Golf: Changes in 2020 will focus on being a viable resort golf course

written by John Mueller | October 6, 2019 We have finished our first golf season under new ownership after being run by the Keweenaw County since the Lodge opened in 1934. As such, we now have first-hand data of what is working and what isn't working for the golf operations.



In addition, we have data on golf rounds, golfer's appreciation of the golf course, and the staffing operations. Based upon our analysis of the data, and making sure we are making decisions aligned with our vision of being a wilderness resort, we have started to make various decisions for the 2020 golf season.

Below are several of the main changes at this time:

- No golf memberships in 2020
- Increased cart storage fees
- Increased, simplified green fees

The announcement of the golf memberships and cart storage fees was made on <u>September 22nd</u>. However, we include that information again in this post (see below), as well as more information about the 2020 green fees.

No golf memberships in 2020

When looking at the setup of the Lodge from inside the operations this summer, and knowing our strengths and weaknesses, we realized we were making decisions for being both a resort and a country club. Thus, this season we were catering to two different types of very different customers. That is not a very good strategy for the Lodge — as the result will be that we do a poor job addressing the needs of both customer sets. We need to focus on one customer type or the other. The clearer opportunity for the Lodge at this time, based upon our values and our vision, is to focus on being a resort, not on being a country club.

With this in mind, we will not have golf memberships during the 2020 season. All golf play will be paid via green fees or through lodging packages. The staff will focus on running the golf course as a resort facility, and make decisions accordingly. This means we will keep the golf course open to resort guests and visitors at all times outside of special golf tournaments and events (in which the organizers pay for using the golf course accordingly). This decision is aligned with our values, our vision of the Lodge, and being a financially sustainable operation. [the golf activities operated at a loss this season, with membership dues representing only ~2% of the revenue]

Increased cart storage fees

As for cart storage, there will be cart storage available in 2020. However, the fees will be increased to be inline with the other golf courses in the area (Calumet Golf Club \$275, Portage Lakes Golf Club \$325). The 2020 cart storage fee will be \$300 (May 15, 2020 - May 14, 2021).

If you have your cart stored at the Lodge currently, your cart

storage agreement for the 2019 season runs through May 14, 2020. Thus, you are able to store your cart through this winter / spring at the Lodge; after which time, you will need to renew your cart storage at the 2020 season fee. If you decide not to keep your cart at the Lodge for the 2020 season, we will kindly ask you to remove your cart from the cart barn by May 14, 2020.

Increased, simplified green fees

Since we are now going to be focused on green fees and resort packages, we did some research and looked at our data from this season. We looked at the green fees for the local market golf courses, the resort golf courses around the country that we consider our peers, the history of the green fees at the Lodge, and the vision we have for the golf course and overall resort to be a financially sustainable operation. This lead us to simplify the green fees to be the following for the 2020 golf season (see current draft below):

	Regular Rates	Discounted Rates*	
Green Fees			
Friday, Saturday, Sunday, and holidays			
9 Holes	\$25	\$20	
18 Holes	\$35	\$30	
Monday-Thursday			
9 Holes	\$20	\$15	
18 Holes	\$30	\$25	
Cart Rates			
9 Holes	\$15		
18 Holes	\$20		
Push / Pull Carts	\$5		

	Regular Rates	Discounted Rates*	
Club Rentals			
Per Day	\$45	\$30	
For 3 Days	N/A	\$70	
rental includes 2 sleeves of balls			

^{*} Discounted rates are available for Lodge guests and Keweenaw County residents.

None of us want to pay more in golf-related fees, but these incremental increases are essential to keep the golf course operating in today's economic environment at the standard we desire for the Lodge.

As mentioned in a <u>blog post earlier this summer</u>, the average green fees for privately-owned golf courses is \$40 for 18 holes on weekends. Our highest green fee for 18-holes this season was \$30. If we keep at that rate, then the KML golf course has a higher probability of not surviving — the majority of the golf courses that closed in 2016 charged below \$40 per 18 holes. As well, we hope that we aren't an average golf course....but one that is special for those that want to enjoy the where they are playing a round of golf.



These decisions outlined above are in line with our core values of fun, joyous, and adventuresome, and choosing to have

everyone enjoy the course at any time on any day. These decisions are various decisions that will lead us through the journey of creating a higher quality resort and create a financially sustainable business that can offer that level of quality for a number of years.