

Memorial Park Golf Course Renovation and PGA Tournament

Presented to City Council Quality of Life Committee

Andy Icken, Chief Development Officer
Mayor's Office
November 28, 2018



PGA Tournament in Memorial Park

- City of Houston has long demonstrated our ability to hold major events
 - Super Bowl, NCAA Final Four, Copa América, Freedom Over Texas
 - Results have been excellent and the City has shown well in national and international media
- Opportunity has come to us to host an annual PGA event in Memorial Park
 - Astros Golf Foundation has a five-year agreement with the PGA for October of each year
 - Astros proposal is to fully fund needed capital improvements on the course, estimated at \$13 million
 - Would be only the second municipal golf course to hold a PGA annual tournament (Torrey Pines)
- Economic impact (consistent with previous studies) estimated at \$50-90M annually

PGA Tournament in Memorial Park

- Further enhancements to Golf Clubhouse and Driving Range will be funded and provided by Astros Golf Foundation
 - This will come later and will be subject to Standards Committee approval
- The First Tee operation integral to City's long term engagement
 - Provides programs in 30 School Districts in the area, at 510 schools
 - Provides programs at 32 Houston Parks and Recreation facilities
 - HGA runs the programs and estimates 350,000 youth participated in 2018

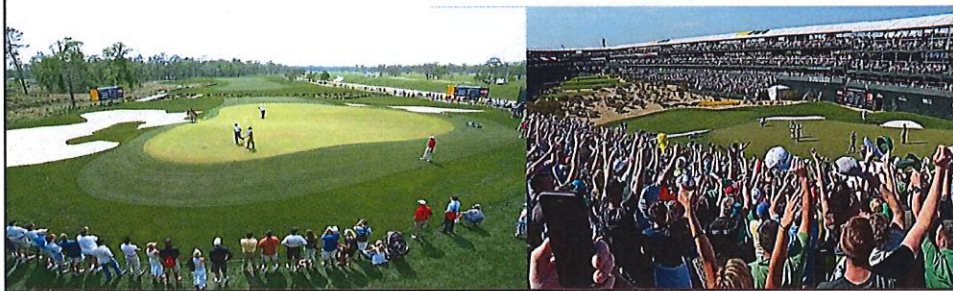
PGA Tournament in Memorial Park

- Discussions have been ongoing with the City and Memorial Park Conservancy and other park funders since June 2018
 - Challenge has been construction on course to begin January 2019
 - Astros have engaged world class golf architect and developed conceptual plan
 - Memorial Park Standards Committee has met on proposal and agreed subject to condition that there is no impact on current park development plans
- Expect Council consideration of the following in December
 - Contract with Astros Golf Foundation to improve Memorial Park Golf course—focused solely on the course
 - MOU with Astros Golf Foundation to run the 10-day annual golf tournament

Memorial Park Golf Course Renovation and PGA Tournament

Returning the Houston Open to Prominence Presented to City Council Quality of Life Committee

Giles Kibbe
Sr. VP and General Counsel
Crane Capital Group, Inc.
November 28, 2018



History Of Houston Open

- The Houston Open has been a PGA Tour event since 1946
- Since 1975, the tournament has been held outside of the City
- Attendance has averaged approximately 100,000 per year
- In 2017, the Houston Open lost its long-term Title Sponsor
- In 2018, the Houston Open lost its premier date on PGA Tour schedule
- The tournament was dying
- Jim Crane was approached by Mayor Turner and PGA Tour Commissioner Jay Monahan to help save the Houston Open



How Do We Return The Houston Open To Prominence?

- Move the tournament inside the City
- Improve Memorial Park Golf Course for all Houstonians
- Showcase the City on a national stage
- Improve Houston parks and give back to Houstonians
- Grow fan base through Houston Astros infrastructure
- Make the tournament a social event that is about more than golf



Return To The City

- \$13 Million Privately Funded Renovation of Memorial Park Golf Course
- World renowned golf course architect to renovate Memorial Park Golf Course
- Expand practice facility with 2-tier lighted hitting bays for public use
- Design stormwater irrigation system to retain stormwater and re-use it to irrigate golf course
- Build new Maintenance Facility and move it from interior of golf course
- Build new headquarters and short course for The First Tee of Greater Houston



Tom Doak, Golf Course Architect



- 5 courses ranked in the top 100 in the world
- 8 courses ranked in the top 100 Modern Golf Courses in the U.S.
- Renowned Courses throughout the World
 - The Renaissance Club - Lothians, Scotland
 - Tara Iti - New Zealand (*ranked #29)
 - Cape Kidnappers Resort - Napier New Zealand
 - Barnbogle Dunes Golf Links - Bridport, Tasmania (ranked #38)
- Renowned Courses in the United States
 - Pacific Dunes - Bandon, OR – (ranked #2 in US and #26 in World)
 - Ballyneal - Holyoke, CO – (ranked #4)
 - Old Macdonald – Bandon, OR - (*ranked #5)
 - Sebonack G.C. - Southampton, NY (w/ Jack Nicklaus) (*ranked #7)
 - Rock Creek Cattle Co., Deer Lodge, MT - (*ranked #21)
 - Dismal River Club (Red) - Mullen, NE - (*ranked #29)
 - Streamsong Golf Course (Blue) - Central FL - (*ranked #55)
 - Stonewall (Original), Bulltown, PA - (*ranked #100)
 - Medinah C.C. (restoration) - Medinah, IL
 - Pasatiempo Golf Club (restoration) - Santa Cruz, CA

*Golf.com "Top 100 Courses in the World" 2017

**Golfweek "Top 100 Modern Courses in the US" 2018

New 2-Level Practice Facility For Public Use

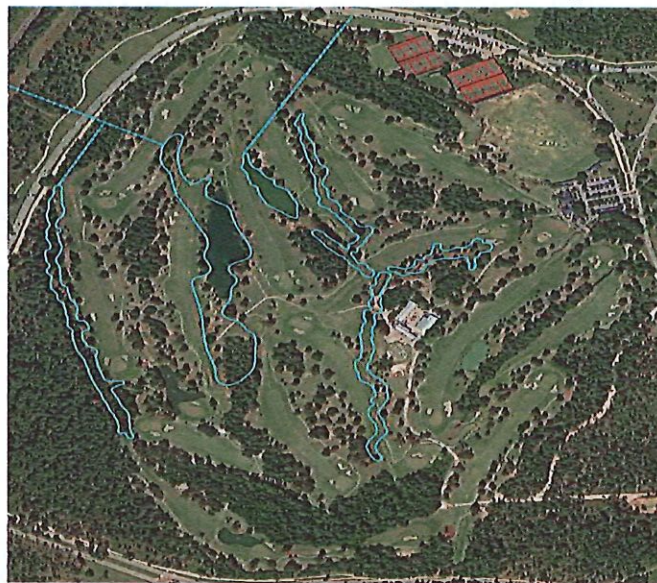
- Accommodate demand
- Increase revenue for Memorial Park Golf Course



Storm Water Retention and Irrigation

- Memorial Park Golf Course (MPGC) currently uses 60mm gallons of the City's potable water each year to irrigate golf course
- New system designed to retain stormwater and use it to irrigate MPGC
- Memorial Park Master Plan goal is to create 36 acre feet of new stormwater retention space at MPGC.
- New system will create 52 acre feet of new stormwater retention space

Storm Water Retention and Irrigation Design



Financial Benefit To The City of Houston

- All costs related to the renovation of Memorial Park Golf Course will be raised through private funding efforts
- Economic impact of PGA Tour event to the City of Houston is expected to be \$50 million - \$90 million each year
- Astros Golf Foundation has guaranteed \$1 million/year to the City for benefit of Houston Parks and Recreation Department
- Astros Golf Foundation has guaranteed \$500k/year to The First Tee of Greater Houston
- All remaining proceeds will go the Astros Foundation to be distributed within the Houston Community

Astros Foundation to Disburse All Proceeds Within the Houston Community

- 2017 Allan H. Selig Award for Philanthropic Excellence
- Astros Foundation has Renovated 23 Baseball Fields at 9 Houston Area Parks
- Over 31,000 kids have participated in Astros Youth Academy programs
- 3,000 kids have participated in RBI Baseball Program (Reviving Baseball in Inner Cities)
- Astros Foundation Literacy Bus serving HISD
- Fight Against Cancer
- Combating Homelessness

**THE ASTROS
FOUNDATION**



Memorial Park Golf Course Renovation

Presented to City Council Quality of Life Committee

Steve Wright, Director
Houston Parks and Recreation Department
November 28, 2018



Request for Council Action

- Approve Memorial Park Golf Course Development and Construction Agreement
 - City of Houston
 - Astros Golf Foundation
 - Memorial Park Conservancy
- Approve a non-binding Memorandum of Understanding for Houston Open Tournament Agreement
 - City of Houston
 - Astros Golf Foundation

Memorial Park Golf Course Today

- Houston Parks and Recreation Department (HPARD) operates Memorial Park Golf Course
- Fiscal Year 2018 Rounds: 63,644
- Fiscal Year 2018 Gross Revenue: \$3,731,548
- Last upgraded in 1995
- Last fee increase in 2010 for all municipal golf courses



Proposed Project for Memorial Park Golf Course

- \$13 Million Golf Course Renovation
 - New Maintenance Facility
 - New 2-tier Driving Range Bay
 - New The First Tee Facility
- Privately Funded/No Public Funding
- Host Course for 2020 Houston Open

Impact on Park Users During Course Construction

All areas of the park will remain open:

- Seymour Lieberman Trail
- Running Trail Center
- Picnic Trail
- Sports Fields
- Playgrounds
- Tennis Center
- Fitness Center
- Pool

Impact on Community

City Departments will coordinate to address potential impacts such as traffic and parking during Houston Open

- Houston Parks and Recreation Department
- Mayor's Office of Special Events
- Parking Management

Impact on Golfers

- Course will be closed January thru October 2019
- Driving range will not be closed the full 10 months
- Increased golf fees for all municipal golf courses pending approval by City Council in early 2019
 - Not a direct result of improvements
- Renovated golf course in Fall 2019
- Course will be closed to the public for 10 days during Houston Open Tournament

Impact on Golf Course Operations

- Rounds
 - No significant impact
- Cost to Maintain
 - \$500k-\$600k/year projected increase
- Revenue
 - Initial loss of net revenue due to closure: \$70k/month
 - Projected increase after re-opening: \$800k-\$900k/year
- No General Fund Impact (only Golf Special Fund)

Impact on Agreement with Memorial Park Conservancy

- Considerations:
 - Impact on Memorial Park 10-year development plan
 - Impact on Memorial Park operations during golf course construction & during Houston Open
 - Parking & traffic - Astros Golf Foundation will provide transportation plan for Houston Open
- Memorial Park Standards Committee voted unanimously to approve the Development Agreement & Tournament MOU

Benefits to the City

- Improved municipal golf course & driving range at no cost to the City of Houston
- Ability to host Houston Open in Houston
- Economic impact of Houston Open
- \$1 million/year from Astros Golf Foundation to the City for Houston Parks and Recreation Department
- New The First Tee facility
 - Increased access to proven youth development program

Thank you

Q&A



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