



Waukesha County

Wanaki Golf Course Closure FAQ (Updated February 4, 2020)

Why is Wanaki Golf Course closing?

Wanaki Golf Course has been operating at a financial loss for several years. In spite of years of efforts to increase efficiencies and generate more revenue, the course has continued to lose money. This has depleted Waukesha County's golf course reserve fund, which is used to sustain operations and fund improvements for all three golf courses that are maintained by the County.

Since 2001, Wanaki Golf Course has experienced net cash flow losses each year between \$41,000 and \$243,000. Golf course reserve funds have steadily declined since 1997 due to net operating cash flow loss and necessary infrastructure investments. In addition, Wanaki Golf Course is in need of significant infrastructure repairs and upgrades, estimated to cost over \$645,000, according to a 2018 projected infrastructure needs analysis.

When will Wanaki Golf Course close?

Wanaki Golf Course will remain open through November 1, 2020. Once the course is closed for the year, it will not reopen for the 2021 golf season.

Is this decision final?

Yes. As a component of the 2020 County budget approval process, the County Board directed Parks and Land Use staff to follow a 4-step process to either lease Wanaki for golf course operations, or to sell Wanaki Golf Course, as follows:

- 1) Finalize a decision to lease Wanaki Golf Course by February 15, 2020. Any lease agreement was directed to be competitively bid to allow for the most favorable revenue share with the County, and to place no net expense burden on the County, including the cost of lease management, clubhouse operations, course maintenance, and capital improvements. If no agreement to lease Wanaki for golf course operations is accepted by the County on or before February 15, 2020, the County Board action provides for County run golf course operations at Wanaki until November 1, 2020, and Parks and Land Use staff shall proceed to step 2.
- 2) If no lease offers meet minimum requirements, pursue sale for golf operations via deed restriction at no less than 80% of highest and best use value by March 31, 2020.
- 3) If no viable sale bid for golf use is received, proceed with sale for outdoor recreation purposes at no less than 80% of highest and best use value by June 30, 2020.
- 4) If no viable sale bid is received for outdoor recreation purposes, proceed with sale for highest and best use.

Consistent with the County Board action, a RFP process was initiated on December 5, 2019. One proposal for lease operations was received by the January 23, 2020 RFP deadline. The proposal was evaluated by a review committee and determined to be unacceptable because it unfortunately did not meet the requirements that were established by the County Board. As of February 4, 2020, Parks and Land Use staff have proceeded on to step 2 of the process.

What is Waukesha County's Golf Course Reserve Fund?

Waukesha County does not use tax levy to operate its golf courses; they are funded by revenue generated from their own operations utilizing an enterprise fund. Profits from the golf courses go back into course operations and future course projects. Revenues come from golf course fees, golf cart rentals, concessions, and special event fees.

Does the County use the Golf Course Reserve Fund for non-golf expenditures?

The County does not currently use the Golf Course Reserve Fund for non-golf expenditures. In the 1990's and early 2000s, the County's annual budget appropriated limited use of the Golf Course Reserve Fund to support other quality-of-life park amenities when Waukesha County golf courses had very high participation rates and strong positive cash flow. However, in 2005 County elected officials made a decision to stop that practice due to a boom in new privately-owned golf courses available to the general public. This new, highly competitive market coincided with declining revenues and rounds played at County Golf Courses, which led to the proactive decision to discontinue use of Golf Course Reserve Funds for non-golf expenditures.

At that time, the Golf Course Reserve Fund balance was designated for planned golf course maintenance and enhancements to improve playability and revenues for all Waukesha County Golf Courses. These included maintenance of parking lots, entrance roads, clubhouses, maintenance buildings, irrigation systems, cart paths, and bridges, and modifications to greens, tees and bunkers. However, for the last ten years, due to continued market pressures and a general decline in play, the fund was forced to cover annual operating losses of any of Waukesha County's three golf courses, the majority of which was used to support operations at Wanaki. Due to annual losses, the Golf Course Reserve Fund balance has not grown and cannot properly address maintenance and enhancements to support Waukesha County golf courses long term, without the closure of Wanaki Golf Course.

What has Waukesha County done to try to keep the golf course open?

In recent years, Waukesha County has implemented many changes, enhancements, and new programs in line with an assessment and recommendations provided by the National Golf Foundation to increase efficiency in operations and revenue over multiple years. The implementation has included a reduction in staff levels, incentivizing 18-hole play and revenue per round and eliminating the County resident card to respond to customer requests to increase play by guests from adjoining counties. In addition, we offer special outings catering to smaller business groups, provide beer tastings, music and other patio events, have added family-friendly programs during non-peak tee times, and have increased youth golfing initiatives.

Why doesn't Waukesha County raise rates at Wanaki to help keep it open?

Competitive rate increases have been adopted at Waukesha County golf courses over the years, in addition to many other changes, enhancements, and new programs, in line with an assessment and

recommendations provided by the National Golf Foundation to increase efficiency in operations and revenue over multiple years to keep the golf course sustainable. This is in addition to annual reviews of fees to ensure they are in line with market rates. Unfortunately, Wanaki is operating in a very competitive market. An analysis has shown that external competition is one of the biggest challenges facing golf facilities in Waukesha County, and that higher rates would not be supported by the public.

As of 2020, there are 29 golf courses in Waukesha County. 19 are 18-hole public/semi private courses available to the public; three are 9-hole public/semi private courses available to the public and seven are private 18-hole courses. The National Golf Foundation pointed out “The overall Waukesha area has a relatively high supply of golf courses compared to the U.S. standard (unfavorable for golf courses).” The impact was clearly summarized in this statement, “Overall, the Waukesha County golf courses are priced similarly, but there is a strong core of lower-priced golf courses that keeps the market area very competitive.”

What will happen to the golfers and groups who regularly use Wanaki Golf Course at the end of the 2020 golf season?

Waukesha County will do its best to accommodate the teams, school groups, and individual golfers who have supported Wanaki for years at its other golf courses, Naga-Waukeee War Memorial Golf Course and Moor Downs Golf Course.

Why did the county invest in the Wanaki Golf Course if closure was being considered?

Infrastructure investments, such as a bridge replacement project at Wanaki, were necessary for the golf course to remain open until now. The projects were done to maintain the playability and safety of the course as well as offer revenue opportunities. . .

The improvements made at Wanaki were not implemented to make the golf course sellable; they were made to improve the viability of the course. The bridge replacement project had two objectives. First, to allow golfers and course maintenance equipment to safely cross the river. The nearly 40-year-old culverts were weakening and becoming a safety hazard. Second, removing some of the bridges improved the river’s water flow, which decreased flooding during larger rainfall events and improved golf course playability.

While the bridge replacement investment helped to increase the number of days available for golf and reduce maintenance costs, revenue has not increased enough to offset current operating costs. The course needs \$645,000 in additional infrastructure investments such as irrigation system repairs and asphalt maintenance of the parking lot and cart paths.

Does the closing of Wanaki Golf Course impact any of Waukesha County’s other golf courses?

The closing of Wanaki Golf Course will improve the financial sustainability of Waukesha County’s other golf courses, Naga-Waukeee War Memorial Golf Course and Moor Downs Golf Course, because revenues generated by these courses will be reinvested into their operations and infrastructure maintenance. Both Naga-Waukeee and Moor Downs will open as usual in 2020.

Where do I find more information?

You can find more information on the Waukesha County Golf web page at www.waukeshacounty.gov/golf. If you have specific questions, please email Waukesha County's Director of Parks and Land Use Dale Shaver at dshaver@waukeshacounty.gov.