

DRYDEN LAKEVIEW GOLF CLUB

Phase 1: Feasibility Study

FINAL REPORT

May 20, 2004

Prepared for:

Town of Dryden

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In order to conduct this study a number of people were involved beyond those listed above. I'd like to thank Bob Martin and his daughter Cindy from the Lakeview Golf Course for opening up the course and their personal records to the study team. I'd also like to thank the Town of Dryden, in particular Steve Trumbull for his assistance with facilitating the ad-hoc committee. The members of the ad-hoc committee including Gerry Ryan, Bill Worth, Dan Hill, Bob Larson, and Doug Norton were instrumental in helping us gather information pertinent to this study. Others consulted during the course of this study included Deb Gross the Town Environmental Planner, the Town Conservation Board and the office of the City of Ithaca Controller.

EXECUTIVE SUMMARY

The Town of Dryden commissioned Tallman & Demarest Architects, LLP to develop a feasibility study for the Lakeview Golf Course. The objective of the study was to determine the viability of the existing golf course design and whether or not it is in the Town's best interest to purchase and/or operate the facility.

The study includes a review of the Town's open space planning objectives, the current golf demand by way of a comprehensive report by the National Golf Foundation, a review of the past, current, and future golf operation, and an assessment of the design of the golf course facility.

This study does not include a comprehensive financial or legal analysis of the existing golf course or future land-use possibilities. This is primarily a review of the design of the golf course with some discussion of the operation and golf demand as it informs the relative quality of design.

Following are a list of key findings and recommendations developed in response to the information gathered. It is important to note that much of this study is based on objective facts but some of it is based on subjective information provided to the study team as well as our own subjective interpretations. In other words, the following are our professional opinions as architects and designers. The Town Board may need further consultation with an attorney and accountant to develop a final decision regarding the fate of the golf course.

Key Findings

1. The Town of Dryden Conservation Advisory Council recognizes the Lakeview Golf Course (abutting Dryden Lake) as an important managed open space asset.
2. There is an oversupply of value-fee golf courses in the local golf market and an under-supply of standard and premium golf courses.
3. There are presently two 18-hole standard-fee golf facilities, both in Cortland, in development.
4. It is apparent that the management of the course has diminished over the past several years with a significant decrease in revenue.
5. The course has been operated with the bare minimum of maintenance.
6. The operation and revenue of the facility when it was 9-holes was once very similar to the City of Ithaca municipal golf course with revenue and expenses about even.
7. An 18-hole facility has far greater potential to be profitable than a 9-hole facility.
8. The Lakeview golf course made only one-fifth of the projected revenue during its first year as an 18-hole facility and significantly LESS revenue than it made as a 9-hole facility.
9. Nationwide there has been a trend towards municipally owned golf facilities becoming operated by private individuals or companies.
10. This is a picturesque golf course with incredible views of Dryden Lake and the surrounding rural landscape.

11. However, there are a number of serious design flaws including greens that are too small and unplayable, holes that are too close together, blind greens and hazards, and a clubhouse and maintenance buildings in need of structural upgrades and renovation.

General Recommendations

1. It is recommended that the Town ensure that the land currently comprising the golf course remains a managed open space asset for the members of the Dryden community.
2. It is not advised that the Town attempt to keep the golf course as an 18-hole facility in its current configuration.
3. However, it is advised that the Town attempts to keep all of the parcels together as one managed facility to prevent the loss of opportunity to develop the golf course into an 18-hole facility at a later date.

It does not seem to matter if the Town accomplishes these general recommendations directly through purchasing the golf course or somehow assisting a private individual to take control of the facility.

It might be feasible to provide a private owner/operator with tax abatements or other incentives in exchange for adopting an environmental strategy consistent with the Town's goals regarding managed open space assets.

Short-Term Goals

A number of short-term goals have been identified. These goals should be achieved within the next 1 to 2 golfing seasons.

4. It is recommended that a fair and enjoyable 9-hole layout be reconstructed – preferably the original 9-hole layout with only minor modifications.
5. The golf club needs a qualified energetic, trained business manager who understands the operation of a successful golf club, its employees, and the administration of a profitable restaurant.
6. The manager should attempt to restore the nightly leagues, tournaments, outings, and overall golfer camaraderie.
7. Capital improvements should include purchasing new equipment and rebuilding a limited number of greens and tees.
8. The facility should incorporate an environmental strategy that includes participation in the Audubon Cooperative Sanctuary Program.

The facility could have a small amount of positive net income but will unlikely have significant revenue as a 9-hole layout and may possibly lose money during the short-term period.

Long-Term Goals

Long-term goals should be achieved within the next 2 to 5 years.

9. Additional land should be acquired to construct either a full-length 18-hole facility that is competitive with the other value and standard fee golf courses in the area OR a high quality 9-hole course with market rate housing lots incorporated into a golf community.
10. The expanded facility might abandon most of the existing holes and establish a more fair and enjoyable golf experience for the local golfer with a high enough quality to attract repeat visitors from surrounding counties.
11. The existing clubhouse and maintenance buildings should be either completely renovated with structural upgrades or replaced with modest yet functional buildings.
12. The expanded facility should allow for an expanded environmental buffer and multi-use trail around Dryden Lake if possible as well as other non-golf, year-round education and recreational opportunities for the community.

An 18-hole facility has much greater revenue potential than a 9-hole facility. With two new 18-hole courses in development within a 10-mile radius of the Lakeview course it is difficult to say that Lakeview could be a successful 18-hole facility unless it can differentiate itself within the value and standard-fee golf market. With this in mind, a higher quality 9-hole facility surrounded by market-rate housing might be a more appropriate long-term land use.

DRYDEN OVERVIEW

The Town of Dryden was established in 1797 and encompasses about 95 square miles of eastern Tompkins County. Like most of Central NY, lumbering was a major economic activity during the early years of settlement within the Town. Farming slowly replaced lumbering as the economic basis as the forests were exhausted. Today much of the land is still agricultural with fragmented second-generation forests.

With 13,532 residents, the Town of Dryden is the third largest municipality in Tompkins County behind the City of Ithaca and the Town of Ithaca. Located along NYS Route 13 the Town is in good proximity to both Ithaca and Cortland. Over the past several decades growth in the industrial and higher education sectors in Ithaca and Cortland has led to significant residential development and population growth in the town. However, the Town of Dryden remains very much a rural municipality today.¹

Dryden Open Space Plan

The Town of Dryden has done a great deal of work to address land-use planning issues within its jurisdiction. The Town has established a Conservation Advisory Council (CAC) that is charged with developing and maintaining an Open Space Inventory (OSI), as well as providing guidance with natural resource planning.

The Open Space Inventory (OSI) identifies, catalogues, and maps natural and cultural resources as well as natural hazards within the Town of Dryden. This inventory is used to assist in land-use planning and policy decisions. As stated in the OSI, the document addresses undeveloped land as well as specific areas such as “recreational resources that could be of interest in discussions of the Town’s land-use planning issues and policy concerns”.

The OSI has identified all of the managed open space assets within the Town of Dryden. A number of community parks, natural areas, state forests exist along with a few privately owned recreational areas. The Lakeview Golf Course (abutting Dryden Lake) is one such privately owned managed open space asset included within the OSI. Included also in the OSI are assets currently managed by The Town of Dryden. These include the Dryden Lake Park on the northwestern edge of Dryden Lake, and the Jim Shug Trail. Both of these managed assets are adjacent to the Lakeview Golf Course.²

Having consulted with the Town Conservation Advisory Council by way of the Town Environmental Planner it is clear that the recommendation is to keep the golf course a managed open space. Some of the concerns raised are related to runoff, developing an increased buffer between the golf course and the lake/wetlands, and cultivating wildlife habitat (specifically grass nesting birds). The CAC is not in a position to really care whether the land is a golf course or some other open space. However, it is my opinion that the golf course is encroaching on the natural wildlife habitats. We would like to see a greater level of

¹ Town of Dryden Draft Comprehensive Plan – 11/10/03, www.dryden.ny.us

² Town of Dryden Open Space Inventory – 5/15/03 www.dryden.ny.us

sensitivity with the interaction between the golf course and the environment. However, this may require a re-working of some of the holes nearest to the lake.

Lakeview Golf Course Property

The golf course spans three separate tax parcels (see Appendix 4). The original 9-holes were on parcel 49.1.30.2, a single-family residence is on parcel 49.1.30.2, and the new land acquired for the additional holes is on parcel 49.1.32.22.

The total site area is 90.70+/- acres.

The total assessment for these parcels is \$450,000.

The original 9-holes were purchased for \$450,000 in 1996 and according to the owner the total expenditures for the new 9-holes exceeded \$250,000.

The private real estate appraisal firm of Bruckner, Tillet, Rossi, Cahill & LeGrett determined the market value of the course to be \$1,100,000 back in 2001 (contingent upon the completion of the new holes).

The current use is permitted under the area's RB-Residential 1 & 2 Family zoning.

The site is not located within a flood hazard.

Key Findings

1. The Town of Dryden Conservation Advisory Council recognizes the Lakeview Golf Course (abutting Dryden Lake) as an important managed open space asset.

GOLF DEMAND

NGF Report Overview

In order to analyze the golf market and overall demand for golf in the Dryden area we consulted with the National Golf Foundation. NGF provides a service called the GolFacts Plus report, which is “an introductory look at the data and analysis useful in understanding a particular golf market.”

The report includes population demographics, predicted golf demand, number of households per golf facility, recent construction activity, and overview of other area facilities. The entire report is included in Appendix 1 of this study. The key findings of the study are listed here with some that we find particularly relevant in **bold**.

- The Syracuse DMA ranks in the upper-middle tier of all DMAs on the measures of predicted golfing households, predicted golf rounds demanded and the total number of golf facilities. The DMA ranks in the lower half of all DMAs for the number of resort and premium golf facilities.
- **Since 1990, the populations of both the local market areas and the Syracuse DMA have experienced relatively little change. This trend is expected to continue through 2007. The lack of growth expected in the market area means that golf facility operators in this region will have to gain a greater share of the existing golf market.**
- The age levels for the Dryden area are below the national median, indicating a younger population. In general, the propensity to play golf with greater frequency increases with age, making relatively older markets more active in golf than in younger markets.
- The household income levels for the Dryden market area are below the national median, indicating a higher percentage of lower income residents. In general, higher income residents are more likely to participate in golf; frequency of play also rises with income.
- **The area golf participation rate is 5 to 10 percent higher than the national average. Golf participation increases the closer you get to Lakeview Golf Club. The golfers in the area produce 50 to 60 percent more rounds per golfer than the total U.S., and over 100 percent more rounds than the State of New York as a whole. High rounds activity in this local market is indicative of the low-fee golf available in the Lakeview market.**
- **Both the local Lakeview market area and the overall Syracuse DMA have significantly fewer households per 18-hole facility than the national average. This indicates that in direct proportion to the population the area is generally over-supplied with golf courses. However, closer inspection of the data reveals that this oversupply tends to be in the lower-fee segment of the golf market as the middle and premium segments appear to be under-supplied as compared to the total U.S.**
- **The Demand/Supply comparison indicates that Dryden is an active golf market with a relatively large supply of golf facilities along with a large supply**

of active golfers. This would indicate that there is an active trade for golf in this market area, but the golf trade tends to be most active at the lower-fee golf facilities in the market.

- There has been no golf course construction within the last 10 years within the 5 and 10-mile rings and in Cortland County and Tompkins Counties. The overall Syracuse DMA has also seen relatively little new golf development as about 11 percent of the total golf facility inventory has been added in the last ten years, compared with 20 percent for the total U.S. **There are presently two facilities, both in Cortland, in the pipeline for new golf facility development.**

Competitive Facility Overview

There are only four other courses in the 10-mile ring (see Appendix 1). All of these courses are 18-hole facilities and only one is of standard-fee with the other 3 courses being value-fee.

Two new courses are in development in the 10-mile ring with no new courses in the 20-mile ring (see Appendix 1). Assuming both of these courses are standard-fee there will be 3 competing value-fee courses and 3 standard-fee courses in the area.

Discussion

It is logical to think that a 9-hole course in the area must elevate its position by adding an additional 9-holes in order to continue to compete with the other courses. However, this is only logical if there is adequate room to add 9 holes and financing available to do a quality job. Despite the fact that 18-hole facilities are typically more profitable than 9-hole facilities it isn't necessarily the best move unless you can match or exceed the quality of the original golfing experience.

Because of the various demographic indicators analyzed by NGF it is apparent that the Dryden area is saturated with value-fee golf courses. The Lakeview Golf course is arguably lower in golf quality compared to the other value-fee courses in the area (particularly after the addition of the new 9 holes – this will be discussed in greater detail throughout the remainder of this study). In order for the Lakeview course to be competitive with the other value fee courses in the area it will have to provide a quality of golf and customer service equal or greater. Considering the various design issues with the new 9-holes it is not clear that this is feasible without significant renovations to the golf course. One alternative is to revert back to the original nine holes (or some hybrid of old and new holes) and simply work to provide the highest quality 9-hole golf experience in the area. There is no reason to believe a 9-hole facility cannot be profitable in this market, it just won't be as profitable as a competitive 18-hole facility. From our impressions of the golf course through study and play it is clear that the current 18-hole layout will have difficulty competing with the other value-fee 18-hole layouts in the area.

Another alternative is to raise the quality of the course to a standard facility (40th to 79th percentiles in terms of peak season green fees). Considering the dramatic landscape and lake views it is feasible to elevate the quality and appeal of the course. This may not be possible without acquiring additional land to provide more room for a full-length 18 holes. There does appear to be additional land available to achieve this.

Taking into account the two new standard-fee public courses that are on their way it is likely that they will further draw golfers away from both the value courses and particularly the standard-fee courses – although it is difficult to gauge how much. These new developments make the situation difficult for Lakeview to compete at either a value or standard level without significant improvements.

Key Findings

2. There is an oversupply of value-fee golf courses in the local golf market and an under-supply of middle and premium golf courses.
3. There are presently two 18-hole standard-fee golf facilities, both in Cortland, in development.

GOLF OPERATIONS

Management

In this competitive market for value-fee golf courses the management of the course is one aspect that can make or break the success of the facility. Golf patrons expect two primary things out of management, a well-maintained golf course and a friendly atmosphere with a great sense of camaraderie between golfers. It is questionable whether or not a municipal run golf facility can achieve a high quality of maintenance with limited financial resources. However, there probably is not necessarily a correlation between municipal management and golfer happiness and camaraderie.

Based on interviews with existing members it is apparent that the management of the course has diminished over the past several years. It is clear that this common assessment among golfers is due to the lack of financial resources to maintain the golf course. This could be due to an imbalance of revenue and expenses related to maintenance. Most likely resources were shifted towards the construction of the new nine holes at the expense of the overall operation.

Based on feedback from some of the members the camaraderie of this small rural facility seems to be as high or higher than any other facility in the area.

According to a 1999 study on golf course privatization by the Reason Public Policy Institute there has been an increasing trend of municipal run facilities turning to privatized management.³ Based on the findings within the RPPI study as well an understanding of the general trends among municipally managed golf courses it is generally recommended that a private individual or company operate the Lakeview golf course. However, the Town of Dryden may possess more administrative and maintenance resources than this small rural facility has been able to provide over the past few years.

RPPI lists the following reasons why public officials are turning to golf-course privatization:

- **Cost Savings.** Government rules and practices can drive up costs. For example, golf-management firms typically enjoy discounts on everything from fertilizer to insurance, a concentrated buying power advantage that local governments do not usually possess.
- **Increased Revenues.** From better advertising to programs that speed up play and allow more golfers to use the course, private operators often institute management practices that increase revenues.
- **Increased Quality.** Most golf-course privatizations require the private contractor to make capital investments in the course to improve its quality.
- **Risk Minimization.** In many golf-course privatizations the city gets a guaranteed rent even if the course revenues do not increase. This ensures that during the term of the contract, taxpayers will not be subsidizing the course.

³ Reason Public Policy Institute – August 1999, Getting Green in the Black, <http://www.rppi.org>

- **Community Outreach.** Most private operators can afford to expand a city's community golf programs and are required to strategically plan these programs as part of the privatization contract.

There is reason to believe that a municipal golf course has little incentive to make a profit at all and in many cases takes a loss that is subsidized by taxpayer's dollars. With proper incentives in place for the private contractor profit can be achieved by:

- Increasing the number of rounds played
- Cutting overhead costs
- Purchasing materials and supplies in volume
- Improving golf-course management techniques
- Improving course conditions
- Reinvesting revenues in capital improvements
- Increasing productivity by applying industry best practices and efficiency.

The profit from a privatized municipal golf facility can be divided among the municipality and the private contractor in a number of ways. A written agreement would be established that covers a designated length of time.

A short-term solution might be for the Town to own and operate the facility until a private individual or company is interested in taking over the operation.

In either case, the golf club needs a qualified energetic, trained business manager who understands the operation of a successful golf club, its employees, and the administration of a profitable restaurant. He or she must be able to supervise the purchase and maintenance of machinery and understand how to care for and improve real estate, i.e., the clubhouse, the storage barns and a freestanding house.

The right person could dynamically help this course to become profitable and enjoyable at the same time enhancing recreational facilities of the town of Dryden.

Maintenance

The golf course has a minimum maintenance routine, which is not conducive to building good quality turfgrass and subsequently a strong clientele. For instance, due to a limited number staff the greens were only mowed every other day at best. There were no herbicides to control broadleaf weeds and no control for diseases such as snow mold. The greens and tees were also only aerified once every few years and should be done at least once per year. The greens also need to be routinely verti-cut and top-dressed with sand to control thatch build-up.

In general, a course of this caliber requires at minimum of 2 full-time golf course personnel and at least 2 part-time golf course personnel and a considerable amount of volunteer effort from the golfing membership. It is feasible to out-source much of the equipment maintenance work typically performed by an on-staff mechanic.

The equipment isn't necessarily inadequate or outdated but is in serious need of repair and upkeep. However, an equipment turn over strategy is needed to keep up to date and this can be accomplished through leasing equipment.

A subsequent report including an assessment and recommendations regarding maintenance is being prepared by David Hicks, Golf Course Superintendent of Cornell, and was not available for this report but will be submitted at a later date.

Membership

During the 2003 golf season there were approximately 180 members of the golf course. There are several categories of membership with individuals paying \$375 per year, couples paying \$475, juniors \$175, with a 10% discount for seniors. Families can also add a child to their membership for just \$75 per year. Other value-fee courses in the local area have a similar number of members and range in size from 100 to 250+ with similar fees as well.

It is difficult to calculate exactly how much each member paid during the 2003 season considering a number of memberships were exchanged for services (either in the clubhouse, on the golf course, or other misc. support activities). However, we can take the total 2003 revenue from memberships of \$26,401 and divide that by 180 members. This gives us an average membership fee of approximately \$147 per year.

Offering a membership rate to the general public is very common in the local market but not necessarily typical for municipal courses nationwide. In fact, it is not always the ideal scenario to offer memberships for many golf courses, especially one that is consistently hovering around the break-even point. This is primarily because an annual membership fee reduces a facility's ability to maximize revenue during peak periods. For instance, the busiest days of the year are on Saturdays during the summer months. Let's assume half the patrons during those days are members and the other half are visitors from other areas. The total revenue for the busiest days would only be half of what it could be for those specific days because the members have displaced golfers who are paying a full rate. Memberships by nature are discounted rates and some members play many more rounds than the minimum number it takes to be worth while meaning they are sometimes playing for "free".

There are alternative ways to develop "membership" rates including:

- Annual membership rate (significantly lower than current rate) for weekdays only with all golfers paying full price for weekends. This can be very effective because you can increase the number of weekday rounds.
- No memberships with just discounted weekday rates for Town of Dryden residents and full price on weekends. This maintains the level of pride and camaraderie associated with a membership or affiliation but still allows for maximum revenue on weekends.

Another down side to having a membership is that a membership in a public course is often confused with ownership in a private course. A membership can become a special interest group that often lobbies management to do things that may disrupt the operation and/or fail to maximize the revenue potential. For instance, members might complain about the

number of tournaments or charity events held on the weekends. They may feel as though they have pre-purchased the right to play on the weekends and can become frustrated with the management. However, it is incredibly important for facilities to have several events throughout the season to draw in new people to play the course (added marketing) and much needed revenue. Tournament rates are often higher or at least equal to weekend rates and most often with cart fees required as well. This means a well-run tournament can bring in a significant amount more than a typical weekend with a mix of members and visitors.

Offering a membership rate is not as important with a municipal facility as it is to develop a solid customer base, marketing campaign, and daily-fee structure that maximizes revenue by getting top dollar for peak periods and encourages more play during typically slow periods.

Revenue and Expenses

9-Hole Facility

Taking a step back and looking at the operation of the facility prior to the addition of the new 9 holes can be helpful in assessing the success or failure of the current operation.

Appendix 2 contains copies of the revenue and expenses for the Lakeview golf course when it was a 9-hole facility. Also included are the revenue and expenses for the City of Ithaca Municipal golf course, which is one of only two other 9-hole facilities in the 20-mile radius.

During the 1999 golf season Lakeview had revenue of approximately \$180,267 and expenses of \$133,485 for a net total of \$46,782. In 2000, Lakeview's revenue was \$181,510 with expenses totaling \$122,480 and net total of \$59,030. Similarly, the City of Ithaca's 1999 revenue was \$206,303 with expenses totaling \$186,580 and a net total of approximately \$19,723. In 2000, the City's revenue was \$198,548 with \$212,999 in expenses and a net loss of \$14,451. The year 2000 is indicative of the operation of the City of Ithaca golf course over the past 15 years. The City taxpayers have provided an average of \$15,260 in annual subsidies over the last 15 years.

One of the apparent differences in the operation of the Lakeview course in comparison to the City of Ithaca course is the amount paid in salaries and wages. The City paid over \$127,000 in salaries, wages, and benefits in 2000. In comparison, Lakeview paid just over \$38,000 in salary, wages, and benefits for the year 2000. This is due partly to the level of volunteer effort supplied to the Lakeview golf course from members. However, the \$59,030 in profit for the year 2000 could be considered a part of the salary for the owner/manager of the course. Therefore, Lakeview's total payroll expense in 2000 was effectively \$97,000, or just \$30,000 less than the City of Ithaca's payroll expenses. With this in mind, the two operations were fairly similar in terms of revenue and expenses when Lakeview was a 9-hole facility.

As a 9-hole municipal facility, Lakeview could be in danger of being too similar to the City of Ithaca in that it may at times need to be subsidized by taxpayers.

18-Hole Facility

Unfortunately, complete 18-hole data for a comparable course in the area was not available for this study. However, both the owner and the owner's private appraiser have provided projections for revenue and expenses as an 18-hole facility (as shown in Appendix 2). The private real estate appraiser has provided data for comparable daily fee courses in the Finger Lakes region.

The real estate appraisal firm hired by Lakeview in 2001 developed an estimation of operating revenue under an 18-hole scenario. They assumed an average green fee of \$12.25 (\$9 for 9-holes and \$16 for 18-holes factored to reflect the number of 9 vs. 18-hole rounds played) and 22,000 total rounds played per year. Projected greens fees totaled \$269,500. Cart fees were estimated to bring in \$151,250 with \$66,000 in food/bar sales, and \$27,000 from the driving range. Total revenue was estimated to be \$514,250 with total expenses of \$369,140 and net income of \$145,110.

The two comparable courses have revenue of \$464,000 and \$330,000 and respective expenses of \$307,000 and \$230,000. These courses show a net income of \$157,000 and \$100,000.

Based on these estimates and regional data it is clear that an 18-hole facility has much greater potential to be profitable than a 9-hole facility.

These estimates are based primarily on an estimated 22,000 rounds of golf per year. This number is reasonable considering other local golf courses receive anywhere from 20,000 to 30,000 rounds. However, this golf course is significantly shorter than the other local courses, has a number of potential dangerous holes, difficult terrain to navigate, no cart paths, non-automated irrigation system, and very small and inconsistent greens. It is hard for me to believe that the course in its current condition will receive 20,000 rounds.

The 2003 season for the Lakeview golf course was the first full season as an 18-hole facility. It is reasonable to assume that the first season of a new golf course will only receive a percentage of the potential number of rounds possible. Both the owner and the owner's real estate appraiser projected 22,000 rounds for the first year of operation.

The total revenue for that season was only \$105,009, significantly less than the total revenue from 2000 when Lakeview was only a 9-hole facility. The owner suggests that the 2003 season had only 3 weekends that did not rain. However, this does not account for the fact that the course brought in less revenue as an 18-hole facility than it did as a 9-hole facility. In fact, this single piece of evidence illustrates a serious problem with either the operation, design, and/or the existence of the golf course altogether.

If we divide the total 2003 revenue of \$105,009 by the average green fee of \$12.50 we only get 8572 rounds. This is obviously significantly less than the owner's and real estate appraiser's projection of 22,000 rounds.

The facts provided to us from the owner are troubling. An 18-hole facility should always bring in more revenue than a 9-hole facility based purely on the fact that the average greens

fee is higher and the total number of rounds should at least be equal. The only plausible answer to this discrepancy is that the new nine holes are seriously flawed. They are designed, built, and/or maintained in such a way that dissatisfied many members and regular golfers and caused them to play elsewhere.

Design flaws aside, it is our belief that the Lakeview golf course operating as an 18-hole facility should have a more conservative revenue estimate of roughly \$300,000 to \$400,000. This would be similar to the lower comparison golf course provided by the real estate appraiser. The total expenses should be roughly \$200,000 to \$300,000 with approximately \$50,000 to \$100,000 in net profit. However, it is unclear that this level of revenue and profit can be achieved with the current design of the golf course.

Auxiliary uses

Adjacent to the course is Dryden Lake, a municipally managed park and regional trail system.

The property also includes a single-family home adjacent to the existing clubhouse. The owner's daughter currently occupies the home. According to the real estate appraisal performed in 2001 the home could provide around \$825/month or \$9,900/year in revenue.

As a municipally owned and/or managed facility it would be feasible to operate a year-round operation. Winter uses could include restaurant/banquet facilities, cross-country skiing, ice skating and indoor/virtual golf. Many courses convert their pro shops from golf to ski rentals/supplies with very little overhead (single staff member during peak periods only). Trails could be groomed throughout the course to prevent skiers from damaging greens and tees.

The single-family home could be converted to a bed and breakfast that could attract tourists to the area. Patrons could take advantage of the golf facility as well as the Dryden Lake and other amenities in the Finger Lakes area. A more logical use for the house is to use it to provide housing for the golf course manager. Considering the dedication required to run a rural golf facility with a small staff and the limited revenue, the included housing could help compensate the manager.

Golf and the Environment

Golf and its impact on the environment has been a hot topic in recent years. There is much ongoing debate over the pros and cons a golf course can have on a local and regional environment. Since 1991, Audubon International has provided a program for golf facilities that helps them become aware of their impacts on the environment and explore forms of mitigation and ecological enhancement. The Audubon Cooperative Sanctuary Program has become the benchmark for environmentally sensitive golf course design and management in the United States. The following is an excerpt from the ACSP website describing the program.

Opportunities and Issues

By their very nature, golf courses provide significant open spaces and opportunities to provide needed wildlife habitat in increasingly urbanized communities across North America. At the same time, golf courses are called to address environmental concerns related to the potential and actual impacts of water consumption and chemical use on local water sources, wildlife species, and native habitats.

The ACSP for Golf Courses seeks to address golf's environmental concerns while maximizing golf course opportunities to provide open space benefits. This highly-regarded education and assistance program promotes participation in comprehensive environmental management, enhancement and protection of existing wildlife habitats, and recognition for those who are engaged in environmentally-responsible projects.

A flexible program to fit a diversity of needs.

Of the estimated 16,000 golf courses in the United States, no two are alike. The ACSP is designed to help a golf course take stock of environmental resources and any potential problems, and then develop a plan that fits its unique setting, goals, staff, budget, and available time. The program has been tailored to a variety of different types of golf course properties, including: private clubs, public and municipal golf courses, PGA sites, 9-hole facilities, resort courses, and golf residential communities.

Audubon International provides information to help golf courses with:

- Environmental Planning,
- Wildlife and Habitat Management,
- Chemical Use Reduction and Safety,
- Water Conservation,
- Water Quality Management, and
- Outreach and Education.

By completing projects in each of these components of the program, the golf course member receives national recognition as a Certified Audubon Cooperative Sanctuary.

Without question the Audubon Cooperative Sanctuary Program is a good thing for the environment, for the community, and for the golf operation. Becoming a certified ACSP golf course can also bring added publicity and marketing to the facility as well as community support from non-golfers interested in environmental issues.

There are currently no certified golf courses in Central NY. Cornell's Robert Trent Jones golf course is working on becoming the first certified course in the area. According to the Town Environmental Planner, Frank Rossi (a professor of turf grass at Cornell) strongly endorses the ACSP and has offered to assist with the process of becoming certified.

Key Findings

4. It is apparent that the management of the course has diminished over the past several years with a significant decrease in revenue.
5. The course has been operated with the bare minimum of maintenance.
6. The operation and revenue of the facility when it was 9-holes was very similar to the City of Ithaca municipal golf course.
7. An 18-hole facility has far greater potential to be profitable than a 9-hole facility.
8. The Lakeview golf course made only one-fifth of the projected revenue during its first year as an 18-hole facility and significantly LESS revenue than it made as a 9-hole facility.
9. Nationwide there has been a trend towards municipally owned golf facilities becoming operated by private individuals or companies.

GOLF COURSE ASSESSMENT

Overview

The Lakeview golf course was formerly a 9-hole daily fee course. A new 9 holes were constructed over the past few years with the first full season as an 18-hole facility in 2003.

As currently played the course measures 5216 yards from the back tees with a Par 69. This course is significantly shorter than standard regulation courses, which range from 6200 to 6700 with a par 72. Previously, as a 9-hole facility, the course played to roughly 2800 yards with a par of 33.

Topography

The site is generally level near the road and clubhouse with the grade increasing dramatically towards the lake. The land is mostly open with scattered trees and fantastic views of the lake and surrounding rural landscape. The more level areas of the course provide the best views. The steeper areas are problematic for many golfers who prefer to walk rather than ride. Steep terrain also presents problems for maintenance equipment.

Tees

There are approximately 37 tees with an average size of around 2000 square feet. With 100 SF of tee surface per 1000 rounds of golf the tees are suitable for approximately 20,000 rounds. Some of the original tees are very well positioned and generally level. Some of the new tees are too small, awkwardly positioned and uneven.

Fairways

Fairways are a mixture of bluegrass and rye with a number of broadleaf weeds. Currently no herbicides are used to control weeds, which can be very problematic for a golf course (primarily dandelions). Landing areas are minimal and inadequate in areas, particularly on a few of the newly constructed holes. There are also a number of fairways close to one another and tees or greens that encroach into some fairways, which create potentially hazardous situations for golfers.

Greens

The older greens from the original nine holes average around 7000 SF, a good size for a value-fee golf course. These greens are elevated and generally level with good surface drainage and good visibility from the approach shot. The newly constructed greens average less than 5000 SF, are not elevated, have very severe slopes, and generally few pin placements. The new greens were constructed of sand (not to USGA standards) and the old greens were built from native soils. This can make the two different sets of greens play inconsistently and require different maintenance practices.

Hazards

There have been 8 new sand bunkers and 4 new ponds added with the new construction. The bunkers are small and rather characterless. Some of the ponds are well located and others are blind from the tee making them severe hazards for visitors who might be unaware of their locations. This is particularly true on holes 17 and 18.

Irrigation

The tees and greens are currently irrigated manually from ponds within the course. Manual irrigation is not uncommon for an older golf course with limited revenue. A fully automated irrigation system would be ideal but not a requirement for successfully operating the golf course.

Clubhouse

A former barn acts as the clubhouse with over 2000 SF of space. There is a bar, kitchen, eating area, restrooms with showers and a reception area. The second floor is open for storage with potential for future development. However, structural, accessibility and life safety issues would need to be addressed with development of the second floor.

There is a full patio and second floor deck with great views of the golf course and Dryden Lake.

Overall, the clubhouse is of adequate size, well located and provides appropriate character to this rural golf course. However, there are number of serious problems such as...

- It is due for a new roof
- The siding needs to be repaired and painted
- The timber frame structure needs to be repaired and reinforced
- The foundation sills are rotting in places and need to be replaced
- The building does not meet the current NYS building code in terms of accessibility, structure, energy, and life safety

It is difficult to assess within this preliminary study the costs associated with either demolishing the clubhouse to be replaced with a more modest clubhouse or just rehabilitate the existing building. Besides the character of the old barn there isn't much that couldn't be replaced with a properly designed new structure. In fact, a number of things could be vastly improved including accessibility, visibility, and energy performance.

Renovation

In order to really address the problems with the existing barn a total gut and refurbish is in order. This would allow for a rehabilitation of the timber frame structure and foundation prior to investing any more "band aids" onto the existing facility. However, early in the process it should be determined if the structure is not salvageable so that significant investments into the structure are not made. It would not make sense to put a 25-year roof on a facility that should be torn down.

New Building

If it is determined that the structure needs to be demolished than it is important to replace the current facility with one that is comparable or better in terms of space and features. As noted earlier, an important part of the viability of this golf course is its ability to attract new golfers and this is done primarily through outings, tournaments, and specials. If the clubhouse is lacking in character or cannot facilitate larger events then the course will have a difficult time being successful.

In any case a significant investment needs to be made to ensure that the clubhouse is an attractive functional facility that adds to the total golfing experience. A very preliminary cost estimate for a total rehab and or brand new facility would be around \$75 to \$100/SF meaning somewhere between \$150,000 and \$300,000 needs to be invested into the clubhouse (assuming a new facility is about 3000 SF).

Maintenance Facilities

There are two older metal buildings used for equipment and cart storage. Both buildings have structural and maintenance issues. These buildings should be replaced in the near future. It might be feasible to consolidate buildings into one larger structure for equipment and cart storage.

Practice Facilities

There is a good size driving range with both artificial mats and grass tees and a relatively new range machine. The practice green is small but adequate. If the course is to be expanded to provide more room for a full 18-holes it is not recommended that the driving range be lost to do so. In fact, the range is well positioned and an important amenity for a standard-fee golf course (although not a huge revenue generator). If there is no other land available then it may make sense to utilize that space for additional holes.

Misc.

Tee signage is new as of the 18-hole layout and generally well placed and of good quality.

Hole-by-Hole Evaluation

Appendix 3 of this study includes a hole-by-hole evaluation of the existing 18-hole layout and Appendix 4 includes analysis maps and concept drawings. Two students in the department of Landscape Architecture at Cornell University who are concentrating on golf course architecture assisted with this assessment. The purpose is to help determine which holes have the best attributes and are worth keeping and which ones need modifications or should be eliminated.

Members of the study team also had an opportunity to play the golf course to gain first hand experience of the pros and cons of each hole.

Each hole was rated on Playability, Aesthetics and Maintenance from 1 to 5, with 5 being the best. A total rating was determined for each hole.

In addition to the ratings, the top Pros and Cons for each hole were identified.

The 18 holes have subsequently been broken into three categories; best, average, and worst. The division between categories was based not only on the rating but also on a subjective assessment of the Pros and Cons identified.

Best

In general the best holes are ones that we feel are worthy of remaining. Hole numbers 9, 10, 11, and 18 were rated as the best holes. Most of these holes take advantage of the original greens, which is a major difference between the best and worst holes. Hole 9, 10, 11, and 18 are essentially identical to the original layout. It is apparent that the original layout possesses larger more playable greens, longer fairways, and an overall better routing.

Average

The average holes are ones that don't necessarily have any fatal flaws but aren't full of character either. Hole number 1 does not use an original green but follows essentially the routing of the original hole 1. Hole 2 is a dramatic, interesting par 3 but has serious maintenance issues and it is difficult to navigate down and up the ravine. Hole 3 is a scenic downhill hole but has a blind tee shot and a very unplayable green with limited pin positions. Hole 5 is arguably an interesting par 3 but one of too many par threes on the course. Hole 7 has a great approach shot but the 17th tee encroaches on the fairway. Hole 17 is an original green but with a new tee that makes it an extremely short par 4 instead of a great long par 3.

Worst

The worst holes are ones with serious flaws that make them unfair, extremely dangerous, difficult to maintain, and/or extremely uninteresting. Hole 4 has a great tee location but is way too short for a downhill par 4, and is located a little too close to adjacent holes. Hole 6 is a forgettable short par 3 that doesn't take advantage of the views or terrain. Hole 8's tee is too far from Hole 7's green making it difficult to find and requires golfers to walk back against play from Hole 7. Hole 12 is a short 265-yard par 4 with inadequate definition, landing area and green. Hole 13 is another very short par 4 at 262 yards with an extremely difficult green that slopes away from the golfer. Hole 14 has a blind tee shot up a steep slope with a landing area that remains blind to the green making it difficult for golfers to walk and to identify the location of the green. Hole 15 is another forgettable par 3 crowded among other holes. Hole 16 is another short 300-yard par 4 dogleg-left that offers little separation between the fairway and the 12th green. The 16th green was also once the second green, which was a very nice 380-yard par 4 that swept across the hill with a scenic

approach to the green. The 16th is a good example of how some of the original and most respectable holes have been modified into something less playable.

Golfer Questionnaire

Josh Egnatz, a student in the Landscape Architecture Department at Cornell University, developed a golfer questionnaire. Josh asked golfers questions about the Golf Club that would help us identify the attributes that golfers like and dislike about the course. It was conducted on a Saturday with good weather in late April. Considering the situation with the current operation of the golf course the number of golfers at the course was not as high as expected. Unfortunately only 12 golfers were surveyed over a 2-hour period.

We found the golfers at Lakeview to be generally a little naïve about what golf courses could or should be. Many of them like the existing course and were possibly threatened by the survey. One person even said, “please don’t get rid of our course”. Those who have played the course a long time however, were disappointed with what it had become and some were eager for change.

There was clearly a correlation between dislike of the course and better golfers. The high handicapper was generally displeased only with things like the length of hole number one and actually liked some of the holes that present the greatest dangers. Hole one is a medium length Par 5 and by no means a long hole. This particular respondent perhaps did not understand the difference between a par 4 and a par 5.

Based on some of the responses it is possible that the questionnaire was not the best means of assessing the golf course when you have such a small number of respondents. However, one finding as a result of the survey was simply a count of the number of golfers present on the course on a sunny Saturday in late April. This is perhaps another indication of the low demand to play the course in its current arrangement.

Key Findings

10. This is a picturesque golf course with incredible views of Dryden Lake and the surrounding rural landscape.
11. However, there are a number of serious design flaws including greens that are too small and unplayable, holes that are too close together, blind greens and hazards, and a clubhouse and maintenance buildings in need of structural upgrades and renovation.

GOLF COURSE IMPROVEMENTS

Design

There are number of ways to improve the existing facility. The primary objective would be to develop a course routing or layout that is functional and enjoyable. It is clear that this is not feasible without a complete reworking of the holes that were added over the past few years. Appendix 4 includes an analysis drawing that illustrates the course as it exists today. Reference lines are included that mark the centerline of the fairway and an area where a majority of golfers will hit their ball from the tee. This area is defined by an angle of 15 degrees off either side of the centerline and 250 yards from the tee.

In looking at the angle of play analysis it is apparent that several of the holes are what I would call very dangerous and a serious liability for the golf course. Typically, adjacent holes may overlap this angle of play to some degree with hazards such as water, bunkers, or trees strategically located to buffer the two holes. However, when holes overlap as much as they do on this course it is impossible to provide a safe golfing environment.

Holes 3, 4, 7, 8, 9, 12, 13, 14, 15, 16, and 17 are all extremely close to adjacent holes. This is naturally the result of trying to build a full 18-hole golf course with too little acreage available. The total facility is only 90 acres including the driving range. The original holes were built on 43 acres and the new holes added only 31 acres. A full-length 18-hole golf course really needs at least 100 acres just for the course, not including the driving range (50 acres for each set of 9 holes).

Included on the analysis drawing are two concept holes developed on adjacent land that could be acquired. These two holes are just conceptual and illustrate a better way to expand the golf course. This land is more level than the existing course making it more enjoyable to play and walk the course. These two holes are spaced appropriately and are both par 4 holes of good length (over 350 yards compared to the numerous current par 4's under 300 yards). It may be possible to add an additional two holes on the existing driving range (a Par 3 and another Par 4). However, this is not recommended if it can be avoided because the range is of good quality and a great amenity for an 18-hole facility.

This feasibility study is not meant to be a full report on potential new designs for the golf course. However, two concept drawings for a total renovation of the course have been develop by two Cornell University Students and these are included in Appendix 4. Obviously further design studies are required to establish the best way to turn Lakeview into a functional 18-hole facility. In the meantime it is probably best to return to the original 9-hole layout with only minor variations. Over time and with the purchase of additional land, plans for a new 18-hole layout can be developed.

Operation

Included in Appendix 2 is a Projected Income and Expense Budget. This hypothetical operating budget is not meant to be a comprehensive financial report but does give a good idea of the level at which this golf course should be operating. During the current golfing

season the income is estimated to be half of what you might expect for next season considering there will only be approximately 4 months of a 7-month season remaining. Income for 2005 is estimated at \$196,000 with expenses equal and \$0 net profit. Assuming a knowledgeable manager is obtained it is feasible to significantly increase income without a significant increase in expenses. The income for 2006 is estimated to grow by 10% to \$215,600 with expenses only increasing by 3% and a net profit of \$13,720. This estimate does not take into consideration any upfront capital improvements that may need to be made. It is our belief that this financial breakdown illustrates a conservative and realistic approach to the operation of the golf course. However, consultation with an accountant will help provide more clarity on the potential financial operation of the golf course.

Recommendations

General

1. It is recommended that the Town ensure that the land currently comprising the golf course remains a managed open space asset for the members of the Dryden community.
2. It is not advised that the Town attempt to keep the golf course as an 18-hole facility in its current configuration.
3. However, it is advised that the Town attempt to keep all of the parcels together as one managed facility to prevent the loss of opportunity to develop the golf course into an 18-hole facility at a later date.

Short-Term Goals

A number of short-term goals have been identified. These goals should be achieved within the next 1 to 2 golfing seasons.

4. It is recommended that a fair and enjoyable 9-hole layout be reconstructed – not necessarily the original 9-hole layout.
5. The golf club needs a qualified energetic, trained business manager who understands the operation of a successful golf club, its employees, and the administration of a profitable restaurant.
6. The manager should attempt to restore the nightly leagues, tournaments, outings, and overall golfer camaraderie.
7. Capital improvements should include purchasing new equipment and rebuilding a limited number of greens and tees.
8. The facility should incorporate an environmental strategy that includes participation in the Audubon Cooperative Sanctuary Program.

Long-Term Goals

Long-term goals should be achieved within the next 2 to 5 years.

9. Additional land should be acquired to construct either a full-length 18-hole facility that is competitive with the other value and standard fee golf courses in the area OR a high quality 9-hole course with market rate housing lots incorporated into a golf community.

10. The expanded facility would abandon most of the existing holes and establish a more fair and enjoyable golf experience for the local golfer with a high enough quality to attract repeat visitors from surrounding counties.
11. The existing clubhouse and maintenance buildings should be either completely renovated with structural upgrades or replaced with modest yet functional buildings.
12. The expanded facility should allow for an expanded environmental buffer and multi-use trail around Dryden Lake if possible as well as other non-golf, year-round education and recreational opportunities for the community.