

Eastern Hills Country Club Redevelopment Study

Advisory Group Meeting

April 8, 2015



Welcome and Introductions



Outline of Study Process

- Data Collection/Mapping/Analysis
- Community Input
 - Stakeholder interviews (complete)
 - Advisory Group meetings (4 at various points throughout the process)
 - Community Open House (1)
- Development and review of Alternative Scenarios
- Selection of Preferred Scenario/Committee Recommendation

Summary of Key Findings



Trends in the U.S. Golf Industry

- Many new subdivisions—particularly in the '90's—were developed as golf course communities to attract buyers and premium home prices
- 14,000 courses closed in the period 2001-2013 (643 since 2006)
 - Middle-class has not been growing
 - Number of golfers has been declining
 - Roughly 4 million fewer players since 2006
- The amount of time and money required to play has discouraged both current and new players
 - Many older people lost money in the recession and are working longer as a result
 - Millennials are not interested in golf, which limits growth potential
- The industry is struggling to reinvent itself



Trends in the DFW Golf Industry

- There are 200+ golf courses in the DFW area, including 88 golf courses within a 30-minute drive of Garland
- Over-supply and declining demand have led to depressed green fees and lower revenues
 - Most recent records indicate approximately 26,000 rounds/year at EHCC
 - At approximately \$31/round, nearly 47,000 rounds/year would be required to break even as a public course (80% increase)
- Decommissioned golf courses can present a unique opportunity for redevelopment



Eastern Hills Property Conditions

- The City has not commissioned a professional assessment of the facility; however, a preliminary evaluation indicates that:
 - The course needs attention
 - The clubhouse, ancillary buildings and associated facilities need renovation/replacement
 - There are ADA compliance issues
 - Roofs and the parking lot in poor condition
 - The swimming pool pump needs to be replaced, the pool needs to be brought up to code



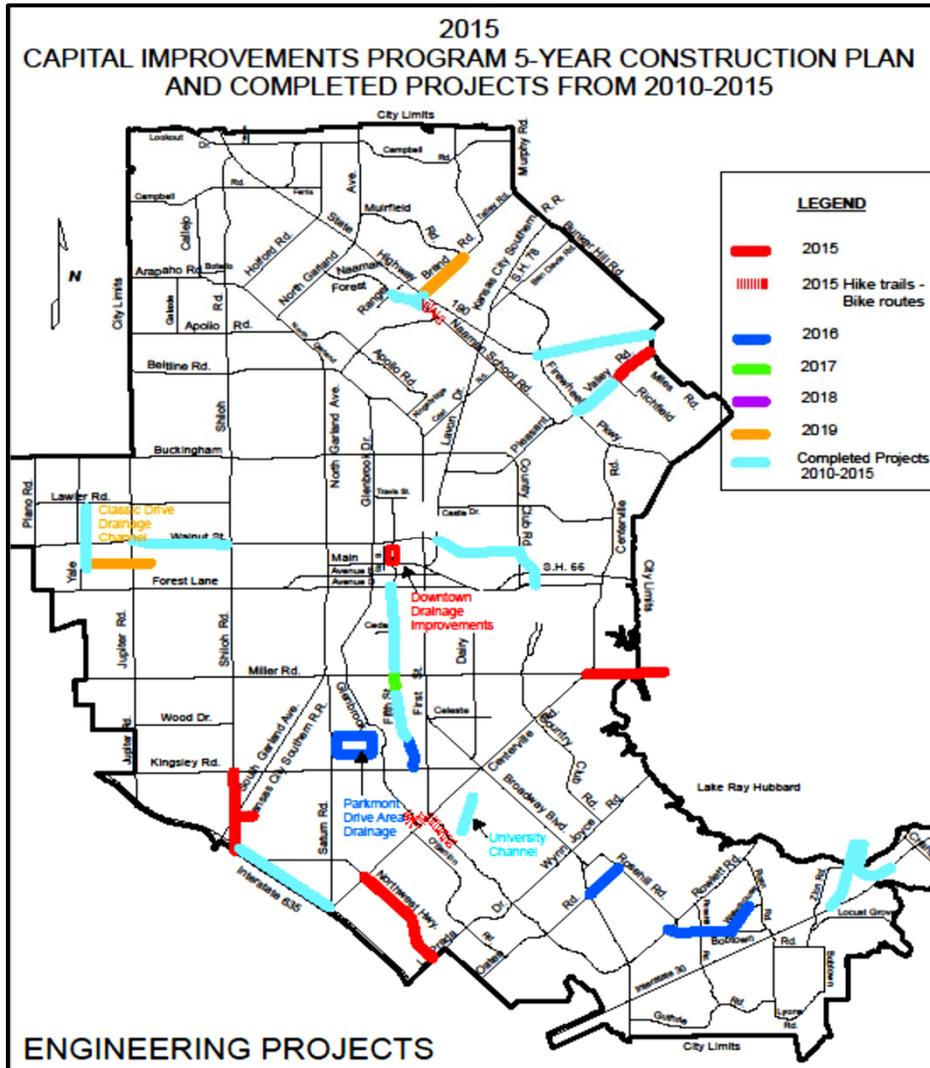
Code Enforcement

- April-May 2014 – First contact with the property management company regarding mowing, structural issues on vacant buildings, trash, graffiti; sufficient compliance gained
- November 2014 – Notices sent for fallen limbs in the “buffer zone” (100 feet from developed residential property); ownership did not respond
- December 2014 – Court-ordered warrants obtained, limbs removed by City Contractor to gain compliance; other violations observed by Code Compliance Inspectors when on-site: stagnant swimming pool, unsecured buildings, trash, improper storage; sufficient compliance gained

Code Enforcement

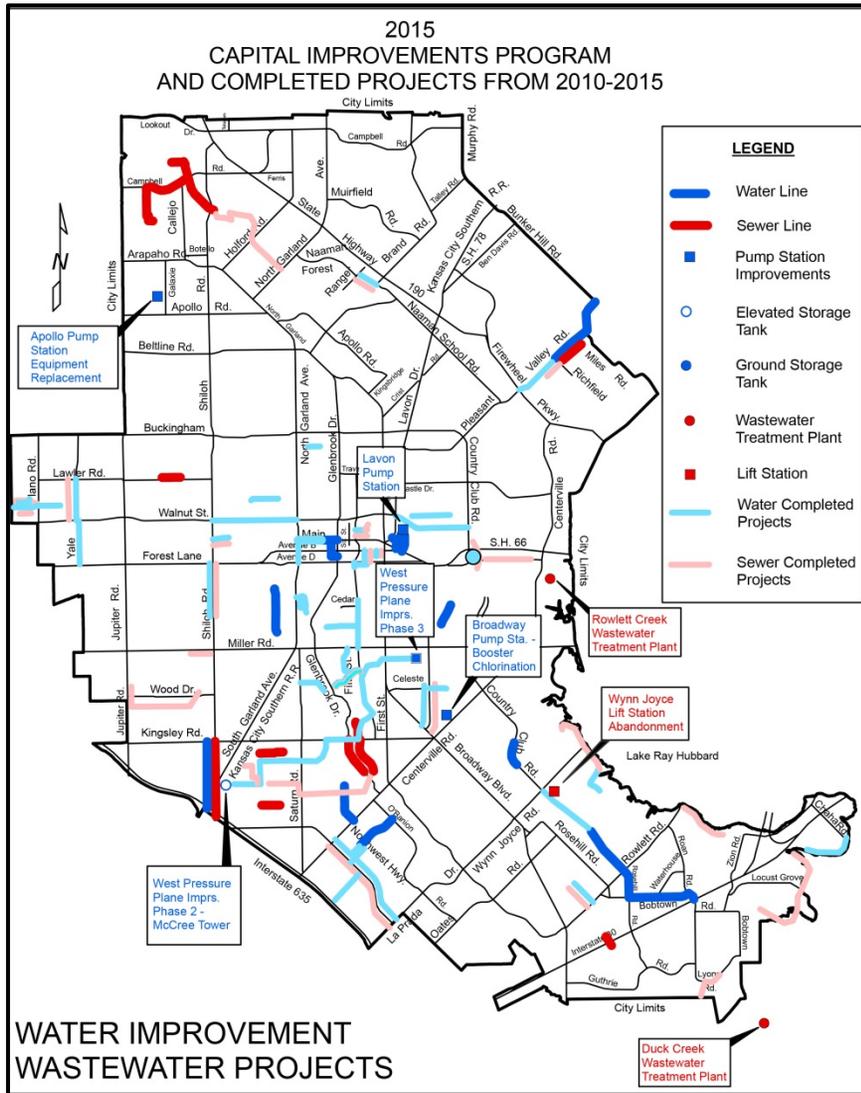
- 2014 – 2015 - Mowing completed and repeated as the grass grew to 12 inches (minimum standard by law); property managers have agreed to maintain a 150' to 200' "buffer zone;" no maintenance is required on the remaining undeveloped property; owners to mow the buffer zone every two weeks (weather permitting) in 2015
- April 2015 – Two open code compliance items: unmaintained parking surfaces, dilapidated structures (out-buildings); current thinking is that if demolition is planned, may not make sense to require upgrades; too soon to move to the Building Standards Board at this time

Capital Expenditures City-wide 2010-2019



- Streets and drainage improvements
 - Completed
 - In progress
 - Planned
- Street improvements unless otherwise noted

Capital Improvements Program 2010-2015

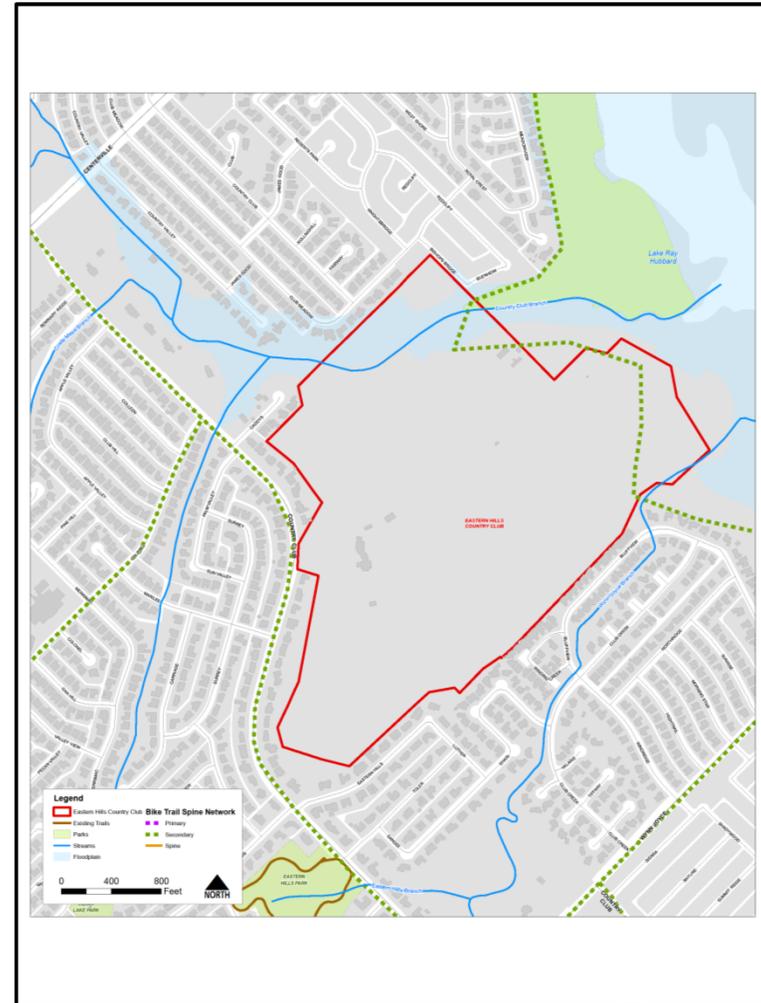
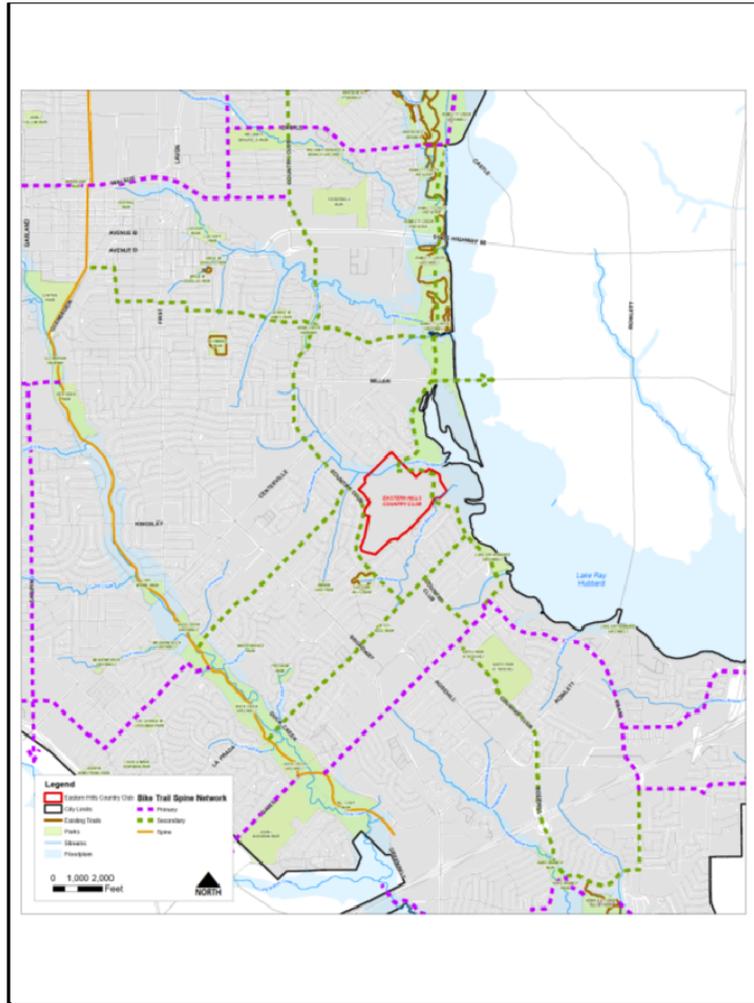


- Water and Sanitary Sewer Improvements
 - Completed
 - In progress
 - Planned

Eastern Hills Area Infrastructure

- City and private sector assessment indicates:
 - Existing sanitary sewer – available capacity
 - Existing stormwater – no issues anticipated – can be designed to work with Lake Ray Hubbard
 - Existing water capacity – available supply – 42” line on Country Club
 - Existing street capacity – challenges exist
 - Existing access – deficient
 - School capacity – GISD is “Choice of School District” – capacity issues being investigated
 - Parks and trails – many planned in the area – potential for connections

Parks and Trails



Cost to Renovate and Operate (rounded)

Capital Requirements	
Purchase of club and facilities	\$2,500,000
Facility renovations (Club house, maintenance and cart barns, parking lot, pool)	950,000
Golf course maintenance and irrigation equipment	500,000
Golf Carts (75)	300,000
Total Capital Requirements	\$4,250,000
Assuming Debt Financed – Estimated Annual P&I Payments	\$470,000

Annual Operating Costs	
Pro and Customer Service Staff	\$400,000
Course and Facility Maintenance Costs	600,000
Debt Service Payments	470,000
Total Annual Cost of Operations	\$1,470,000

Rounds to Break Even

As a Public Course	
Annual Cost of Operations (Including Debt Service)	\$1,469,106
Average Revenue per Round	\$31.38
Rounds Required to Break Even	46,817
EHCC Rounds (Last Year)	26,000
Growth in Rounds to Break Even	20,817 (+80%)

Average revenue per round based on Firewheel Old/Lakes courses

Rounds to Break Even

As a Semi-Private Course	Recent	+10%	+20%	= Firewheel
Number of Rounds	26,000	28,600	31,200	33,000
Annual Cost of Operations	\$1,469,106	\$1,469,106	\$1,469,106	1,469,106
Less Non-Dues Revenue	308,282	339,110	369,938	391,281
Membership Revenue Required	\$1,106,824	\$1,129,996	\$1,099,168	\$1,077,825
Monthly Membership Dues	\$300	\$300	\$300	\$300
Members Required	322	314	305	299
Membership (Last Year)	225	225	225	225
Additional Members Required	97	89	80	74

Notes:

Assumes 15% of rounds are public play

Recent EHCC dues average \$200/month but have been as high as \$400

Findings from Stakeholder Interviews

General comments

- Proposal needs to be well understood by all parties
- Development must be economically feasible
- Plan should be acceptable to the homeowners, developers, future users, City
- Decision should be made in a timely manner



Findings from Stakeholder Interviews

Concerns regarding development issues

- Quality of development
 - Loss of views/open space (including proximity of new homes to existing residences)
 - Need for high-quality design standards
 - Desire for access to amenities
- Potential for declining property values
 - If the proposed new development isn't of a high quality
 - If the property sits idle too long
- Traffic
 - Potential for increasing traffic volumes
 - Need for a second point of access (for residents/users and emergency services)
 - Opposition to the widening of Country Club Road

Findings from Stakeholder Interviews

Possible users/uses

- Empty nesters/Lock-and-leave buyers looking for living options that:
 - Require less maintenance
 - Incorporate high-end finish-outs and amenities
 - May be located on smaller lots
- Assisted living developers (could be cottage-style or congregate units)
- Active senior living (Del Webb style development)
- Mix of units/housing options
- Non-residential, destination uses (including restaurants, possibly recreational activities)
- Trails, open spaces as part of the design

Objectives for the Site



What are the stakeholders' objectives?

- Each stakeholder type has reasonable objectives that should be achieved by the concept the Committee develops.
- What are those objectives for:
 - Residents of surrounding neighborhoods?
 - The current property owner?
 - A potential developer?
 - The City of Garland?
 - The future users of the site?

Strategic Issues Identification



What issues must be addressed in a concept for this site?

- Process
 - Stations around the room are focused on 9 possible issues to address in the future of this site
 - Go to each issue and write your ideas on the flip chart
 - Add a check if you agree with an item that's already been written
 - Afterwards, we'll discuss these and look for areas of shared direction and those that define alternative possibilities

What issues must be addressed in a concept for this site?

- Strategic Issues
 - Role of natural features and areas with vistas
 - Desirable markets for any future residential uses (what people are we trying to attract here?)
 - Impacts on infrastructure & facilities (roads, water, sewer, schools, etc.)
 - Impacts on value of surrounding properties
 - Relationship to surrounding neighborhoods
 - Economic viability
 - Uses or activities that attract the greater Garland community and/or visitors from the rest of the region
 - Desired identity of site
 - Others?

Criteria for Evaluation



What criteria should we use to evaluate alternatives?

Alternative Scenarios



Why Alternative Scenarios?

- Establishes different approaches to capitalizing on site opportunities
- Scenario's are typically established as "straw dogs" – for creating needed discussion / debate among committee members
- Allows comparison between scenarios to identify which aspects of each scenario are in greatest alignment with evaluation criteria
- Aids in establishing consensus on what should be included in a preferred scenario