



City of Duluth 19-26AA
Request for Information (RFI)
Enger Park and Lester Park Golf Courses

Release Date: November 4, 2019
Pre-Proposal Conference November 12, 2019
Proposals Due: November 25, 2019

Vision: Imagine working in partnership with the City of Duluth, Minnesota to reinvent a historic public golf program to appeal to evolving recreational tastes and restore long-term financial sustainability. The vision may center on construction of a multi-purpose, year-round Enger Park clubhouse and indoor golf center located on one of the most appealing development properties in Minnesota.

The Duluth Community: Duluth is the fourth-largest city in Minnesota with more than 250,000 residents in the metro area and 6.7 million visitors per year. The city is blessed with an 11,000-acre system of parks, trails, and greenspace that earned Duluth the title of “Best Outdoor Town in America” from Outside Magazine. 25-34 year olds are Duluth’s fastest growing demographic group increasing 25% in just the last five years. The city is enjoying an ongoing economic renaissance with a diverse base including aviation, education, healthcare, light manufacturing, engineering, apparel, multi-modal freight transportation, and information technology.

Opportunity: The City of Duluth (“City”) seeks proposals from qualified entities to enter into a public/private partnership with two components:

1. **Operation, maintenance, and renovation of 27-hole Enger Park Golf Course** under a long-term license agreement the term of which will be determined by the size of the Proposer’s associated capital investment in Enger golf facilities.
2. **Operation and maintenance of 18-hole Lester Park Golf Course** under a management agreement for at least two seasons beginning in 2021.

Concurrent Residential Development: On October 14, 2019, Duluth issued two Requests for Proposals for the development of residential housing at Enger Park Golf Course and Lester Park Golf Course, respectively. Both proposals encourage residential development at a range of price points, including affordable housing.

At **Enger Park** ([Link](#)), the City is seeking qualified entities to develop an approximately 10-acre portion of the 288-acre, 27-hole golf course and driving range. The residential housing is to be located on the current driving range alongside an envisioned new multi-purpose clubhouse. The driving range will be repositioned. The clubhouse facility will sit at the edge of a 500-foot-tall ridge overlooking the City of Duluth, Lake Superior, and the St. Louis River Harbor.

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At **Lester Park** ([Link](#)), the City seeks to develop a 50-acre portion of a 238-acre golf course and driving range. This facility offered 27 holes through the end of the 2019 season after which one nine was permanently closed. The residential housing is to be located on the driving range and a portion of the nine to be closed. The driving range will be relocated. Lester Park, on the east side of the City, is known for its spectacular scenery, rich history, and impressive views of Lake Superior.

The Desired Action Plan

The City of Duluth owns and operates a 27-hole golf course at Enger Park and an 18-hole golf course at Lester Park. The courses have a rich, nearly 90-year, history that peaked in the early 2000's when they were recognized by Golf Digest among the top 100 public golf courses in America, hosted 108,000 rounds in a single year, and generated sufficient revenue to cover all costs including capital improvements. The nationwide downturn in the popularity of golf and progressive deterioration of golf infrastructure have diminished participation and business performance. In a typical year, the courses now host more than 60,000 rounds and post more than \$100,000 in annual operating losses. Infrastructure at both courses is in poor condition. No money has been available to reinvest in golf infrastructure.



To appeal to evolving recreational tastes and restore financial sustainability, the City of Duluth intends to take several steps:

1. Downsize Lester Park golf facilities from 27 to 18 holes by closing one nine.
2. Issue a residential development Request for Proposals for a 50-acre parcel at Lester Park Golf Course comprising the driving range and a portion of the closed nine.
3. Issue a residential development Request for Proposals for a 10-acre parcel currently utilized as the Enger driving range that encourages the selected developer to incorporate and contribute to the construction of a new Enger clubhouse facility that might operate year-round, serve quality food-and-beverage in a sports bar environment, and host a high-quality indoor golf experience.
4. Re-invest the proceeds of Enger and Lester real estate sales in renovation of golf facilities at Enger Park.
5. Solicit proposals through this Request for Information and a subsequent Request for Proposals for a long-term license agreement to operate, maintain, and co-finance renovation of Enger Park Golf Course and a shorter-term management agreement for the operation and maintenance of Lester Park Golf Course.
6. In association with a long-term license agreement at Enger Park Golf Course, ask respondents to this RFI to co-invest on a significant level in renewal of golf facilities at Enger Park.

7. Explore addition of compatible non-golf activities that could take place on the golf course premises that have limited capital requirements and promise solid financial returns.
8. Ask the City of Duluth's nonprofit partner, Friends of Duluth Public Golf, to undertake a community-based campaign to raise private funds for renewal of Enger Park golf facilities.

The value-engineered vision for renovation at Enger is to replace the clubhouse and irrigation systems and remediate those fairways, greens, and bunkers that are in particularly poor condition. While the city may prefer a year-round, multipurpose clubhouse, the City is open to proposals that may range from a modest three-season manufactured building to a year-round facility that simultaneously functions as a clubhouse, bar and grill, and indoor golf facility.

Following renewal of critical Enger Park golf infrastructure, the City will engage with the Friends of Duluth Public Golf and the selected firm to examine the financial feasibility of renewing critical Lester Park golf infrastructure. At that time, if revenues appear to be sufficient to cover all operating costs, finance all Enger capital debt, and contribute to Lester capital needs, the City will work with golfers and the selected firm to develop a viable Lester infrastructure renewal plan. If revenues prove to be insufficient to finance operating costs and Enger capital debt, the City would close the remaining 18 holes at Lester Park.

Resources and Research that Frame this Request for Information

The City of Duluth is issuing this Request for Information from golf course management companies after three years of extensive research conducted by the City Council, the Parks Commission, the City administration, and a citizens advisory group. The findings of that research are available [here](#). On the basis of that research, City Council approved the plan of action available [here](#). For illustration purposes only, a preliminary conceptual drawing of the Enger Park Golf Course driving range reconfigured for residential development and a new clubhouse is available [here](#).

To provide background on the actual golf operation, a presentation by consultant, Jim Keegan, is available [here](#). The presentation includes data on golf assets, market demographics, weather-playable days, historical financial performance, the customer value experience, and survey results. An assessment of the condition of golf facilities by consultant, Kevin Norby, is available [here](#). The financials for 2018 are appended at the end of this report.



Purpose of the Request for Information

This Request for Information is intended to engage the market to help clarify the development concepts, operational strategies, and private sector partner roles that are most likely to advance the City of Duluth's goals for its public golf program. The results of the Request for Information will help to shape a subsequent Request for Proposals for a long-term license to operate Enger Park Golf Course and a shorter term management agreement for Lester Park Golf Course.

Responses to this Request for Information will address how to maximize utilization of the facility by appealing to the evolving millennial market and growing the game through junior programs while continuing to serve the interests of the traditional golfer.



The Concept – Form of Response Desired

The RFI intends to encourage responses that communicate the Proposer's understanding of the City of Duluth's vision and outline how that vision will be accomplished in a partnership.



We would suggest that the submittal include:

1.1 Title Page

List the RFI title, the name of the proposer or proposing entity, address, telephone numbers, email address, name of the contact person, and the date the RFI is being submitted.

1.2 Cover Letter

Provide a brief statement that the Proposer understands the City's strategic goals and believes that they can fulfill those goals with the resources available.

In regard to Enger Park, the letter should include the Proposer's ideas for enhancing the golf experience at Enger Park, the Proposer's vision for the future of Enger golf facilities including the size and functionality of the clubhouse, and the capital the Proposer is willing to invest in a new clubhouse (or other priority capital improvement) in relationship to the length of the desired lease. It is expected that the Proposer will commit at least \$1 million of capital for each 10 years the license agreement extends.

In regard to Lester Park, the submission should confirm the Proposer's interest in managing the facility for a term of 2-to-5 years and the Proposer's ideas for enhancing the Lester Park golf experience and business performance over that term in the absence of immediate capital improvements.

The letter must be signed by a representative who has the authority to bind the proposer.

1.3 Firm Description

Provide a one-page narrative, including a brief description of the firm and its history.

1.4 Key Personnel

Provide curriculum vitae of the key management personnel that will be involved in the development of a public/private partnership. Profiles of the firm's senior leadership team are desired.

1.5 Distinction

A two page or less narrative that describes why your firm is unique compared to your competitors. Describe how your firm's skills and experience are suited to engaged with the City of Duluth in creating the golf experience of 2035.

1.6 Preliminary Strategic Plan

A five-page or less narrative that gives your initial thoughts on the strategic approach that you would implement for the City of Duluth, having reviewed the three links linked above under the heading, "Resources and Research that Frame this Request for Information"

Within the preliminary strategic plan, the City of Duluth expects the Proposer to consider the following:

- What will the golf experience and operation look like 20 – 30 years from now, and how can the City of Duluth be on the forefront of delivering tomorrow's golf experience today?
- The City of Duluth has a limited golf season of 183 golf days and a typical golf course clubhouse comprising administrative offices, a pro shop, and a small restaurant. How can the City design a new clubhouse and make use of the golf course itself to serve a broader array of recreational needs throughout the year and, in doing so, help to cover the cost of golf operations? The City is specifically interested in your view of the financial potential of a high quality indoor golf simulator.
- Several innovative new short courses and putting courses across the country have simultaneously contributed to a quality golf experience and improved the bottom line. What, if any, role might a short course and/or a putting course play in enriching the Duluth Golf experience and helping to cover the cost of golf operations?
- What is the most cost-effective way to cultivate new golfers?
- Is it necessary to employ a PGA Professional, or would a hospitality ambassador be more appropriate?

- What technology do you forecast can benefit the facility to minimize administrative and pro shop labor expenses?
- For a golf course that has such a limited operating season, what is the appropriate balance between full and seasonal staff?
- What, if any, opportunity exists to draw a financially significant portion of the 6.7 million tourists who visit Duluth each year and what are the right strategies to attract them.
- Should both seasons passes and round punch passes be offered?

Invitation to Discuss the Proposal

Three firms will be invited to more deeply discuss and explore their concept with City officials. The following criteria shall be used to determine which firms to invite:

- Amount and type of capital improvement investment.
- Previous golf course operation experience.
- Financial strength and ability to make above-stated capital improvements as well as sustain successful operation of the golf course(s).
- Value and innovativeness of ideas proposed for the operation of the golf courses.
- Staffing and operational plans which demonstrate a strong commitment to providing a high quality golfing experience.
- Marketing plan for promotion of Enger Park Golf Course and Lester Park Golf Course.
- Potential for minimizing costs and maximizing income to the City.



The Proposers who make the best case for realizing the City's long-term goals on a financially sustainable basis will be urged to submit a formal proposal for a long-term Enger Golf license agreement and a shorter term Lester management agreement to begin on or about November 1 of 2020.

The Golf Courses

Like most golf courses nationally, the City of Duluth has experienced a downturn in its play.

Participation and financial performance peaked around 2000 at 108,000 rounds and net income sufficient to cover all direct expenses and service capital bonds. Performance declined from 2000 to 2014 when participation dropped to 59,000 rounds, and annual operating losses exceeded \$300,000.

In 2015, Billy Casper Golf took over management. Since then, annual losses decreased to an average of \$100,000 per year and participation has stayed above 60,000 rounds per year.

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, ASGCA, 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 40,000 rounds annually. However, at one time it hosted over 53,000 rounds.

The Enger Park Golf Course is a scenic golf layout with exciting topography and numerous mature trees bounded in many areas by natural woodlands. The facility is in a park-like setting, with no surrounding homes. The golf course is devoid of any development visible from the golf course, creating a true “oasis” atmosphere for golfers despite 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. 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.

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 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 beautiful views of Lake Superior. The location is convenient to downtown, I-35, area hotels, and the popular Lake Superior waterfront.

In 2018, an 18-hole disc golf course was added at Enger. Disc golf is open year round, with in-season play run through the clubhouse POS and off-season play via a money drop-box. The Lake Superior Disc Golf Community has strongly supported this new amenity and is actively involved as improvements to the disc golf course continue in 2019. Future golf course management will be expected to continue disc golf at Enger.

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 building, which houses the ball machine. 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 square foot range building has about 400 square feet of interior space that is currently used for storage. The range itself is rather narrow, bordered on the left by trees, the parking lot, and Skyline drive and on the right by a cliff.

The clubhouse is approximately 8,000 square foot 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.

The clubhouse is severely outdated, and a new clubhouse is needed, hence the desire for co-investment as a parameter within this Request for Information. The building suffers from numerous structural problems and has an inferior layout for golf. The concerns about the Enger Park clubhouse include:

- Not ADA Accessible: The building is not handicap accessible nor in compliance with Americans with Disabilities Act (ADA) regulations. Any renovation of the facility will likely require significant ADA improvements.
- 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. It also has an adverse effect on employee morale, especially kitchen workers, where it can become uncomfortable.
- 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 significant 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 inferior 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 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 more significant potential for errors.

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. There is a beautiful deck area outside the pro shop that would appear to have the ability to seat 30-40 people. A three-season outbuilding with significant additional seating accommodates numerous corporate and nonprofit events throughout the season.

To view photos of the golf course, [click here](#).

Lester Park Golf Course

Lester Park Golf Course (“Lester”) for 2019 was 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. There is no residential development along the course. Access to Lester Park Golf Course is convenient for tourists, located just off the main interstate, which is a gateway to Northeastern Minnesota.



The course was expanded from its original 18 to 27 holes in 1988 by Dick Phelps, ASGCA, with the creation of the Lake 9 and partial renovation of the original 18.

The Lake nine, being more modern, 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, 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's design and layout make it less popular with residents and more popular with tourists.

The Lester Park Golf Course features exciting elevation changes and dramatic vistas. Both the Front and Back nines have ten 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.

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 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. There is an unoccupied range attendant building that houses the ball machine.

The Lester Park clubhouse was constructed in 1942 and consists of three levels, including a basement, and has about 4,000 square feet and is ADA accessible. The concerns about the Lester Park clubhouse noted 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. It also hurts employee morale.
- Men's Restroom: 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 restroom on the main floor.
- Insulation: The clubhouse has inferior 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.

To view photos of the golf course, [click here](#).

Administrative Nuts and Bolts – Indication of Interest

The thrust of this Request for Information is to restore the City golf program to financial sustainability by selling real estate at the periphery of both courses for residential development, reinvesting the proceeds in renovation of Enger Park Golf Course, and engaging an operator to cost-effectively operate both courses, co-invest in the refurbishment of Enger, and better appeal to the evolving tastes of golfers. The City's financial goal is to generate golf revenues sufficient to pay for all golf operating expenses and all capital maintenance costs.

To ascertain the viability of these goals, there will be a non-mandatory pre-proposal conference on November 12, 2019, at 10 CST at City Hall, 411 W. 1st St, Duluth in the Large Admin Conference Room on the 4th Floor. If you have an interest in responding to this Request for Information, please email your contact information to:

Contact: Amanda Ashbach, Purchasing Agent
aashbach@duluthmn.gov
218/730-5340

You will be provided video conference information so that you might participate and seek any clarification that you desire. Any questions regarding this RFP must be submitted by e-mail to the Purchasing Office at purchasing@duluthmn.gov. Answers to the questions will be posted as an Addendum to the RFI.

Proposals are due November 25, 2019, at 3:00 p.m. CST. Please mark your proposal with the above number and title on the outside of the envelope and return to City of Duluth, Purchasing, Room 120, 411 West 1st Street, Duluth, MN 55802. You are also invited to deliver your proposal by email to aashbach@duluthmn.gov.

The City of Duluth will review those proposals within 30 days and invite selected proposers during the 1st quarter of 2020 to meet with City management to craft a winning public/private partnership for implementation commencing January 1, 2021.



The City reserves the right, in its sole and complete discretion, to reject any and all proposals or cancel the request for information when it is in its best interests. The City is not liable for any costs the Proposer incurs in preparation and submission of its proposal, or by participating in the RFI process.

All materials submitted in response to this RFI will become property of the City and will become public record after the evaluation process is completed.