



**Presentation to the
Florida Recreation and Parks Association**

February 10, 2023

City-Owned Versus Privately-Owned Golf Courses

**Presented By:
Keith Bradshaw
Administrator – The Saints Golf Course
Port St. Lucie, Florida**





Introduction



This Session will cover various topics to explain the differences between operating a City-owned golf course in comparison to a Privately-owned golf course. Topics will include goals/objectives, marketing, operations, volunteers, maintenance, financials, organization, procedures, equipment, and facilities.





Introduction



Key Take-Aways

- Learn the various operational differences and similarities between a City-owned golf course and a privately owned golf course
- Learn what makes a City-owned golf course successful
- Learn the financial differences of a City-owned golf course being managed as an Enterprise Fund versus a General Fund Entity





Agenda



- **Types of Golf Facilities**
- **Golf Market Data and Statistics**
- **Goals and Objectives of a Golf Facility**
- **Operations of a Golf Facility**
- **Financial Details of a Golf Facility**
- **Organizational Structures of a Golf Facility**
- **What Makes a City Golf Facility Successful**
- **Municipal Golf Facility as an Enterprise Fund vs General Fund**
- **Summary**





Types of Golf Facilities

- **Public Facility**, Private, Corporate or City owned. Open to the public. Membership options.
- **Daily Fee Facility**, Privately owned with membership options, but open to the public
- **Municipal Facility**, City, County, or State owned, always open to the public
- **Private Facility**, Private or Corporate owned. Memberships only, not open to the public.
- **Real Estate Facility**, Golf facility located within a real estate development
- **Resort Facility**, Golf facility within a resort setting with tennis, swimming, fitness, etc.
- **Real Estate/Resort Facility**, Golf facility that combines real estate and resort features

**Focus
Topics**



Types of Golf Facilities



Public Facility – Plano, TX

- City owned
- Corporate operated
- Open to the public
- Membership options



Daily Fee Facility – Del Monte Forest, CA

- Privately owned
- Privately operated
- Open to the public
- Membership options

Types of Golf Facilities



Municipal Facility – Port St. Lucie, FL

- City owned
- City operated
- Contract labor and Volunteers
- Contracted F&B operations
- Open to the public
- Membership options



Municipal Facility – Fort Pierce, FL

- County owned
- County operated, w/contracted F&B
- Contract maintenance agreement (Brightview)
- Open to the public
- Membership options



Types of Golf Facilities



Private Facility – Ponte Vedra Beach, FL

- Privately owned
- Privately operated
- Not open to the public
- Membership Only

Daily Fee Facility – Ponte Vedra Beach, FL

- Corporate owned
- Corporate operated
- Open to the public
- Membership options



Types of Golf Facilities



Real Estate Facility – Poinciana, FL

- Privately owned (Taylor Morrison)
- Contract Operated
- Open to the public
- Membership options



Resort Facility – Conroe, TX

- Corporate owned
- Resort Operated
- Open to the public
- Resort Amenities



Golf Market Data and Statistics



(NGF 2022 Report)

Focus
for
this
Session

	Golf Courses - US	Florida Courses	Golf Facilities- US	Florida Facilities
Total:	<u>16,035</u>	<u>1,270</u>	<u>14,033</u>	<u>960</u>
Daily Fee	8,825	584	7,808	464
Municipal	2,904	123	2,551	102
Private	4,306	563	3,674	394
9-Hole	5,556	353	3,676	90
18-Hole	10,479	917	9,051	695
27+ Hole			1,306	175

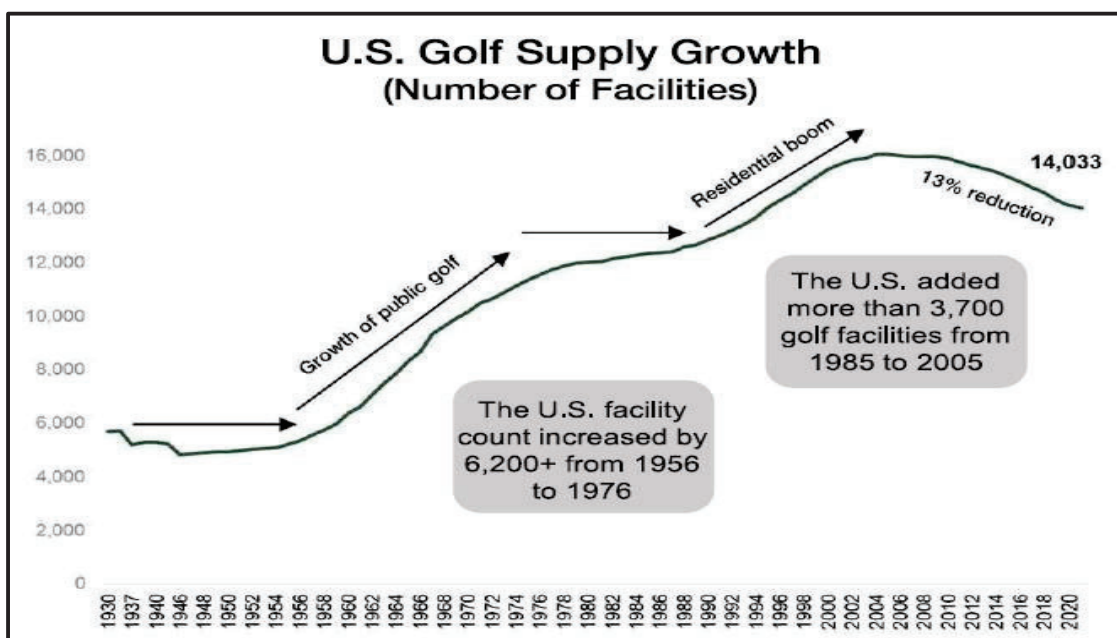




Golf Market Data and Statistics



(NGF 2022 Report)





Golf Market Data and Statistics



(NGF 2022 Report)

KEY STATISTICS 2021

(All statistics reflect U.S. golf market unless otherwise specified)

GOLFERS (IN MILLIONS)

GOLFERS 37.5 MILLION

On-course 25.1

Off-course only 12.4

JUNIORS 6.4 MILLION

On-course 3.1

Off-course only 3.3

WOMEN 11.6 MILLION

On-course 6.2

Off-course only 5.4

NON-CAUCASIANS 10.1 MILLION

On-course 5.2

Off-course only 4.9

BEGINNERS 3.2 MILLION

Statistics for 2021

ROUNDS PLAYED (ON-COURSE) 529 MILLION

AVERAGE ROUNDS PER GOLFER (ON-COURSE) 21.1

AVERAGE PRICE FOR PUBLIC ROUND (INCLUDING RESORTS) \$38

GOLF FACILITIES 14,033

GOLF COURSES 16,035

NEW COURSES (18-HEQ) 13.0

COURSE CLOSURES (18-HEQ) 130.5

COURSES WORLDWIDE 37,939

**450,000 +
Net Increase in
Female Golfers
From Prior Years**

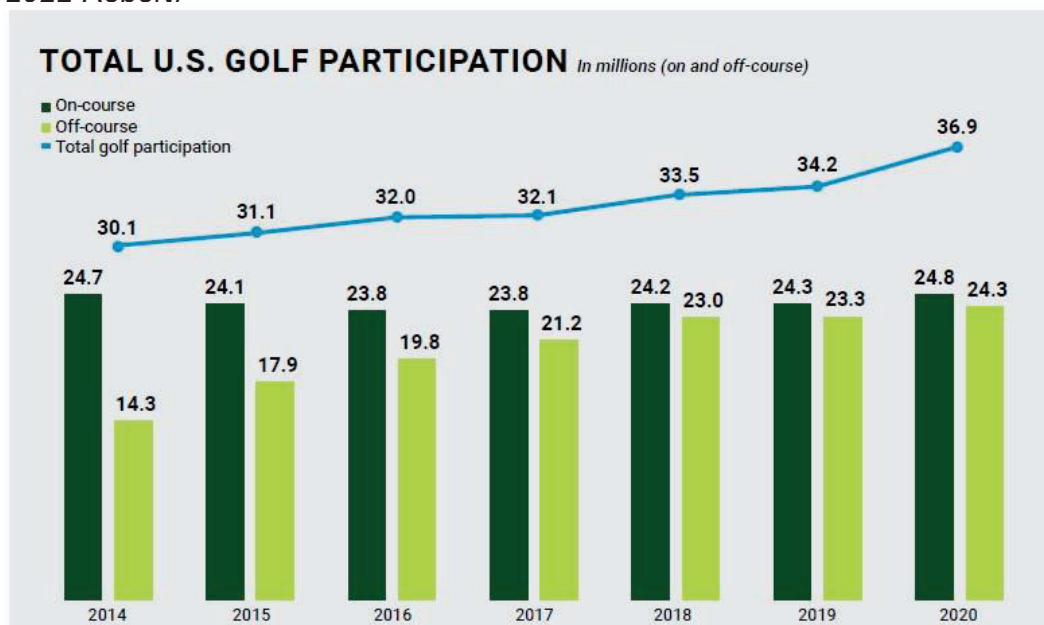
**630,000 +
Net Increase in
Junior Golfers
From Prior Years**



Golf Market Data and Statistics



(NGF 2022 Report)



Source: National Golf Foundation





Goals and Objectives of a Golf Facility



A Golf Course is primarily in place to function as a business and to make a profit for its owner.

- **Other goals/objectives include:**
 - **Service/entertainment venue**
 - **Investment for the owner**
 - **Business/marketing expense**
 - **Private use only**





Operations of a Golf Facility



Three Primary Departments

- *Golf Operations*
- *Golf Course Maintenance*
- *Food and Beverage*



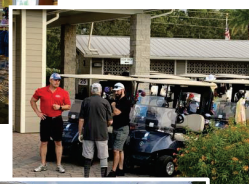
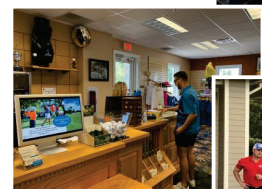
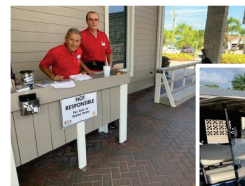


Operations of a Golf Facility



- **Golf Operations**

- Customer Service / Member engagement
- Tee Sheet management (Members, public, groups, leagues)
- Golf cart management (Greeters, bag control, cart maintenance)
- POS / Pro Shop / Retail Merchandise
- Tournament Management / Events
- Lessons/Handicap/Marketing Programs
- Practice facilities (Driving Range, Chipping, Putting)





Side Topic

Top Golf



GOLF AT
A STAND ALONE
DRIVING RANGE:

**16.3
MILLION**

TOPGOLF
PARTICIPANTS
(UNIQUE VISITORS):

**11.3
MILLION**

SCREEN/SIMULATOR
PARTICIPANTS:

**4.6
MILLION**

- A Marketing Phenomena (completely unexpected success)
- A product built for a market that was unknown
- Golf entertainment facility using golf as the centerpiece, with games and F&B

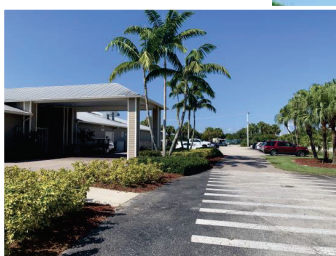


Operations of a Golf Facility



- **Golf Course Maintenance**

- Agronomic procedures and routines
- Daily course maintenance and setup
- Irrigation management
- Equipment management and repair
- Clubhouse maintenance



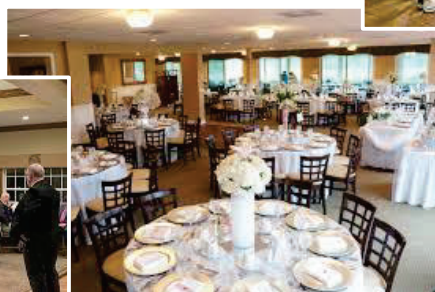


Operations of a Golf Facility



- *Food and Beverage*

- Bar
- Dining
- Beverage cart
- Banquet facilities
- Events





Financial Details of a Golf Facility

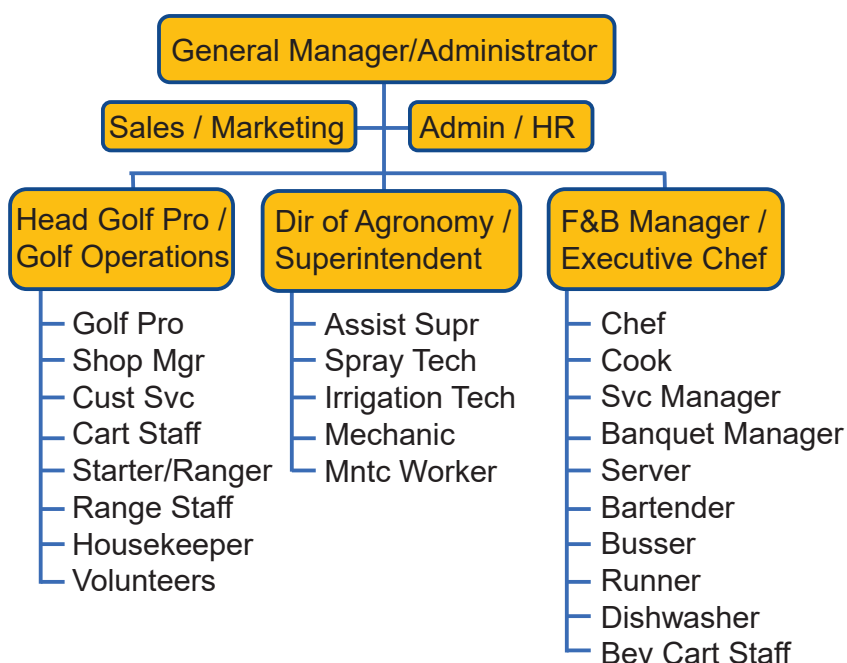


- + Revenue
- Payroll
- Expenses
- = EBITDA
- Then:
- +/- Transfers
- Fees
- Depreciation
- Etc.
- = Net Cash Balance

FISCAL YEAR YTD Financials					(Example P&L)	
Golf Course P & L Statement		Budget	Actual YTD	YTD % of Budget	Forecast w/Accounting Transfers & Exps	Forecast % of Budget
Rounds	Total Rounds	45,000	5,000	11.1%	48,000	106.7%
Revenue	Green Fees	\$1,900,000	\$210,000	11.1%	\$1,950,000	102.6%
	Cart Fees	\$30,000	\$7,000	23.3%	\$31,000	103.3%
	Memberships	\$10,000	\$800	8.0%	\$12,000	120.0%
	Range Fees	\$20,000	\$2,000	10.0%	\$21,000	105.0%
	Lessons	\$25,000	\$5,000	20.0%	\$30,000	120.0%
	Merch	\$50,000	\$3,000	6.0%	\$55,000	110.0%
	Other	\$5,000	\$500	10.0%	\$6,000	120.0%
	Inter fund & CFWD	\$100,000	\$0		\$100,000	100.0%
	Total Golf Revenue	\$2,140,000	\$228,300	10.7%	\$2,205,000	103.0%
F&B	Restaurant Revenue	\$100,000	\$15,000	15.0%	\$110,000	110.0%
	Total Revenue	\$2,240,000	\$243,300	10.9%	\$2,315,000	103.3%
Payroll	Maintenance	\$400,000	\$20,000	5.0%	\$385,000	96.3%
	Golf Operations	\$340,000	\$18,000	5.3%	\$330,000	97.1%
	Total Payroll	\$740,000	\$38,000	5.1%	\$715,000	96.6%
	Golf Mntc Expenses	\$700,000	\$100,000	14.3%	\$690,000	98.6%
	Golf Ops Expenses	\$600,000	\$95,000	15.8%	\$580,000	96.7%
	Depreciation Expenses	\$200,000	\$0		\$200,000	100.0%
	Total Expenses	\$2,240,000	\$233,000		\$2,185,000	97.5%
	Revenue Excess	\$0	\$10,300		\$130,000	



Organizational Structures of a Golf Facility



Staffing options:

- City/private/corporate employees
- Contract labor options
- Lease agreements
- Management agreements
- Maintenance agreements
- Contract agreements
- Combinations

A Municipal Golf Course can have a combination of any of these options and staff



What Makes a City Golf Facility Successful



- **Achieving the goals/objectives set by the City**
- **Great golf course (greens, fairways, tee boxes, bunkers)**
- **Friendly/enjoyable to play, challenging but fun for everyone**
- **Economical for all citizens**
- **Great practice amenities**
- **Teaching/lesson options**
- **Excellent tournament support**
- **Extensive retail options and values**
- **Great food and beverage features**





Municipal Golf Facility as an Enterprise Fund vs General Fund



An enterprise fund is a self-supporting government fund that sells goods and services to the public for a fee. An enterprise fund uses the same accounting framework followed by entities in the private sector, such as GAAP or IFRS. An enterprise fund is a separate accounting and financial reporting mechanism for which revenues and expenditures are segregated into a fund with financial statements separate from all other governmental activities.

General fund refers to **revenues accruing to the state from taxes, fees, interest earnings, and other sources which can be used for the general operation of state government.** General fund revenues are not specifically required in statute or in the constitution to support particular programs or agencies.

Some examples of enterprise funds are activities such as **the food service program, the bookstore operation, the golf course, the athletic stadium, or the community swimming pool.**





Summary



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Questions?

