alexander Memorial (160 players)
- Dewville Social Club (90)
- Benavidez Memorial (80)
- GVEC – Texas Lineman’s Rodeo Scholarship (80)
- Perez Memorial (60)

### **Leagues and Associations**

Regular league and other group play can be the lifeblood of an active municipal golf course, especially during weekday afternoons. SPGC is quite active with respect to group and league play. Some of the larger/more active recurring groups, leagues, and associations active at SPGC, along with a recent estimate of annual rounds played, include:

- Seguin PGA (800+ annual rounds)
- River City GA (256)

- Mission City GA (192)
- Wednesday/Saturday Golf Group (192)
- Public Service GA (180)
- Cosmopolitan GA (180)

## Junior Golf

As noted at the opening, the only formal junior program at Starcke Park GC is The First Tee of San Antonio, which is a year-long program held on Saturday mornings, with an average of 13 to 15 participants. Other prominent national programs, such as Drive, Chip and Putt, and PGA Junior League, are absent (the former Assistant Golf Professional wanted to have a team but was oversubscribed with shop duties and running the First Tee program).

Other player development activities aimed at young people center around area schools (high schools play M-TH free; surcharge on weekend), with frequent use of both the golf course and the new putting / chipping practice area in back of the clubhouse.

Junior and School Events in 2021 totaled nearly 1,100 total rounds played and included:

- Seguin ISD High School (4) – 320 rounds
- Northside ISD (2) – 200 rounds
- Navarro ISD High School (2) – 140 rounds
- Navarro ISD Junior High – 30 rounds
- Texas Lutheran University – 336 rounds
- Southern Texas PGA Little Linksters – 60 rounds

Player Development Activities:

- Seguin ISD Golf Team
- Navarro ISD Golf Team
- Texas Lutheran University Golf Team

## NGF Commentary and Best Practices:

Cultivating new golfers is not only key to the future of golf but has also proven to be an immediate generator of revenues for facilities. PGA of America data shows that a successful player development program produces at least 200 new golfers per facility. NGF has found that the public golf facilities that are most successful tend to be very active in adult player onboarding and development, as well as other “grow-the-game” initiatives. Creative programming is especially effective in onboarding new players from segments (e.g., women and millennials) that represent strong latent demand for the game but that may not prefer to be introduced to the game in traditional ways, such as individual lessons.

NGF recognizes that staffing factors constrain player development and programming activities at Starcke Park. However, below we summarize some of industry best practice recommendations for enhancing player development, onboarding new players, and overall programming.

- ▶ **Junior Golf Program:** NGF considers a very active junior program to be a best practice and a key to success for any public golf course. In addition to offering individual and group lessons and clinics, NGF believes that programs like PGA Junior League, First Tee STEM Links, and Drive, Chip & Putt are an integral part of muni golf.
- ▶ **Increasing Women’s Participation:** Having strong participation from women is necessary if a municipal golf course hopes to maximize rounds and revenues. Females are strongly



represented among the latent demand (i.e., interested non-golfers) cohort, and presently account for about 25% of golf participants, but about 37% of beginners. There are many reasons why female golf participation is low; the most common issues relate to golf course difficulty, retail selection, on-course services (restrooms, drinking fountains), food / beverage selection, and customer service.

Recent NGF studies related to women and golf revealed several facets that were key in their consideration of where and how much to participate in golf. Both the PGA and NGF have found through experience that adding a food and beverage component to female-oriented programming can significantly improve traction. Most important, it is crucial to listen to what they want and incorporate it into instructions, programming and events. Creating leagues is another effective strategy, as is having a regular calendar of events.

NGF identified several common characteristics that female-friendly golf facilities exhibit:

- Golf courses that are not too overly difficult, and have a most forward tee of between 4,000 and 4,400 yards, with no “forced carries” of over 60 to 80 yards.
  - Permanent restrooms (cleaned several times a day) at least every six holes on the golf course; features and items should include mirror, soap, lotion, sunscreen, Band-Aids, etc.
  - Ball washers on the forward tees.
  - At least one female instructor and a golf staff that takes a consistent approach to all players regardless of gender.
  - Help with selecting equipment and even women-only demo days and/or women-only custom fitting days.
  - The availability of women’s club rental sets.
  - Programs that allow more social and / or family involvement.
- ▶ **Lessons and ‘Onboarding’:** Operators should work directly with the PGA of America, LPGA, and First Tee on programs that have a proven track record, and how to best implement and promote them. Examples include Get Golf Ready; Drive Chip and Putt; First Tee; PGA Junior League; LPGA\*USGA Girls Golf; and LPGA’s Teaching Her. Of course, a critical element to success is transitioning new players from learning to playing.
- ▶ **Golf Events:** Creative golf-themed events, on both the golf course and the driving range, are becoming more and more popular with operators looking to make golf more fun for less committed golfers. One of the major initiatives to grow activity that NGF recommends is specialized programming and events aimed at onboarding or simply increasing the patronage of young adults. National NGF research (*Golf and the Millennial Generation*) has shown this to be a demographic segment that favors “experiential” events that combine golf, fun, and a social component.

Examples of actual events that NGF has observed recently include:

- A weekly 9-hole Thursday Scramble that routinely had 13 teams (52 participants) and generated ±\$2,500 in fees plus additional bar revenue before and after the event. In this market, Olympia Hills does a weekly 9-Hole Thursday Night Scramble with an entry fee of \$30 pp for 2-person teams (5:30 pm during daylight saving time).
- ‘Balls and Beers’ at the driving range. Participants paid a small fee for the event, which featured a craft beer truck, music, contests, unlimited range balls for an hour, and a golf professional providing quick lessons and tips.
- Weekly (or even daily) contests, such as longest drive, hole-in-one, or closest to the pin can be very popular, especially when combined with food and beverage and music.
- ‘9 and Wine’ golf training programs for women’s groups are a particularly popular and effective way to engage beginning women golfers and non-golfers.

- ▶ **Events for Non-Golfers** – Many municipalities desire to engage more of the non-golfing community in their golf facilities. Special or regular events such as scavenger hunts, movie nights, Karaoke night, Green Market, etc. are just a few of the events NGF has observed at municipal golf courses over the years.
- ▶ **Miscellaneous** - Below are some additional thoughts to increase golf participation through programming.
  - With junior programming, make an effort to get the mothers out to the course.
  - Make sure older, used golf equipment is available free of charge for beginners, and possibly for other needy prospects via donation or at a deep price discount.
  - Consider offering reduced fee lessons (perhaps limited to one per person, subsidized by City) for residents as a means of increasing golf participation.
  - Encourage participants to bring a friend.

## FOOD AND BEVERAGE SERVICES

It was conveyed to NGF that Starcke Park GC does not have formal food & beverage service (beyond beverages and vending) for several reasons, including the fact that the clubhouse building has experienced significant flooding in the past, and the large-scale cost of putting in a kitchen (e.g., construction, permitting, equipment). Additionally, the facility does not run a beverage cart, with the main constraint being that employees can't receive tips so it would be hard to recruit a beverage cart person. Still, SPGC generated nearly \$146,000 in concession revenue, or close to \$4 per round, in FY21.

### NGF Commentary and Recommendations:

Food and Beverage service at a public golf course is not necessarily intended to be a profit center, but rather to support the primary business of selling green and cart fees. For instance, food and beverage carts, in isolation, are often money losers for a golf course, but this is a service that is expected by golfers, who might otherwise play elsewhere.

Most successful food and beverage operations at public golf courses offer simple, quick, and inexpensive service that is convenient to the round of golf. NGF experience has shown that public golfers – especially at value-oriented golf courses such as SPGC - are generally satisfied if they can sit down with friends or playing partners and get a sandwich, hot dog, or hamburger, along with a beverage of choice. Many operators across the country that we've spoken to during the pandemic period have found that “less can be more” in terms of food and beverage profitability. In other words, forced to operate with reduced staff and limited take-out menus, many were able to still make a profit while continuing to sell rounds of golf.

In the case of SPGC, the results of the NGF golfer survey indicate that customers would like to see a higher level of food & beverage service. When respondents were asked how likely they would be to purchase food and beverage items if the services were expanded, 49% responded ‘very likely’, while an additional 30% said somewhat likely. Given the apparent demand for expanded service, but in recognition of SPGC's constraints to offering full F&B service, NGF offers the following for consideration:

- ▶ Try a hot dog cart. (We were told the last contracted manager had a successful hot dog stand).
- ▶ Explore whether offering grab-and-go items, such as fresh premade sandwiches, snacks, etc., is feasible. Similarly, coffee, juice, Danish, etc. can be made available for early morning golfers. (The constraint to having grab-and-go items is reportedly that potential suppliers would not want to go to the trouble of labeling each item for ingredients and nutrition).
- ▶ Run an outside barbecue grill during busier times, league play, etc., with items such as hamburgers, hot dogs, and grilled chicken at the ready.

## PRO SHOP RETAIL OPERATION / MERCHANDISING

During our visit, NGF observed a lightly stocked pro shop with a preponderance of soft goods (gloves, hats, other apparel), as well as golf balls. Merchandise revenue per round was just over \$1.00 at SPGC in FY21, trailing NGF's industry benchmark of about \$2.70 per round. Cost of Goods Sold data has averaged 84% over the last three years, higher than the observed industry benchmark of 65% to 70%. It was communicated to NGF that SPGC has a generally price sensitive clientele, as evidenced by some golfers driving 20 miles or more to play there because of the low green fees. As such, moving much merchandise beyond "impulse" items may continue to be a challenge.

### NGF Commentary and Best Business Practices:

'Green grass' merchandising has been under considerable stress in recent years, due to changing consumer preferences and buying patterns, evidenced most noticeably by the accelerating growth of on-line retail. As a result, many on-course shops have gotten away from selling 'hard goods' such as clubs and bags and turned their focus to impulse items such as tees, balls and gloves, as well as apparel. Still, NGF believes there remains an opportunity for many golf courses to increase sales by implementing some of the following strategies:

- ▶ Focus on selling affordable logoed apparel as well as the impulse items noted above.
- ▶ Increase the selection of women's apparel.
- ▶ Host 'Demo' days from leading manufacturers.
- ▶ Offer professional golf instruction, special clinics and lesson programs that bundle merchandise to enhance value.
- ▶ Add an online store to the facility website.
- ▶ Consider adding a financial incentive for the Golf Shop Manager or other shop employees (if permissible).
- ▶ Sales and inventory management strategies should include:
  - Beginning-of-year sale to close out discontinued merchandise.
  - End-of-season sale to reduce unwanted inventory.
  - Periodic specialty sales during the season.

## CUSTOMER SERVICE

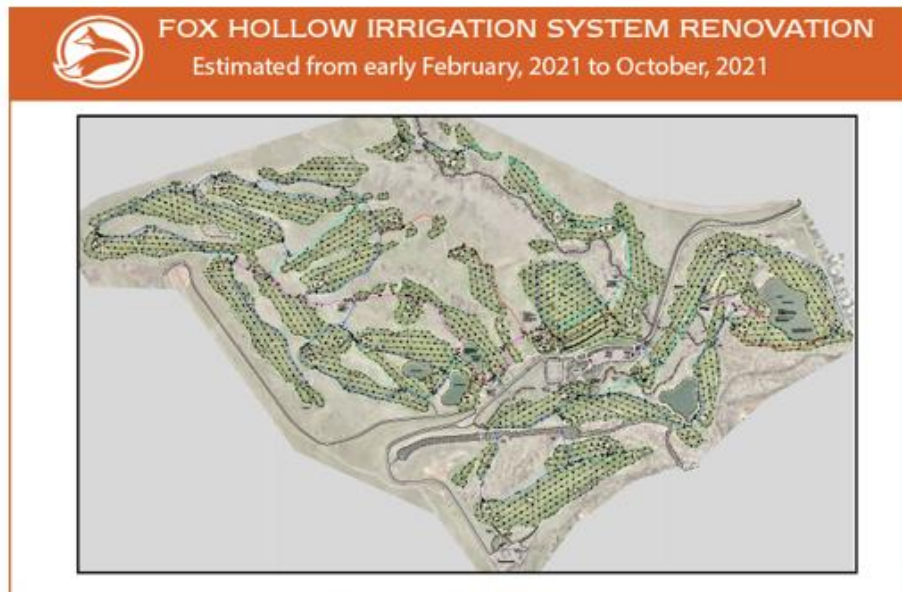
Results of the NGF golfer survey for Starcke Park revealed a strong perception of staff friendliness and helpfulness, with results benchmarking in the 85<sup>th</sup> national percentile. However, customer service for virtually any business can always be improved, and is often a key differentiator in building customer loyalty. High-level service at a golf course begins the moment the golfer sets foot on the property, beginning with a friendly welcome (especially for faces that staff may not have seen before). NGF recommends continual staff training and establishment of customer service standards and measurable metrics – monitored through periodic NGF GolfSAT or other survey and occasional secret shoppers - to make sure that the standards are being consistently met or exceeded.

## COMMUNICATION

A strong culture of communication goes hand-in-hand with strong customer service at a municipal golf course. At municipal golf courses, this is multi-faceted and includes communications among golf course staff members (e.g., between the Superintendent and Manager), between staff and customers (i.e., about rules, etiquette, policies), and between City/golf course staff and the Golf Advisory Board.

## NGF Commentary and Recommendation

In terms of communications between golf course staff members, as well as between staff members and facility customers, continued staff training is the key. If there is a project scheduled that may disrupt play, the most important thing staff can do to mitigate dissatisfaction is to communicate with patrons ahead of time. Some things cannot be avoided, but customers will generally be understanding as long as “surprises” are kept to a minimum and they are made to feel they are vested partners in the golf course. Communication with customers during a renovation (see email example below) that closes the golf course temporarily is especially critical, and is all the more reason to build a customer email database.



### WHAT YOU NEED TO KNOW

A new replacement irrigation system is planned for the 27-hole Fox Hollow Golf Course.

The primary goals of the irrigation replacement include improved playing conditions, electrical and water saving and increased system longevity. Anticipated efficiencies result in a 20% savings compared to the existing system. Timing estimates of early February, 2021 to October, 2021 are weather dependent.

How will this impact you? Some holes may be modified during construction, including temporary hole and practice facility closures. This will ensure everyone's safety. If applicable, discounts for greens fees will be applied at the time of payment for your round.

Thank you for your patience while we work to improve your golf experience.





### CANYON HOLE NO. 5

Fox Hollow Canyon hole no. 5 will be renovated between early March, 2021 and May, 2021 (weather dependent).

The primary goals of the renovation of Fox Hollow's Canyon hole no. 5 include playability, improved pace of play, course efficiencies and overall enjoyment of Fox Hollow.

How will this impact you? The hole may be closed at times or played as a 3 par. This will ensure everyone's safety. If applicable, discounts for greens fees will be applied at the time of payment for your round.

Again, thank you for your patience while we work on this additional 2021 improvement.

## OTHER OPERATIONAL ISSUES

### Golf Carts

The presence of “fresh”, clean, reliable carts is an important part of a successful public golf operation, and a selling point in the market. Additionally, it is critical to have a sufficient number of carts to service daily fee demand, as well as the occasional larger tournament. At SPGC, some tee times have had to be blocked off due to an insufficient number of carts during the busiest times (generally Thursday through Sunday). Management estimates that the smaller fleet may have resulted in as many as 3,000 lost rounds last year.

The City recently signed a contract for 60 new Yamaha Drive electric golf carts with GPS, as well as two utility vehicles, was signed by the City in July 2021. The total net cost is \$156,330, after trade-in on the 54 existing E-Z-GO carts. Delivery is expected later this summer.



## Maintenance Equipment

Starcke Park has a generally old fleet of maintenance equipment, with quite a few mowers dating back to the 1990s (1989 in one case) and many other pieces – including a topdresser from 2003 - pre-dating 2010. Though a good mechanic with the appropriate tools and parts can stretch the life of equipment, NGF generally recommends that vital pieces of maintenance equipment be replaced (lease or purchase) every 5 to 10 years, depending on type. The City currently sets aside 21.75% of green fee revenues each year to go into a Capital Fund earmarked for equipment replacement to help with cost of equipment replacement. Currently, there are about 8 pieces of equipment on the purchase list, including various mowers and a bunker rake; these pieces had an original cost approaching \$300,000.

### NGF Commentary and Recommendation:

In our view, good-quality maintenance equipment and a reliable irrigation source are the lifeblood of the golf course operation. Having poor-conditioned equipment that is in continual need of repair and under threat of breakdown results in inefficiencies and poor playing conditions, a dynamic that makes it difficult to compete for market share. (NGF golfer surveys consistently show that course conditions – especially greens - are the most important factor for golfers when choosing a place to play). If SPGC undergoes a facility renovation, especially if it involves reconstructed greens, the golf course will need a significant upgrade in equipment to preserve the investment and maintain better playing conditions, and in consideration of the expected higher green fees.

## Pace of Play Management

Pace of play is very important to golfers, as evidenced by responses to tens of thousands NGF GolfSAT golfer surveys completed over the years that show it is an important factor for golfers in choosing one course over another. Based on our conversations with management, slow pace of play does not appear to be anything but an occasional issue at SPGC. Ideally, pace of play should be a constant that can be relied upon by golfing consumers at any day or time. At SPGC, the “standard” for an 18-hole round is 4 hours, 15 minutes. This figure is programmed into the GPS system on the carts, and if golfers are off pace, the system sends notices.

Though pace of play appears to be only a moderate issue at SPGC – confined generally to weekend mornings, golfer satisfaction with pace rated 7.1 on a 10-point scale on the golfer survey implemented for this study, which places SPGC in the 35th national percentile. Additionally, several golfers noted pace of play issues in response to the “what needs improvement” open-ended question on the survey.

### NGF Commentary:

While there is no magic bullet that can be pressed at a busy municipal golf course that has customers with all manners of skill levels, there are some things that can be tried to speed up play and mitigate the occasional pace issue, such as golf course marshal / player assistant training programs and retention of paid player assistants. If pace becomes an issue, the City should consider obtaining a USGA Pace Rating. The rating calculates a target completion time (time par) for each golf hole, taking into account the length and difficulty of the hole, as well as and other attributes of play. Time pars allow players to keep track of when they are expected to arrive at each tee. Other things the golf courses can consider to improve pace of play include lengthening the tee time interval during traditionally slow play periods (drawback is reducing capacity), and bringing in a pace of play consultant to study play patterns, layout, etc.

## Recordkeeping and Reporting

Ideally, reporting to City staff for a municipal golf course will provide baseline measures of how the golf course is performing and trending with respect to key metrics, while also facilitating more informed decision-making by City staff and officials when it comes to funding operational and physical enhancements at the golf course in the future. Most important, the accounting and reporting system

should have appropriate protocols, redundancies, and safeguards in place to ensure accuracy in numbers reported to the City.

### **NGF Commentary and Recommendations**

Following are some NGF best practice recommendations related to recordkeeping and reporting for a municipal golf course:

- ▶ Accurate categorization and recording of all rounds played by type (e.g., member, daily fee ‘rack’, loyalty program, discount categories, complimentary, tournament / event) – along with the attendant revenue – will provide an accurate baseline for facility activity levels and per-round revenue center trends, as rounds played are the most fundamental unit of measure at a public golf course.
- ▶ Protocols should be established for recording of transactions; i.e., how payments are recorded, how inventory is received and expensed, etc.
- ▶ All staff involved in golf course finances – at both the golf course and the City – should learn the ins and outs of the POS system. NGF suggests a half-day or day-long training session to understand the capabilities, functionalities and utilities of the POS system vis a vis recording of transactions, voiding of transactions, reporting, inventory management, etc. (Ongoing training of golf course staff, as needed, to make sure the system is being used correctly).
- ▶ Create weekly, monthly, quarterly and annual reporting templates - some with intent of reconciling numbers, others aimed at providing concise and useful ‘at-a-glance’ summaries for City staff and officials. For an example of one of these useful “dashboard” type reports, see [Appendix J](#).

### **Golf Course Marshal / Player Assistant Program**

With the influx of new players since the pandemic began, many operators have reported to NGF consultants that a lack of etiquette and course knowledge among some players has become more pervasive, resulting in inappropriate and/or unsafe behavior on the courses, as well as unreasonably long round times. In response, some golf facilities have instituted a formal course marshal / player assistant program to help educate players and enforce order on the golf courses. (SPGC has six volunteer marshals that work 2-hour shifts in the mornings only, in exchange for golf privileges).

While rarely a panacea, a program with “teeth” (i.e., well-trained marshals with perceived “clout”) can be helpful in maintaining order and moving players along at an appropriate pace. It is critical that the marshals have full back-up and support from management so that golfers know that marshals have the authority to enforce the rules. A marshal training program can be complemented by a golfer education campaign that provides instructions on etiquette, course layout, etc. The education begins in the pro shop (or with a starter), and can be supplemented by printed rules sheets placed on carts, above urinals in the restrooms, in the pro shop, etc., and by digital messaging on cart GPS screens, etc.

### **Accessibility**

While NGF does not profess to have comprehensive knowledge of the latest protocols regarding compliance with ADA regulations, the general guideline that golf courses operate under is that all areas of a course that must be “accessible” must be done so by a *standard* golf cart. These areas include in and around the clubhouse and the practice tees (e.g., via wheelchair along paths to access a portion of the tee). There must be a point of entry into a practice bunker and green, and the putting green itself. On the course, all restrooms, rain shelters, and at least one of the two most forward tees on every hole must be accessible from a cart path. There must be curb openings of 4-5 feet every 100 feet or less at 4-5 feet, or no curbs at all.

The following article should be helpful: <https://www.usga.org/content/usga/home-page/course-care/forethegolfer/2018/accommodating-golfers-with-disabilities.html>

Excerpted from this article are suggestions to make a golf facility more inclusive and accessible to people with disabilities:

- ▶ Develop a written plan of how your facility will accommodate golfers with disabilities.
- ▶ Work towards developing a training program for staff members who will assist disabled golfers.
- ▶ Evaluate the facility for accessibility, identifying potential barriers to access and creating a continuous pathway throughout the golf course.
- ▶ Produce a map of the accessible routes provided through the golf course.
- ▶ Prioritize work to remove existing barriers and to provide access to all putting greens, the practice facility, and at least one teeing surface on each hole.
- ▶ Develop a written policy regarding the use of single-rider assisted mobility vehicles and golf carts during inclement weather.
- ▶ Make available a mobility-assisted cart.

# Projected Financial Performance

NGF Consulting has created cash flow models for Starcke Park Golf Course, in consideration of actual recent facility performance of SPGC in FY21 and recent trends, as well as current and expected market conditions. We have presented two scenarios: 1) “Base Case” or “Steady State”, which assumes no substantive physical improvements, but increased maintenance and operating budgets, inflation-based fee increases, and implementation of some key NGF operational recommendations. 2) For a significantly improved “Post-Renovation” golf course. Specific assumptions and results for each cash flow model are shown below.

While we fully expect the City of Seguin to invest significantly in Starcke Park GC in the near future, we present the Base Case to illustrate the potential “cost of doing nothing” for comparison to results that can be achieved by a facility renovation, as proposed.

## BASE CASE ‘STEADY STATE’ SCENARIO

### Basic Assumptions

- ▶ Base assumptions apply to both pro forma scenarios.
- ▶ The overall regional and national economic condition – especially as it relates to labor and input cost inflation – begins to stabilize; vigorous population growth continues in Seguin and surrounding areas, but otherwise there is no substantive change in the Seguin / Guadalupe County area economy, employment, visitation, etc.
- ▶ Throughout the subject period, there will be a lasting lift in golf participation and rounds demand as a result of the pandemic, though likely moderated somewhat from that experienced in the 2020-2021 period.
- ▶ The golf facility will continue to operate with City employees and will be maintained in a high-quality manner, with budget increases as necessary to maintain this standard.

### Rounds Played and Revenues

Note: For revenue categories, annual projected increase is 2% after FY23.

- ▶ **Rounds Played:** For the steady state scenario, which presumes no significant capital investment in SPGC, NGF projects some attrition in rounds due to declining conditions and a reduced capability to compete on an even playing field. Rounds are projected to be 35,000 in FY23, down from 37,000+ in FY21, declining over the 5-year period to 31,500 by FY27.
- ▶ The average “**Golf Course Receipts**” per round is the total of green fee, membership, driving range and other minor miscellaneous revenues divided by total rounds. The \$17.20 projected for FY23 represents a 4% increase over actual results in FY21.
- ▶ **Golf Cart Rental** revenue is increased by 20% over FY21 actual to \$13.33; the increase reflects an increase in fleet size from 54 to 60, and moderate price increases commensurate with inflation and the addition of a new fleet expected in late summer of 2022.
- ▶ **Other (per round):**
  - **Golf Concessions** – FY23 figure of \$4.50 represents an increase of 15% over actual FY21 due to implementation of recommendation to expand food & beverage offerings.
  - **Golf Merchandise Sales** – FY23 figure of \$1.30 represents an increase of 4% over actual FY21.

- **Miscellaneous Revenue** – FY23 figure of \$0.55 represents an increase of 4% over actual FY21.
- ▶ **Cost of Sales (COS)** – as per City convention, cost of goods sold is included in operating expenses.
- ▶ **Operating Expenses** (*excluding* Depreciation):
  - **Labor** - projected at \$820,000, the approximate actual budget request for FY23. This amount reflects an increase of about 21% over actual FY21, attributable to wage and supplies inflation, as well as the hiring of at least one additional full-time and two additional part-time maintenance workers, as well as two additional outside services (e.g., cart attendants) part-time workers. Annual expense growth projects at 3.5% through FY27.
  - **Non-Labor** - projected at \$410,000, the approximate actual budget request for FY23. This amount reflects an increase of about 59% over actual FY21, attributable to steep inflation in supplies such as chemicals and fertilizers. Annual expense growth is projected at 3.5% through FY27.
- ▶ NGF Consulting has utilized these assumptions to create the cash flow statement shown as Exhibit 1 in Appendix K. Each category of revenue has been listed separately. All figures have been rounded to the nearest \$100 for simplicity.

## Financial Model Summary Results: Base Case Scenario - FY23 – FY27

Utilizing the above assumptions and activity/revenue/expense estimates for the ‘Base Case’ scenario, NGF’s 5-year pro forma financial model (see [Appendix K, Exhibit 1](#)) for Starcke Park Golf Course for the period of FY 2022/23 through FY 2026/27 shows total gross operating revenues of about \$1.3 million in FY23, falling to \$1.27 million by FY27 as with rounds played decline. (We note that gross revenues include funds typically disbursed to the Capital and Building funds each year).

Based on preliminary expense projections prepared by NGF, including the expected budget request for FY23, SPGC is projected to generate a positive cash flow of about \$72,000 in FY23, declining throughout the period to an **operating loss** of about **(\$143,000)** in FY27, as expenses grow and revenues remain stagnant due to lack of facility investment. After annual capital/note payments ranging from of \$276,000 to \$352,000 (numbers supplied by City), total General Fund support is estimated at \$203,500 in FY23, growing to about \$495,000 by FY27.

## POST-RENOVATION SCENARIO

### Rounds Played and Revenues

Note: For revenue categories, annual projected increase is 2.5% after Year 1.

- ▶ **Rounds Played:** NGF projects that the reopened and improved Starcke Park Golf Course will attract 37,000 total rounds in its first full year after renovation, growing to a stabilized 40,000 rounds by Year 3.
- ▶ The average “**Golf Course Receipts**” per round is the total of green fee, membership, driving range and other minor miscellaneous revenues divided by total rounds. The \$19.82 projected for Year 1 represents a 17.5% increase over actual results in FY21. The increase in fees is reflective of inflation, the higher quality of the golf course, higher standard of playing conditions, and need for partial cost recovery related to the renovation. The increase reflects recommended fee increases for daily fee play as high as \$8 to \$10 for regular weekend morning play (lower for other categories), and increase in member surcharges of \$3 to \$4 per round.



- ▶ **Golf Cart Rental** revenue is increased by 20% over FY21 actual to \$13.33; the increase reflects an increase in fleet size from 54 to 60, and moderate price increases commensurate with inflation and the addition of a new fleet expected in late summer of 2022.
- ▶ **Other (per round):**
  - **Golf Concessions** – Year 1 figure of \$4.70 represents an increase of 20% over actual FY21 due to implementation of recommendation to expand food & beverage offerings, as well as assumption of a new cohort of less price sensitive customers patronizing SPGC after the renovation.
  - **Golf Merchandise Sales** – Year 1 figure of \$1.50 represents an increase of 12.5% over actual FY21 (see note regarding less price sensitive customers; also, potential increase in sales due to rebranding and/or new logo after renovation).
  - **Miscellaneous Revenue** – Year 1 figure of \$0.58 represents an increase of 10% over actual FY21.
- ▶ **Operating Expenses** (*excluding* Depreciation):
  - **Labor** - projected at \$900,000 in Year 1, a little over 10% higher than the Base Case expenses to reflect a higher price point golf course and thus a higher standard of maintenance conditions. Annual expense growth is projected at 3.0% through Year 5.
  - **Non-Labor** - projected at \$410,000 in Year 1, same as under the Base scenario. Annual expense growth is projected at 3.0% through Year 5.
- ▶ NGF Consulting has utilized these assumptions to create the cash flow statement in Appendix K, Exhibit 2 Each category of revenue has been listed separately. All figures have been rounded to the nearest \$100 for simplicity.

## Financial Model Summary Results: Post-Renovation Scenario – Year 1 – Year 5

Utilizing the above assumptions and activity/revenue/expense estimates for the ‘Post-Renovation’ scenario, NGF’s 5-year pro forma financial model for SPGC for the first five full years of operation after reopening shows total gross operating revenues of about \$1.47 million in Year 1, increasing to \$1.76 million by Year 5. Based on preliminary expense projections prepared by NGF, SPGC is projected to generate a positive cash flow of about \$164,000 in Year 1, increasing to a stabilized profit of about ±\$284,000 by Year 3. After debt/capital payment outlays of \$783,000 (numbers supplied by City), total required General Fund support is estimated at about \$619,000 in Year 1, stabilizing at ±\$500,000.

This projected stabilized operating profit compares to a growing operating *loss* under the Base Case / Steady State scenario. The difference in net operating revenue between FY27 in the Base scenario – a projected loss of about (\$143,000) - and the stabilized profit of ±\$284,000 after facility renovation is **\$427,000**. If we assumed that was the net incremental annual cash flow resulting from the City’s decision to renovate Starcke Park GC, we could calculate a “warranted level of investment” in the golf course project of about **\$6.3 million** based on the following inputs:

<b>Net Incremental Revenue</b>	<b>\$427,000</b>
<b>Financing:</b>	
Term (years)	25
Interest Rate	4.50%
Coverage	1:1
<b>Warranted Inv. (stabilized NOI for Reno. Scenario)</b>	<b>\$6,331,645</b>

Of course, these numbers could be quite different under different financing assumptions. We also note that the “cost of doing nothing” is likely to increase each year, which is not fully captured above.

# Appendices

- A: Recent Historical Rounds, Revenues and Expenses - FY15 thru FY21
- B: National Rounds Played Report
- C: Local Demographic, Demand and Supply Data
- D: Competitive Set Membership Information
- E: Course Conditions
- F: Golf Routing
- G: ASGCA Life Cycle Chart
- H: Regional Municipal Golf Facilities – Maintenance Benchmarking
- I: Grand Re-Opening
- J: Staff Reporting - Example of “Dashboard” Progress Report
- K: NGF Financial Projections for Seguin Golf - 2023-2032
- L: Overall Impacts of Municipal Golf Courses

## APPENDIX A – HISTORICAL ROUNDS, REVENUES AND EXPENSES

### Exhibit 1 – Revenue and Expenses

Rounds, Revenues, and Expenses – FY17 – FY21					
	FY 17	FY 18	FY 19	FY 20	FY 21
<b>Total Rounds Played</b>	30,156	33,498	32,874	33,056	37,282
<b>Operating Revenue</b>					
Golf Course Receipts	\$308,456	\$351,443	\$347,182	\$334,802	\$409,112
Golf Cart Rentals	297,572	320,657	352,718	347,244	413,996
Golf Concessions	95,310	112,831	127,779	105,345	145,646
Golf Merchandise Sales	24,418	33,121	34,618	22,642	46,561
Miscellaneous Revenues*	10,684	13,530	13,826	13,002	19,660
<b>Total Revenue</b>	<b>\$736,440</b>	<b>\$831,582</b>	<b>\$876,122</b>	<b>\$823,034</b>	<b>\$1,034,975</b>
<b>Per Round</b>					
Golf Course Receipts	\$13.85	\$15.79	\$16.16	\$15.58	\$16.86
Golf Cart Rentals	\$9.87	\$9.57	\$10.73	\$10.50	\$11.10
Golf Concessions	\$3.16	\$3.37	\$3.89	\$3.19	\$3.91
Golf Merchandise Sales	\$0.81	\$0.99	\$1.05	\$0.68	\$1.25
Miscellaneous Revenues*	\$0.35	\$0.40	\$0.42	\$0.39	\$0.53
<b>Operating Expenses</b>					
Labor	\$550,199	\$580,369	\$616,417	\$650,443	\$677,201
Non-Labor	213,446	243,535	248,916	218,379	258,381
<b>Total Operating Expenses</b>	<b>763,645</b>	<b>823,904</b>	<b>865,334</b>	<b>868,823</b>	<b>935,582</b>
<b>Profit / Loss</b>	<b>\$-27,205</b>	<b>\$7,678</b>	<b>\$10,788</b>	<b>\$-45,789</b>	<b>\$99,393</b>
Capital Funds	\$109,316	\$115,367	\$119,650	\$122,571	\$143,677
Building	0	62,173	64,565	57,657	75,971
<b>Capital Contributions</b>	<b>\$109,316</b>	<b>\$177,540</b>	<b>\$184,215</b>	<b>\$180,228</b>	<b>\$219,647</b>
<b>General Fund Contribution</b>	<b>\$218,488</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$0</b>

## Exhibit 2 – Rounds Played

Rounds Played by Category – FY17 – FY21					
	FY 17	FY 18	FY 19	FY 20	FY 21
<b>Rounds Played</b>	30,156	33,498	32,874	33,056	37,282
Regular Daily Fee	21,572	23,967	24,416	24,423	27,968
Players Card/Multi-Play	n/a	820	905	1,877	2,202
Members	5,123	4,930	4,277	4,162	4,327
Complimentary	3,461	3,781	3,276	2,594	2,785
<b>Total Rounds Played</b>	<b>30,156</b>	<b>33,498</b>	<b>32,874</b>	<b>33,056</b>	<b>37,282</b>
<b>By Percentage</b>					
Regular Daily Fee	71.5%	71.5%	74.3%	73.9%	75.0%
Players Card/Multi-Play	n/a	2.4%	2.8%	5.7%	5.9%
Members	17.0%	14.7%	13.0%	12.6%	11.6%
Complimentary	11.5%	11.3%	10.0%	7.8%	7.5%

## Exhibit 3 – Members by Category

Members by Category – FY17 – FY21					
	FY 17	FY 18	FY 19	FY 20	FY 21
<b>Member Category</b>					
Adult	1	2	2	3	3
Seniors	44	50	46	44	49
Couple	4	5	4	6	10
Annual Trail Fee	7	7	6	6	8
<b>Total Members</b>	<b>56</b>	<b>64</b>	<b>58</b>	<b>59</b>	<b>70</b>

## APPENDIX B - NATIONAL ROUNDS PLAYED REPORT

End of Year 2021



March 2020 began lockdowns, quarantines, and travel restrictions throughout much of the United States. The result of these quarantines affected the amount of golf played throughout the country. The data comparing 2021 rounds to 2020 should be considered with caution. Many shops/courses were closed in March-May of 2020, the level of granular data we normally provide is not available.





# National Golf Rounds Played Report

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## December 2021

	DEC.	YTD
<b>PACIFIC</b>	<b>-21.1%</b>	<b>13.9%</b>
CA	-17.7%	13.6%
Los Angeles	*	*
Orange County	*	*
Palm Springs	*	*
Sacramento	*	*
San Diego	*	*
San Francisco/Oakland	*	*
HI	-10.3%	25.9%
OR	-41.2%	6.3%
Portland	*	*
WA	-42.3%	16.6%
Seattle	*	*
<b>MOUNTAIN</b>	<b>-2.9%</b>	<b>2.5%</b>
AZ	-3.9%	3.2%
Phoenix	*	*
CO	139.4%	-2.1%
Denver	*	*
ID, WY, MT, UT	-59.1%	1.9%
NM	23.2%	4.3%
NV	-16.9%	14.0%
Las Vegas	*	*
<b>WEST NORTH CENTRAL</b>	<b>22.2%</b>	<b>3.5%</b>
KS, NE	14.2%	-1.2%
ND, SD	-34.9%	4.4%
MN	-34.6%	0.3%
Minneapolis/St. Paul	*	*
IA, MO	35.7%	9.1%
St Louis	*	*
Kansas City	*	*

	DEC.	YTD
<b>UNITED STATES</b>	<b>1.9%</b>	<b>5.5%</b>
Public Access	1.9%	6.7%
Private	2.0%	1.1%

<b>EAST NORTH CENTRAL</b>	<b>9.6%</b>	<b>5.7%</b>
IL	-7.3%	5.1%
Chicago	*	*
IN	5.5%	-8.6%
MI	-2.6%	9.9%
Detroit	*	*
OH	32.0%	6.0%
Cincinnati	*	*
Cleveland	*	*
WI	48.8%	12.6%
<b>SOUTH CENTRAL</b>	<b>4.3%</b>	<b>1.3%</b>
AL	2.2%	8.9%
AR, LA, MS	14.8%	-3.6%
OK	22.9%	-16.6%
KY, TN	0.2%	3.4%
TX	9.7%	4.2%
Dallas/Ft. Worth	*	*
Houston	*	*
San Antonio	*	*

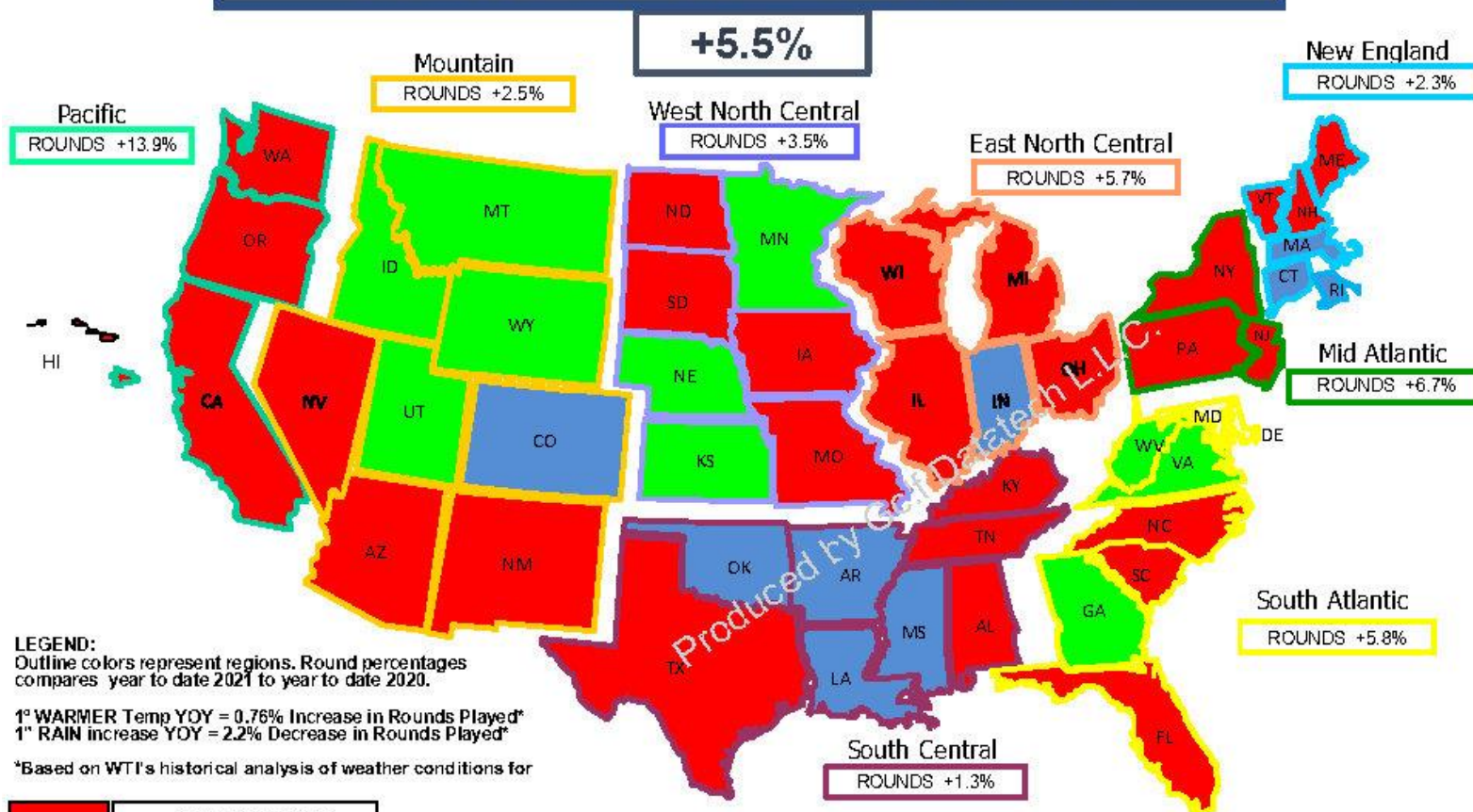
<b>SOUTH ATLANTIC</b>	<b>13.0%</b>	<b>5.8%</b>
DE, DC, MD	34.6%	1.3%
Washington/Baltimore	*	*
FL	8.2%	6.0%
Jacksonville	*	*
Orlando	*	*
Tampa	*	*
Palm Beach	*	*
Naples/Ft Myers	*	*
Miami/Ft. Lauderdale	*	*
GA	-4.4%	-0.4%
Atlanta	*	*
NC	14.0%	12.9%
Greensboro/Raleigh	*	*
SC	32.9%	13.6%
Charleston	*	*
Hilton Head	*	*
Myrtle Beach	*	*
VA, WV	31.4%	-1.7%
<b>MID ATLANTIC</b>	<b>30.9%</b>	<b>6.7%</b>
NJ	41.0%	8.2%
NY	-5.1%	3.5%
New York City	*	*
PA	61.1%	9.3%
Philadelphia	*	*
Pittsburgh	*	*
<b>NEW ENGLAND</b>	<b>-0.9%</b>	<b>2.3%</b>
CT, MA, RI	3.5%	-2.6%
Boston	*	*
ME, NH, VT	*	15.6%

The percentages represent the differences in number of rounds played comparing December 2021 to December 2020.

For more information contact Golf Datatech [golfroundsplayed@golf-datatech.com](mailto:golfroundsplayed@golf-datatech.com)

*March 2020 began lockdowns, quarantines, and travel restrictions throughout much of the United States. The result of these quarantines affected the amount of golf played throughout the country. The data comparing 2021 rounds to 2020 should be considered with caution. Many shops/courses were closed in March-May of 2020, the level of granular data we normally provide is not available.*

## US 2021 vs. 2020 YTD THROUGH DECEMBER



**LEGEND:**  
Outline colors represent regions. Round percentages compares year to date 2021 to year to date 2020.

1° WARMER Temp YOY = 0.76% Increase in Rounds Played\*  
1" RAIN increase YOY = 2.2% Decrease in Rounds Played\*

\*Based on WTI's historical analysis of weather conditions for

	+ 2.0% and higher
	between -1.9% and + 1.9%
	- 2.0% and lower
	Off Season

weather**trends**360<sup>®</sup>  
better weather, drying, everywhere<sup>®</sup>

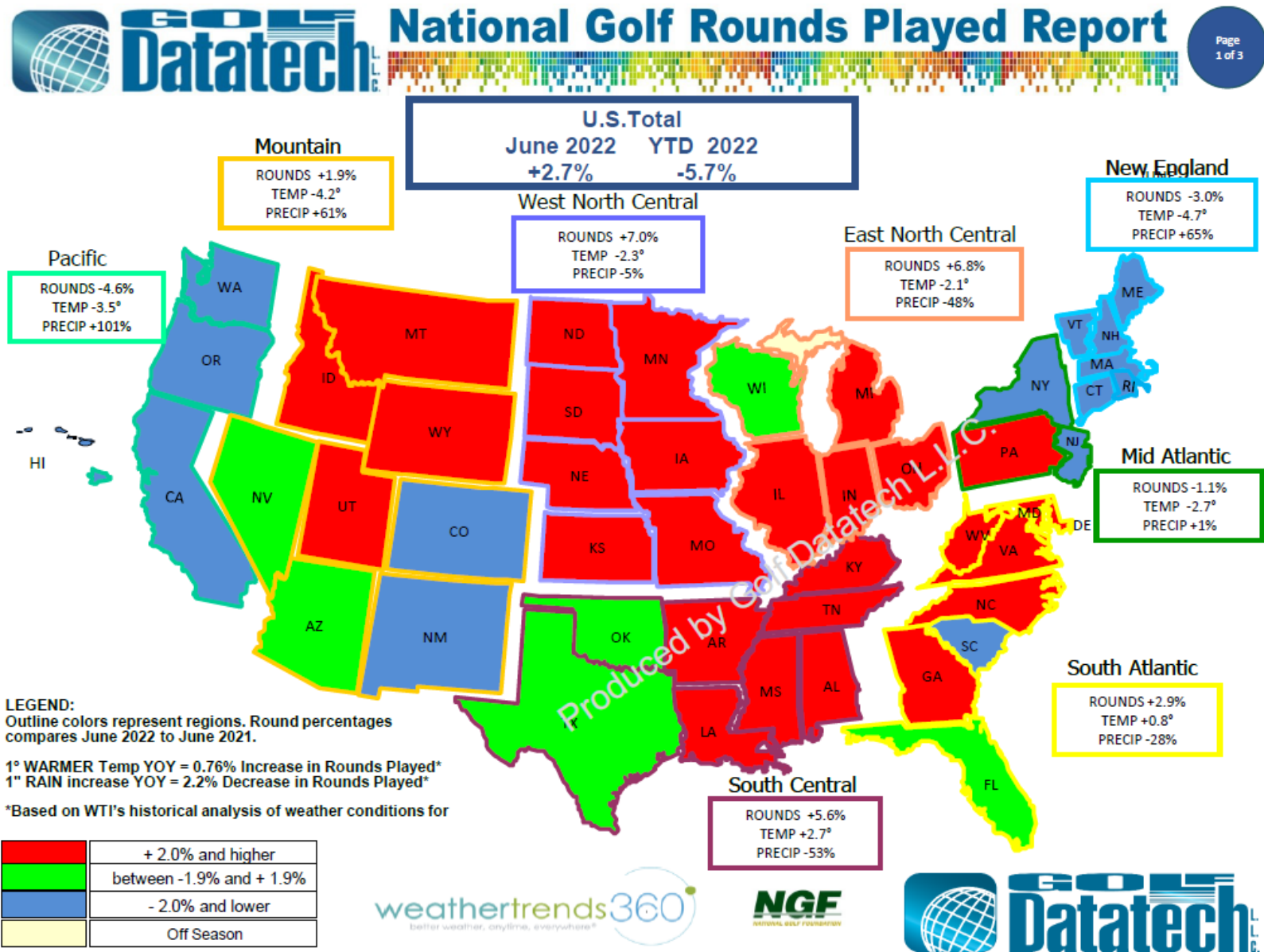


**NGF**  
National Grid Foundation



*March 2020 began lockdowns, quarantines, and travel restrictions throughout much of the United States. The result of these quarantines affected the amount of golf played throughout the country. The data comparing 2021 rounds to 2020 should be considered with caution. Many shops/courses were closed in March-May of 2020, the level of grandeur data we normally provide is not available.*

Through June 2022







# National Golf Rounds Played Report

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## June 2022

	JUNE	YTD
<b>PACIFIC</b>	-4.6%	-7.9%
CA	-3.4%	-5.0%
Los Angeles	4.7%	-11.0%
Orange County	-8.9%	9.2%
Palm Springs	3.1%	14.4%
Sacramento	-6.8%	-9.5%
San Diego	11.1%	-7.2%
San Francisco/Oakland	-10.8%	-10.2%
HI	-10.2%	-6.2%
OR	-3.8%	-11.5%
Portland	-6.6%	-21.4%
WA	-7.0%	-18.3%
Seattle	-3.7%	-19.7%
<b>MOUNTAIN</b>	1.9%	-3.1%
AZ	1.1%	1.0%
Phoenix	6.0%	5.3%
CO	-5.9%	-3.1%
Denver	-8.6%	-8.3%
ID, WY, MT, UT	6.7%	-7.6%
NM	-2.3%	-11.6%
NV	1.0%	1.8%
Las Vegas	-1.9%	-0.4%
<b>WEST NORTH CENTRAL</b>	7.0%	-9.6%
KS, NE	9.6%	-8.2%
ND, SD	18.7%	-0.7%
MN	4.3%	-19.7%
Minneapolis/St. Paul	2.8%	-17.7%
IA, MO	2.7%	-7.0%
St Louis	18.5%	-1.7%
Kansas City	-19.3%	-17.7%

	JUNE	YTD
<b>UNITED STATES</b>	2.7%	-5.7%
Public Access	2.5%	-5.9%
Private	3.6%	-5.0%

<b>EAST NORTH CENTRAL</b>	6.8%	-10.7%
IL	3.8%	-15.6%
Chicago	5.3%	-14.4%
IN	14.3%	-9.6%
MI	13.7%	1.4%
Detroit	7.3%	-8.5%
OH	4.0%	-15.9%
Cincinnati	1.7%	-16.0%
Cleveland	20.1%	-6.3%
WI	0.6%	-13.8%

<b>SOUTH CENTRAL</b>	5.6%	0.8%
AL	18.2%	3.9%
AR, LA, MS	3.8%	0.2%
OK	-0.1%	-2.1%
KY, TN	11.1%	1.4%
TX	1.5%	0.5%
Dallas/Ft. Worth	1.3%	4.0%
Houston	8.6%	2.3%
San Antonio	0.9%	0.6%

<b>SOUTH ATLANTIC</b>	2.9%	-2.6%
DE, DC, MD	6.8%	-8.1%
Washington/Baltimore	1.4%	-9.1%
FL	-1.8%	0.3%
Jacksonville	2.6%	1.6%
Orlando	-5.0%	-6.6%
Tampa	-18.2%	-6.6%
Palm Beach	-21.2%	-0.9%
Naples/Ft Myers	-4.9%	-0.7%
Miami/Ft. Lauderdale	-24.0%	7.4%
GA	9.0%	1.1%
Atlanta	5.8%	-0.2%
NC	7.8%	-7.5%
Greensboro/Raleigh	6.4%	-4.7%
SC	-2.7%	1.4%
Charleston	4.9%	1.7%
Hilton Head	-15.7%	-5.1%
Myrtle Beach	0.8%	15.9%
VA, WV	2.5%	-12.6%
<b>MID ATLANTIC</b>	-1.1%	-9.5%
NJ	-5.3%	-11.1%
NY	-3.9%	-8.2%
New York City	-11.1%	-15.1%
PA	4.1%	-10.0%
Philadelphia	1.1%	-6.3%
Pittsburgh	6.5%	-13.1%
<b>NEW ENGLAND</b>	-3.0%	-5.5%
CT, MA, RI	-2.9%	-7.6%
Boston	-6.3%	-8.2%
ME, NH, VT	-3.0%	-1.0%

The percentages represent the differences in number of rounds played comparing June 2022 to June 2021.

For more information contact Golf Datatech [golfroundsplayed@golf-datatech.com](mailto:golfroundsplayed@golf-datatech.com)

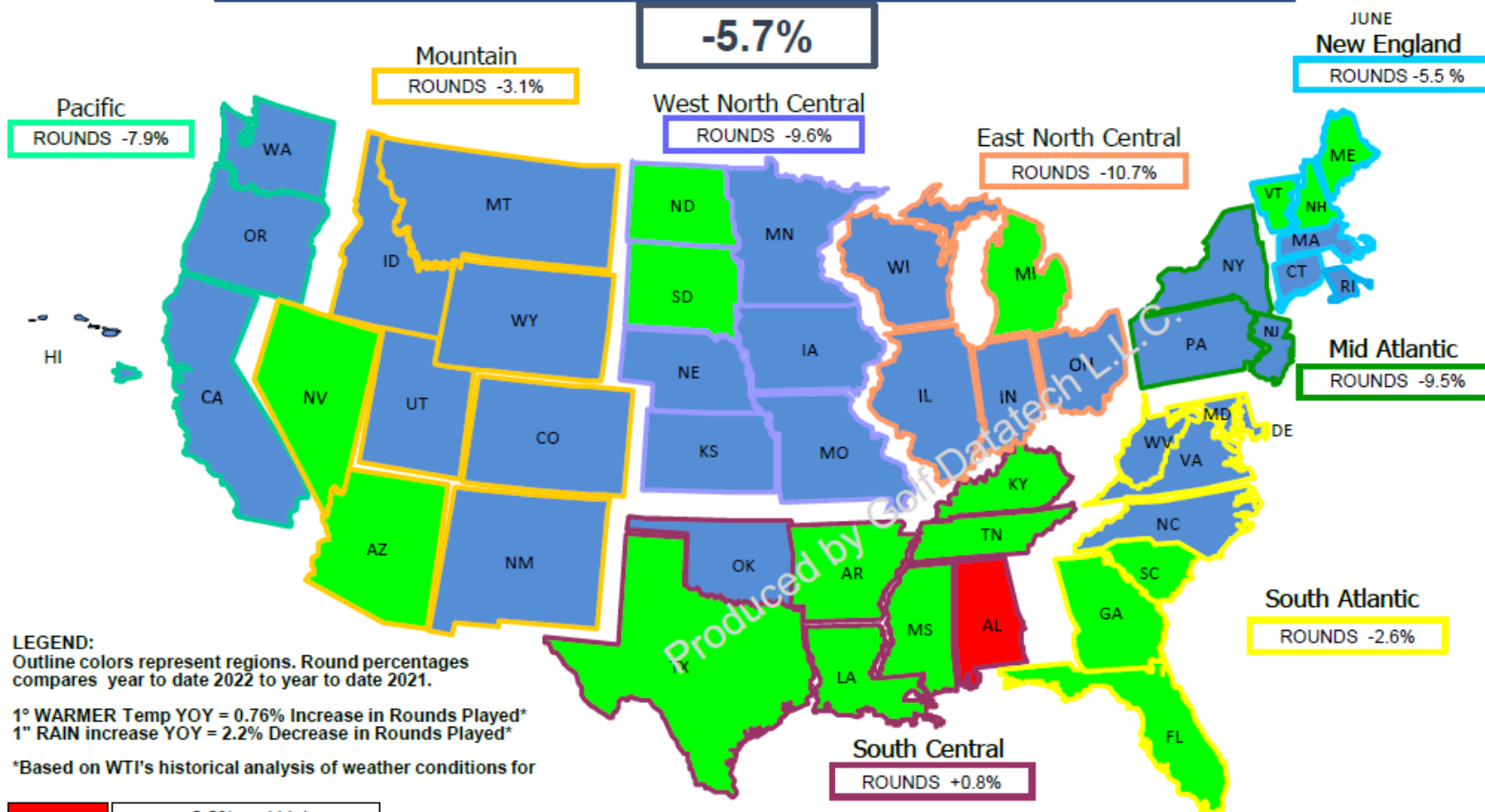


# National Golf Rounds Played Report

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US 2022 vs. 2021 YTD THROUGH JUNE

**-5.7%**





## APPENDIX C – LOCAL DEMOGRAPHIC, DEMAND AND SUPPLY DATA

	Starcke Park GC			Guadalupe County	State of Texas	U.S.
	5-mile ring	10-mile ring	20-mile ring			
<b>Summary Demographics</b>						
Population 1990 Census	25,150	37,587	119,267	64,869	16,985,153	248,584,652
Population 2000 Census	28,001	45,764	158,927	89,026	20,851,813	281,399,034
<b>CAGR 1990-2000</b>	<b>1.08%</b>	<b>1.99%</b>	<b>2.91%</b>	<b>3.22%</b>	<b>2.07%</b>	<b>1.25%</b>
Population 2010 Census	29,502	51,506	220,695	131,533	25,145,561	308,745,538
<b>CAGR 2000-2010</b>	<b>0.52%</b>	<b>1.19%</b>	<b>3.34%</b>	<b>3.98%</b>	<b>1.89%</b>	<b>0.93%</b>
Population Estimate 2019	33,535	59,645	286,842	164,957	28,874,150	328,252,472
Population 2024 Projected	39,293	69,892	341,222	192,689	30,975,304	339,844,802
<b>CAGR 2019-2024</b>	<b>3.22%</b>	<b>3.22%</b>	<b>3.53%</b>	<b>3.16%</b>	<b>1.41%</b>	<b>0.70%</b>
Median HH Income (2019)	\$47,339	\$58,713	\$70,867	\$72,023	\$62,749	\$63,709
Median Age (2019)	37.2	38.6	36.9	37.2	35.0	38.3
<b>Ethnicity</b>						
White	72.8%	78.0%	78.1%	76.5%	67.5%	69.7%
African American	10.4%	6.7%	7.2%	8.4%	12.7%	13.4%
Asian	1.1%	1.0%	1.9%	2.0%	5.2%	6.0%
All Other	15.6%	14.3%	12.8%	13.1%	14.5%	10.9%
<b>Hispanic Population</b>						
Hispanic	57.2%	46.1%	37.3%	37.8%	39.1%	17.9%
Not Hispanic	42.8%	53.9%	62.7%	62.2%	60.9%	82.1%
<b>CAGR = Compound Annual Growth Rate</b>						

	Starcke Park GC			Guadalupe County	State of Texas	U.S.
	5-mile ring	10-mile ring	20-mile ring			
<b>Golf Demand Indicators</b>						
Total Households	10,889	24,404	104,246	57,871	10,528,949	128,476,935
Number of Golfing Households	814	2,446	12,256	6,836	1,227,730	17,966,460
Projected Golfing Households (2024)	1,130	3,368	16,834	9,306	1,515,107	19,624,930
Projected Annual Growth Rate	6.80%	6.60%	6.60%	6.40%	4.30%	1.80%
Seasonal Golfing Households	23	100	247	121	28,306	773,569
Latent Demand/Interested Non-Golfers	1,401	2,966	14,414	8,206	1,563,636	16,967,060
Household Participation Rate	7.50%	10.00%	11.80%	11.80%	11.70%	14.00%
Number of Golfers	1,260	3,667	18,471	10,502	1,729,389	24,800,870
Rounds Potential (resident golfers)	20,109	59,549	301,462	169,464	27,767,610	381,451,700
Estimated Course Rounds (in-market supply)	34,018	69,494	145,081	69,494	20,975,820	381,454,200
<b>Demand Indices</b>						
Golfing Household Participation Rate	53	72	84	84	83	100
Seasonal Golfing Households	35	68	39	35	45	100
Latent Demand/Interested Non-Golfers	9	8	10	10	10	100
Rounds Potential per Household (resident golfers)	62	82	97	99	89	100

	Starcke Park GC			Guadalupe County	State of Texas	U.S.
	5-mile ring	10-mile ring	20-mile ring			
<b>Golf Supply</b>						
<b><i>Golf Facilities</i></b>						
Total	1	2	4	2	716	14,196
Public	1	2	3	2	504	10,539
Public: Daily Fee	0	1	1	1	324	7,992
Public: Municipal	1	1	2	1	180	2,546
Private	0	0	1	0	212	3,657
<b><i>Public Golf Facilities by Price Point</i></b>						
Premium (>\$70)	0	1	1	1	53	1,503
Standard (\$40-\$70)	0	0	1	0	207	4,091
Value (<\$40)	1	1	1	1	244	4,945
<b><i>Golf Holes</i></b>						
Total	18	36	72	36	12,276	241,155
Public	18	36	54	36	8,145	173,952
Public: Daily Fee	0	18	18	18	5,103	131,598
Public: Municipal	18	18	36	18	3,042	42,336
Private	0	0	18	0	4,131	67,203
Non-Regulation (Executive & Par-3)	0	0	0	0	432	18,711
<b><i>Net Change*</i></b>						
Net Change in Holes past 5 years	-18	-18	-36	-36	-909	-16,038
Percentage Total Holes Past 5 Yrs	-50.0%	-33.3%	-33.3%	-50.0%	-6.9%	-6.2%
Net Change in Holes past 10 Years	-18	-18	-45	-45	-1,530	-27,126
Percentage Total Holes Past 10 Yrs	-50.0%	-33.3%	-38.5%	-55.6%	-11.1%	-10.1%
*Numbers may include courses under construction and temporarily closed at the end of the year.						

	Starcke Park GC			Guadalupe County	State of Texas	U.S.
	5-mile ring	10-mile ring	20-mile ring			
<b>Supply-Demand Ratios</b>						
<b><i>Households per 18 Holes</i></b>						
Total	10,889	12,202	26,062	28,936	15,438	9,590
Public	10,889	12,202	34,749	28,936	23,268	13,294
Public: Daily Fee	0	24,404	104,246	57,871	37,139	17,573
Public: Municipal	10,889	24,404	52,123	57,871	62,301	54,625
Private	0	0	104,246	0	45,878	34,412
Premium (>\$70)	0	24,404	104,246	57,871	174,032	71,100
Standard (\$40-\$70)	0	0	104,246	0	47,109	29,538
Value (<\$40)	10,889	24,404	104,246	57,871	62,486	36,629
<b><i>Golfing Households per 18 Holes</i></b>						
Total	814	1,223	3,064	3,418	1,800	1,341
Public	814	1,223	4,085	3,418	2,713	1,859
Public: Daily Fee	0	2,446	12,256	6,836	4,331	2,457
Public: Municipal	814	2,446	6,128	6,836	7,265	7,639
Private	0	0	12,256	0	5,350	4,812
Premium (>\$70)	0	2,446	12,256	6,836	20,293	9,943
Standard (\$40-\$70)	0	0	12,256	0	5,493	4,131
Value (<\$40)	814	2,446	12,256	6,836	7,286	5,122
<b><i>Household Indices</i></b>						
Total	114	127	272	302	161	100
Public	82	92	261	218	175	100
Private	0	0	303	0	133	100
Premium (>\$70)	0	34	147	81	245	100
Standard (\$40-\$70)	0	0	353	0	159	100
Value (<\$40)	30	67	285	158	171	100
<b><i>Golfing Household Indices</i></b>						
Total	61	91	228	255	134	100
Public	44	66	220	184	146	100
Private	0	0	255	0	111	100
Premium (>\$70)	0	25	123	69	204	100
Standard (\$40-\$70)	0	0	297	0	133	100
Value (<\$40)	16	48	239	133	142	100
<b><i>Rounds per 18 Holes</i></b>						
Rounds Potential (resident golfers)	20,109	29,775	75,366	84,732	40,715	28,472
Estimated Course Rounds (in-market supply)	34,018	34,747	36,270	34,747	30,756	28,472

## APPENDIX D – COMPETITIVE SET MEMBERSHIP INFORMATION

Membership Fee Information				
Golf Facility	Annual Dues	Cart Fee (9H/18H)	Range Benefits	Notes
Starcke Park Golf Course	Single: \$650 Couple: \$750 Senior: \$550	\$10 / \$15	--	Per-round surcharge is \$4 Trail Fee: Daily - \$12 Annual - \$725
The Bandit Golf Club <sup>1</sup>	Single: \$3,000 Family: \$4,200	n/a / \$15	Range use included	Long Creek residents Trail Fee \$850
Brackenridge Park Golf Course <sup>2</sup>	Unlimited: \$2,900 With cart: \$4,100	\$8.50 / \$16	n/a	Level I: \$65.95 <sup>2</sup> Level II \$369.95 <sup>2</sup>
JBSA-RND Randolph Oaks GC	E1-E4: \$600 E5-O10: \$850 Non-DoD Civilian: \$1,200	n/a / \$15	--	Family Dues: E1-E4: \$850 E5-O10: \$1,200 Non-DoD Civ.: \$1,450
Landa Park Golf Course	Single: \$1,890 (\$2,130 if paid monthly) Couple: \$2,835 4-Month Seasonal: \$840		--	Monthly membership is \$230 Annual cart membership: \$900 Annual Trail Fee: \$400
Northern Hills Golf Club <sup>2</sup>	Unlimited: \$2,900 With cart: \$4,100	\$8.50 / \$16	\$3 off range balls at San Pedro, Cedar Creek, Mission Del Lago and NHGC	Level I: \$65.95 <sup>2</sup> Level II \$369.95 <sup>2</sup>
Olympia Hills G&E Center <sup>3</sup>	Gold: \$4,320 / \$6,480 / \$3,672 Silver: \$3,120 / \$4,680 / \$2,652 Bronze (M-F): \$1,920 / \$2,880 / \$1,632	Included w/ Gold \$15 for 18H w/ Silver and Bronze	Range use included	Olympia Players Pass: \$100 (20% off green fees, 50% range; every 10 <sup>th</sup> round free PDP: Discounted green fees; unlimited range balls & practice
Willow Springs Golf Course <sup>2</sup>	Unlimited: \$2,900 With cart: \$4,100	\$8.50 / \$16	\$3 off range balls at San Pedro, Cedar Creek, Mission Del Lago and NHGC	Level I: \$65.95 <sup>2</sup> Level II \$369.95 <sup>2</sup>
1. \$4,000 initiation fee 2. Unlimited memberships are for all ACGT courses. Level I includes: discounted green fees; 1 hour-early twilight; 6 free green fee promo codes; free birthday green fee; loyalty points. Level II adds 10 free riding rounds (\$10 surcharge at Breckenridge), 8-day booking, \$5 discount on simulator at San Pedro. 3. Dues as shown are for single / couple / senior.				<b>DNA</b> – Does not apply  <b>N/A</b> – Information not available



## APPENDIX E – COURSE CONDITIONS



Compaction and egress issues produce poor turfgrass on Hole #1 Green Surrounds



Contaminated turfgrass on Hole #3 green



Blind tee shot on Hole #7 creating small safety issue



Compaction + Shade = No turfgrass here by Hole #8 Green



Algal growth in the pond on Hole #10



The maintenance staff is constantly battling irrigation leaks like this one on Hole #12





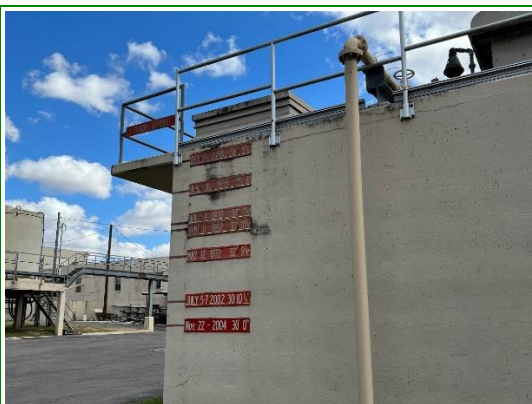
Shade and compaction issues on a small tee box produces a very low-quality playing surface.



Tee boxes are too small to provide a quality stand of turfgrass



The bunkers are long overdue for a renovation



Past flood levels marked on the Sewer Plant Wall. It's been a while, but it will happen again.



The pump station is long-overdue for an upgrade



Outdated bathrooms



The cart barn is inadequate and needs to be replaced, ideally closer to the clubhouse

## APPENDIX F - GOLF ROUTING – ADDITIONAL DISCUSSION

### Good Circulation / Speed of Play

These ideas apply to Starcke Park in differing degrees:

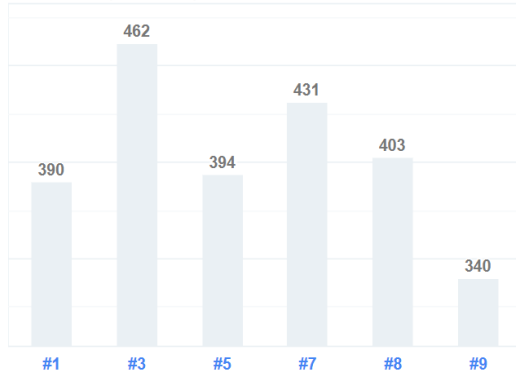
- Easy holes play fast, hard holes, reachable par 4 and par 5 holes, and par 3 holes play slow. Some techniques:
  - Put short par 5's, drivable par 4's, and the first par 3 hole as far back in each nine as possible.
  - Eliminate easy holes just before hard ones to reduce backups.
  - Try to equalize the overall difficulty of all holes for faster play.
  - Reduce distance and travel time from green to next tee.
- Design travel routes and distances primarily for the busiest tees.
- Generally, decrease difficulty and increase playability.
- Reduce the number of sand bunkers and make sure there is a minimum of deep rough.
- Remove/reduce as many hazards as possible in high play areas (i.e., short right of greens and anywhere right of fairways.)
- Widen fairways and play corridors.
- Minimize turf reductions and plan considering shot dispersion patterns of “C and D” players.
- Remove brush from wooded areas to reduce lost golf ball searches
- When placing hazards, remember that:
  - Ponds are the fastest play hazard, with few golfers looking for their “deep sixed” golf balls.
  - Green side sand bunkers (always use Sand Wedge) play fast.
  - Greenside chipping areas maintained at fairway height can be tricky for many, but misses are quick.

## Design Variety

Starcke Park GC has decent distance variety among its par-3, 4 and 5 holes as shown in the varying (and alternating) distances and balance among different hole types:

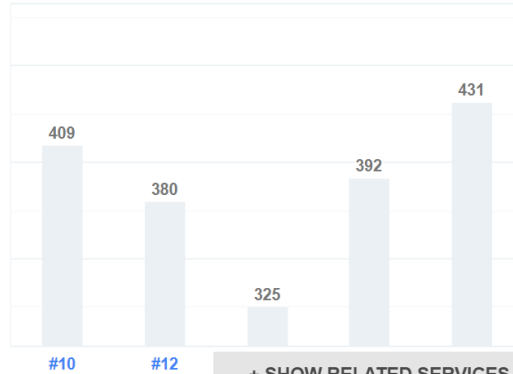
### PAR 4 - OUT

AVERAGE: 403 (ALL 4'S: 396)



### PAR 4 - IN

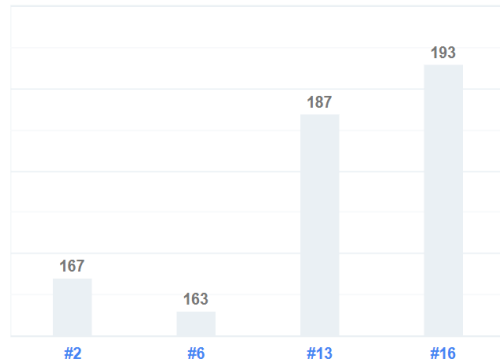
AVERAGE: 387 (ALL 4'S: 396)



[+ SHOW RELATED SERVICES](#)

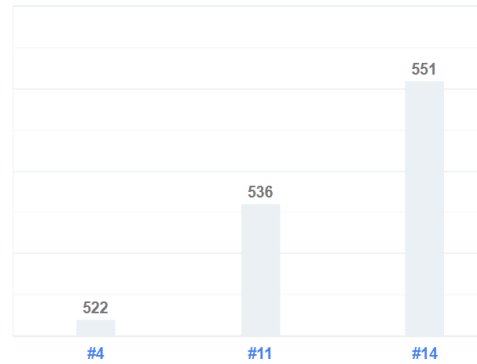
### PAR 3

AVERAGE: 178



### PAR 5

AVERAGE: 536





## APPENDIX G – ASGCA LIFE CYCLE CHART

# GOLF COURSE ITEMS EXPECTED LIFE CYCLE

### HOW LONG SHOULD PARTS OF THE GOLF COURSE LAST?

No two golf courses are alike except for one thing: deferring replacement of key items can lead to greater expense in the future, as well as a drop in conditioning and player enjoyment. The following information represents a realistic timeline for each item's longevity.

Component life spans can vary depending upon location of the golf course, quality of materials, original installation and past maintenance practices. The American Society of Golf Course Architects (ASGCA) encourages golf course leaders to work with an ASGCA member, superintendents and others to assess their course's components.

ITEM	YEARS
Greens (1)	15 – 30 years
Bunker Sand	5 – 7 years
Irrigation System	10 – 30 years
Irrigation Control System	10 – 15 years
Pump Station	15 – 20 years
Cart Paths – asphalt (2)	5 – 10 years (or longer)
Cart Paths – concrete	15 – 30 years (or longer)
Practice Range Tees	5 – 10 years
Tees	15 – 20 years
Corrugated Metal Pipes	15 – 30 years
Bunker Drainage Pipes (3)	5 – 10 years
Mulch	1 – 3 years
Grass (4)	Varies

**NOTES:** (1) Several factors can weigh into the decision to replace greens: accumulation of layers on the surface of the original construction, the desire to convert to new grasses and response to changes in the game from an architectural standpoint (like the interaction between green speed and hole locations). (2) Assumes on-going maintenance beginning 1 - 2 years after installation. (3) Typically replaced because the sand is being changed – while the machinery is there to change sand, it's often a good time to replace the drainage pipes as well. (4) As new grasses enter the marketplace – for example, those that are more drought and disease tolerant – replanting may be appropriate, depending upon the site.

ASGCA thanks those at the USGA Green Section, Golf Course Builders Association of America, Golf Course Superintendents Association of America and various suppliers for their assistance in compiling this information.

The materials presented on this chart have been reviewed by the following Allied Associations of Golf:



For more information, contact ASGCA at (262) 786-5960 or visit [www.ASGCA.org](http://www.ASGCA.org)

DATA COMPILED BY ASGCA, 125 NORTH EXECUTIVE DRIVE, SUITE 302, BROOKFIELD, WI 53005

## APPENDIX H – REGIONAL MUNICIPAL GOLF FACILITIES – MAINTENANCE BENCHMARKING

Regional Municipal Golf Facilities – Maintenance Benchmarking					
Municipal Golf Facility	Maintenance Budget	Mtce. Staff F/T	Mtce. Staff P/T / Seasonal	Annual Rounds Played	Notes
Starcke Park Golf Course	\$535,000	5	1	38,000	Includes 50% of General Manager's salary.
Landa Park GC (New Braunfels)	\$850,000	8	2	51,300	
Rockwood Park GC (Fort Worth)	\$700,000	8	6	47,000	Estimates based off of FY19 actual.
<b>City of San Antonio (Alamo City)</b>					Mechanics are shared and not included in any individual facility staffing.
Brackenridge Park	\$655,800	8	4	60,030	
Cedar Creek	\$582,700	6	4	60,010	
Mission Del Lago	\$581,500	5	3	39,458	
Northern Hills	\$587,000	5	3	60,022	
Olmos Basin	\$628,500	8	4	50,000	
Riverside	\$561,500	5	3	60,370	
Willow Springs	\$605,000	5	3	55,521	
<b>City of Austin</b>					Staffing is supplemented by volunteers.
Clay-Kizer (36 holes)	N/A	10	9	85,000	Based on FY19 actuals.
Morris Williams	N/A	5	4	52,000	Based on FY19 actuals.
<b>Market Average (per 18H)</b>	<b>\$639,111</b>	<b>6.2</b>	<b>3.7</b>	<b>51,725</b>	
<b>National Average (South – 18H)</b>	<b>\$614,196</b>	<b>5</b>	<b>6</b>	<b>38,935</b>	National average is from 2020 NGF Municipal Golf Survey.
1. All facilities are 18 holes except for City of Austin's 36-hole Clay-Kizer 2. Alamo City golf courses share mechanics, so excluded from total of individual courses 3. Market averages are per 18 holes and exclude Starcke Park GC.					<b>F/T</b> – Full-time <b>P/T</b> – Part-time <b>N/A</b> – Information not available



## APPENDIX I – GRAND RE-OPENING

### Prior to Reopening

Once commitment to the renovation is made, the City of Seguin should communicate to the community – via emails, press releases, etc. - what the project components will be, why the renovation is being undertaken, what the expected timeframe is, etc. Messaging should emphasize that the renovation will result in essentially a new golf course that will remain affordable for city residents and others.

The City can begin creating “buzz” early, with periodic updates on construction progress sent to the golfer database, as well as to regional golfers (email databases are available through NGF and other sources). City staff, perhaps working in tandem with the Chamber of Commerce, should send periodic press releases to regional and national golf media (your architect will help with this effort by providing updates to the American Society of Golf Course Architects for inclusion in their trade publications).

The months leading up to reopening are also a good time to get larger outings (e.g., charities, businesses, civic organizations, etc.) on the books; either someone on staff or a part-time incentive-based (if permissible by City) direct salesperson can aggressively target these groups. The City may also choose this pre-opening time, and the first few days after opening, to sell memberships at a small discount (to new, updated pricing).

Also prior to grand reopening, focus should be on strategic initiatives surrounding the grand re-opening. Examples include updating and communicating the golf course’s brand, perhaps creating a new logo, and building a new dedicated website (separate from City website). In some cases, the facility can also benefit from a name change, even if subtle. Finally, it is important to extend these branding evolutions across all marketing and communication platforms, including the website.

The City may wish to consider retaining an outside Marketing / Public Relations firm to manage all of these activities. This firm could develop an extensive PR strategy, including a press kit for communicating grand opening events and facility improvements to media and affinity groups. The chosen company could deploy tactics across print, digital and paid social channels and, as the grand-reopening date approaches, manage direct email marketing efforts for VIPs, media and other special guests.

Whether the City or an outside company manages the publicity, news coverage leading up to the reopening event(s) should include announcements in local weekly newspapers and business magazines, television/radio programs, social media accounts, and online outlets.

### Soft Reopening

A common strategy NGF has observed is hosting a “soft” opening / reopening anywhere from days before to a month or more before the grand reopening to the general public. The soft opening is typically restricted to media, golf writers, noted area golfers, and local golf dignitaries (e.g., City Council) and celebrities. Festivities may begin with opening remarks and include a welcoming toast for attendees, food service, and a ribbon-cutting ceremony. The day would conclude with a golf outing (e.g., shotgun start, 9-hole scramble) featuring contests (closest to the pin, hole-in-one, etc.), raffle prizes, music, etc.

### Grand Reopening

Following the soft reopening event or other “VIP preview”, the official Grand Reopening celebration can be either a single-day or two-day event featuring a 9-hole or 18-hole shotgun outing, complete with the elements noted above. The golf would be followed by food and refreshments, perhaps preceded by a ribbon-cutting ceremony by the Mayor or full City Council. The following days, with the course officially opened to the public, may include more tournament-style play or simply regular play.

## APPENDIX J – EXAMPLE OF “DASHBOARD” PROGRESS REPORT

Miami Beach Golf Club  
Progress Report  
September ' 2016

cc: City of Miami Beach (John Haber, Vincent Porco-Schell), PCMI (Alicia Pank, Steve Ferrell)

Current Year - September ' 2016				
Rounds	September ' 2016		Monthly Revenue by Category	YTD Avg Rd/Day 366 Days
	2016	YTD		
Member	290	4,724	5,800	13
Member Guests	19	624	654	2
Rack Rate	282	5,433	28,351	15
MB Residents	424	8,592	21,420	23
So FL Residents	135	2,085	11,297	6
Tournament	258	4,171	30,480	11
9-Hole Member	153	2,105	1,836	6
Canadian Golf Pass	3	496	230	1
Promotion-High School	42	125	840	0
Premier Summer Member	1,790	14,328	57,915	39
<b>Total</b>	<b>3,396</b>	<b>42,683</b>	<b>158,823</b>	<b>117</b>

Range	1,508	20,853
Annual Members Sold	0	146

Prior Year - September ' 2015				
Rounds	September ' 2015		Monthly Revenue by Category	YTD Avg Rd/Day 365 Days
	2015	YTD		
Member	249	4,358	4,980	12
Member Guests	31	593	1,300	2
Rack Rate	367	6,618	39,962	18
MB Residents	308	7,227	15,705	20
So FL Residents	163	2,130	14,060	6
Tournament	164	4,572	19,680	13
9-Hole Member	134	2,513	1,608	7
Canadian Golf Pass	2	554	144	2
Promotions-High School	48	77	0	0
Premier Summer Member	1,600	14,397	51,810	39
<b>Total</b>	<b>3,066</b>	<b>43,039</b>	<b>149,249</b>	<b>118</b>

Range	1,434	18,160
Annual Members Sold	0	136

Actual			Budget		Variance	
Golf Revenue	September ' 2016		September ' 2016	YTD	+/- Var	+/- Var - YTD
	September ' 2016	YTD				
Greens Fees	71,227	1,957,495				
Cart Fees	87,596	1,005,998				
Membership @ 1/1	64,154	587,224				
<b>Sub-Total Golf Revenue</b>	<b>222,977</b>	<b>3,550,717</b>	<b>235,675</b>	<b>4,024,000</b>	<b>-12,698</b>	<b>-473,283</b>
<b>Other Revenue</b>						
Range	12,333	169,454				
Lessons @ 20%	3,200	107,009				
ProShop Lease @ 5%	2,442	38,295				
Miscellaneous	0	0				
Food & Bev Lease @ 5%	3,840	51,969				
<b>Sub-Total Other Revenue</b>	<b>21,815</b>	<b>366,727</b>	<b>23,500</b>	<b>326,000</b>	<b>-1,685</b>	<b>40,727</b>
<b>Totals</b>	<b>244,792</b>	<b>3,917,444</b>	<b>259,175</b>	<b>4,350,000</b>	<b>-14,383</b>	<b>-432,556</b>

Ttl Merch YTD	765,900
Ttl Lessons YTD	835,045
Ttl F&B YTD	1,039,380

Deferred Income	
Membership Fees (recognized & unrecognized)	0

Prior Year - September ' 2015			Budget		Variance	
Golf Revenue	September ' 2015		September ' 2015	YTD	+/- Var	+/- Var - YTD
	September ' 2015	YTD				
Greens Fees	70,986	2,166,576				
Cart Fees	78,263	1,009,768				
Membership @ 1/1	64,585	574,373				
<b>Sub-Total Golf Revenue</b>	<b>213,834</b>	<b>3,750,717</b>	<b>239,000</b>	<b>3,997,000</b>	<b>-25,166</b>	<b>-246,283</b>
<b>Other Revenue</b>						
Range	12,553	163,780				
Lessons @ 20%	3,764	65,131				
ProShop Lease @ 5%	2,308	41,642				
Miscellaneous	0	0				
Food & Bev Lease @ 5%	3,014	47,734				
<b>Sub-Total Other Revenue</b>	<b>21,639</b>	<b>318,287</b>	<b>22,500</b>	<b>340,000</b>	<b>-861</b>	<b>-21,713</b>
<b>Totals</b>	<b>235,473</b>	<b>4,069,004</b>	<b>261,500</b>	<b>4,337,000</b>	<b>-26,027</b>	<b>-267,996</b>

Ttl Merch YTD	832,840
Ttl Lessons YTD	325,655
Ttl F&B YTD	954,680

Deferred Income	
Membership Fees (recognized & unrecognized)	0

APPENDIX K – FINANCIAL PROJECTIONS – STARCKE PARK GOLF COURSE

Exhibit 1 – “Steady State / Base Case” Scenario

Starcke Park Golf Course - 5-Year Pro Forma (FY23-FY27)					
	FY 23	FY 24	FY 25	FY 26	FY 27
Total Rounds Played	35,000	33,500	32,500	32,000	31,500
Operating Revenue					
Golf Course Receipts	\$613,900	\$599,300	\$593,100	\$595,600	\$598,000
Golf Cart Rentals	466,400	455,300	450,600	452,500	454,300
Golf Concessions	157,500	153,800	152,200	152,800	153,400
Golf Merchandise Sales	45,500	44,400	43,900	44,100	44,300
Miscellaneous Revenues*	19,200	18,700	18,500	18,600	18,700
Total Revenue	\$1,302,500	\$1,271,500	\$1,258,300	\$1,263,600	\$1,268,700
Per Round					
Golf Course Receipts	\$17.54	\$17.89	\$18.25	\$18.61	\$18.99
Golf Cart Rentals	13.33	13.59	13.86	14.14	14.42
Golf Concessions	4.50	4.59	4.68	4.78	4.87
Golf Merchandise Sales	1.30	1.32	1.35	1.38	1.41
Miscellaneous Revenues*	0.55	0.56	0.57	0.58	0.59
Operating Expenses					
Labor	\$820,000	\$848,700	\$878,400	\$909,100	\$940,900
Non-Labor	410,000	424,400	439,300	454,700	470,600
Total Operating Expenses	\$1,230,000	\$1,273,100	\$1,317,700	\$1,363,800	\$1,411,500
Profit / Loss	\$72,500	-\$1,600	-\$59,400	-\$100,200	-\$142,800
Capital/Debt Costs					
Pro Shop Bond	\$82,000	\$82,000	\$82,000	\$82,000	\$82,000
Equipment Notes	144,000	144,000	125,000	130,000	150,000
Cart Lease	50,000	50,000	120,000	120,000	120,000
Total Debt/Cap. Requirement	\$276,000	\$276,000	\$327,000	\$332,000	\$352,000
General Fund Impact	-\$203,500	-\$277,600	-\$386,400	-\$432,200	-\$494,800

Exhibit 2 – Renovation Scenario

Starcke Park Golf Course - 5-Year Pro Forma (after renovation)					
	Year 1	Year 2	Year 3	Year 4	Year 5
Total Rounds Played	37,000	39,000	40,000	40,000	40,000
Operating Revenue					
Golf Course Receipts	\$733,200	\$792,200	\$832,800	\$853,600	\$874,900
Golf Cart Rentals	493,000	532,700	560,000	574,000	588,300
Golf Concessions	173,900	187,900	197,500	202,500	207,500
Golf Merchandise Sales	52,000	56,200	59,000	60,500	62,000
Miscellaneous Revenues*	21,500	23,200	24,400	25,000	25,600
Total Revenue	\$1,473,600	\$1,592,200	\$1,673,700	\$1,715,600	\$1,758,300
Per Round					
Golf Course Receipts	\$19.82	\$20.31	\$20.82	\$21.34	\$21.87
Golf Cart Rentals	13.33	13.66	14.00	14.35	14.71
Golf Concessions	4.70	4.82	4.94	5.06	5.19
Golf Merchandise Sales	1.40	1.44	1.48	1.51	1.55
Miscellaneous Revenues*	0.58	0.59	0.61	0.62	0.64
Operating Expenses					
	0				
Labor	\$900,000	\$927,000	\$954,800	\$983,400	\$1,012,900
Non-Labor	410,000	422,300	435,000	448,100	461,500
Total Operating Expenses	\$1,310,000	\$1,349,300	\$1,389,800	\$1,431,500	\$1,474,400
Profit / Loss	163,600	242,900	283,900	284,100	283,900
Capital/Debt Costs					
Pro Shop Bond	\$82,000	\$82,000	\$82,000	\$82,000	\$82,000
Equipment Notes	190,000	190,000	190,000	190,000	190,000
Cart Lease	120,000	120,000	120,000	120,000	120,000
Bond Payment	391,000	391,000	391,000	391,000	391,000
Total Debt/Cap. Requirement	\$783,300	\$783,300	\$783,300	\$783,300	\$783,300
Total General Fund Impact	-\$619,400	-\$540,100	-\$499,100	-\$498,900	-\$499,100

## **APPENDIX L – OVERALL IMPACTS OF MUNICIPAL GOLF COURSES**

Golf courses have a financial impact on local economies beyond their on-site revenue generation from operations. These impacts (including ‘multiplier effects’) derive from:

- ▶ Job creation / employee compensation
- ▶ Large capital improvement / renovation expenditures
- ▶ Local expenditures on supplies / materials
- ▶ Golf course-driven tourism / hospitality spending
- ▶ Residential real estate – new construction in golf communities, plus housing premiums
- ▶ Local tax generation (local sales tax, higher property tax, due to housing premiums)
- ▶ Fundraising - Charitable golf events

In 2017, NGF did an economic impact analysis for the city of Prescott, Arizona’s 36-hole Antelope Hills Golf Course. While the facility generated about \$3 million in direct on-site revenues and produced a small annual deficit after city administrative charges, our analysis showed a total of \$7.3 million in impact to the Prescott economy, excluding effects on real estate and tax generation. In addition to direct economic impact, Antelope Hills also results in jobs and compensation, both at the golf course and as a result of the effect the golf course operations have on the local hospitality industry.

For the City of Seguin golf courses, economic impact beyond those related to on-site operations is somewhat constrained because they are not regional “destination” golf courses that draw more players from outside of the city to play there and spend money in Seguin restaurants, gas stations, lodging properties, etc.

Independent of direct and indirect financial impacts of the golf course operation, there are other benefits that accrue to a municipality that owns and operates a golf course. Starcke Park and The Woodlands are important parts of the open space program for the City of Seguin.

The value of the golf courses to the City of Seguin includes the following aspects:

- ▶ Open space land
- ▶ Enhanced quality of life
- ▶ Organized public recreation (golf and potential future recreation amenities)
- ▶ Potential public meeting space (clubhouse)
- ▶ Environmental enrichment (habitat, wetlands, etc.)