#### Fall 2019

# A Message from Our President

We are on the doorstep of a new year, and golf course owners and operators continue to persist into a business headwind. There is industry movement. You may have seen Toll Brothers selling off four DC area properties including Dominion Valley CC, Belmont CC, Regency at Dominion Valley in NOVA and Oak Creek GC in Maryland – ClubCorp was the buyer. That deal also included three other courses in NC and FL.

There is true evidence of a generation shift, as Baby Boomers age or pass, and the generation replacing them is much smaller and less interested in recreation that takes hours. That certainly explains the rise of TopGolf and Drive Shack, and BOTH companies recently opened facilities in Richmond – the first city to have both! Our office has been receiving calls from industry reporters, asking if we think they will both succeed. So far, so good. They have two distinctly differently locations, with TopGolf in a millennial area and Drive Shack on the freeway at the crossroads of the largest region of country club members.

Meanwhile late summer and early fall was both a blessing and a curse. Less rain meant more playable days, helping generate a good increase in play. But then it turned into a drought, affecting golf course conditioning. Things got really dicey, with government agencies issuing a preliminary notice on the water issue, which is required before they can issue restrictive use orders. We were lucky that the rains came not long after that.

Did you make it to our Annual Meeting at Woodmont Country Club in late September? I thought it was our best one to date. Woodmont GM Brian Pizzamenti was the perfect host. There was a VIP Reception the day prior, with a putting contest. Our education was top notch, featuring 10 excellent speakers on various industry topics. In the annual awards, this year's honorees were Mike Cumberpatch of the Middle Atlantic GA (Mid-Atlantic Golf Leader), Montgomery County Golf (Public Golf Leader), Cedar Point Country Club (Private Golf Leader) and Swan Point GC (Environmental Stewardship Leader). Then we were treated to golf on the South Course, which was spectacular (see articles inside).

Back in August, our Executive Director David Norman represented us at the PGA Demo Show. It was the first joint event of NGCOA and the PGA of America, since the new affiliation agreement, merging the Golf Business Conference with the PGA Merchandise Show. One takeaway was the large number of CBD distributors exhibiting. There were hemp-based oils, creams, tablets, sprays – you name it – all to help the Baby Boomers and injured golfers get over their aches and pains. Expect to see some pro shop product displays in 2020.

And speaking of the NGCOA Golf Business Conference, now is the time to register! Dates are January 20-22 at the Orlando Convention Center in partnership with the PGA Merchandise Show – your badge is your free pass to the show. Some great education is planned: <u>click here</u> to check out the working agenda. Highlights include the Yamaha Golf Outing at Reunion Resort & GC and the Annual Awards Dinner. I hope you can join me at GBC! <u>Click here for registration information</u>.

When we look at member services, government relations work is valued by our members, regionally and nationally. California recently passed a bill which would force clubs to make golf instructors employees instead of independent contractors. Clubs would be forced to either take on extra expense to keep these services or lose them if they can't afford it. Our national lobbyist is seeking an exemption, but that's the sort of legislation we want to avoid.

The Overtime Rule was also modified, moving the compensation threshold up, meaning more overtime pay will accrue – but at least the level was knocked down from the original proposal. Another item is WOTUS (Waters of the US) which was struck down, meaning less red tape on what is classified as a water body under government control. Lastly, we are bracing for a less friendly business environment now that the Democrats swept both chambers in Virginia, coupled with all Executive offices. Minimum wage will likely increase. We will work to limit negative effects in Richmond and Washington, DC. BTW, let us know if you want to participate in National Golf Day in D.C. on May 6, 2020.

We are pleased to have a great relationship with our allied golf associations in the region, which includes NGCOA Mid-Atlantic, state golf associations, CMAA Chapters, GCSAA Chapters and the Middle Atlantic PGA. The group is planning a second rendition of the Mid-Atlantic Golf Conference on March 3, 2020 in central Virginia (site TBA).

Finally a word about membership and our corporate partners. If you are not already a member, we encourage you to join! We have a great nucleus of talent, providing great networking opportunities, and there is strength in numbers. <u>Click here for the membership brochure, which includes member benefits</u>. And don't forget to support our annual holiday auction (<u>click to donate</u>)!

On the corporate side, we now have 26 companies supporting our organization, which allows us to serve you better. Please visit our Partner listing in this newsletter and support the companies that support you! <u>Click here for our Partner brochure</u>.

I am honored to serve as your President, and I am pleased to serve on a board with some of the sharpest minds in the region! They are here to grow the game and serve our member clubs, and they do it pro bono! So please join us as a member, and help us grow the game and share operating successes for the betterment of our industry in the region!





A publication of the National Golf Course Owners Association, Mid-Atlantic Chapter

MID-ATLANTIC

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# Scenes from the NGCOA MA Annual Meeting



Woodmont CC, Rockville, MD

NGCOA Mid-Atlantic staged its Annual Meeting this fall at Woodmont Country Club in Rockville, MD. It was a great affair, which kicked off with a VIP Reception and Putting Contest the day prior.

The Annual included great networking, excellent education, the annual awards and a fun golf outing on the South Course.

Below are scenes from this year's annual event:

#### The following education was featured:

- "Take Back Your Tee Sheet," Mike Loustalot, Co-Founder, Sagacity Golf
- "Property Tax Challenges," Larry Hirsh, Golf Property Analysts
- "Hiring Update," Don Sweeting, PGA of America
- "Legislative Battles," Brian Pizzamenti, GM, Woodmont CC & Joe Trauger, VP of Government Affairs, National Club Assn.
- "Getting the Most from NGCOA," Dave Barton, Director of Programs, NGCOA
- IGNITE Product Showcase BrightView, 1-2-1 Marketing, PondHawk, Chronogolf



Award Winners Cameron Robinett, Mike Cumberpatch, President Mike Bennett, Peter Gardner, Keith Miller



Hobb's Hole Team won the golf competition



David Norman and Tyler Eastham welcome attendees



NGCOA President Mike Bennett welcomes guests



Woodmont GM Brian Pizzamenti played host



VIP Reception Putting Contest



Sandra Burton of PondHawk



Troy Thorne, Bob Dolan, Jim Atchison



Don Ryder of the Omni Homestead with Tyler Eastham, NGCOA



Larry Hirsh of Golf Property Analysts

Winners were announced at the Annual Meeting

# Cedar Point Country Club Named NGCOA MA Private Golf Leader



Everyone loves a good story of redemption and the one involving Cedar Point Country Club in Suffolk, VA is one of the best. After the recession of 2008-09, the club teetered on bankruptcy when the bank called a multi-million dollar note. But a group of members formed in 2011 to save the club and now it is flourishing as NGCOA Mid-Atlantic's Private Golf Leader for 2019. It's an amazing story!

COUNTRY CLUB

In 1964, the Cedar Point Club opened, serving golfers in a beautiful setting, and with it came the opportunity to purchase homes alongside the fairways and greens. The namesake cedar trees were planted on fairway perimeters as a buffer to the course. There was not a lot of competition for years to come.

Then in the mid-1990's the National Golf Foundation, proudly and incorrectly proclaimed that golf was booming and that we needed to open a new course every day to keep up with demand in the US. By the end of the millennium, Riverfront GC, Cypress Creek GC, and Nansemond River GC opened nearby, while Elizabeth Manor went through an extensive renovation – competition was fierce, and Cedar Point hit the 35-year mark with virtually no updates to the club or course.

Still, the club was a regional favorite, and they regularly hosted VSGA events, where low scoring was always at a premium. The reason was the namesake cedars, which grew down to the ground, creating lost balls and unplayable lies. The super-fast greens were also a contributor.

Ultimately the club decided on a much-needed renovation, which took place in 2003-04. Remarkably, the club did no capital funding, choosing to borrow \$5 million. It was a "build it and they will come" mentality, and it worked...for a while. Of course, behind the scenes, few knew that part of the debt was in place to cover over multiple years of operating losses in excess of \$300K annually - in fact, \$1.3 million was specifically for that. They simply did not balance the operating budget.

The club had good and not-so-good swings through the mid-2000's, but then the recession of 2008-09 hit. In 2011, with the club challenged to meet its obligations, the bank called the note. It was do-or-die time, with a declaration of bankruptcy looming.

But that's when private equity professional and club member Cameron Robinett developed a viable rescue option. He knew they needed capital fast, and he re-organized the "Friends of Cedar Point Country Club" group and set his sights on raising \$3 million. Shares of the new ownership group were sold for \$5,000 each, and 112 members signed on, raising enough capital to pay off the bank, purchase the assets of the club, make modest capital improvements, and have sufficient working capital for a minimum of five years. They immediately focused on operating efficiency, and an early move was to become more nimble, shrinking the board size from 15 to 7 and eliminating committees. Even more importantly, the board was populated with subject matter experts in various club fields: finance and accounting, facility maintenance, food and beverage, land management, and marketing. Initially, the new ownership group made a commitment to run the club for five years.

The group turned the ship around and balanced the budget. At the five-year mark in 2016, they considered (1) selling the club, (2) hiring a management company, or (3) retaining it and making a long-range plan. They chose the long-range plan after unanimously rejecting the sale option.

They set up a Vision Task Force to identify strengths and weaknesses from a membership perspective. The study took a year, following extensive surveying of the members and of modern club trends. At the start of 2018, a resolution was passed to tackle nine major projects. They did their homework, getting prices for each project, then they put it to the membership to rank them in priority



order. Their plan was to finance this through a new monthly capital improvement fee in addition to dues. Knowing that normal club attrition is 8%, they conservatively budgeted for a 20% membership loss (120 members), but due to the appeal of the plan, they actually lost only 40 members. (In 2011, there were 375 members – now there are 600!)

The capital plan was so comprehensive, that it had to be divided into Phase I and Phase II. Phase I just broke ground early in September, 2019 on the first project, the development of sports/aquatics complex, including doubling both the pool size and decking, adding a standalone indoor/outdoor dining outlet, and adding a childcare area, set to open April 30, 2020. Subsequent Phase I projects are (2) a bunker, bulkhead, and bridge re-do, (3) tennis building renovations, and (4) clubhouse renovation, including the lobby, restaurant and kitchen, following a trend to more casual dining. Phase I will continue through Q1 2021.

Later Phase II projects still under consideration are: (1) pro shop expansion, (2) locker room re-do, (3) golf performance center (4) outdoor deck off back of clubhouse, and (5) terrace off south end for banquet events.

On the operations side, the club took over ownership of the pro shop, with profit-sharing for the golf staff. There is an obsession to avoid any operating deficits, and since 2012, they have hit or exceeded budget six out of seven years. They learned from the past to run a tight ship. They continue to grow in membership, but they are constantly monitoring pace of play and tee time availability to ensure a great member experience. Rounds are up about 20% with round times remaining at 4 to 4 hours, 15 minutes even on highly popular, busy Saturday mornings.

An interesting footnote to the project approval was a commitment to staff buy-in. Robinett met with the staff in March, 2018, and told them that ownership would not proceed with the capital projects without 100% buy in from the club's day to day operators. They all enthusiastically bought in and are as excited as the members as to what's to come.

Also interesting is the club's stance on outings. They do not actively seek them, but members who support charitable causes can host an outing. That drives a strong connection to community service, as the limited access tends to make charitable events more lucrative. In 2019, net charity proceeds from events hosted at CPCC events are projected to exceed \$400,000. All money that goes directly back into the community.

"It's a real honor to win this award." said Club President Cameron Robinett. "It's a testament to the dedication and hard work our board, members, and management have done over these last eight years. Despite some rocky times, we've managed to hang around for 55 years. Our focus is, should be, and will continue to be on the ever evolving desires of our membership to ensure we're around for another 55 years and beyond.

Winners were announced at the Annual Meeting

# Mike Cumberpatch Wins Mid-Atlantic Golf Leader Award



In recognition of leadership and long-term service to golf in the region, Mike Cumberpatch of Annapolis, MD has been named the 2019 Mid-Atlantic Golf Leader by NGCOA Mid-Atlantic. Cumberpatch currently serves as the Executive Director of both the Middle Atlantic Golf Association and the Washington Metropolitan Golf Association, as well as volunteering for the USGA for over 25 years.

Mike Cumberpatch

You might say golf is in his blood, as Cumberpatch is the son of golfing parents – his Dad was a casual golfer as a US Air Force Officer, and his mom was an

accomplished 7-handicapper. Growing up in Bethesda, his first exposure to golf was playing on old sand greens at Sherwood Forest in Annapolis, where the family would go during the summer. He also caddied for his mom, as well as other good players who inspired him to pursue the game.

In 1976 Cumberpatch graduated from American University in DC, where he played on the golf team. His first job was working with his dad in a consulting business offering training in project management. In 1977 he moved to Annapolis and joined the US Naval Academy Golf Club for an initiation of \$400 and monthly dues of \$28. He remains there as a member today.

After working with his Dad for 13 years, he got married and took a job in the mortgage business and continued to play at USNA GC. And while the club was a founder of the Maryland State Golf Association in 1921, it had dropped its membership, so Cumberpatch was not eligible for state events. So instead he played a lot of invitationals and amateur events, including the British Amateur, the Western, the Eastern, Kenridge and more. Finally his club rejoined the MSGA in 1983, and he then played state events as well.

In 1990, Cumberpatch played in the Middle Atlantic Amateur at Woodholme, a very tough golf course. There he met Joel Kaye, who took a liking to him. A year and a half later, Kaye invited him to join the Board of the MAGA, and he came on in 1992. That same year, while playing in the MAGA Am, he met Jim Farrell of the USGA. Farrell was looking for a younger guy to come onto the USGA Regional Affairs Committee. Almost simultaneously, Cumberpatch went from simply a player to being a trusted leader with two respected golf organizations.

Cumberpatch advanced through the chairs of MAGA, taking the reigns as President in 2001. Along the way, his involvement with the USGA grew. Farrell tapped him to work the Locker Room Committee at the 1995 US Open at Shinnecock Hills. That led to making the acquaintance of Gene McClure, who moved him over to the TV Escort Committee, working with cameramen working the US Open. In all, he worked 11 US Opens and five US Senior Opens. "We had a lot of fun," he remarked, "but we worked our butts off!"

After his MAGA Presidency, he became the Historian for the association, which was formed in 1902. His role as Chairman of US Open Sectional Qualifying at Woodmont Country Club began in 1999, and he remains involved today.

Cumperpatch was a devoted volunteer for MAGA for many years, but in 2015 he was tapped for service as a staff member. Randy Reed retired as Executive Director of both MAGA and the Washington Metropolitan Golf Association. Tom Koerber of WMGA recruited him, as did the MAGA Board, so in December 2015 he took on a major role. Originally it was to be a three year commitment, but it was extended, and he has agreed to stay on through 2020. In the summer, the hectic schedule requires about 100 hours a week!



So Cumberpatch is now among the best tournament administrators in the region, but his interests are much broader. Special Olympics is a program he holds dear – his brother has Downs Syndrome. He was able to engage the golf associations in the program, and he also started a special service of offering qualified rules officials to work high school events at no charge. Other programs he supports include Wounded Warrior and First Tee. More recently, he organized a rules committee for the Big Ten Golf Championship at Baltimore Country Club.

Among his mentors, Cumberpatch credits Clyde Luther, the former VSGA Rules Chairman who worked over 100 USGA Championships. He also cited Dick Johns, former MAPGA Executive Director. He also recognizes the many superintendents in the region, who have worked with him on events.

"It's pretty cool to be recognized by the golf course owners, who are behind the scenes," Cumberpatch remarked, on hearing news of the award. He and wife Lynn have two children, Kate (24) and Christopher (21).

Winners were announced at the Annual Meeting

# Montgomery County Golf Named NGCOA MA Public Golf Leader



Montgomery County Golf (MCG), based in Rockville, MD, has won the 2019 NGCOA Mid-Atlantic Public Golf Leader. This award recognizes programs executed by public facilities to promote golf in the region. This diverse and unique organization manages nine public

golf courses, offering a myriad of services to golfers of all types in the region.

There may be no peer in the US from the standpoint of having nine courses so tightly connected like MCG is. There are long, tough courses and short, fun courses. There are parkland-style courses and others featuring rolling hills. The courses are Falls Road, Hampshire Greens, Laytonsville, Little Bennett, Needwood, Northwest, Poolesville, Rattlewood and Sligo Creek.

Keith Miller, PGA heads the operation as CEO of the Montgomery County Revenue Authority (MCRA), but Miller's responsibilities with the MCRA go beyond

just golf, so he is quick to praise his department heads – Wayne Rohauer (Golf Operations), Jon Lobenstine (Agronomy) and Mike Kenny, PGA (Golf Instruction). Having a centralized management style ensures consistency, as well as efficiencies in buying programs. This also helps in employee training and food and beverage management.

The MCG team is constantly studying customer preferences by analyzing data and

occasional surveys. Since all courses are reasonably close to



Hole #6, Northwest GC

each other, one particular program can draw customers from multiple courses, like the music concerts at Sligo Creek, where 300-400 people may attend). They have traditional golf events like club championships, but they also seek to appeal to millennials with events like night golf, FootGolf, cross country golf, "100 yards and in" and an "All Sports Battle," where the game includes elements of football, softball and fling golf. They even offer a "Wine and Paint" program and cooking classes!

MCG enjoys the benefit of group marketing to all customers for all courses. And they can target their marketing according to individual customer interests. They also utilize social media (Facebook and Instagram) regularly with a centralized staff member overseeing all courses. They have their own mobile app, which includes ordering food,

and they are working to add an online payment feature. Soon they will test a kiosk system, which could allow for self-check-in, eliminating long lines in the pro shop.

MCG is also monitoring social trends, featuring wine and craft beer tastings. They are totally relaxed in dress code, too. While most players dress in traditional golf attire, sometimes players will wear blue jeans or a t-shirt, which is okay. They have no problem with customers playing music, so long as it's not



Hole #9, Little Bennett GC

Wildlife abounds at MCG courses

so loud to disturb others.

They are up on technology, using dynamic pricing software, which monitors such variables as day of week, time of day, tee time supply and other variables similar to hotel or airline programs. They also sell a "Player's Pass" for discounted golf fees and merchandise, as well as various membership offerings including unlimited golf. Different levels meet the varied needs of players, depending on how much they play.

For instruction, the MCG Golf Academy is headed by Mike Kenny, PGA, and a big focus is on junior golf. They offer camps, clinics and individual instruction to juniors appropriately grouped by age and skillset. They also have a junior tour at the nine courses. The MCG Golf

Academy caters to all ages, abilities and skills.

When it comes to golf course maintenance, they understand that good conditioning is essential. "We have a great team of superintendents," said Miller. Jon Lobenstine heads the agronomy department, and focusing on environmental stewardship using Best Management Practices. They also work with the University of Maryland to do Turfgrass research on their Needwood course.

While MCG is essentially a municipal operation, Miller highlights a key difference – they get NO subsidy or financial support from taxpayer dollars. Instead,

they must stand alone and make sure they hit financial goals. "One key to our success," said Miller, "is the embracing of our core values – Do Anything Attitude, Genuine Smile and Deliver Excellence. The customers get such a great experience at our facilities."

"This award means so much to us," said Miller. "It's a testament to the hard work of our MCG team."

Winners were announced at the Annual Meeting

# Swan Point Yacht & Country Club Named Sustainability Leader

The NGCOA Mid-Atlantic's newest award is the Sustainability Award, recognizing the ability to incorporate sustainability and environmental stewardship into operating practices. Swan Point Yacht & Country Club is the 2019 honoree, in recognition of their focus on environmental stewardship, while co-existing with nature and wildlife. Peter Gardner, GM of the Swan Point Development Company, accepted the award.

Swan Point is located in southern Maryland, situated adjacent to the Potomac River and the Cuckold Creek, in a beautiful, natural area. "It has a Carolinas feel," said Gardner. "There are large pines, tranquil marsh lands and waterfront vistas." It is known for abundant wildlife, especially deer, turkeys, foxes and tons of birds – herons, ospreys, hawks and other fowl. This is the setting for a fun and challenging golf course.

The club's marina is involved in the Chesapeake Bay Oyster Gardening Program. Recently 14,000 oysters were cultivated in local waters, then returned to reefs on the Bay. The club works with the Chesapeake Bay



Swan Point is situated adjacent to the Potomac River and the Cuckhold Creek in southern Maryland

Foundation to get property owners involved in the program. They offer an "Oyster Basket Building Workshop" - oysters serve as a filter for the Bay.

The club is managed by KemperSports, which has a "Green to a Tee" program, focused on environmentally sensitive management of the property. They deliberately limit inputs of fertilizer and pesticide near water features. Environmentally sensitive areas are marked and players are prohibited from entering such areas.

The club's wedding venue is located Creekside in a beautiful setting, but also one managed with care to nature. They always protect areas near the creek and the river.

"It's exciting to be recognized, because we are making efforts toward the well-being of our environment," said Gardner. "We want to be good stewards."







### Radio and Television Personality Kraig Kann Returns to Emcee Golf Business Conference 2020!



Kraig Kann brings his energy, intellect and humor back to golf course owners and operators at this year's **Golf Business Conference**.

He'll enlighten and entertain us (and keep our program moving!) so we get the best from this valuable event.

Kraig will also lead an educational and innovative panel discussion during the event (stay tuned for more details!)



### Who is Kraig Kann?



He's a media personality and entrepreneur, and his 25-year broadcast career includes the Golf Channel/NBC, SiriusXM PGATOUR Radio. Today, he's the Managing Director of a strategic communications consulting firm, and he conducts unique leadership workshops focused on message delivery and personal and professional brand development.

Attend Golf Business Conference 2020, the

largest annual meeting of golf course owners, operators, managers and many others who are responsible for the success of golf course businesses. Join us from January 20-22, 2020 at the Orange County Convention Center in Orlando (located at the 2020 PGA Merchandise Show!)

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# **Club Industry Brief**

NCA's News Roundup Printed as a courtesy from NCA

## **Industry Update**

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### Where Clubs Meet Member Needs

Clubs are continuing to listen closely to member preferences and adapt accordingly. "Some clubs have done away with formal dining completely, and others only offer it two or three days a week now," said National Club Association President & CEO Henry Wallmeyer. Club dining trends also include a stronger emphasis on familiarity, providing members with communal tables where they can mingle. In addition, relaxed dress code, and revamped fitness facilities with offerings for a variety of member desires are helping clubs become the "third place" after home and work. Clubs also recognize member time constraints and offer quicker rounds of golf. Herald Mail Media.

### Soho House Raises \$100MM to Fuel Expansion

The Soho House has generated \$100 million from investors to double its hotel and private club properties worldwide. Last year the club opened five "Houses" and two "Townhouses" across the globe to help support its 89,000 members. The Soho House now has a \$2 billion valuation. **Forbes**.

### More News

- St. Andrews Country Club is North America's Best Day Spa
- Understanding Mar-a-Lago's Property Tax
- ClubCorp Adds 7 Lifestyle Clubs to Its Portfolio
- Lifestyle Complex "CENTRAL" Provides 5-Star Facilities at Mizner Country Club

### A Look at 2020's Biggest Food Trends

Health consciousness, global economics, sustainability and other factors are impacting next year's biggest food trends. Fad menus that feature interesting, but limited-time items that draw attention will gain popularity in 2020. Previously unused parts of plants like sweet potato leaves and avocado blossoms will be used more frequently, and sustainable practices like reusable cups, smaller napkins and traceable sourcing of paper products will trend. As economists forecast a recession and tariffs play an increasingly large role in food prices, expect consumers to spend more cautiously in 2020. Technomic.

### More News

- Digesting 2019's Wine Trends
- How German Hotels Appeal to Techy Millennials

## **On The Green**

### How Golf Club Innovations Go On and Off Course

The golf industry has prioritized innovating to stay relevant with current and future player demands. Courses are becoming more sustainable, quicker to play and fun, as more clubs incorporate facilities like Topgolf. Golf clubs are also focusing on other amenities to keep players at the club. ClubCorp unveiled "Touchdown Rooms" geared to host business meetings or connect the club and office, and more clubs have added enhanced dining and workout amenities. Sports and Leisure Research.

### More News

- Topgolf May Tee Up 2020 IPO
- Arnold Palmer Honored with Commemorative Stamp
- New Cart Technologies Can Open Doors to New Golfers
- England, Scotland, Wales and Ireland Suffer Membership Losses
- Why Private and Daily-Fee Courses Can't Be Taxed the Same
- Can High Profile Tournaments Boost Women's Participation Rates?





### How Grounds Crews Are Helping F&B

The grounds departments at Southern Hills Country Club in Tulsa, Okla., and The Country Club in Chestnut Hill, Mass., have teamed up with kitchen staff at their respective clubs to boost the club garden and provide fresh ingredients for members. Southern Hills' saw the opportunity to expand its garden and use the grounds team's knowledge to support a 1,000-square-foot garden that supplies herbs, veggies, fruits and honey. The Country Club's grounds team supports the kitchen in multiple ways from tapping trees for maple syrup to growing seedlings in its greenhouse and planting vegetables. The increased collaboration brings the departments together, with visits with the kitchen staff to see how the ingredients are being used. Club + Resort Business.

### More News

- Breaking Down Demographic Workplace Trends
- What Keeps Employees Engaged and Motivated
- Steve Mona Takes on Dual Roles at Club Benchmarking
- Topgolf Asks Court to Dismiss Fingerprint-scan Lawsuit

### **NCA News**

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Please contact Gregg Van Leuven or click here for more information.

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# NGCOA Announces New Partnerships



**First American Payment Systems** - headquartered in Fort Worth, Texas, is a global payment technology company providing leading integrated payment solutions to more than 180,000 merchants throughout the Americas, Europe, and Australia. NGCOA members will now be able to save money and streamline processes through a holistic solution set, with both "off the shelf" payment processing options and more sophisticated payment technology that can integrate easily within golf software platforms. Payment technology integration options include recurring billing, online payments, secure payment technology with PCI compliance and integrated payments tools. Member contact:

Christopher Giles Account Executive, ISV First American Payment Systems Christopher.Giles@first-american.net (813) 317-2637

Full press release click here.



**PGA of America** - New Executive Partner- PGA of America will have increased recognition and active participation in NGCOA programs and services, including the Multi Course & Resort Operators Retreat 2019 Golf Business Conference 2020 and in both Golf Business magazine and the Golf Business Podcast throughout the year. Full press release <u>click here</u>.

Additionally, their partnership is sponsorship but it is more about the NGCOA supporting/exposing PGA's major initiatives (PGA Jr League, Career Services and support of their annual operations study).

# Get Your Course on the Map for Accessible Golf

Many NGCOA member golf facilities already cater to golfers with disabilities, offering accessibility, instruction and other programs or equipment (including adaptive golf cars). Until now, there hasn't been a directory where golfers who need this assistance can locate places to play.

The <u>National Alliance for Accessible Golf</u> (the Alliance), a leading industry association that introduces golfers with disabilities to the game of golf, has

just released a <u>web page on its site</u> where disabled golfers can locate golf courses that are prepared for their special needs.

If your course is equipped with accessibility features, <u>click here</u> to register your facility in the Alliance's database (even if you don't own equipment, but permit customers to use their own, you can still register your course).



 Donate
 Search
 Go!
 Image: Control of the search





# NGCOA Mid-Atlantic HOLIDAY ONLINE AUCTION

Benefiting the golf industry in the Mid-Atlantic

Please consider supporting the NGCOA Mid-Atlantic Chapter Holiday Auction with a donation this year (e.g., a foursome with carts). The association initiatives include education, through advocacy including *legislative action on property taxes for golf courses*, cost savings solutions, networking, business resources and much more.

All donors receive a link to their website off the page describing the item! Your generosity and support is crucial to the success of this important program!

You can fill out the donation form by clicking the link below or simply email the details of the donation to David Norman - <u>dnorman008@gmail.com</u> by November 30th. Please return the certificates by December 7th by mail or email (we can print a PDF of your certificate in full color).

## **<u>Click for Online Donation Form</u>**

The auction runs December 10th and closes December 13th at noon and is accessible by clicking <u>www.32auctions.com/NGCOAMANCHOLIDAY2019</u>. Please share the auction link with your friends and colleagues!



Coming to you from the John Deere Studio



Every other week, the **Golf Business Podcast** brings you a new piece of original, curated, informative content to help your golf course business thrive and grow. The release will cover one or more of the following segments:

- Inside Golf Business leading golf course owners, operators and industry experts will discuss the latest issues facing the industry;
- Owner to Owner top owners will discuss what's on everyone's radar; and
- House Chat NGCOA CEO Jay Karen, the staff and other industry experts share current news from within the association.

**Click here to access the Podcast library** 

## How Will California AB5 Decision Affect Your State?

Does the recent passage of California Assembly Bill #5 (AB 5) impact your state? With California now adopting the stringent "ABC" test for determining if an individual is an employee or contractor, how will this affect your state?

Currently, there are 10 states (including Maryland) that apply the "ABC" test, while others apply either the "Common Law" test or a modified version known as the "Direction and Control" test. Prior to the passage of AB 5, California applied the Common Law test which follows the 20 factors defined by the IRS, but the seven critical accepted requirements are:

- 1. The extent to which the services rendered are an integral part of the principal's business.
- 2. The permanency of the relationship.
- 3. The amount of the alleged contractor's investment in facilities and equipment.
- 4. The nature and degree of control by the principal.
- 5. The alleged contractor's opportunities for profit and loss.
- 6. The amount of initiative, judgment or foresight in open market competition with others required for the success of the claimed independent contractor.
- 7. The degree of independent business organization and operation.

# Within the "ABC" test there are just three factors which define if the individual is a contractor, but all must be satisfied:

- 1. The worker is free from control or direction in the performance of the work under the contract of service and in fact;
- The service is performed either outside the usual course of the business for which it is performed or is performed outside of all places of business of the enterprise for which it is performed; and
- 3. The individual is customarily engaged in an independent trade, occupation, profession or business.

California legislators were tasked to codify the "ABC" test for employee versus independent contractor classification adopted by the California Supreme Court in the Dynamex Operations West decision. Obviously the strict application of the "ABC" test had many unintended consequences so legislators created seven exemption categories;

- **Category 1:** Specific occupations generally licensed professionals
- **Category 2:** Certain contracts for "professional services" business maintains a business location
- **Category 3:** Certain real estate licensees and repossession agencies
- **Category 4**: Certain bona fide business to business contracting relationships
- **Category 5:** Certain relationships between contractors and individuals working under a subcontractor in the construction industry
- **Category 6:** Certain relationships between referral agencies and service providers

So, where does this leave independent contractors supporting the golf industry in California?

Shortly after learning of the proposed labor bill, the California golf industry came together and created the California Alliance for Golf (CAG). Their goal was to ensure teaching golf professionals were included in the exemption list under the generally licensed professionals. During their work with Assembly and Senate members, it was determined that our industry would better meet Category 4, the "business to business" exemption. A "business to business for professional services" exception language creates a generic exception for all who in essence operate their own businesses either as sole proprietorships or limited liability corporations and meet the other 11 requirements of exception as laid out in the bill. Although not fully addressing the concerns of the golf industry relative to teaching professionals, it is this exception that forms the foundation for any argument supporting teaching professionals as independent contractors. This category contains 12 conditions the contractor must satisfy. Within these conditions, two present the greatest challenge for the golf industry.

- 1. The business service provider is providing services to the contracting business rather than to customers of the contracting business.
- 2. The business service provider maintains a business location that is separate from the business or work location of the contracting business.

The CAG recently reported "the second of the provisions may already be cured by virtue of language in other sections of AB 5 that specifically allows for a business service provider's 'business location' to be his or her residence. If not, the simple inclusion of the same language in the "business to business" section can easily cure the problem in the next session.

The first of the provisions are more problematic. Assemblywoman Gonzalez's office did solicit language from CAG for placement in a "Letter to the Journal" that she, as the bill's author, filed language that would allow for the teaching of golf to be construed as a "service to the contracting business" as opposed to the customers thereof.

We are mindful that AB 5 as it now stands puts independent contracting teaching on much firmer legal ground than at any time since the California Supreme Court issued its decision in Dyanmex (spring 2018) and are optimistic that the "business to business for professional services" exception can be fully perfected in the 2020 legislative session."

While the focus of CAG has been to find relief for the teaching golf professionals, we are hopeful the final language in Assemblywoman Gonzalez's "Letter to the Journal" will provide a broader language providing relief to all independent contractors serving the golf industry in California.

So, what does all this mean to other states? First for those who do not apply the "ABC" test (including Maryland) may see their state draft similar language to further restrict the individual exemptions. While other states may elect to adopt the more restrictive "ABC" test. Virginia is a "Right to Control" state - In these states, the individual who performs the work is free from control and direction over the performance of services.

For additional information or assistance contact Ronnie Miles, by email <u>rmiles@ngcoa.org</u> or call 843-471-2714.

Category 7: Certain relationships related to motor club service

### OWNERS...NEW Senate Bill S. 1889 Requires More Reporting with Severe Penalties

Is your golf business established as a corporation or limited liability company? Do you employ less than 20 full-time employees? Are your gross receipts or sales greater than \$500,000?

If you answered yes to any of these questions your annual reporting to the State may be increasing.

A new bill was recently filed in the Senate, S. 1889, the TITLE Act, which if passes will require you to file annual and periodic reports listing of anyone with ownership in your business. Additionally the bill:

- Allows states to post the private information of small business owners publicly.
- Grants broad access to the information to federal law enforcement and intelligence agency for any reason through a simple request.
- Requires States to keep personally-identifiable information, which includes full legal names, date of birth, current residential or business addresses, and drivers' license names/passport numbers of anyone with an ownership stake in your business.
- Failure to comply with this legislation would be a federal crime with civil penalties of up to \$1 million and criminal penalties of up to 3 years in prison.

Sponsors of the bill identified the purpose of the bill is "to ensure persons who form corporations in the United States disclose the beneficial owners of those corporations, in order to prevent the formation of corporations with hidden owners, stop misuse of United States corporations by wrongdoers, and assist law enforcement in detecting, preventing, and punishing terrorism, money laundering, tax evasion, and other criminal and civil misconduct involving United States corporations, and for other purposes".

NGCOA is opposed to this legislation as it is currently written. We recognize the intent is to prevent unlawful business activity by using small business enterprises. However, like so many of our laws, the burden is placed on legitimate businesses. We feel the bill will impose reporting requirements on golf course owners while eroding our privacy rights.

Does this bill affect your business? If so we encourage you to reach out to your Senator, especially those on the Judicial Committee (listed below). Here is a sample message you are welcomed to use or create your own message;

Below is a list of members on the Senate Judiciary Committee. Hopefully, through your efforts, this bill will die in committee!

Questions should be directed to Ronnie Miles, <u>rmiles@ngoa.org</u>

Majority Members (12)	Mino
<u>Graham, Lindsey</u> (SC), <i>Chairman</i>	Fein
Grassley, Chuck (IA)	ŀ
<u>Cornyn, John</u> (TX)	Leah
Lee, Mike (UT)	Durb
Cruz, Ted (TX)	<u>Whit</u>
Sasse, Ben (NE)	Klob
Hawley, Josh (MO)	<u>Coor</u>
Tillis, Thom (NC)	<u>Blun</u>
Ernst, Joni (IA)	Hiro
<u>Crapo, Mike</u> (ID)	Book
Kennedy, John (LA)	Harr
<u>Blackburn, Marsha</u> (TN)	

Minority Members (10) Feinstein, Dianne (CA), Ranking Member Leahy, Patrick J. (VT) Durbin, Richard J. (IL) Whitehouse, Sheldon (RI) Klobuchar, Amy (MN) Coons, Christopher A. (DE) Blumenthal, Richard (CT) Hirono, Mazie K. (HI) Booker, Cory A. (NJ) Harris, Kamala D. (CA)

## Overtime Rule Now Set to Go in Effect Next Year

As we anticipated the U.S. Department of Labor announced a final rule to make 1.3 million American workers eligible for overtime pay under the Fair Labor Standards Act (FLSA).

"For the first time in over 15 years, America's workers will have an update to overtime regulations that will put overtime pay into the pockets of more than a million working Americans," Acting U.S. Secretary of Labor Patrick Pizzella said. "This rule brings a commonsense approach that offers consistency and certainty for employers as well as clarity and prosperity for American workers."

"Today's rule is a thoughtful product informed by public comment, listening sessions, and long-standing calculations," Wage and Hour Division Administrator Cheryl Stanton remarked. "The Wage and Hour Division now turns to help employers comply and ensure that workers will be receiving their overtime pay."

The final rule updates the earnings thresholds necessary to exempt executive, administrative, or professional employees from the FLSA's minimum wage and overtime pay requirements, and allows employers to count a portion of certain bonuses (and commissions) towards meeting the salary level. The new thresholds account for growth in employee earnings since the currently enforced thresholds were set in 2004. In the final rule, the Department is:

- Raising the "standard salary level" from the currently enforced level of \$455 to \$684 per week (equivalent to \$35,568 per year for a full-year worker);
- Raising the total annual compensation level for "highly compensated employees (HCE)" from the currently-enforced level of \$100,000 to \$107,432 per year;
- Allowing employers to use nondiscretionary bonuses and incentive payments (including commissions) that are paid at least annually to satisfy up to 10 percent of the standard salary level, in recognition of evolving pay practices; and
- Revising the special salary levels for workers in U.S. territories and in the motion picture industry.

#### The final rule will be effective on January 1, 2020.

The increases to the salary thresholds are long overdue in light of wage and salary growth since 2004. Nearly every person who commented on the Department's 2017 Request for Information, participated at listening sessions in 2018 regarding the regulations, or commented on the Notice of Proposed Rulemaking agreed that the thresholds needed to be updated for this reason.

The Department estimates that 1.2 million additional workers will be entitled to minimum wage and overtime pay as a result of the increase to the standard salary level. The Department also estimates that an additional 101,800 workers will be entitled to overtime pay as a result of the increase to the HCE compensation level.

A 2016 final rule to change the overtime thresholds was enjoined by the U.S. District Court for the Eastern District of Texas on November 22, 2016, and was subsequently invalidated by that court. As of November 6, 2017, the U.S. Court of Appeals for the Fifth Circuit has held the appeal in abeyance pending further rulemaking regarding a revised salary threshold. As the 2016 final rule was invalidated, the Department has consistently enforced the 2004 level throughout the last 15 years.

More information about the final rule is available at  $\underline{https://www.dol.gov/whd/overtime2019/}.$ 

## **WOTUS Repealed**

In September, the EPA and Department of Army published a final rule to repeal the 2015 Clean Water Rule: Definition of "Waters of the United States". This is great news for members in one of the 22 states that were not included in the nationwide stay of the 2015 WOTUS Rule.

Of particular concern for the golf industry with the 2015 Rule was the lack of clarity of key terms and definitions, such as "adjacent", "floodplain", "ordinary high water mark", and "significant nexus".

Moreover, by allowing for jurisdiction over remote, isolated feature and ephemeral washes, the 2015 Rule improperly read the word "navigable" out of the statute.

The recent action by the EPA is the first step of rescinding the Rule, thus requiring all states to follow pre-WOTUS Rule guidance provided within the Clean Water Act.

The next step is the release of new guidance clarifying Waters of the United States. Step Two is a proposal to revise the definition of "waters of the United States." The agencies signed the proposed Step Two rule on December 11, 2018, and it was published in the Federal Register on February 14, 2019. Following a call for comments, the EPA received over 620,000 comments and these comments will be considered as they finalize the new Rule.

# Regional News

## LaMott Smith Announced as Director of Business Development for One Source Partnership



Associa and Up To Par Management announced that LaMott Smith has joined as director of business development of their One Source Partnership.

Smith will focus on new client acquisitions for the partnership as well as property analysis, asset evaluation, operation efficiencies, and property transitions. LaMott brings more than three decades of experience to the position, along with expansive knowledge of the private communities and golf club business.

LaMott Smith

Prior to joining the One Source Partnership, Smith

served as general manager for ClubCorp properties, regional manager for Forewinds Hospitality and Meadowbrook Golf Group. Earlier in his career, LaMott was instrumental in leading the East coast expansion for American Golf Corporation. LaMott leveraged his considerable club knowledge and, along with other partners, launched the successful Raspberry Golf Management company.

"LaMott has an extensive background in Club and Hospitality management, and his deep relationships in the industry and business acumen will help our One Source Partnership expand and reach our growth goals. LaMott joining our team is another example of our commitment to provide an exceptional experience to our clients."- Sean West, SVP Associa.

"We are thrilled to have LaMott join the Up To Par Management and Associa families! He brings considerable experience and fully understands the challenges and issues that arise within an HOA and Club environment. He will be an outstanding resource for our future clients as well as the partnership," added Sean Taylor, founder and CEO of Up to Par.

Up To Par and Associa are in the business of delivering positive financial results and exceptional experiences to owners and developers, along with homeowners, members, and guests through their ONE Source Partnership. ONE Source offers communities a one-stop solution for all their needs including club, food and beverage, restaurant, and hotel operations as well as agronomy, equipment lease negotiations, sales and marketing, and more.

"I'm excited about the opportunities that the partnership between Associa and Up to Par will afford residential developments who struggle with separate community and club management entities. ONE Source will bring synergies and efficiencies that will greatly benefit the homeowner and assure their asset value" stated Smith.

For more information about ONE Source, please visit <u>http://bit.ly/</u> <u>OneSourceNow</u>

# Drive Shack First-to-Market in Richmond ahead of Topgolf

#### By Michael Schwartz

In the race to open two high-tech driving range and entertainment facilities in the Richmond market, Drive Shack beat our TopGolf by a couple of weeks. Both are now open.

Drive Shack on Tuesday announced its \$25 million, 55,000-square-foot venue opening on Sept. 20 at 1647 Four Rings Drive in Goochland.



The Goochland location is Drive Shack's third nationwide, and features 96 bays.

Topgolf completed its \$25.5 million, 48,000-square-foot facility at 2308 Westwood Ave. in Henrico, just west of Scott's Addition a couple of weeks later.

The Goochland location is Drive Shack's third nationwide, joining outposts in Raleigh and Orlando. Topgolf has dozens around the country and internacontinued on next page

# Regional News

tionally, and more than a dozen others in the works.

The Richmond area is the first market anywhere to have locations from both brands.

Drive Shack opening first is not a surprise, as it had a head start on planning and construction. The publicly traded company's plans in Goochland were <u>first made public in spring 2017</u>.

Built on 13 acres owned by the Pruitt family, the sprawling facility features 96 hitting bays stacked across three floors, where customers hit balls



northward at targets, with Route 288 running parallel in the distance. Players' shots are tracked by Trackman devices, which help keep score and stats.

Bays are rented for \$50 an hour after 5 p.m., with lower prices earlier in the day. Each bay can hold six players.

Drive Shack also comes with multiple bar areas and a restaurant.

The facility also has multiple bar areas, a restaurant, arcade games, event spaces, a rooftop deck and offices for Drive Shack staff. Its property abuts the northern end of a new Audi dealership-anchored commercial development, where <u>plans for a hotel are also in play</u>.

Drive Shack in Goochland is run by General Manager Michael Matley, who previously worked for Topgolf in Virginia Beach. He was tasked in recent weeks with hiring 300 workers.

Matley, addressing the crowd at a media preview at the Goochland site, said his crew is making a point to work with other local businesses, including having a Drive Shack house beer brewed by Hardywood Park Craft Brewery, which keeps its West Creek facility two miles up the road.

While Drive Shack got the head start and both sides played down the idea that there was a race to open first, Topgolf gained plenty of ground, even after going through the process of purchasing its land for \$5.7 million and getting approvals from Henrico County.

In addition to its three-story driving range, Topgolf also has a 14-hole mini-golf course on the Westwood site.

# Golf Retailer Club Champion swings into Short Pump, VA

By Michael Schwartz

Lining up its first location in the Richmond market, a national golf retail chain is headed for the western Henrico shopping hub.

Club Champion, which specializes in the sale and fitting of golf clubs, will



open a new store Nov. 1 at 11747 W. Broad St. in the Shoppes at Westgate.

It will be the Willowbrook, Illinois-based chain's third Virginia location, adding to a recently opened spot in Virginia Beach and one in Fairfax. It has more than 70 locations nationwide. Founded in 2010, the shop fits, sells and builds custom club from brands such as Callaway, TaylorMade, Ping and Titleist. Locations, which the company calls fitting studios, also include two indoor hitting bays using Trackman simulators, as well as a putting analysis system.

Club Champion is taking about 2,300 square feet in the shopping center, where it will join Starbucks, Jos. A. Bank, Panera and the recently opened First Watch restaurant. The Club Champion storefront previously was home to Cardinal Camera.

Thalhimer's Alex Wotring represented Club Champion in its lease. Club Champion joins a competitive field in Short Pump, where Dick's Sporting Goods and Golf Galaxy are each established players.

## Five Firms Vie for Belmont Golf Course Lease in Richmond

#### By Michael Schwartz

The field of competitors jockeying for a chance to take over the century-old Henrico County-owned Belmont Golf Course is down to five.

That's the number of companies that submitted proposals this month in response to a county-issued RFP for a contract to lease and operate the daily fee course at 1600 Hilliard Road, all with the goal of turning around an operation that has steadily lost money for well over a decade.

Neil Luther, director of the county's Recreation and Parks Department, said he could not identify the five respondents or the details of their proposals, citing the ongoing process.



An aerial view of Belmont Golf Course in Henrico County.

The five respondents were among the dozen or so groups that showed up for a mandatory meeting held last month that was required for any party interested in responding to an RFP.

Those in attendance at the meeting included golf course management companies of all sorts, such as national firms Billy Casper Golf, Brown Golf Management, KemperSports and Nebraska-based Landscapes Unlimited; and regional and local competitors such as First Tee of Greater Richmond, Williamsburg-based Golf Business Advisors, Up to Par Management in Lexington and New Direction Golf Management in Fredericksburg,

Luther said his department is evaluating the five proposals, with the goal of taking the most promising one to the county Board of Supervisors in December. The goal is to have the board award the contract in time for the operator to take over Belmont by Jan. 1, 2020.

# Regional News

The contract would come with a 20-year lease to operate the course, while the county would retain ownership of the 125-acre property.

The lease would include operations and maintenance of Belmont's 18-hole course, practice putting area, pro shop, snack bar and meeting space. It does not include the neighboring county-owned tennis courts, rec center and surrounding parking lots, which Henrico would continue to operate and maintain.



The lease would not include surrounding parking lots. (BizSense file photo)

The RFP calls for the county to forgo any lease payments or revenue share from the new operator, while also setting aside \$500,000 in county funds to pay for renovations of Belmont's bunkers, a project the county already had approved but shelved while it weighed options for the course's future.

The county also expects the new operator to close the course for renovations, including the bunker work, and plan to reopen for play in April or May.

The county also would provide up to \$250,000 in additional capital funding in years two, three and four of the lease, with the operator having to seek permission before spending the money.

#### Approaching the green

The operator would be required to contribute annually a minimum of 5 percent of Belmont's gross operating revenue equal to or above \$1 million into a capital reserve escrow account. That account would be set aside for capital improvements and major repairs that will help preserve the course's future, according to the RFP.

The new operator will have the ability to set new fees for daily play and to sell alcohol onsite, which has been prohibited under county ownership and is seen as having held back the course financially in recent years.

The operator would be required to provide a fleet of golf carts and pull carts, and a PGA Class A golf professional to work onsite.

The RFP also calls for the creation of a citizen Belmont Golf Advisory Committee to "apprise and advise the Board of Supervisors on all operating issues and concerns arising during the term of the lease and operating agreement."

The committee would meet regularly and would include a county-designated representative.

Luther said the RFP shows the county has a clear view of exactly what it wants from the new operator and those requirements will determine the choice in the end.

"A lot of it comes down to who we think is the best legacy operator that we would trust for the long term," Luther said this week.

### 'We thought it would be here forever': Maryland Golf Course Closes After More Than 60 Years

#### By <u>Rachel Chason</u> and Justin Wm. Moyer

A group of regulars will camped out earlier this year on the 16th hole of Glenn Dale Golf Club. The course's owner has been tearing up for weeks. And every golf cart was taken Friday, with throngs of golfers weaving through the course, determined to get in one last round.

For more than 60 years, the family-owned course has been a staple of this Prince George's County community. Glenn Dale is now shuttered, following years of financial woes like those that led to closures at other courses in the county.

"We thought it would be here forever," said John Shields, the course's soon-to-be former president. "We were wrong."

Shields's roots at Glenn Dale run deeper than the turf that covers its rolling hills. His father and uncle — identical twins — bought it in 1958, and Shields, 71, grew up on the property in an antebellum manor house built by Gabriel Duvall, an early Supreme Court justice. He and his brother and sister still live on the grounds, where they raised families.

"This is all we know," Shields said Friday, looking out from the clubhouse – the only home the family's 15-year-old labradoodle Nacho has known – to the ninth hole. "It's not a job. It's a lifestyle. It's everything."



Glenn Dale Golf Club was busier than normal on Friday as golfers wanted to get in rounds before the course closes Monday. (Michael S. Williamson/The Washington Post)

After not making a profit for 20 of the past 30 years, and losing more than \$1 million in the past five years, Shields said his family had to make the hard decision to sell. Developer L.M. Sandler & Sons took control of the 125-acre property, where it plans to build single-family homes and townhouses.

Zoning changes proposed by Prince George's County Council Chairman Todd M. Turner (D-District 4), who represents the area that includes Glenn Dale, paved the way for the project. Turner, who has spent years working with Shields and neighbors in the area, said he is optimistic the development will be one "that the community can be supportive of."

"Unfortunately that means we're closing an iconic member of the community," said Turner, who plans to play his final round Saturday at Glenn Dale. "Golf is a tough business."

#### Pride till the end

Shields took over the course after his father died in 1980. At the time, Prince George's was a mostly white, working-class suburb and most golf courses in the area were segregated. Shields said that when minorities came

# Regional News

to the course after he took control, some white golfers weren't pleased.

"They would talk about you so you could hear it," said Shields, who is white. "They would make you feel uncomfortable."

Shields said he quickly worked to make Glenn Dale a place where everyone felt welcome. He asked people who expressed prejudice to leave and had to fire one employee,



private courses across Maryland's secondlargest jurisdiction. When contemplating a sale in 2003, Shields told The Washington Post that the course had been in financial trouble for a decade, with revenue down 40 percent since 1990.

Glenn Dale wasn't the only course stuck in the rough. Also

Glenn Dale Golf Club President John Shields fought back tears as he talked about the closing of the golf club. (Michael S. Williamson/The Washington Post)

telling him: "It's not the way that we're going to be."

He said the club's regulars now more closely mirror the diversity of Prince George's, one of the wealthiest majority-African American jurisdictions in the country.

Kevin Davis, who grew up in Prince George's and has played at Glenn Dale for 20 years, reflected on the course's history.

"There were places where people of my color couldn't come," said Davis, 62, who is black. "Now it's people of all walks of life and colors. I look at the kids — and I see kids of all races. I'm just really sad to lose it."

For years, it's been a meeting place for citizens' associations and political groups, although Shields said the club never took sides or charged fees for such gatherings. The bar at the end of the course, the Black Hole, hosted live bands, karaoke and poker games.

"We joke that it was kind of like our 'Cheers,' " said Jason Beaulieu, a 48-year-old attorney who started playing the course with his father at age 10. "A place where everyone knows your name."

Shields had a goodbye party — drafting severance packages for employees and making sure the course was running as smoothly as it had for years.

"Our motto is: 'Pride till the end,' " he said.

#### A boom and bust on the green

Glenn Dale prospered in the 1980s amid a golf boom that saw a glut of courses built, often by municipal governments or within housing developments. Troy Beck, a PGA professional and the course's golf director, who has worked there since the late 1980s, said hundreds of children came through Glenn Dale's camps each summer, some later securing golf scholarships at top colleges.

"It doesn't feel like work," she said. "It's a great vehicle for developing the whole child  $\dots$  and turns them into ladies and gentlemen."

Boom led to bust, however — mirroring years of struggles faced by

the rough. Als in 2003, the Robin Dale Golf Club in Brandywine was put up for sale. Three years later, a sand and gravel company bought it and mined the land. Then in 2010, Marlborough and Lake Arbor country clubs closed, prompting the county council to commission a study about the state of

Prince George's golf courses. The 2013 study by the Maryland-National Capital Park and Planning Commission featured photos of bleak conditions at Marlborough and Lake Arbor: Equipment dumped in the woods, a trashed clubhouse, and a pool with standing water. It found that the problem in Prince George's was fueled by an oversupply of golf courses due to overbuilding in the 1990s and early 2000s, combined with a decline in golfers.

#### So, is golf dead?

"Camps are going down because you ask any 10-year-old, he says: "Why are we out here? It's so hot. I have to walk,' " Beck said. "I can't compete with air conditioning and phones."

Jay Karen, chief executive of the National Golf Course Owners Association, said reports of golf's demise have been exaggerated.

Between 1986 and 2006, the number of U.S. golf courses grew 44 percent to about 17,000. Since then, that number has decreased by 8 percent, but golf, an \$84 billion industry, continues to find fresh linkspeople, with 2.6 million players stepping onto a green for the first time last year.

Whether a particular course can stay in business is more a function of local market forces than golf's ability to endure, Karen said.

"An owner may say: 'I'm working really hard for not a lot of money, but sitting on an \$8 million asset,' " he said. "It doesn't take rocket science to decide what to do."

Shields declined to discuss the sale price of the course, and L.M. Sandler & Sons, the Virginia Beach-based developer, did not return requests for comment.

# Partner News

## How to Convince the Board Of Directors That Change Is Needed

Posted by Alex Lavoie



Change isn't always easy. When it comes to golf there is a gap between modern technology and old thinking. Some boards get skeptical that a modern solution will make things better

at their course, they may not believe the costs are worth it or that the new software will in fact make their experience better.

The reality in the golf industry is that most golf courses must start modernizing or get left behind the other courses in the market that are actively analyzing data with business intelligence tools, reaching targeted audiences with sophisticated marketing practices and boosting revenue with dynamic pricing strategies. Golf courses can no longer afford to lose efficiency and revenue to dated software that isn't user friendly.

Many golf operators understand that a change is needed, but meet resistance when they go to the board. Convincing the old guard presents a tough challenge, especially when the board is composed of long time members who see their course through a certain lens that doesn't always align with modernization. As golf managers, to build your business, it's critical to help these members understand why change is necessary for survival and how it will ultimately improve the experience of every member including themselves.

# When you go up against a tough board, here's 5 things to keep in mind:

1. Highlight long term benefits as people tend not to embrace change in the short term

Investments take time to pay off. It can take a up to one year to see the benefits of a change, so find ways to highlight the longterm benefits of switching to better technology.

Typically the benefits golfers immediately feel start with an enhanced booking experience and simplified house account management. However, once your staff is on board, golfers will experience better service in the pro shop because staff won't be tied up on the phone handling reservations. Show them how it will be easier to book the perfect tee time, with the ideal group, for a better price.

2. It may be new to us but this is the direction our industry is going and we don't want to be left behind

No one wants to fall behind the curve. Show the skeptics how other courses in your area have modernized, and benefitted from these changes. Top Golf is a good example of how modernizing has the potential to bring more interest and more customers.

It's about more than just showing flashy dashboards or a sophisticated automated email marketing system. Give real examples of how the new system can be used to simplify processes, generate better results, and ultimately drive more revenue. Make sure to show how you plan on protecting the culture your older board members value, while still modernizing and improving efficiency.

3. Our way may not be the best way and we need to lean on younger tech companies to help us understand the needs of today's modern golfer It's no secret that golf courses are struggling to attract millennials and keep them golfing at their facilities. Modern tech companies offer enhanced capabilities to offer relevant customer loyalty programs that young golfers will actually want to be a part of.

Modern golfers are looking for a technology rich experience, no matter where they go for entertainment. New management, POS, and marketing software permits golf operators to reach young golfers in creative, personal, and highly targeted ways. Put simply, if you want reach a younger, more technologically savvy market, you'll need smart and modern technology.



4. New tools come with a cost, we'll need to spend money to make money Our research shows time and time again that the added investment is worth it. When your pro shop staff can stop focusing on answering the phone, and focus on selling product, you generate more revenue. When your emails are personal, timely, and targeted, you get better engagement and more revenue. When your customers have a mobile app in their pocket you get a better marketing channel that will generate more online bookings. When your products can be bought online and picked up in-store, you create less purchase friction and generate more revenue.

When you get access to wide reaching and fair distribution channels, you get your tee times in front of a greater audience, and you attract new customers. The list goes on and on, but it takes time and investment to reap the benefits.

5. Our customers are hungry for change and we need to listen

Your customers are looking at the modernization that is happening right now at other golf courses and in other industries. They expect to see that change at your golf course too. With a plethora of cost effective and proven options it's time to take a serious look at making a change. If you don't, you risk becoming irrelevant, inefficient, and slow to react.

To prove your customers are ready for a change you could run a survey that asks what new technologies customers are expecting. Hard data is always best to convince a sluggish board. Even better, you could have your younger, most enthusiastic golfers present to the board their reasons for why they feel a change is necessary. Incorporating a younger perspective will help your older board members see the golf course through a different lens.

### Don't be intimidated by your next board presentation

Change is inevitable and you are lucky to have the chance to make a big difference at your golf operation. With the right data and a solid presentation, you'll have your board convinced that it's time for an update and that a modern technology solution is right for your golf course. Good luck out there!

## VGM Club Changes Name to ClubProcure

New name highlights enhanced presence within food category



VGM Club, a group purchasing organization serving the private club & golf course industry since 1994, announced it is changing its corporate name to ClubProcure. The name change follows the

company's recent merger with Compass Group U.S.A's Foodbuy division, North America's leading procurement services organization.

"The name ClubProcure explains precisely who we are here to serve, and how we are here to help," said Tony Beuter, President of ClubProcure. "Our company has always offered great programs and services to superintendents and club managers and now, as a division of Foodbuy, we will offer even more resources and benefits for club chefs and food and beverage managers.

Along with the name change and the heightened contract offerings for customers, the company also announced an enhanced membership benefit called OneSource, which is a cloud-based purchasing software.

"The ClubProcure name is an exciting way for us to announce our latest offerings moving forward," said Cam Schultz, Vice President of Marketing for ClubProcure. "The eProcurement platform empowers users to streamline purchasing activities and drive efficiencies. Our team is looking forward to showing clubs the advantages of this technology and the additional benefits it will provide."

#### **About ClubProcure**

Established in 1994, ClubProcure is the nation's leading group purchasing organization for the private club and golf course industry. ClubProcure provides volume discounts and allowances and other incentives from over 450 supplier partners to their membership community of nearly 4,000 private clubs and golf courses nationwide. Formerly known as VGM Club, ClubProcure is now a subsidiary of Foodbuy.

#### About Foodbuy, LLC

Foodbuy, LLC is the largest foodservice procurement and supply chain solutions organization in North America and the sole sourcing partner for their parent company, Compass Group North America. Foodbuy manages more than \$20 billion in purchase volume, giving them an industry-leading edge when negotiating contracts for Compass Group and Foodbuy Members. Foodbuy's focus is on procurement; they provide a unique blend of purchasing savvy, product expertise, proven strategic processes and data analytics that integrates sourcing, category development, and distribution. Foodbuy's business model, sustainability initiatives, and commitment to supplier diversity gives them a substantial competitive advantage. The value that they deliver to their customers has led to their significant growth, making Foodbuy the largest, yet most collaborative procurement organization in the United States. For more information, please visit <u>www.foodbuy.com</u>.

## New NGCOA MA Partner Can Improve Pace of Play and More

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# **BNGCOA** MEMBER BENEFITS

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#### Yamaha is the "Official Golf Car Partner" of the National Golf Course Owners Association.

NGCOA members receive valuable incentives, including rebates, on Yamaha's golf car and utility vehicle purchases and leases.

You'll appreciate Yamaha's technical **innovation and advancements**—including the YamaTrack GPS fleet management utility—and will find satisfaction and value in Yamaha's **superior customer service**.

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• **Renew** your current Yamaha contract and receive one FREE registration for NGCOA's Golf Business Conference—an \$800 value

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• **Convert** your fleet to Yamaha golf cars and receive one year of NGCOA membership FREE, <u>and</u> one FREE registration for NGCOA's Golf Business Conference a combined \$1,175+ value OR

• **Renew** your current Yamaha contract and receive one year of NGCOA membership FREE— a \$375+ value

Learn more about the benefits of membership at **ngcoa.org/membership**, and contact Jay Andersen, Director of Membership, at jandersen@ngcoa.org or 843-471-2736 with any questions.

NGCOA members who **joined prior to 03/31/18** receive the rebate payment following the **Yamaha contract date**. After 04/01/18, new NGCOA members joining with a **1-year membership** receive the rebate payment following their **2nd year renewal**. After 04/01/18, new NGCOA members joining with a **2-year membership** receive the rebate payment following the **Yamaha contract date**. \*Rebates are processed quarterly.

# **DNGCOA** MEMBER BENEFITS

# Six reasons it pays to be part of the NGCOA Community.

The NGCOA exists to help our members be more successful. We fulfill our mission through a wide range of programs and services.



# Legislative Leadership & Advocacy

- Protecting your interests, fighting for your business, and providing insights for better decision-making
- Dedicated Advocacy staff
- Online Advocacy Resource Center
- Legislative Resource Center
- We Are Golf and other initiatives



### **Conferences & Education**

- Networking and innovative ideas to make you more successful; direct access to industry experts
- Golf Business Conference
- Accelerate Online Members-Only Portal
- Webinars, Podcasts and Whitepapers



### Networking & Connection Platforms

- Network of owner and operator peers who can help you solve problems and grow your business
- Member Directory
- Accelerate Online Members-Only Portal
- Affiliate Dual Membership (if applicable)



### **Business Resources**

- Exclusive information and tools that can improve your business
- ORCA Report (golf performance benchmarking)
- Golf Business magazine
- NGCOA Buyers Guide



### **Purchasing Programs**

- Significant savings on products and services that improve your business AND your bottom line
- Smart Buy Marketplace
- NGCOA Insurance Services
- 401(k) Retirement Plans
- HR & Payroll Services



### **More Membership Perks**

- Additional benefits to get even more value from your membership
- Special Member pricing for NGCOA events, materials, resources and more
- Free event admission to select PGA and LPGA events

# **BNGCOA** MEMBER BENEFITS



# INGCOA Smart Buy Marketplace

NGCOA members get significant **discounts, rebates and value-added packages** from hundreds of the most recognized names and reputable, industry-leading companies. Many of these companies offer exclusive deals not available anywhere else.



Golf Cars & Utility Vehicles

Members converting from a competitor receive \$50 per-car for purchase or lease. Members renewing their fleet receive a free registration for Golf Business Conference or RevCon.



Human Resources & Payroll Up to 50% on HR and payroll costs.



**Television Programming** Up to 60% savings on programming.



Food and Beverage Typical savings is 7% to 15% on more than 800 vendors, including Sysco, Gordon Food Service, Performance Food Group, and many others.



First American Discounted rates and special incentives on payment processing fees.



Alternative Golf 15% discount on lowest pricing available at FlingGolf.com.



Flood Protection Solutions Customized products and solutions to mitigate the damage from flooding.



**Pre-Owned Turf Equipment** Discounts on tiered pricing plus 120-day extended warranty (normally 90-day).



Automotive Vehicle Manufacturer Significant factory direct fleet discounts on 2019 GM products.







**Golf Simulators** 

Insurance

5% discount off MSRP.

**401(k) Program** Effective and competitive 401(k) plan benefit for NGCOA member courses' employees.





pepsi

**Performance Reporting & Benchmarking** 30%-50% discount on all reporting packages.

Comprehensive employee benefits (health,

casualty insurance at competitive rates.

dental, vision, life and disability) and property

Beverage Supplier Rebates on various Pepsi and Gatorade fountain, bottle and can products; includes equipment and service programs.

Combined Package.



**Customer Experience Solution** Free survey tool and 55% off Players 1st's top-tier



Irrigation Solutions 1.5% rebate on Rain Bird Golf irrigation products.



New and Used Turf Maintenance Equipment 1% rebate on new and/or 0.5% rebate on used Toro branded turf maintenance equipment.

