

Committee Report on the Willow Ridge Country Club Acquisition

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To: Town-Village Board of Harrison

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Introduction: This Committee was tasked by Supervisor Ronald W. Belmont with assessing the viability of acquiring the Willow Country Club (WRCC) and to provide recommendations to the Town and Village Board of the Town-Village of Harrison. As part of this task, the Committee held meetings with True Club Solutions, a division of Troon Golf, who was hired as a consultant to the Town-Village of Harrison and helped refine the final report issued by Troon Golf and the modeling contained therein.¹

Overall Conclusion: The Committee is of the firm and collective opinion that the Town-Village of Harrison should acquire WRCC and should continue the use of the property as an active recreational use, for the public at large, and the residents of Harrison in particular. Those active recreational uses include an 18-hole golf course with a driving range and putting green, 6 tennis courts, and a pool. Additional club uses of dining with food and beverage options and the banquet hall are desirous from a use perspective and a revenue stream.

Reasons Supporting the Overall Conclusion: This is a forever acquisition. The Committee believes that the Town-Village of Harrison should not look at it as a short-term expense. Over the lifetime of the property being in public ownership there are tremendous values associated with it, recreationally, financially, environmentally and from a real estate value perspective.

The acquisition of WRCC will add a high-quality asset to the recreational stock of the Town-Village of Harrison that can be accessed by the community as a whole and not just the privileged few. There are potential further recreational opportunities here for youth programs, such as learn to swim, and learn to play tennis/golf.

Acquisition of WRCC will also forever preserve 121 acres of open space and will eliminate the potentiality that the property will be residentially developed into either a conventional 1-acre home subdivision or a cluster home subdivision.²

The Committee believes that the acquisition of WRCC will lead to an increase in property values, both for those proximate to the club and those town-wide. In fact, a 2012 Friends of Westchester Parks Economic Impact Study summary report found that land values around Saxon Woods Golf Course in Scarsdale were 111% higher than similar properties not near the course

¹ See, Willow Ridge Country Club Site Visit and Assessment January 8, 2021 Report for The Town of Harrison.

² The property is situated in an R-1 (1-acre) residential zoning district as per the Harrison Zoning Code. Any owner of the property will have an "as of right" ability to apply for a subdivision of the land into 1-acre residential homes.

and were 31% higher around Mohansic Golf Course in Yorktown. That study further found that \$1 in municipal spending on recreation and parks in Westchester County generates nearly \$5 in local economic activity. Thus, there is a likelihood of positive economic impact from local spending for services, materials, and improvements.

According to the American Planning Association, well-designed parks and trails boost property values and increase municipal revenues. They also attract knowledge workers, affluent retirees, and homebuyers. It is rare to find a project today that does not have an economic development metric – even public realm investments like parks and trails. "In today's economic development approach, proximity and access to parks, open spaces and recreational opportunities play as much a role in a community's success as schools, employment centers and housing stock." Further, "Capitalization of these spaces positively impact property values across the board in a community, raising not only the market values of individual property but the intrinsic value of an entire community, a tertiary amenity to home owners and business alike."³

It is a realization that a strategy of developing or conserving parks and open space is not contrary to a community's health, but rather an integral part of it. This is the basis of what is referred to as the "proximate principle." For more on this topic, refer to the research paper by John L. Compton, *The Proximate Principle: The Impact of Parks, Open Space and Water Features on Residential Property Values and the Property Tax Base* (2004).⁴

Suggested Approaches for Continued Uses:

As to the golf course and practice facilities - the Committee believes that the membership/daily fee access hybrid model is ideal from an access and revenue standpoint. The numerous membership levels as suggested by Troon provides sufficient options for our residents. The membership level identified as "comprehensive" will allow a Harrison family living together to join for one price and have access to all recreational components for the entire season. For those residents of the Town that do not want to take advantage of any of the membership levels, they will still have access to the golf course and pay a daily greens fee per golfer. The Committee is of the opinion that memberships should be, at least initially, restricted to Town residents. Allowing a certain allotment of memberships to non-residents can be considered in the future depending on the number of residents applying for memberships to the club. There is a strong possibility that a large segment of our community will take advantage of this hybrid model and there may be a limited need for non-resident participation. The non-resident access can and should be limited to daily green fees at the outset.

As to pool/tennis – the Committee believes that pool/tennis should be a combined membership offering on a seasonal basis and restricted to residents.

Food and beverage – should be operated and managed by a professional management company (preferably the same management co. that operates the golf and pool/tennis) and this should not be outsourced on a lease or rental basis.

³ See, 9 Economic Development Concepts Every Official Should Know, Botich and Larson, <https://www.sehinc.com/news/9-economic-development-concepts-every-official-should-know>

⁴ *Id.*

Willow Ridge has an enormous banquet room, along with a large, covered patio, and a substantial open patio with gorgeous views of the area. There is a tremendous opportunity for revenue, if we offer our residents (and perhaps non-residents) to host weddings, large parties, corporate events, Bar/Bat Mitzvahs and various fundraisers at this venue.

Capital Needs: Troon has identified several major areas of WRCC that will require capital expenditures, such as repairs/upgrades to the golf course irrigation system, the parking lot, the HVAC system, etc. These items should be addressed up-front and funding for these expenses should be considered in connection with the funding mechanisms that the Town-Village of Harrison Board will be considering for the acquisition price.

Potential Negative Impacts of Residential Development: Development of a portion of this property into housing, assuming that a sensitive and difficult subdivision can occur may not generate sufficient tax revenue to support the demand on public services created. It is not always the case that residential development lowers taxes though, in fact it may be the primary reason taxes increase as more and more services are required, such as new schools, sanitation, municipal sewer and water, fire and police facilities and operations, etc. Open space does not demand the same level of services that a residential neighborhood or commercial development may require, meaning fewer municipal expenses.

Open spaces such as golf courses play a vital role in the sustainable resiliency of a municipality. Flood abatement and wetland preservation, particularly on such a site as WRCC that has steep slopes, floodplain issues, water courses and acres of impervious surfaces cannot be recreated once they are lost to development.

Professional Management of the Club: Upon the acquisition of WRCC, the property as an ongoing concern should be managed by a professional management company that has a long history of operating and managing 18-hole golf courses with additional uses of pool/tennis and food and beverage operations. Troon Golf, our consultant, has been in business for over 31 years. They are the pre-eminent golf management company. They currently manage over 630 courses and clubs world-wide, both private and public. It is the recommendation of the committee that the Town-Village should look to Troon to be the operator and manager of the club given their familiarity with WRCC and the needs of the municipality.⁵ Troon will be in a position to immediately assist with maintaining the facility should it fall into disrepair during the Eminent Domain process due to neglect of WRCC.

Additional Considerations: The Town-Village should consider the formation of a Local Development Corp. (LDC) to take over ownership of the property after its acquisition. The benefits of forming an LDC are lessening the burdens of local government. LDCs are authorized by Section 1411 of the Not-For-Profit Corporation Law of NYS. The members of the LDC will consist of a majority of individuals that are appointed by the Town-Village Board who would not be members of the Town-Village Board. This will create a legal separation between the municipality and the LDC. Support for the proposed use of the LDC structure includes among others: the club is closed or closing, the Town-Village is interested in continuing the current

⁵ Troon also has a Rewards Program wherein members can be part of that program, which would allow resident members the opportunity to earn points and to play other public access and resort golf courses that Troon owns and/or manages.

status thereof as a golf facility open to residents while managing the process so that exposure to the municipality is mitigated while allowing a professional organization to operate same under the management of the LDC.

The original financing through the Village would involve a process with a bond resolution that would need to be adopted by at least 4 of the 5 members of the board. Bond anticipation notes would then be issued as general obligations of the Village. Upon transfer to the LDC the LDC would issue bonds to pay off the Village debt. Based upon modelling provided to the Committee by Troon, there is a possibility that such debt would be supported solely by the operating revenues derived from all operations of WRCC. As such, the debt of the LDC would be self-supporting. However, in order for the LDC to obtain credit worthiness to issue debt, the Village would have to enter into an agreement with the LDC and the Trustee for its bonds in the event there is a deficiency in revenues to cover debt service in any period. Hopefully, with professional management and ancillary services at the club any support payments can be mitigated or even eliminated over time. However, such agreement will need to cover the period of time that the LDC bonds are outstanding.

In connection with any potential improvements to the club and how that is handled - any improvements undertaken before transfer to the LDC may have to comply with all public bidding laws. After transfer to the LDC and to the extent improvements are undertaken by the LDC it is the opinion of bond counsel that competitive bidding requirements no longer apply.

The Town-Village should also consider fixing the crossover problem on golf course holes 6 and 7, whereby hole 7 bisects hole 6, thereby creating a safety issue and pace of play issues. Troon has identified that by moving a tee box and several greens that the crossover issue can be remedied by possibly re-using the existing sod and the greensmix. Troon estimates that the cost of this endeavor would be approximately \$125,000 - \$150,000 – possibly less depending on how much material can be re-used.

No consideration should be given to the sale of any portion of the property to any nearby country clubs or private schools that would shorten the golf course to 9 holes. The Committee believes that it would be a huge mistake to shorten the golf course from 18 holes to 9 holes. Most golfers do not enjoy the 9-hole experience (which requires playing the same golf holes twice) and there would likely be a serious drop-off in resident interest who are enthusiastic about the prospect of having an opportunity of becoming a member of a municipal owned club that still retains a country club feel to it with 18 golf holes and other amenities. Additionally, memberships would likely be not possible for a 9-hole course and this option would have to be open for any member of the public to play, thereby diluting the resident experience. Furthermore, the revenue expectancy will be significantly impacted while the expenses to maintain the golf course and the club will remain about the same – in other words, the prospect of the club being self-sustaining will be seriously in doubt in that scenario.

In the event that the golf operation does not become sustainable at some point in the future, however unlikely that may be, the Town-Village would have a built-in park ready to go that would contain miles of walking/jogging paths, opportunities for winter activities such as cross-country skiing, snowshoeing, sledding etc., conservation programs and restoration of natural

habitat that could occur with little or no cost. All while keeping the open space quality of that part of Harrison the way it is today.