



**WORK SESSION MEETING
AGENDA
CITY OF CREVE COEUR
CITY COUNCIL
300 NORTH NEW BALLAS RD
AUGUST 10, 2015
6:00 PM**

CALL TO ORDER

ROLL CALL

DISCUSSION ITEMS

1. Golf Course Discussion

Summary: Local golf course research

Pursuant to Section 610.022 RSMo., the City Council could, at any time during the meeting, vote to close the public meeting and move to closed session to discuss matters relating to litigation, legal actions and/or communications from the City Attorney as provided under Section 610.021(1) RSMo. and/or personnel matters under Section 610.021(13) RSMo. And/or employee matters under Section 610.021(3) RSMo. and/or real estate matters under Section 610.021(2) or other matters as permitted by Chapter 610.

Posted: _____ posted 08/6/2015
Deborah Ryan, MPCC
City Clerk



City Council
300 North New Ballas Rd
Creve-Coeur, MO 63141

SCHEDULED

Meeting: 08/10/15 06:00 PM
Department: City Council
Category: Report
Prepared By: Sharon Stott
Department Head: Sharon Stott

STAFF REPORT

Golf Course Discussion

Staff will present research on financial of other nine-hole courses in St. Louis County and other information on the golf industry.



MEMORANDUM

TO: Mark Perkins, City Administrator
FROM: Sharon Stott, Assistant to the City Administrator
DATE: 8/5/2015
SUBJECT: Golf Industry Research for St. Louis Region

Per your request, I recently surveyed 9-hole municipal golf courses in the St. Louis area to obtain a general overview of revenue, expenditures, fees, paid rounds, and other information. The compiled survey results are available for review in the attached spreadsheet (*See attachment 1: 9-Hole Golf Survey-July 2015*).

In addition to the aforementioned, you also requested information about golf trends in the St. Louis area, specifically the number of golf courses that have closed in the last five years.

I contacted two golf agencies in the St. Louis area—specifically the Gateway PGA (www.gatewaypga.org) and the St. Louis District Golf Association (www.stldga.com)—and was referred to Jim Healey, a golf consultant, published author and locally known St. Louis Golf Historian (www.stlgolfhistory.com). Mr. Healey explained most of his research focuses on issues facing private clubs or traditional public golf courses; however, he was able to provide an overview of the golf industry within the St. Louis Region (*See Attachment 2: Golf Overview within the Region 8_4_2015*).

Mr. Healey provided a brief summary of national and local golf trends, a list of openings and closing in St. Louis area since 1996, and a short biography. According to his data, within the region, 19 courses have closed since 1996. However, it should also be noted that 20 new courses opened in the St. Louis region between 1996 and 2002, almost certainly contributing to at least some of the closures that subsequently occurred.

Please let me know if you require additional information.

Attachment 1: 9-Hole Golf Survey 7_2015

Attachment 2: Golf Overview within the Region 8_4_2015

9-HOLE GOLF COURSE SURVEY - JULY 2015	BALLWIN	BRIDGETON	CREVE COEUR	ST. ANN	UNIVERSITY CITY
QUESTIONS					
GOLF COURSE NAME	BALLWIN	BERRY HILL	CREVE COEUR	ST. ANN	RUTH PARK
CONTACT PERSON	DAVID FURLONG	DAVID LEVINE	TIM BRINKS; CORY GETTEMEIR	TIM YOUNKER	EWALD WINKER
EMAIL	dfurlong@ballwin.mo.us	dlevine@bridgetonmo.com	tbrinks@ci.creve-coeur.mo.us	tyounger@stannmo.org	ewinker@ucitymo.org
PHONE NUMBER	636-227-2532	314-731-7979	314-432-1806	314-429-4545	314-505-8618
FISCAL YEAR BEGINS	1-Jan	1-Jan	1-Jul	1-Jan	1-Jul
DATA FROM FISCAL YEAR	2014	2014	2015	2014	2015
TOTAL GOLF REVENUES	\$626,269	\$480,000	\$395,561	\$304,327	\$675,000 *
TOTAL GOLF EXPENDITURES	\$883,281	\$580,000	\$493,000	\$433,536	\$603,000
NET (LOSS)	(\$257,012)	(\$100,000)	(\$97,439)	(\$129,209)	\$72,000
NET (LOSS) REVENUE PER PAID ROUND	(\$9)	(\$5)	(\$5)	(\$6)	\$3
% OF TOTAL GOLF EXPENDITURES RELATED TO SALARIES/BENEFITS	68%	56%	55%	71%	51%
FOOD SALES INCLUDED IN TOTAL REVENUE/TOTAL EXPENSES?	YES	YES	YES	YES	YES
IF TOTAL EXP EXCEED TOTAL REVENUE, HOW IS LOSS COVERED?	GENERAL FUND	GENERAL FUND	GENERAL FUND	GENERAL FUND	N/A
DEDICATED SALES TAX FOR PARKS/RECREATION?	YES - 1/2 CENT PARKS SALES TAX	NO	NO	YES - 1/2 CENT PARKS SALES TAX	YES - 1/2 CENT PARK & STORMWATER SALES TAX
# FULL TIME STAFF GOLF MAINTENANCE	5	2	2.8* (.2 SHARED W/ICE DURING OFF SEASON)	3	2
# FULL-TIME STAFF FOR OPERATIONS/PRO SHOP	2	1	1	1	1
SCHEDULING/POINT OF SALE PROGRAM	REC TRAC	SMYTH	CRESCENT/GOLF NOW	REC TRAC (OCT '15)	REC TRAC
OWN OR LEASE CARTS	OWN	OWN	LEASE	LEASE	LEASE
GOLF SPONSORSHIPS PURSUED	YES	NO	YES	NO	NO
RESPONSIBLE PERSON FOR SPONSORSHIP	DAVID FURLONG	N/A	TIM BRINKS	N/A	N/A
TOTAL # OF PAID ROUNDS	29,798	22,000	20,025	20,558	28,197
TOTAL # OF RESIDENT ROUNDS	9,794	9,000	6,386	NO BREAKDOWN	8,223
TOTAL # OF NON-RESIDENT ROUNDS	20,004	13,000	13,639	NO BREAKDOWN	20,230
DRIVING RANGE	NO; HITTING CAGE	NO	NO	NO	YES
CART PATHS ASPHALT OR CONCRETE	APHALT & CONCRETE	ASPHALT	ASPHALT	ASPHALT	CONCRETE
RESIDENT RATES (PER PERSON)				*SEE NOTE BELOW	
WEEKDAY	\$12	\$10	\$11	\$9	\$10
SENIOR	\$10	\$9	\$10	\$8	\$9
HIGH SCHOOL STUDENT	\$12	\$9	\$10	\$9	\$10
CHILD	\$10	\$9	\$10	\$9	\$9
WEEKEND	\$11	\$11	\$12	\$10	\$11
SENIOR	\$11	\$11	\$12	\$9	\$10
HIGH SCHOOL STUDENT	\$11	\$11	\$12	\$10	\$10
CHILD	\$11	\$11	\$12	\$10	\$9
CART RATES	\$7/RIDER 9-HOLES; \$12/RIDER 18 HOLES	\$7/RIDER 9-HOLES; \$14/RIDER 18-HOLES	\$7.50/RIDER 9-HOLES; \$12.50/RIDER 18-HOLES	\$5/RIDER 9-HOLES; \$5/RIDER 18-HOLES	\$8/RIDER 9-HOLES; \$8/RIDER 18-HOLES

9-HOLE GOLF COURSE SURVEY - JULY 2015	BALLWIN	BRIDGETON	CREVE COEUR	ST. ANN	UNIVERSITY CITY
QUESTIONS					
NON-RESIDENT RATES (PER PERSON)				*SEE NOTE BELOW	
WEEKDAY	\$15	\$14	\$14	\$12	\$12
SENIOR	\$14	\$12	\$12	\$11	\$10
HIGH SCHOOL STUDENT	\$15	\$12	\$12	\$12	\$10
CHILD	\$14	\$12	\$12	\$12	\$9
WEEKEND	\$15	\$15	\$16	\$13	\$13.50
SENIOR	\$15	\$15	\$16	\$10	\$10
HIGH SCHOOL STUDENT	\$15	\$15	\$16	\$13	\$10
CHILD	\$15	\$15	\$16	\$13	\$9
CART RATES	\$7/RIDER 9-HOLES; \$12/RIDER 18 HOLES	\$7/RIDER 9-HOLES; \$14/RIDER 18-HOLES	\$7.50/RIDER 9-HOLES; \$12.50/RIDER 18-HOLES	\$5/RIDER 9-HOLES; \$5/RIDER 18-HOLES	\$8/RIDER 9-HOLES; \$8/RIDER 18-HOLES
TOTAL % OF TEE TIMES DEDICATED TO LEAGUES	15% (APR-OCT)	40%	25%-30% (M-F; APR-OCT)	0%	13% (M-SAT)
OFFER ANNUAL OPTION/FEE FOR UNLIMITED GOLF?	NO	NO	YES	NO	NO; \$25 ALL DAY (M-FRI)
RESIDENT	N/A	N/A	\$985	N/A	N/A
RESIDENT JR/SR	N/A	N/A	\$885	N/A	N/A
NON-RESIDENT	N/A	N/A	\$1,275	N/A	N/A
NON-RESIDENT JR/SR	N/A	N/A	\$1,075	N/A	N/A
RECIPROCAL AGREEMENT WITH OTHER COURSES	CREVE COEUR	NO	BALLWIN & UNIVERSITY CITY; MARYLAND HEIGHTS (POOL ONLY)	NO	CREVE COEUR; CLAYTON
HOURS OF OPERATION	6:30A-DUSK WEEKDAYS; 6A-DUSK WEEKENDS & HOLIDAYS	6A-DUSK	6:30A-6:30P - PEAK SEASON	SUNRISE-SUNSET	5:45A-8:30P (APR-OCT) 7A-6P (NOV-MAR)
OTHER COMMENTS/NOTES:	REV/EXP INCLUDE GOLF MAINT, PROSHOP, BANQUET HALL & SNACK BAR	RESIDENT POP. HAS DECREASED SINCE 1981 (APPROX. 25,000) TO CURRENT 11,500 DUE TO AIRPORT EXPANSION	FOOD/BEV: 82.5% IS GOLF RELATED; INCL ABOVE TOTAL REV \$41,250 (OF \$50,000); TOTAL EXP \$30,525 (OF \$37,000) FOR COMPARISON	*PENDING \$1 INCREASE TO ALL FEES ACROSS THE BOARD; \$4.5M RENOVATIONS TO COMMUNITY CENTER TO BE COMPLETE/OPEN IN OCT '15;	*TOTAL REV INCLUDES \$119,350 FROM DRIVING RANGE; EST. APPROX. 25% OF EXP FOR DRIVING RANGE; DRIVING RANGE HRS 6:30A-9:30P; COST PER BUCKET (\$3/\$5/\$8)

Appendix II.

Golf Overview within the Region

August 4

2015

Provided by: Jim Healey, St. Louis Golf Historian
jimhealey24@aol.com – cell (314) 267-6404
stlgolfhistory.com

Golf Overview within the Region

Over the past two years, the PGA Summit event has brought together leaders from all areas of the game. Supported by the local PGA, area golf associations, superintendents and others, this has shown to be an excellent beginning to addressing many of the ills impacting the growth of the game in the region. Programs like “Get Golf Ready” and “Drive, Pitch and Putt” show great promise to bring more individuals into the game. Certainly there are issues that cannot be fixed overnight, but it’s nice to see such a positive start to address the game’s future.

Within the region, only two new courses have been built since 2002; Old Hickory, a private club in St. Charles County, and Birch Creek, in Union, Mo. Meanwhile, in that same period, 16 courses have closed. Most have been for economic reasons.

National Trends

Nationwide, only 14 new golf courses opened in 2013 with 8 being daily fee, one 9-hole municipal and 5 private. During the same period, 157 courses closed. The market, which was as high as 16,500 courses in the early 2000s, now is at 14,500. The closures were highest in lower-priced public facilities, with 66% of closures in that group where the greens fee was less than \$40. Rounds played in Missouri were on a par with the rest of the Midwest, with play about level against prior year rounds.

Through July 2014 nationally, rounds played continued to rise, however, they remain dependent to weather conditions. The poor weather in the spring of 2014 adversely impacted golf across the country as the rains left courses with up to a 12% reduction in play.

A 2014 report by the National Golf Foundation (NGF) showed that the Millennials, those ages 18-34, tend to play more golf as their income rises. Those 30-34 show the highest income gains and the most rounds played when compared to their counterpart in the 1990s. However, their report also showed a strong “latent demand” for golf among this age group. With over 6 million golfers in this group, the NGF survey found over 12 million who are either very or somewhat interested in golf. Plus, Millennials who do play golf do so more often than golfers did twenty years ago. While it remains to be seen if this latent demand translates into actual golfers, it does set an opportunity for the game to grow among younger players.

Some other statistics:

- There are approximately 25.7 million golfers nationwide, down from 30.6 in 2003.
- 14.4 million play between 8 and 24 rounds per year.
- In 2013, there were 462 million rounds played, down from a peak of 492 million in 2000-01.

- 90% of golfers play on Public facilities.
- 90% of golfers state they play at least eight rounds per year.
- 37% of golfers are between 40-59.
- 17% of golfers are 60 and over.
- The aging population is anticipated to increase golf rounds by 15% over the next ten years.

Another portion of the survey found the following:

The percentage of non-golfers who said they would try golf if:

- 47% If a local course reached out to them
- 49% if there were an affordable group lesson plan with clubs provided
- 60% If their kids could play or learn with them for free
- 71% If a facility offered free range balls during an introductory period
- 72% If a friend or family member invited them to play

In another recent NGF survey, almost half of core golfers said that a round of 4 hours and 20 minutes is “too long.” Still, for many American golfers, 9-hole rounds are simply not enough to satisfy their golf appetite. Some of these participants – especially avid golfers – would rather not play at all if they can’t play 18 holes and enjoy a 19th hole beer with their buddies.

We know that golf’s best consumers prefer 18 holes. But still, one in four rounds played is 9 holes, and two-thirds of golfers reported playing at least one 9-hole round last year. So, who are the best 9-hole round customers? For a segment of occasional golfers who simply can’t find the time (and in some cases the money) to enjoy a full 18 holes, a 9-hole round of golf is a perfect solution. Beginners are also sold on 9: eighty-six percent of their rounds are of the 9-hole variety. And 9-hole rounds appeal to the “target” groups for golf recruitment - women and juniors. Forty-two percent of rounds among juniors (ages 6 to 17) and 31 percent of rounds by females are 9 holes. In general, the younger a golfer is, the more likely he or she is to play a 9-hole round.

Many of golf’s stakeholders have advocated for 9-hole rounds when 18 can’t be fit in. The USGA’s latest 9-hole push includes a national media campaign that features TV ads with Rickie Fowler and a comprehensive marketing plan around *Play 9 Day*. As part of their effort, the USGA undertook research with NGF to help understand the nature of 9-hole play. And we found that, emphatically, 9-hole rounds are both available and affordable. Some facts...

- There are 4,175 stand-alone 9-hole golf facilities in the U.S. (27% of total supply), and 84% are open to the public. Approximately 2,449 are municipal.
- 9 holes of golf can also be played at most 18-hole+ public facilities, as 90% of them offer discounted 9-hole rates (though more than half have some restrictions by time of day and/or day of week).

- Private clubs and high-end daily fee/resort facilities are *somewhat* less likely to offer 9-hole rates (guest fees in the case of private clubs), but the majority (73%) do.
- The median greens fee is \$22. This represents a peak season/ peak time (i.e., weekend) fee, and includes cart where applicable. Average fees paid across all times are even lower.

With time and money cited as two of the most common reasons for playing less golf, could encouraging 9-hole rounds make a positive impact on the game? Some of the more prominent entities in the industry believe it can, and they may be on to something.

To understand if 9-hole play is a viable means to increasing golf consumption, let's first look at the availability of 9-hole golf and its cost compared to that of 18-hole golf. By NGF's count, there are more than 4,230 9-hole golf facilities. This represents 27% of total facilities. The average rack rate (peak season weekend greens fee w/golf car if required) for 9-hole facilities (to play 9 holes) is \$23 versus \$52 for 18-hole facilities (to play 18 holes.) NGF does not track the 9-hole rate (if offered) by facilities with 18 or more holes. The data tells us that 9-hole golf is readily available and costs about half as much to play...but how many golfers will play an abbreviated round?

Earlier this year NGF collected attitudinal and behavioral information regarding 9-hole golf from a nationally representative sample of golfers. Overall, roughly three out of four golfers told us they sometimes play 9-hole rounds to shorten the amount of time it takes to play. Only 5% of golfers tell us they play only 9-hole rounds.

We also looked into how cost and time affect how often golfers play. Here's what we found:

How does the cost of golf affect how often you play?

- Has little impact – I can find the money to play (46%)
- I play less than I would because of the cost (37%)
- I play significantly less because of the cost (17%)

How do time constraints in your life (job/family/other) affect how often you play golf?

- Has little impact – I can find the time to play (46%)
- I play less than I would because of my time constraints (35%)
- I play significantly less because of my time constraints (19%)

Area Gains and Losses

The following Courses have closed in the area since 1996 (19):

<i>Course and Holes</i>	<i>Year Closed</i>	<i>Type</i>	<i>Reason</i>
Cajun CC (9)	2006	Public	Economic
Cherry Hills CC (18)	2002	Public	Club moved, new housing
Chesterfield GC (18)	2001	Public	Location, Page Extension
Elmwood GC (Washington) (9)	2011	Public	Economics
Fairmont GC (9)	1996	Public	Location
Hidden Valley CC (18)	2009	Semi-Private	City Issues. Remains a ski facility
Lake James GC (18)	2005	Public	Location / economic
Lakewood GC (9)	2004	Public	Sold for St. Clare Hospital
Lockhaven GC (18)	2014	Private/Public	Economic
Mid-Rivers GC (18)	2013	Public	New Owners, sold to pay for acquisition costs, housing
New Melle Lakes GC (18)	2011	Public	Economic
Wadlow Municipal GC (9)	2013	Municipal	Economic
Roseland GC (18)	2011	Public	Economic
Royal Oaks GC (18)	2003	Public	Economic
St. Andrews GC (18)	2002	Public	Land prices, homesites
St. Catherine GC (9)	2006	Public	Economic
St. Charles GC (27)	2004	Public	Land prices, homesites
Sugarloaf GC (18)	1999	Public	Economic
Westhaven GC (9)	2010	Public	Economic, homesites

Many of the courses noted above were a victim of the decline in play that occurred across the country following 9/11. Combine that with the economic downturn in 2007 and the lack of higher greens fees, resulted in an upside-down business model. While a number of 9-hole courses closed (6), and a 27-hole facility, all of the new courses built in the area since 1996 have been 18 holes.

In addition, this does not include the renovation of the golf course at Forest Park in 2004; a partnership of The City of St. Louis, Eagle Golf, Forest Park Forever, and private donations. Plus, in 2008, the former Triple A course also underwent a renovation, with the inclusion of a practice facility, improving the financial health of that facility.

In this same period, the following courses opened in the region (20):

<i>Course and Holes</i>	<i>Year Opened</i>	<i>Type</i>
Columbia Bridges GC (18)	1996	Public
Quarry at Crystal Springs (18)	1996	Public
Prairies GC, The (18)	1996	Public
River Lakes GC (18)	1996	Public
St. Albans CC - Tavern Creek (18)	1996	Private
Stonewolf G&CC (18)	1996	Public
Acorns GC (18)	1997	Public
Far Oaks GC (18)	1997	Public
Fairfield GC (18)	1997	Public
Bear Creek GC (18)	1998	Public
Gateway National Golf Links (18)	1998	Public
Links at Dardenne (18)	1998	Public
Persimmon Woods GC (18)	1998	Private
Pevely Farms GC (18)	1998	Public
Stonebridge GC (18)	1998	Public
WingHaven CC (18)	1999	Private
Landings at Spirit (18)	2000	Public
Aberdeen GC (18)	2000	Public
Birch Creek GC (18)	2002	Public
Old Hickory GC (18)	2002	Private

WingHaven opened as a public facility and then went fully private in a few years. Four courses, Old Hickory, WingHaven, Persimmon Woods and St. Albans are private clubs. Of that group, only Persimmon Woods classifies itself as a Golf Club (as opposed to a country club).

No specific surveys have been done within the area related to rounds played between public and private facilities. However, rounds at MOST private clubs are level or down from what they were five years ago. Much of this is due to the decline in rounds by male members, with rounds by women showing the largest gains.

A number of public and private facilities have resorted to offering their courses for outings or min-golf events to increase revenues. In addition, a number of public facilities permit a variety of winter sports to be held on their course when golf is not available.

Another aspect is the changing lifestyle of families today. With two-parent working families, the children in more activities, taking the time for a 5-6 hour round of golf is less appealing. The recent Play 9 initiative by the USGA and PGA is their effort to gain golfers looking to enjoy the sport within the same time constraints.

That being said, many golfers opt away from 9-hole facilities as they are perceived as not being as well maintained as 18-hole facilities and many are reducing their hours of operation, further reducing the opportunity for play.

Jim Healey – St. Louis Golf Historian

A former teacher, Mr. Healey retired from a career in computer software sales in 2008. He began publishing an annual golf directory in 1989, continuing to do so through 1998. In 1997, he published a 336-page book, *Golfing Before The Arch: A History of St. Louis Golf*, which sold over 3,000 copies.

In 2000, he was approached by Glen Echo Country Club to write a Centennial Book to celebrate the club's 100-year anniversary. Since then, he has produced similar books for Algonquin GC, Norwood Hills CC, Old Warson CC, Westwood CC, St. Louis CC, Bellerive CC, Sunset CC and Bogey Hills CC. He was also Media Director for the 2014 Curtis Cup at St. Louis Country Club, including the Match program and related media items. In 2014, he completed an updated version of his 1997 book. His new book is a 550-page history and compendium of St. Louis golf history, including players, courses and events.

A frequent contributor to the former *Fairways & Greens Magazine*, his work has also been published in *Links Magazine*, *St. Louis Magazine*, *GolfWeek* and other local, regional and national publications. He currently produces a monthly newsletter for the Metropolitan Amateur Golf Association. He is also a frequent guest on area golf radio shows and is a guest presenter for local Chamber of Commerce groups, Elk's Club, Veteran's groups and area club events.