

**CITY OF DULUTH**

PURCHASING DIVISION

Room 100 City Hall

411 West First Street

Duluth, Minnesota 55802-1199

218/730-5340 218/730-5922 FAX

July 11, 2014

**REQUEST FOR PROPOSAL**

**14-22DS**

**Operation, Maintenance, and Development of Enger Park Golf Course and the (Optional) Operation of Lester Park Golf Course**

Please provide the City of Duluth with a proposal for **the operation of Enger Park Golf Course and/or Lester Park Golf Course** per the following scope, description, requirements and goals.

Please mark your proposal with the above number and title on the outside of the envelope and return to: City of Duluth, Purchasing, Room 100, 411 West 1st Street, Duluth, MN 55802 by **2 PM Friday, August 22nd, 2014.**

All proposals will be acknowledged aloud in room 106A of City Hall. Proposals will be reviewed by committee according to established criteria.

The City of Duluth reserves the right to reject all proposals, to select more than one to give presentations if so desired by the City of Duluth, or to select the best one and enter into further negotiations with the vendor.

It is the intent of the City of Duluth to take all interested candidates through an inspection on Tuesday, July 29th beginning at 9 am at the Enger Park Golf Course clubhouse. This site visit is not mandatory, but is strongly recommended.-

Contact: Dennis Sears (218) 730-5003

Purchasing Agent

[dsears@duluthmn.gov](mailto:dsears@duluthmn.gov)

Thank you.

1.

**Request for Proposal**

**11-27DS**

**Operation, Maintenance, and Development of Enger Park Golf Course and the (Optional) Operational Management of Lester Park Golf Course**

**for the**

**City of Duluth**

**Parks and Recreation Department**

1. **Introduction**:
   1. **Purpose and Intent**:

It is the purpose and intent of the City of Duluth (City) to designate a Lessee(s) (Lessee)

who will be diligent in the operation, maintenance, and potential development of Enger Park Golf Course along with the potential/optional operational management of Lester Park Golf Course; and to do those things necessary to provide the golfing public an enjoyable golfing experience with adequate and proper service at a price that is comparable with other golfing facilities with similar services in Duluth and the surrounding area.

The lessee will be expected to make significant capital improvements to the facility(ies) they operate. The minimum improvements required will be enumerated later in this proposal. The City will consider various levels and scenarios for funding of these projects to an extent that is yet to be determined, and with the expectation that the successful respondent will provide, at a minimum half (50%), of the investment in the Enger Park Golf Course over the term of an agreement. In exchange, the Lessee will be granted a long-term lease or multiple 5 year lease terms that may accumulate to a total of at least 20 years. The requested length of the lease and the amount of investment are to be part of the bidder’s response.

Proposers must have the following expertise:

* Solid track record of Golf Course Operations and Management
* Experience in preparing and implementing a capital upgrade plan for a public golf course.
* Demonstrated financial capability and backing.

As will be discussed more fully below, currently the two courses are priced the same and are competing for mostly the same market. Part of the intent of this process would be the market repositioning of one of the two facilities, but not both.

* 1. **Overview**:

The City of Duluth (“City”) owns two 27-hole golf courses, Enger Park Golf Course and Lester Park Golf Course. The City is seeking qualified golf operator(s) (“Operator”) to provide capital improvements, operate and maintain Enger Park Golf Course and/or (Optional) to operate and provide routine maintenance to Lester Park Golf Course.

Bidders may bid on leasing one or both courses, but development, maintenance and investment in only one course – Enger Park Golf Course. The length and renewal terms of the lease will be dependent on the amount of capital improvements the Operator is willing to make and the type of agreement the Operator is seeking. The lease term would begin on January 1st, 2015.

The Operator will be responsible for all operating expenses, including building and course maintenance, and for a defined amount of identified and evolving capital improvements during the course of the lease for the Enger Park Golf Course. For the Lester Park Golf Course, should the respondent choose to submit a proposal, the operator would only be responsible for operating and routine maintenance expenses. The Operator will also be responsible for all operating equipment, including golf carts, kitchen equipment and course maintenance equipment. The City will be willing to negotiate for the transfer of existing equipment.

The City is willing to co-invest in the improvements, but its preference is that the majority of the funding will come from the Operator.

The City is also considering the sale of all or part of Lester Park. This will be subject to a separate RFP process. Among the possibilities are:

* Selling the entire facility to a developer who would turn it into a residential development.
* Selling the entire facility to a developer who would retain 9 holes of golf for play and develop the rest.
* Selling the entire facility to a developer willing to retain 18 holes of golf and develop the rest.
* The City retaining nine holes (the Lake nine) and selling the remainder to a residential developer.
* The City retaining 18 holes and selling the remainder to a residential developer.

In the event that all or part of Lester Park is sold, the proceeds would be retained by the golf division to help fund capital improvements at one or both courses. Further, if the City does retain nine or 18 holes, this course may be included as part of the lease arrangement with the Operator.

It is important to note that part of the rationale for selling part of Lester Park is to help fill the significant need for additional middle-income housing due to the dramatic improvement in the Duluth economy.

*There will be a non-mandatory pre-bid meeting and site visit on Tuesday, July 29th. The meeting will start at 9 am at the Enger Park Clubhouse. Tours of both facilities will follow. The courses will also be available for touring on the 30th.*

1. **Background**:
   1. **Description of Sites and Facilities**:

The City of Duluth has two separate 27-hole golf courses that are among the more popular and active golf courses in this market area. The two Duluth golf courses are each serving a similar market niche, but have different locations with separate demographics. The two courses are clearly aging (both facilities are over 70 years old) and will require new capital investment to remain competitive. This investment is recommended for both the golf courses and support amenities (clubhouses).

In the summer of 2011, the National Golf Foundation (NGF) conducted a review of both facilities and their operation. In 2013, Jeffrey D. Brauer of GolfScapes, LLC prepared a master plan for the renovation of Enger Park Golf Course. In the same year, Sirius Golf Advisors, LLC created a business plan for the renovation and operation of both courses. All of these reports will be made available for the bidder to download. Portions of these reports are included within this RFP in Exhibit A.

The two courses are currently professionally managed by PGM Golf Management.

* 1. **Performance History**:

Financial performance for the past four years for the two courses as an aggregate and individually can be found in Exhibit B. In general, performance has steadily declined over the past 10 years as course conditions have worsened. In 2008, the two facilities combined for 93,879 rounds. In 2011, Enger had 40,870 rounds and Lester had 31,187 rounds for a combined total of 72,057 rounds. Since 2005, Enger has averaged 44,918 rounds and Lester has averaged 32,926 rounds. In 2013, they combined for just 58,357.

* 1. **Market Information**:

The NGF report had the following observations about the Duluth market:

* Among the keys to growth in golf activity will be increasing participation.. Beginner-type facilities can be helpful in meeting this challenge, and both Enger Park and Lester Park generally meet these criteria with some of the 9-hole configurations.
* The local Duluth area demographics are generally favorable for golf participation, but at much lower fees than other regional communities. The immediate sub-markets surrounding each golf course are quite different from each other with Enger Park showing a younger and lower-income population, while the Lester Park area market has an older population with higher-than-average incomes.
* The Duluth area has over 4,600 hotel rooms and is attracting upwards of 3.5 million tourists annually. This represents a large and virtually untapped source of potential rounds.
* The golf market in the greater Duluth area is highly weather dependent, with length of winter and rain-out days in summer playing a key role in revenue generation.
* The overall golf market in the Duluth MSA area is somewhat large, with upwards of 24,000 golfers potentially demanding 367,000 rounds and spending over $13.0 million on golf annually. Overall participation in golf is predicted to be higher than average in the Duluth market, but actual participation may be slightly lower, indicating a somewhat “inactive” golf population.
* There are relatively few competing golf courses in the immediate market area within a 20-50 mile radius, but several facilities stand out as offering competition to the Duluth golf system overall. These include the Nemadji courses in Superior and Lakeview National in Two Harbors.
* The City of Duluth golf courses generally compare favorably to their immediate competition with higher fees and higher rounds activity. The two Duluth courses are the most active golf facilities in the market area in terms of rounds played.
  1. **Capital Improvement Priorities for Enger Park Golf Course:**

The general capital improvement priorities to be made at Enger Park Golf Course are provided below. However, part of this RFP process and the evaluation of the responses, is for the bidder to note what other improvements they will be making.

For any capital improvements, the bidder should state:

* Nature of the capital improvement
* Full description of the improvement
* Time frame that the City can expect the improvement to be made
* Anticipated costs and proposed funding (please note what improvements the Bidder will pay for outright).
* Any requested City involvement in the improvement.

The Bidder should refer to the consultants’ reports (NGF, Sirius Golf Advisors, and Jeffrey D. Brauer) for a better description of needed and recommended improvements along with anticipated costs.

### Enger Park

* **Clubhouse:** A new clubhouse will be required at Enger. This is a high priority. At a minimum, the clubhouse should have at least a 1,000sf proshop and a grill operation adequate to service the normal flow of golfers at the course. The bidder should refer to the consultant’s recommendations in the Business Plan.
* **Drainage:** There are several holes at Enger that have significant drainage problems. This is a high priority.
* **Irrigation:** A new irrigation system is needed at Enger. This can be phased over several years, doing nine holes at a time.
* **Greens:** The greens are in need of renovating. The nine original greens likely need to be completely rebuilt. The other 18 plus the practice greens may require only resurfacing, with the top 6” replaced.
* **Cart Paths:** The cart paths are in need of significant repair. Replacement may be required for some areas.
* **Water Storage:** The water storage capacity needs to be increased.
* **Bunkers:** Restore, reshape, and rebuild sand traps by improving drainage, defining edges, and changing contours.
* **Forward Tees:** Install new forward tees on each nine to bring the combined 18-hole yardage from these tees to 4,400 to 4,800 yards. These tees must be consistent in quality with other tees.
* **All tees:** Level where needed, expand where needed and resurface as needed.
  1. **Bonding**

If at any time the Lessee fails in performance of its duties, The City will re-establish its position of owner-operator of the affected golf facility. Due to the need for start-up capital to perform this service, the Lessee will be required to secure a $250,000 performance bond.

* 1. **Dates/hours of Operation**:

The golfing season in Duluth generally runs from April through October. However, as the weather is highly variable, the season can start anywhere from mid-March to early May and run as late as the first of December.

The northern location of Duluth provides for extended daylight during the summer months, allowing for extended operating hours. The City’s expectation is for the Operator to keep the course open from shortly after sunrise through sunset.

Available for consideration are winter activities at the course, especially with the clubhouse. This may be more practical with the construction of a new clubhouse.

* 1. **Minimum Standards**:

The Lessee will be responsible for maintaining the facility(ies) in good condition through the life of the lease. These standards will be presented and agreed upon as part of the negotiation process with the successful bidder. The City would encourage bidders to present the standards they would propose as part of their RFP response.

The Lessee will have at least one Class A PGA Pro as part of the operations team at each facility.

* 1. Site and Building Improvements:

These will be negotiable, but must improve the course initially and over the length of the lease term as proposed. Any improvements that physically alter the nature of the course or the buildings (as opposed to simply repairing) will need to be approved by the City.

* 1. Licenses and Permits:

Lessee must operate in strict compliance with the laws of the United States of America, State of Minnesota, St. Louis County, City of Duluth, and State and Federal Bureaus. Lessee is required to procure and maintain in force throughout each golfing season, at Lessee cost and expense any license or official permits required for carrying out the activities at Enger Park Golf Course and/or Lester Park Golf Course. This will include necessary licensing for the sale of alcohol at Enger Park. (Lester Park, with the clubhouse in its current location, is in a “dry” area and is not permitted to sell alcoholic beverages).

* 1. Marketing and Advertising:

Lessee shall be responsible for all marketing and/or advertising for the course(s). Lessee will be required to utilize appropriate marketing and advertising outlets such as electronic/web based media, magazine advertising, yellow page listing, brochure printing quarterly Duluth publication, etc. to maximize the course’s exposure and revenue potential. All marketing and advertising shall be at Lessee cost and expense. Minimum advertising required Lessee advertising shall consist of:

1. Duluth Convention and Visitor Bureau-Duluth Visitor’s Guide
2. Duluth News Tribune-Northland Visitor
3. Ad placement one or two times in the quarterly published *Duluthian*. (maybe in conjunction with Spirit Mountain)

In addition, Lessee will be responsible for maintaining and updating as necessary an Enger Park Golf Course and/or Lester Park Golf Course’s website either City owned or their own established website.

1. **Insurance and Indemnification Requirements**:
   1. **Insurance**:

Lessee shall provide evidence of insurance for all its activities on said premises. A

Comprehensive General Liability Insurance Policy shall be maintained in force by Lessee

throughout the life of the lease agreement in an amount not less than One Million Five

Hundred Thousand Dollars ($1,500,000) for bodily injuries and in an amount of not less than

Five Hundred thousand Dollars ($500,000) for property damage or One Million Five

Hundred Thousand Dollars ($1,500,000) single limit coverage. Such coverage shall include

all Lessee activities occurring on or within said premises whether said activities are

performed by employees or agents under contract to Lessee. Such policy of insurance shall be

approved by the City Attorney’s Office and shall contain a condition that it may not be

cancelled without thirty day (30) written notification to the City of Duluth. The City of

Duluth shall be named as an additional insured on said policy of insurance required by this

paragraph.

The City reserves the right to require Lessee to increase the coverage set forth above

and to provide evidence of such increased insurance coverage to the extent that the liability

limits as provided in Minn, Stat. Sec. 466.04 are increased.

* 1. **Indemnification**:

Lessee shall be expected to defend, save harmless and indemnify the City of Duluth,

its agents and employees from any loss, cost of damage by reason of personal injury or

property damage of whatever nature or kind arising out of, or as a result of, the performance

of the work by the Lessee, its employees, agents, or subcontractors.

* 1. **Workers Compensation**:

Lessee shall provide evidence of Workers Compensation Coverage, as required by

Minnesota Statutes.

1. **Minimum Qualifications**

The Proposer MUST meet all of the requirements supplied in this document and MUST submit the following information with responses to the following requirements:

1. The Proposer shall have a minimum of five (5) years of experience in providing golf course professional service operations, which would preferably include restaurant and bar operations and golf course maintenance at an 18-hole golf facility similar in size and rounds to Enger Park Golf Course. The Proposer will provide all staff for the golf operations that include Cart Attendants, Starters, Rangers, and Cashiers, and the Proposer must provide proof of being an active Class A PGA or LPGA member in good standing (or having one available for the operation of the facility). The Proposer shall provide a detailed statement of qualifications and background of said services.
2. The Proposer shall provide a detailed description regarding types of golf development programs that they have been associated with that include instructional, tournament recruitment and retention, and public school program participation.
3. The Proposer shall provide evidence that they have sufficient resources and capabilities to meet the financial and operational requirements (including proposed capital improvements), vendor credit lines and/or bank letters of credit should be provided as evidence.
4. The Proposer shall provide written evidence/references that they have maintained and operated 18-hole golf course~~s~~ and have a minimum of five years of experience. References must include scope of work, facility name, contact name, address, and phone number, number of holes maintained, number of acres maintained (arranged by greens, tees, fairways, roughs, and common areas), number of employees, and annual maintenance budget.
5. The Proposer shall provide their proposed capital improvement plan and proposed contributions toward that plan for the successful operations of the facilities and provide proposed recommendations of a plan of capital contributions that may be required from the City of Duluth.
6. The Proposer shall provide written evidence/references that they have golf course grow-in experience at a minimum of one (1) 18-hole golf course or a minimum of two (2) large golf course renovation projects that included at a minimum the renovation of 18 greens at a regulation golf course within the past five (5) years. References must include company name, contact name, address, telephone number, email address, dollar amount of contract, dates of service, scope of work, types of service performed, and number of staff provided.
7. **Financial Considerations**:
   1. **Golfing Rates**:

. The bidder will submit their anticipated rates for the 2015 golf season as part of their RFP response. It should be noted that City authority to approve rates may be important in retaining a property tax exemption. A structure for setting and approving golf rates is, at this point, negotiable.

* 1. **Payment to the City**:

The bidder will submit their proposed lease payments to the City. These payments may either be fixed, a percentage of the revenue, or a combination of both. The bidder should describe how and when these payments are to be made.

* 1. **Performance Reporting:**

Accurate and complete records will be required of all monies received and disbursed in the operation of the golf course and Lessee’s related activities. Accounting records, books, or ledgers appropriate for the golf course operation must be maintained on an ongoing and orderly basis. The format for the accounting of all revenues and expenses for the golf course shall be subject to review and approval by the City Auditor. All accounting records must be made available to the City Auditor for inspection and audit upon request. In addition, Lessee shall be required to prepare an itemized monthly financial report disclosing all revenues and expenses for the preceding month and shall submit such report to the City along with the payment as indicated in “B” above.

Within ten (10) business days of the preceding month, the Lessee will be required to submit a monthly statistics report to: City of Duluth, Contract and Compliance Officer Sue Wegener, City Hall, 411 W 1st Street, Room 107, Duluth, MN 55802 summarizing the activities of the golf course, including traffic flow, income generation, and maintenance along with other information deemed necessary by the Lessee.

Within one month following the end of the Golfing Season, the Lessee will be required to submit a detailed annual report summarizing the activities for the golfing season, including discussion on possible improvements, upgrades, and suggested capital projects to enhance the golf course, along with other information deemed necessary to the Lessee to same identified above.

V. **Criteria for Selection**:

The following criteria shall be used in candidate evaluation and selection:

* 1. Potential for income to the City.
  2. Amount and type of capital improvement investment.
  3. Previous golf course operation experience.
  4. Financial strength and ability to make above stated capital improvements as well as sustain successful operation of the golf course(s).
  5. Value and innovativeness of ideas proposed for the operation of the golf course.
  6. Staffing and operational plans which demonstrate a strong commitment to providing the highest quality golfing experience possible to golfing patrons.
  7. Marketing plan for promotion of Enger Park Golf Course and/or Lester Park Golf Course

VI. **Instructions for submission of Proposals**:

The format for the submission of formal proposals for the operation of Enger Park Golf Course and/or Lester Park Golf Course may be determined by each candidate or candidate team but should address each of the criteria area. In addition, the following points shall be included:

* + Names of all individuals or partners to be involved in the business operation, complete with addresses and phone numbers.
  + Resume of each individual or partner involved.
  + Specific disclosure of the percentage fees the candidate is willing to offer, if any, to the City of Duluth in exchange for exclusive rights to operate Enger Park Golf Course and/or Lester Park Golf Course.
  + List of all golf courses currently being leased or managed.
  + List of all *municipal* golf courses that are currently leased or managed or *have been* leased or managed in the past five years, along with contact information for the City/County official responsible for the golf course and reason for leaving if not currently operating the facility.
  + Proposed capital improvements to be completed in the first five years, including costs and schedule.
  + Proposed contract term that will provide an optimal solution for both the City and proposer.
  + *Brief* description of your proposed business plan for each facility to be managed, including:
    1. *Five year capital improvement plan – if applicable*
    2. *Staffing levels*
    3. *Marketing plan*
    4. *Proposed fee structure*
    5. *Operational philosophy*
    6. *Any major changes to current operations as best that can be determined.*
  + Current and 2013 end of year financial statements.
  + Three (3) financial references.
  + Three (3) professional references.
  + Legal history of the company including, but not limited to:
    1. An outline history of contract amendments with any current contracts to include timeline and purpose of amendment.
    2. Disclose if Proposer has made any claims for extra payment or increases in compensation during the course of its agreements to provide services at any golf course.
    3. Disclose any lawsuits current or in the past five years that have been filed against the Proposer, including current disposition.
  + The Proposer shall list any current subcontractors or lessees or list intent to subcontract if known.
  + Other relevant information not specifically mentioned here but which may be helpful or relevant in assessing the abilities and capabilities of candidate(s) to successfully and satisfactorily operate Enger Park Golf Course and/or Lester Park Golf Course.
  + **The Proposal shall be signed by a representative who is authorized to bind the Proposer contractually.**

VII. **Schedule for submission or proposals and Selection of Lessee**:

1. **Pre-proposal Conference** on Tuesday, July 29th at Enger Park Clubhouse. Site tours to follow. Tours will also be available on July 30th. Attendance at this meeting is *not* required, but is *highly recommended.*
2. Questions should be addressed to: Dennis Sears, City Purchasing Agent. Deadline for questions is 5 pm on August 4th, 2014.
3. Three printed copies and one electronic copy must be submitted and received not later than **2:00 pm Friday, August 22nd, 2014** to the City Purchasing Office, Room 100 City Hall, Duluth, MN 55802 where it will be time stamped and acknowledged as properly received. **NO LATE SUBMISSIONS WILL BE CONSIDERED.**
4. Proposals will be screened and interviews arranged with the top three

candidates. Those proposals ranked below the top three will be notified in writing within ten (10) days after submission deadline date indicated. These interviews will be during the week of September 8th, 2014.

1. Upon completion of the interview and final selection process, the two

candidates not selected will be notified in writing within ten (10) days of the completion of the final candidate interview.

1. It is the intent of the City of Duluth to complete final lease negotiations

with the successful candidate(s) not later than October 15th, 2014 in order to allow successful candidate(s) to begin January 1st 2015.

**Note: The final lease agreement must be approved by the Duluth City Council**

**prior to the lease becoming effective.**

**NOTE: It is the responsibility of each Proposer to redact all information (i.e., social security numbers and bank account numbers) that is not specifically required to be submitted and is not exempt from the mandatory disclosure requirements of the Public Records Law.**

# Exhibit A: Description of the Facilities

**Enger Park Golf Course**

Enger Park Golf Course (“Enger”) was built as a Depression era project. It opened in 1936 as an 18-hole facility. A third nine, designed by golf course architect Dick Phelps, was added in 1988. At that time, nine of the original 18 holes were also renovated and a new irrigation system installed. Currently, nine of the greens at Enger are original and are now 80 years old.

Enger is the busiest course in the region with an average of 44,918 rounds annually. However, at one time it hosted over 53,000 rounds.

Enger Golf Course Rounds by Year:

2005 - 50,382

2006 - 53,430

2007 - 49,669

2008 - 48,744

2009 - 45,560

2010 - 45,335

2011 - 40,870

2012 - 38,516 (Flood year)

2013 - 31,657 (Opened May 13th due to record snow fall in April)

The facility is in a park-like setting, with no surrounding homes. The three nines all have four sets of tees to accommodate golfers of all abilities. Yardages range from 5,159 to 6,573 yards. The course is scenic with some nice views of Lake Superior. The location is convenient to downtown, I-35, area hotels and the popular Superior area.

The three nines are roughly equivalent (although the one nine with older greens is a bit less popular), allowing the facility to operate as a true 27-hole layout. The three nines are played in rotation. Because of the high demand for nine-hole play, usually two nines are set up for 18-hole play and one nine is dedicated to nine-hole play.

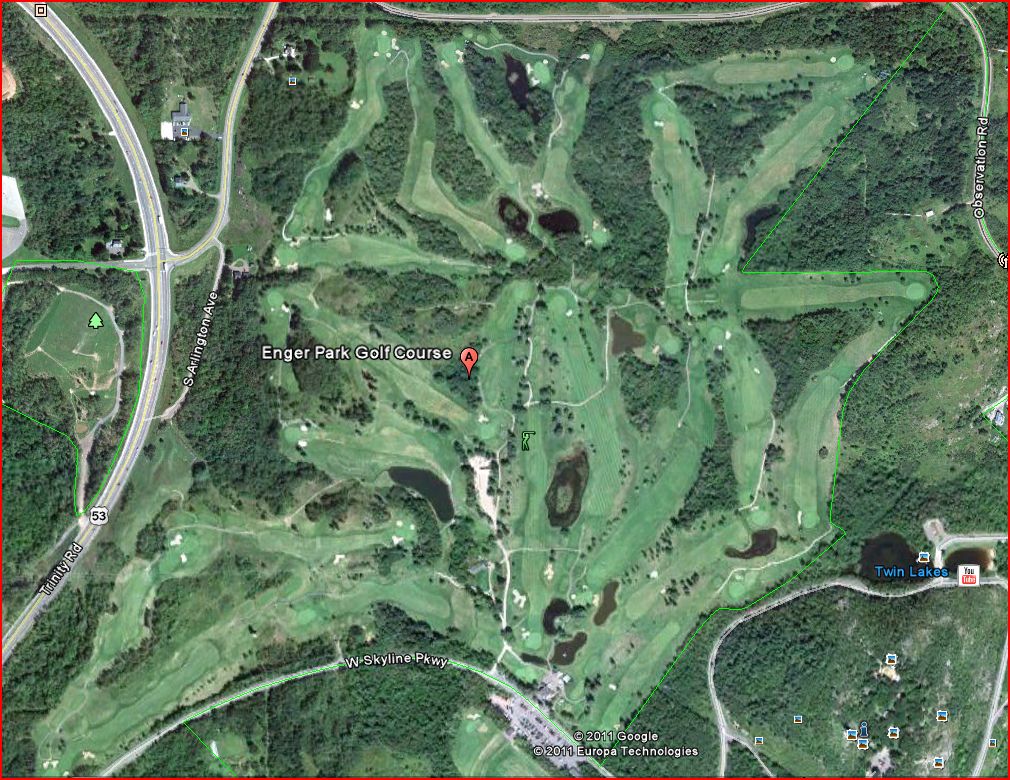
The clubhouse is approximately 8,000 square foot (sf) in size. It first opened in 1938. The building has three levels including a basement, main floor and an apartment upstairs. The main floor hosts the pro shop, grill and offices. Parking for the clubhouse is located across Skyline drive. The clubhouse is severely outdated and a new clubhouse is needed.

The driving range is located on the other side of the parking lot from the clubhouse and is not convenient to any of the starting holes or clubhouse. It does have its own building which houses the ball machine.

NGF (2011) described the facility as follows:

The Enger Park Golf Course is a scenic golf layout with interesting topography and numerous mature trees bounded in many areas by natural woodlands. The golf course is in a park setting and is devoid of any development visible from the golf course, creating a true “oasis” atmosphere for golfers despite close proximity to the busy city life that surrounds it.

The three nines at Enger Park are descriptively named “Front”, “Middle” and “Back”. They all start and finish proximate to back of the clubhouse.



There are approximately 42 bunkers over the 27 holes, with the Front nine having the most (18) and the other two nines having twelve each. Water comes into play on ten holes. There are some slight elevation changes on all three nines.

The mix of 18-hole configurations resulting from the three 9-hole courses also leaves a mix of course layouts. Yardages range from between 6,382 and 6,573 from the longest (Blue) tees to between 5,159 and 5,452 from the most forward (Red) tee. Enger Park now offers four sets of tees, which is one less than the “standard” for modern high-quality golf courses. The multiple tee positions allow for golfers of different skill levels to play from a total golf course yardage that is comfortable for them.

The USGA slope and rating data in the table below show the relative difficulty of the Enger Park golf course each tee for each nine. The USGA rating (middle figure) reflects the yardage compared to the “standard” or par for that tee (for all three courses, the par is 36). Slope, the third figure, represents a course’s difficulty, compared to the “standard” USGA Slope Rating of 113. As can be seen, the Middle nine is rated the most difficult of the three and the Back nine the easiest.

### Physical Evaluation

Enger Park appeared to be a very well maintained golf course at the time of the NGF visit in late August 2011. However, the condition of the course was less than ideal in many cases, not because of maintenance practices but because of the age of the course and other issues such as drainage characteristics.

#### Basic Evaluation

The basic NGF findings on our physical evaluation of the Enger Park Golf Course property include:

* **Greens**: In general, we found the greens to be in good shape. However, all the greens are now at or past their normal “life cycle”, meaning it will become increasingly more difficult to sustain a high quality putting surface. The USGA recommends rebuilding greens every 25 to 30 years to promote strong turf and proper drainage. The greens are largely contaminated by Poa, which is common for courses in this area. Greens #1 and #7 on the Front and #18 on the Middle are in poor shape and should be rebuilt. All of the back-nine greens are “push up” greens and should be rebuilt.
* **Tees:** There are two issues with regards to the tees: size and leveling. The tees for the Front and Middle courses were built to modern standards in 1988 and are of adequate size and generally in much better condition than the Back nine. The Back nine tees are much smaller and need to be enlarged, especially for the middle and gold tees, which are the most popular. There are numerous tees throughout that are not level, which is a problem for golfers.
* **Cart Paths:** Cart paths are mostly found around tees and greens. Several holes have none. This means that in wet conditions, the course is more likely to be damaged by carts (and it is), or play and revenue will be reduced by not allowing cart usage. Further, the cart paths on the Back nine are gravel (as are some of those on the other nines), which get in bad shape after rains. The resulting potholes can increase cart damage.
* **Drainage:** There are significant drainage issues on several holes. In particular, #11 and #18 on the Middle and #1 and #9 on the Back are very bad. As a result, the fairways on these holes are substandard and very uneven. This is particularly hard on golfers who ride as it is both uncomfortable (especially if you have back problems) and causes increased wear on the carts.
* **Turfgrass** – Turfgrass at Enger Park consists mainly of Kentucky Bluegrass mixed with Poa on the fairways, tees, and roughs, with a Bentgrass/Thatch/Poa mix on the greens. The turf appeared to be generally healthy and in no need of urgent repair or replacement, although there were areas of stressed turf observed. It appears that the condition of the turf is an annual variable at Enger Park, as each year the course comes out of the cold winter and an evaluation of condition must be completed. In 2011, it appeared that the cold ice covering from the previous winter had “thinned” out some turf areas, leading to fragile conditions. Continued extreme care by the superintendent is needed to ensure maximum turf health each year. The greens are particularly vulnerable and should not be cut too low (to make faster) as this will likely add to the stress of the turf condition.
* **Irrigation** - Enger Park uses City water to irrigate the golf course. There are two pump houses with three total pumps and a capacity of 1,500 gallons per minute; and there are also three wells that pump water in the main irrigation pond on hole #17 – City water is sued to fill the irrigation pond. The current irrigation system was installed in 1988. At 23 years of age, it is nearing the end of the normal life expectancy for such systems. The number of irrigation repairs and issues suggest that the irrigation system will need to be replaced within the next several years.
* **Maintenance Area** – The current maintenance facility is basically functional and includes most of the key elements desired by NGF in our facility reviews. The facility space is generally adequate to store all of the equipment (owned by the City) and there is sufficient space for equipment repair, however, there is no machine lift, which would be highly desirable. An old maintenance building is being used for additional storage (and is where the beverage carts are being kept) – this building was under water during the flood and should be taken down. No urgent repair or renovation of the maintenance compound should be required in the next five years.
* **Traps** – The sand traps at Enger Park are in substandard shape. The sand is of poor consistency with lots of rock. Many of the traps need reshaping, including a lower face to make them more visible and easier to maintain. The NGF recommends a complete rebuilding of the traps, including reshaping some, and adding liners.
* **Fairways –** We see numerous complaints that the fairways are cut too short at both courses, not allowing the ball to properly sit up. Drainage issues have made several of the fairways almost unplayable and extremely rough. There are bare spots throughout, most likely caused by winter kill.
* **On-Course Facilities** – The Enger Park Golf Course does not have on-course permanent restrooms. Having appropriate and clean on-course restrooms is a customer benefit feature that can add play to a golf course, especially in the female segment. There are port-a-potties set up at various locations on the three nines. We recommend having permanent restroom facilities on each nine.
* **Course Aesthetics** – Enger Park has a park-like environment that helps make the entire experience low-key and relaxing. It offers some beautiful views of Lake Superior and is surrounded by mature trees. The lack of housing on the course is a definite plus.
* **Yardage Markers** – We would like to see yardage more clearly indicated on the course, with sprinkler heads more distinctly. This should improve pace of play and enhance the golf experience.

### Enger Park Clubhouse Operation

The clubhouse operation at Enger Park has many components and is a major contributor to the overall success of the Duluth Golf program, in terms of service to golfers. Together, these elements account for upwards of $300,000+ in revenue, or approximately 25% of total Enger Park GC revenue. The Enger clubhouse is a key aspect of this golf operation in that it may be the area with the greatest potential for revenue increases, reaching out to non-golfers who do not presently use the facility but may be attracted to it for the right level of concession service.

Enger’s clubhouse was constructed in 1938 and is definitely showing its age. It consists of three levels, including a basement, and has about a 3,000 sf footprint. The building suffers from numerous structural problems and has a very poor layout for golf. The concerns about the Enger Park clubhouse noted by NGF include:

* **Not ADA Accessible:** The building is not handicap accessible nor in compliance with Americans with Disabilities Act (ADA) regulations. While this does not have a major impact on revenue, it certainly is a negative reflection on the course and the City. Any renovation of the facility will likely require compliance with ADA regulations.
* **No Air Conditioning:** This is a detriment to clubhouse sales, especially food and beverage as people do not want to sit around in an uncomfortable setting – which it definitely was during our visit. It also has an adverse effect on employee morale, especially kitchen workers where it can become extremely uncomfortable. Poor morale, in turn, adds to operating inefficiency, creates higher turnover, and can adversely affect customer service and thus revenue.
* **Parking:** The parking lot is located on the other side of Skyline Drive. As there is no bag-drop area, golfers are thus required to carry their bags across a fairly busy street in order to access the clubhouse and course.
* **Men’s Restroom:** Another major issue is that the men’s restroom is located in the basement, rather than on the main floor. There is no elevator connecting the floors.
* **Insulation:** The clubhouse has very poor insulation, making it unnecessarily hot in the summer and cold in the spring and fall. Like the AC, this affects both revenue and employee efficiency.
* **Electrical:** The clubhouse apparently has some significant electrical problems. There is a definite problem with running too many appliances at one time, which can short the circuit. If the POS system goes down, this will adversely affect customer service and create a greater potential for errors.
* **No broadband service:** The course has to use DSL service for internet, which can be slower.
* **No wifi:** Both courses now offer public wifi.

A summary of the Enger Park clubhouse layout is detailed in the paragraphs that follow.

**Upper Level** - The upstairs floor of the clubhouse is a two-bedroom apartment that is currently not used. Access to the upper level is through a stairway in the office area, and is not in public view. This floor is basically wasted space currently, with some of the floor used for storage. This area would have potential to be converted to meeting and/or banquet space should the clubhouse be renovated. It should also be pointed out that the roof leaks and one side has been replaced, but the other half is slated for replacement as is a new floor. PGM was in the process of repainting the clubhouse during our visit*.*

**Main Level** - Elements of the main level of the Enger Park clubhouse include:

* **Pro shop:** The pro shop is located at the back of the clubhouse. As noted earlier, it is a small space with narrow access inhibiting merchandise sales. Access to the pro shop is either through the back door or through the grill.
* **Entrance:** There are two entries, one in the front (main) and one in the back (for the pro shop). Golfers familiar with the clubhouse know to bring their clubs around back, although there is no sign directing them to do this. Naïve golfers are likely to enter through the front door and may be carrying their bags through a narrow path and around patrons sitting in the bar area. There is no clear path from the front entry to the pro shop.
* **Kitchen:** The kitchen is basic and mostly represents a short order kitchen, with limited cooking area and almost no storage. Instead other areas of the clubhouse are used for storage, increasing the operating inefficiency. There is also little food prep space and sparse cooking equipment. Adding to the poor aesthetics and inefficiency is that there is no loading area. Food deliveries are made through the front door and are often stacked at the main entry way in full view of the public (we saw several examples of this). To the staff’s credit, these boxes are removed quickly and put in their proper places.
* **Enger Park Grill:** The basic snack bar at Enger Park, the grill area serves the day-to-day needs of golfers and others. The space has seating for up to 50 and includes a counter bar area. The grill occupies the most space on the main floor and is the area golfers would walk into from the front door. The dining area is L-shaped, with some of the tables out-of-sight from the grill bar.
* **Offices:** The pro’s office and pro shop storage are located on this floor, with the entry next to the main entrance.
* **Deck:** There is a nice deck area outside the pro shop that would appear to have the ability to seat 30-40 people.
* **Ladies Restroom:** Only the women’s restroom is located on the main floor.

**Lower Level** - The lower level can be accessed through a central stairway leading to a lower level hallway, or through a door to the outside near the cart staging area. Elements of the lower level of the Enger clubhouse include:

* **Men’s Locker Room / Restroom:** The lower level includes men’s locker / restrooms with many lockers present, although there is not a high volume of use. The lockers are old and worn. The floor is cement in most areas, with some carpeting in the locker area. There were noticeable holes in the ceiling and a pool of water in the restroom stemming from the roof leak. The bathroom would be considered substandard. There is also no shower in the locker room, which is highly unusual for a locker room.
* **Storage:** There is an abundance of storage in the basement, which is being used by both the pro shop and grill.
* **Beverage Cart Staging:** There is an ice machine near the back door entrance to the basement and with soda and other storage nearby, making it a convenient area to load the beverage carts. (Alcohol is stored in a closet in the dining area on the main floor).
* **Repair room:** There is a club repair room set up downstairs, not accessible to the public.
* **Meeting room:** There is a meeting room downstairs, which is frequently used by the men’s group. However, this room is not aesthetically pleasing. The carpet has been replaced. Lighting is poor.

#### Driving Range

Enger has a driving range located on the other side of the parking lot from the Clubhouse. The range has stations enough for about 20 golfers. There is a ball machine that takes tokens located in a small building adjacent to the range. In addition to containing the ball machine, the 1,200 sf range building has about 400 sf of interior space that is currently used for storage. The building is constructed as though the intent was to have an attended range, but that has not been the case.

Range balls are provided through a ball machine that takes tokens. The tokens much be purchased from the pro shop. The ball machine itself is about 20 years old. The tokens have been specially designed to make it very difficult to forge (which had been a problem in the past).

The fact the range is very convenient to the parking lot would encourage more range-only use. However, the fact that a golfer would have to cross the street twice – to go to the clubhouse to get a token then return – makes it much less convenient. And because the range is not convenient to any of the first tees, further hampers its use.

The range itself is rather narrow, bordered on the left by trees, the parking lot and Skyline drive and on the right by a steep cliff. We understand that the range loses a lot of balls and we certainly can see why. Another issue is that the range tees are not wide enough, so they get “beat up” with use.

##### Recommendations

* There is little that can be done regarding the width of the range without a major investment. Netting could be put up to try to keep the balls in play, but their high cost and negative aesthetic value may not make them feasible. The best solution would be to relocate the range, should there be a major renovation of the rest of the facility. In such a case, the existing range could be converted into a pitch and putt course.
* **Ball Machine:** The NGF encourages the replacement of the existing ball machine with a modern self-service machine that can take magnetic (swipe) cards. The electronic cards allows for golfers to prepay for the range balls. They function like a debit card, with a dollar amount stored on the card and then charged each time a bucket of balls is used. The advantages of the electronic system are many:
  + **Convenience:** Golfers will be able to go straight from their car to the range without having to go to the pro shop each time. This should encourage more range usage.
  + **Prepay discounts:** Golfers can be encouraged to purchase larger amounts by giving them discounts (e.g. for $100 they get $125 worth of credit).
  + **Tracking:** Because the cards have to be purchased, the City can get information from the golfer and then be able to track usage. This can be helpful both in marketing and operational planning.
* **Target Greens:** Consider making target greens instead of using poles. This is much more aesthetically pleasing for the golfer and gives them better feedback on their shots.
* **Widen Tees:** The tees could be enlarged, both making the longer to accommodate a few more golfers and wider to make it easier to maintain.
* **Lighting:** Consider adding lighting to the range. Modern range lighting uses up lighting instead of down lighting, thus is far more acceptable to residential areas. The range building makes it easy to have an attendant present.

**Lester Park Golf Course**

Lester Park Golf Course (“Lester”) has a lot of similarities to its sister course, including also being a 27-hole layout. Lester also shares most of the same operational concerns and facility issues, including an aging golf course and clubhouse.

Lester Park is located at the northeastern corner of the City (on the border), much further away from the population center. However, it is located less than a mile from Lake Superior and it offers spectacular views of the Lake from a large percentage of the holes.

### Facility Overview

Lester is a few years newer than its sister course, opening in 1938. The course was expanded from its original 18 to 27 holes in 1988 at the same time Enger was expanded. Dick Phelps again was the designer. However, unlike Enger, the nine new holes were not integrated with a 2nd nine, but formed a completely new nine. The existing 18 holes received only a new irrigation system and a few cosmetic changes. The result is an even worse configuration than Enger with a much stronger differential between the “new” nine (Lake Nine) and the older 18. As a result, the course is almost always set up as an 18-hole course (Front and Back nines) and a 9-hole course (Lake).

The Lake nine, being a more modern nine, differs considerably from the other two nines. In addition to having modern green and tee complexes, it features a lot more elevation changes, narrower fairways, and a lot more bunkers. It is considered to be substantially more difficult than the other two nines. As a result, staff reports it is much less popular. (However, its design, layout, and superior aesthetic value would make it much more popular with tourists – Unfortunately, being only nine holes makes it an unlikely choice.)



As with its older sister, Lester has an old clubhouse that lacks air conditioning and is in need of updating. However, its clubhouse has a much better layout and is more functional than Enger Park GC.

### Golf Course

The Lester Park Golf Course features interesting elevation changes and dramatic vistas. As with Enger, there are no residential developments along the course. Unlike Enger, Lester has little room for expansion, but does have room for renovations and improvements.

Both the Front and Back nines have 10 sand bunkers each. The Front has three holes where water comes into play, while the Back has two. In contrast, the Lake nine has 25 sand bunkers but just one water hole.

While the irrigation system for all 27 holes was installed in 1988, seventeen of the greens are original and date back to 1939. However, even the greens on the Lake nine are approaching the end of the normal life cycle for greens ~~as~~ at twenty-three year of age.

|  |  |  |  |
| --- | --- | --- | --- |
| **Lester Park Golf Course** | | | |
| **Men’s Course Yardage /Rating/Slope** | | | |
|  | **Front** | **Back** | **Lake** |
| Blue | 3183/35.4/118 | 3189/35.5/125 | 3417/37.1/144 |
| White | 3061/34.8/116 | 3001/34.7/119 | 3168/36/137 |
| Red | 2811/36.2/127 | 2271/36.5/121 | 2693/36.6/132 |

Unlike its sister course, Lester only has three sets of tees. Yardage from the back tees for the Front and Back 18 total only 6,371, making it a relatively short course by modern standards. Because of its shorter length, lack of traps, older greens, and lower difficulty level, the Front/Back 18 holes are not very appealing to lower handicap golfers or tourists. The Lake nine, however, would be appealing to this group except that it has only nine-holes and lower handicap players and tourists tend to prefer 18 holes.

At 5,082 yards from the front tees, Lester does set up better for women. But the lack of “senior” tees (around 5,500 yards), likely both hurts play from seniors and will slow down the pace of play as the seniors who do play will do so from longer than ideal ranges, thus taking more strokes and slowing play.

We do note that number 4 on the Lake nine appears to be unfair, featuring a badly sloping fairway that pushes the ball in the opposite direction to the dogleg and usually into the woods.

The condition of Lester was a bit below that of Enger, which may be attributed largely to the fact that more holes are from the original 1938 design. As with Enger, drainage is a significant issue, although there are other concerns at Lester.

* **Greens:** Same issues as with Enger, except that more of the greens are original.
* **Tees:** Same issues as with Enger– size and leveling. In addition, the “senior” tees are an afterthought, mostly just added to the back of the forward tees. We would recommend some new tee boxes.
* **Cart Paths:** As with Enger, cart paths are largely found only around greens and tees, except for the Lake nine. The Lake nine does have cart paths all the way around, but they are largely gravel and in poor condition.
* **Drainage:** There are significant drainage issues on several holes. In particular, #1 and #7 on the front are very bad. As a result, the fairways on these holes are substandard and very uneven. This is particularly hard on golfers who ride as it is both uncomfortable (especially if you have back problems) and causes increased wear on the carts.
* **Turfgrass** – Same issues as Enger.
* **Irrigation** – Lester uses City water to irrigate the golf course. There is one pump house with two total pumps and a capacity of 1,500 gallons per minute. The current irrigation system was installed in 1988. At 23 years of age, it is nearing the end of the normal life expectancy for such systems. The number of irrigation repairs and issues suggest that the irrigation system will need to be replaced within the next several years.
* **Fairways –** We see numerous complaints that the fairways are cut too short at both courses, not allowing the ball to properly sit up. Drainage issues have made several of the fairways almost unplayable and extremely rough. There are bare spots throughout, most likely caused by winter kill.
* **Maintenance Area** – The maintenance facility at Lester is substandard. The building is too small and cannot accommodate all the equipment. There is little storage. Further, the restroom functions only when the irrigation system is charged.
* **Traps** – As with Enger, the sand traps at Lester are in substandard shape. The sand is of poor consistency with lots of rock. Many of the traps need reshaping, including a lower face to make them more visible and easier to maintain. We would recommend a complete rebuilding of the traps, including reshaping some, and adding liners.
* **Roughs** – We received numerous comments that the rough was too high. This will really slow down play as golfers waste time looking for balls.
* **On-Course Facilities** – As with Enger, there are no on-course restrooms at Lester Park. The NGF recommends having permanent restroom facilities on each nine.
* **Course Aesthetics** – Lester has outstanding aesthetics, especially on the Lake 9-holes. The lack of housing on the course is also a definite plus.
* **Yardage Markers** – The addition of yardage more clearly indicated on the course, with sprinkler heads all marked would improve the overall perception of quality at the course and help to improve pace of play.

#### Driving Range

The driving range is located down the hill from the clubhouse, convenient to both the parking lot and clubhouse, but on the opposite side to the first holes. In general, the practice facilities at Lester would be considered superior to those at Enger. The range is wider and longer and there is an excellent short game area.

However, the range is still too narrow and there appears to be ample room to widen the range, which we would encourage the City to do. As with Enger, we would also suggest lighting and adding target greens.

Like Enger, there is an unoccupied range attendant building that houses the ball machine. The ball machine is very similar to the one at Enger. Again, we recommend replacing it with an electronic card machine that would also take tokens.

### Lester Park Clubhouse Operation

The Lester Park clubhouse was constructed in 1942 and, like its sister clubhouse, is definitely showing its age. As with Enger, the Lester clubhouse consists of three levels, including a basement, and has about a 4,000 sf footprint. However, its main floor layout is much better than Enger’s and the building is ADA accessible. Overall, while the clubhouse is far from ideal, it is definitely in better condition than Enger Park GC and much more functional, which helps explain~~s~~ its far better performance (as measured by revenue per round). The concerns about the Lester Park clubhouse noted by NGF include:

* **No Air Conditioning:** This is a detriment to clubhouse sales, especially food and beverage as people do not want to sit around in an uncomfortable setting – which it definitely was during our visit. It also has an adverse effect on employee morale, especially kitchen workers where it can become extremely uncomfortable.
* **Men’s Restroom:** As with Enger, the men’s restroom is located in the basement, rather than on the main floor. There is no elevator connecting the floors. However, there is a unisex handicap accessible restroom on the main floor.
* **Insulation:** The clubhouse has very poor insulation, making it unnecessarily hot in the summer and cold in the spring and fall. Like the AC, this affects both revenue and employee efficiency.
* **No broadband service:** The course has to use DSL service for internet, which can be slower.
* **No wifi:** The clubhouse offers public wifi.
* **No Liquor License:** The Lester clubhouse does not have the ability to sell alcohol, which probably costs it about 32 cents/round (based on Enger’s performance) or $12,521 in direct sales. However, what cannot accurately be measured is the loss of rounds due to golfers not willing to play Lester Park because of the lack of liquor sales. Based on Enger’s sales, this figure is likely to be close to 5%.

A summary of the Lester Park clubhouse layout is detailed in the paragraphs that follow.

**Upper Level** - The upstairs floor of the clubhouse is a two-bedroom apartment that is currently not used. Access to the upper level is through a stairway in the kitchen, making it unavailable for public use. This area could have potential as meeting and banquet rooms should the clubhouse be renovated. Of course this would require a major renovation that would likely also require the addition of an elevator to make it ADA compliant*.*

**Main Level** - Elements of the main level of the Lester Park clubhouse include:

* **Pro shop:** The pro shop is located at the back of the clubhouse. It has a much larger sales floor, without the restricted flow that was present at Enger.
* **Entrance:** There are three entries, one in the front (main) and one on the side (for the pro shop) and one on the back going out to the deck. Golfers familiar with the clubhouse know to bring their clubs around to the side, although there is no sign directing them to do this. Naïve golfers are likely to enter through the front door and may be carrying their bags through a narrow path and around patrons sitting in the bar area. Only the side entry is ADA compliant.
* **Kitchen:** The kitchen is basic and mostly represents a short order kitchen, with limited cooking area and limited storage. It is a larger kitchen than at Enger. Storage is also more convenient as it is located just down stairs in the basement, with the stairs being off the kitchen.
* **Lester Park Grill:** Seating at Lester Park is comparable to Enger and with a similar L-shaped. This time, though, it bends around towards the front door, again out-of-sight from the grill. The grill occupies the most space on the main floor and is the area golfers would walk into from the front door.
* **Offices:** The pro’s office and accountant’s office and pro shop storage are located on this floor.
* **Deck:** There is a nice deck area outside the pro shop that would appear to have the ability to seat 20-30 people.
* **Ladies Restroom:** The women’s restroom and locker room are located on the main floor.
* **Unisex Handicap Restroom:** There is a handicap accessible, one stall unisex restroom located on the main floor.

**Lower Level** - Elements of the lower level of the Lester Park clubhouse include:

* **Men’s Locker Room / Restroom:** The lower level includes men’s locker / restrooms with many lockers present, although there is not a high volume of use. The lockers are old and worn. The floor is cement in most areas, with some carpeting in the locker area. Unlike Enger, there is a shower present.
* **Storage:** There is an abundance of storage in the basement, which is being used by both the pro shop and grill.











