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**TO:** Kent Studebaker, Mayor  
Members of the City Council

**FROM:** Ivan Anderholm, Parks and Recreation Director

**SUBJECT:** LAKE OSWEGO MUNICIPAL GOLF COURSE

**DATE:** July 7, 2017                      **MEETING DATE:** July 18, 2017

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**ACTION**

Provide direction to staff for future uses of the Lake Oswego Municipal Golf Course

**INTRODUCTION/BACKGROUND**

The Lake Oswego Municipal Golf Course was constructed in 1968 and has been operated by the Parks and Recreation Department with the exception of 1977-79 when it was operated by a private contractor. Between 1968 and 1982 the golf course was included in the Parks and Recreation general fund budget; beginning in 1983 the course was budgeted separately as an “enterprise fund.” Until 2001, the course performed well financially, covering operational expenses and capital costs through course revenues including a new clubhouse in 1992, driving range improvements in 2001 and replacement of maintenance equipment. 9-hole rounds at the golf course peaked in 2000 at 72,000 and have since reduced to 33,500 in 2016, a 53% reduction in rounds. Over the last 3 fiscal years, 2013/14 – 2015/16 the course has averaged an \$182,134 operating deficit.

In 2016 the course was used by 5,902 unique customers of which 60% or 3,441, were Lake Oswego residents, approximately 9% of the total residents.

In 2017 City Council adopted a goal to decide the future of the Municipal Golf Course.

The Parks, Recreation and Natural Resources Advisory Committee adopted a goal to evaluate the golf course’s operating performance, and identify and implement a set of improvement measures and study the long term potential of the course property considering comprehensive alternatives to maximize its value to the City.

**DISCUSSION**

In evaluating the future of the golf course the department proposes three initial questions;

1. Is golf a service/function that the City should continue to provide for the community?
  - a. How would it be operated?
  - b. At what cost?
2. Are there other community services/functions that should be provided at the golf course location?
  - a. A permanent home for Parks and Recreation?
  - b. Other park amenities that increase the number of users?
3. Should capitalizing the property be considered to achieve future golf and/or other community services/functions?
  - a. Where does it make sense?
  - b. How much of the property needs to be retained for community use?

To help illustrate some of the potential options for the course three illustrative concepts have been developed;

1. Executive (9-hole)/Hybrid (12-hole) golf course, recreation facility (offices, programming, meeting spaces, aquatic facilities), driving range, and up to 10 acres of residential development.
2. Driving range, sport hitting facility, recreation facility (offices, programming and meeting spaces), future indoor/outdoor aquatics, trails, amphitheater, athletic fields, and up to 15 acres of residential development.
3. Recreation facility (offices, programming and meeting spaces), outdoor aquatics, sport hitting facility, amphitheater, athletic fields, outdoor court facilities, trails, and up to 15 acres of residential development.

Cost estimates for potential options;

- |   |                           |
|---|---------------------------|
| • Executive/Hybrid golf course redesign                           | \$2,000,000 – 3,000,000   |
| • Recreation facility w/o aquatics (35,000 – 42,000 sq. ft.)      | \$9,000,000 – 18,000,000  |
| • Recreation facility including aquatics(48,000 – 55,000 sq. ft.) | \$18,000,000 – 27,000,000 |
| • Driving range upgrade   | \$800,000 - \$1,200,000   |
| • Sport hitting facility  | \$400,000 - \$600,000     |
| • Trails (natural surface)  | \$20,000 - \$40,000/mile  |
| • Trails (hard surface)   | \$120,000/mile            |
| • Amphitheater  | \$300,000 - \$500,000     |
| • Athletic Fields (artificial turf)                               | \$1,500,000 - \$2,000,000 |
| • Athletic Fields (natural turf)                                  | \$600,000 - \$800,000     |
| • Outdoor Courts  | \$200,000 - \$300,000     |
| • Residential Development (R-7.5)                                 | \$300,000 - \$500,000/lot |

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**ALTERNATIVES****Golf**

1. Continue to operate the current course, with a continuing need to provide general fund support.
2. Reconfigure course and operate as recreation division out of common facility on site, operational cost likely eliminated (water savings, combined customer services, less maintenance)
3. Continue to operate driving range and limited services (instruction), operational costs likely eliminated (range would be self-serve, instruction recovers all associated costs)
4. Close course, open as park, operational costs to maintain as park approximately \$150K annually.

**Community Services/Functions**

1. Permanent home for Parks and Recreation, with additional spaces to continue existing level of service provided at Palisades.
2. Additional Athletic Fields, as expressed by the Youth Sports Coalition and the 2011 Athletic Field Study are needed for soccer/lacrosse/football and baseball/softball.
3. Trails would complement any increased use of the property providing opportunities for exercise, experiencing nature and access to Stafford Road/Lakeridge High School/Palisades Neighborhood.
4. An amphitheater for public and private events (concerts, weddings, plays, lectures)
5. Sport hitting facility, a weather protected place to hit balls (baseballs, softballs)
6. Outdoor courts, a current need for basketball, pickleball, futsal courts exists.
7. Aquatics, both indoor and outdoor, community oriented that provides swim lessons, exercise, and safe water environment for families.

**Capitalizing Property**

1. Opportunities to create compatible housing opportunities on west side of course.
2. Opportunities to create higher density and/or affordable housing on south side of course.

**RECOMMENDATION**

Provide direction to staff on 1. Golf function, 2. Other service/functions at the course, 3. Capitalizing property, and to further explore future uses of the Lake Oswego Municipal Golf Course as a golf course and community wide recreation facility with limited residential development and creating a process for community involvement.