

HVLA Golf Ops. Subsidy: What's the Problem?

Basic Assumption: Most Assn. Members want to keep the Golf Course.

PROS --

There really are no "Pros" for the general membership in having subsidies. Only customers of the golf course and HVLA Boards/Management benefit (see "Cons"). However, there are benefits to the existence of the Golf Course:

- Keeps a substantial portion of Association "Common Areas" looking nice.
- Enhances property values, to some degree (amount is controversial).
- Provides existing and new golfers a local place to play.
- Can draw-in more customers for the Restaurant/Bar.

CONS --

- Continuously diverts large amounts of Assn. funds that could be used for other Assn./Member needs and services.
- Has significantly thwarted development of other appropriate, needed member amenities/services due to lack of funds.
- Provides a Select-Member-Group a hugely disproportionate benefit: Discrimination against other members?
- Ongoing losses make absolutely NO BUSINESS SENSE.
- Has cost all HVLA members \$9 Million since 2000 (\$12 Million including restaurant & bar).
- 15-20% of every member's dues go to cover its losses.
- Golf Ops. is a FOR-PROFIT BUSINESS. It should, at least, break-even.
 - The HVLA Restaurant/Bar, Equestrian Center and Campground are the ONLY other PUBLIC, FOR-PROFIT BUSINESSES in HVLA. Their losses pale by comparison. The restaurant/bar is approaching break-even.
- Subsidies also benefit the non-member, Public.
- Most other HOA Golf Ops. are self-supporting.
- Relieves HVLA Board/Management from the responsibility of having to be more cost-effective, and, from having to develop a GOLF OPS. BUSINESS PLAN.
- Gives HVLA management and leaders the illusion that the Golf Ops. is a "going concern", when actually it is not.
- Argument that the Golf Ops. enhances HVLA property values is a smoke-screen. Other issues as above are more fiscally significant. Expert estimates are that HOA golf courses add to property value between 5-15%, depending on other "amenities" within and outside the HOA.
- Such large, unabated subsidies in the face of other crumbling and under-developed member amenities create an exaggerated image of golf's importance within the Community. This consequently devalues other amenities, devalues other members, alienates member-from-member and provides some golfers with tacit "permission" to act irresponsibly, e.g., driving carts recklessly, urinating openly on-the-course, not cleaning-up after their dogs and using loud foul-language; all without consequence from the Assn.
- Subsidies are a form of "Taxation Without Representation."

BEST OPTION:

1. Turn HVLA Golf Ops. over to [Baker & Assoc.](#)

NOTE: It is important to recognize that the HVLA Golf Ops., Restaurant/Bar, Campgrounds and Equestrian Center are NOT ACTUALLY "AMENITIES." They are PUBLIC, FOR-PROFIT, BUSINESSES. HVLA's only true "Amenities" are: Lake and Beaches, Pool, Community Center, Youth Center, Dog Run, Conestoga Trail, Parks, Marina and Tennis Courts.