



Virginia

Technical Assistance Panel Report

HERITAGE OAKS GOLF COURSE

CITY OF HARRISONBURG CITY COUNCIL

SEPTEMBER 14, 2021



The Urban Land Institute

We're a nonprofit, member-based research and education organization advising communities on land use issues.

The mission of the Urban Land Institute:
Shape the future of the built environment for transformative impact in communities worldwide



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The Challenge...

How can the City best position the existing Heritage Oaks Golf Course property in its current use, or re-envisioned to achieve the following goals:

- Provide maximum benefit and broader accessibility for the citizens of Harrisonburg
- Achieve an acceptable level of financial performance to reduce the burden to City's financial position
- Address the adopted City Council Comprehensive Plan and Vision and Priorities

The Challenge...

- What is the **value** of the Heritage Oaks Golf Course as a community asset and recreational amenity?
- What is the **market potential** of the property for alternative uses?
- What would a redevelopment plan look like to address the City Council Vision and Priorities and expand usage to more Harrisonburg citizens?
- What are the **impacts to public infrastructure if the property is redeveloped?** (i.e. roads, water/sewer, stormwater, schools, etc.)



City of Harrisonburg *Vision and Priorities*

The Challenge...



A City for All



Economic Development: Goals, Gains & Growth



A Thriving Educational Epicenter



Community Resilience & Natural Environment



Available Housing for All



Reliable Delivery of High-Quality City Services



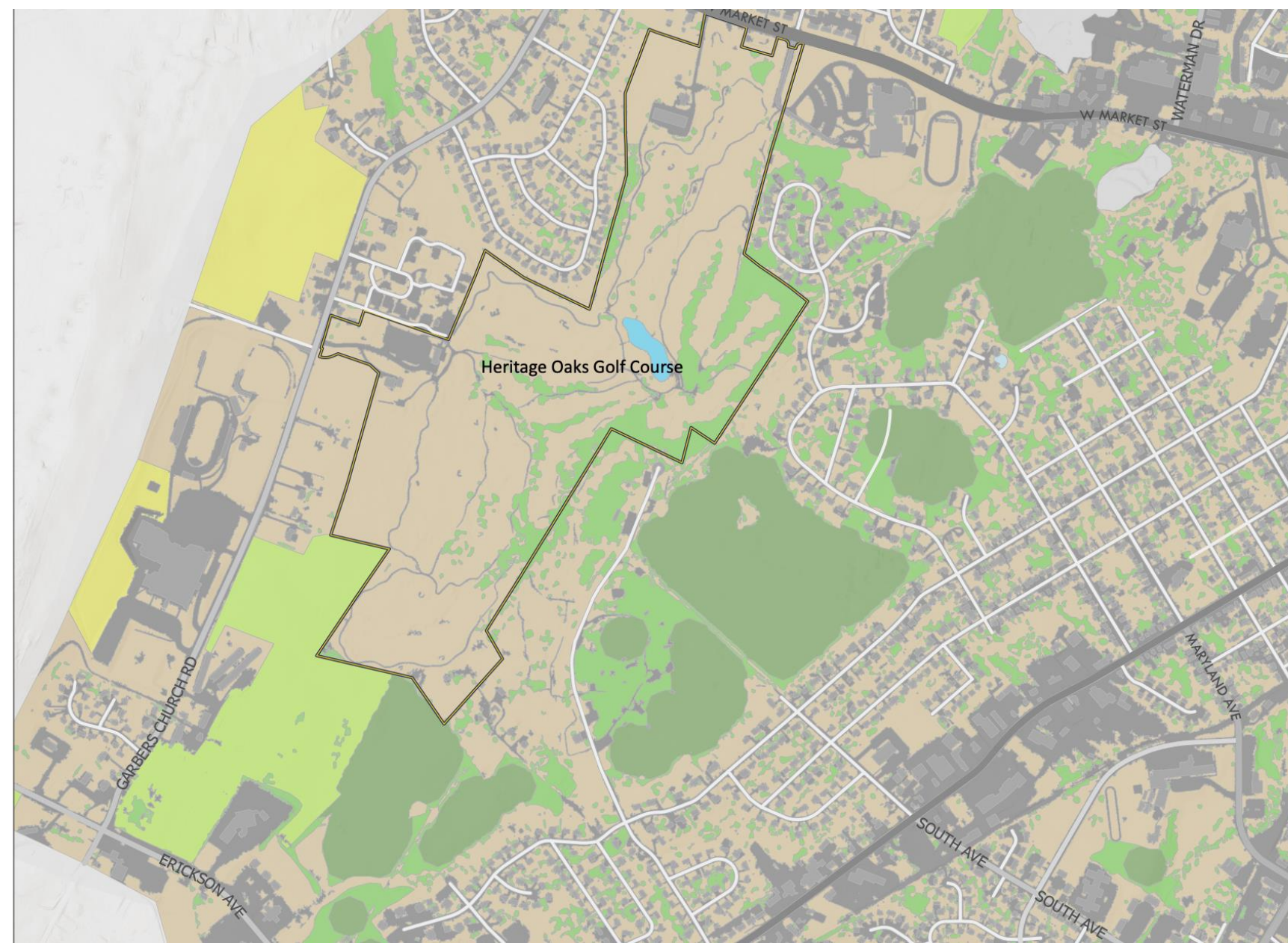
Fiscal Sustainability & Planning



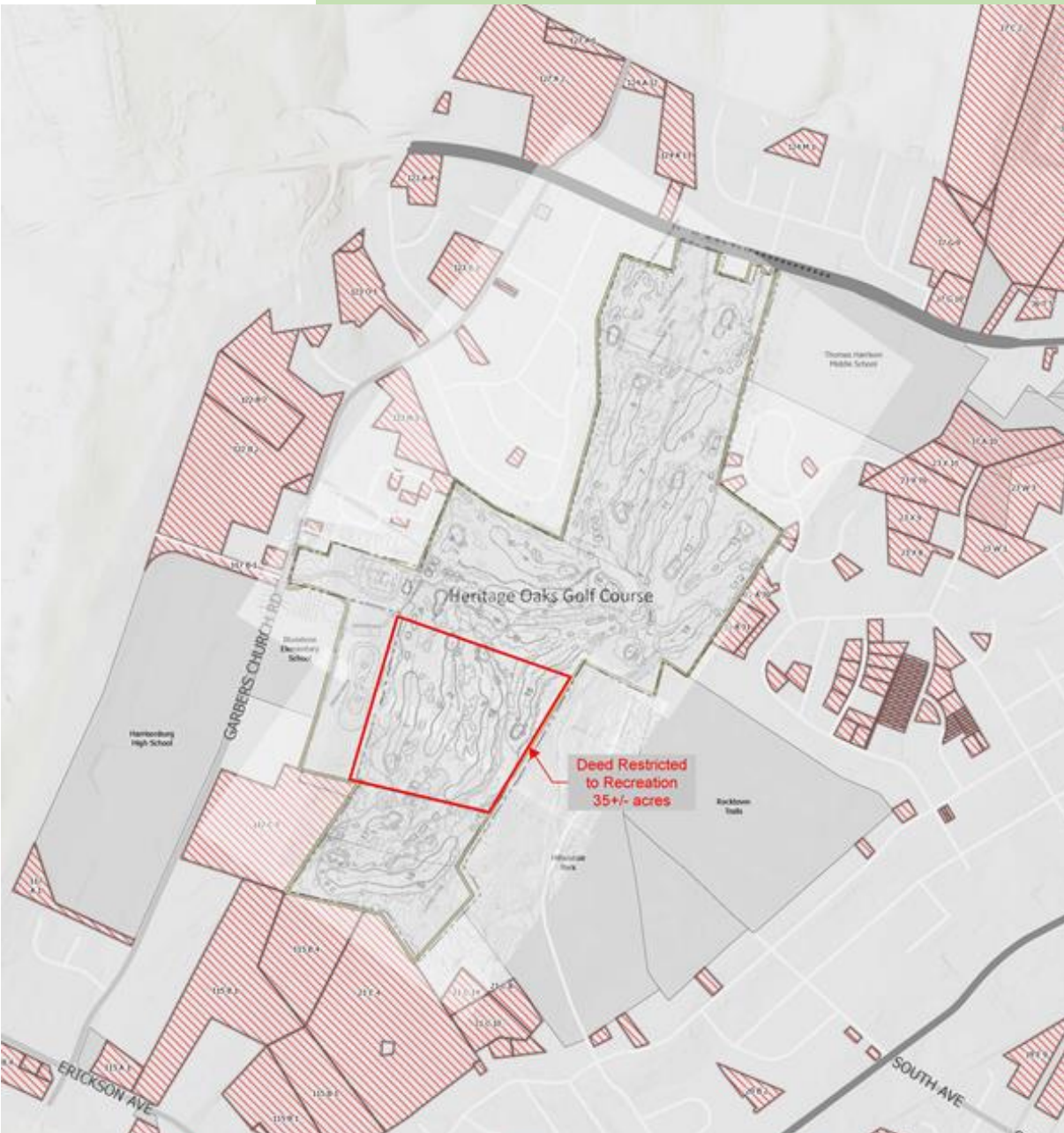
The Challenge ...

Heritage Oaks Golf Course

- 18 holes over 191 acres
- 35 acres deed restricted for recreational purposes only
- Clubhouse
- First Tee facility
- Practice range
- Practice putting green
- Three-hole par 3 course
- Maintenance Facilities



The Challenge ...



Land Use Context:

- Adjacent SF Residential
- Schools
- Public Parks
- Agricultural
- Light Industrial
- Vacant / Undeveloped Land
- 35- Acre Deed Restricted area within Golf Course
- Access from two thoroughfares

What We Heard ...

HOGC as a Community Asset

Comment: "Golf is too exclusive and does not serve a broad cross section of residents"

Can new recreational offerings be added to HOGC to serve more people? Should golf course be replaced or modified to accommodate other uses?

Comment: "Golf is a key element of an overall parks and recreation system"

Overall, the City P&R system is very strong, and serves the overall population well.

Comment: "Golf is part of an overall Economic Development strategy"

HOGC is a regional attraction with the potential to increase play, build more strategic partnerships, and support marketing efforts to reinforce the City's brand.

What We Heard ...

Financial Performance Is Not Acceptable

Comment: "HOGC is a financial burden on the City and given the lack of diversity in its user profile, should not be subsidized like other P&R offerings"

Can the HOGC operate as a self-sustaining enterprise?

Should the HOGC be held to a different financial standard than other City public services?

Is the recent trend toward financial sustainability enough to overcome concerns around diversity and land use?

What We Heard ... *Financial Viability*

National Trends in Golf: Pre- Pandemic



NUMBER OF COURSES

1,243 closures between 2005-2018



COURSE USAGE

6.8M fewer golfers in 2018 vs 2003 (decline of 22%)



GOLFING HOUSEHOLDS IN GOLF COMMUNITIES

Ranging from just 10% to 30%

Source: National Parks & Recreation Association



DRIVERS OF DECLINE

Course often inaccessible. Costs. Time. Technology



What We Heard ... *Financial Performance*

Recent Trends in Golf*: Pandemic Blip or Trend?



- 27% surge in number of played golf rounds (financially secure households working from home with more leisure time)



30% of the first-time golfers were over age of 40

- Includes 3.1 million junior golfers (most ever; avg. age = 12)



What We Heard ... *Land Use Alternatives*

Comment: “Can the HOGC property better serve the community by addressing priority needs such as housing and recreational facilities that serve a broader user group?”

What types of uses might be appropriate for the HOGC property given location, accessibility, land use adjacencies, transportation services, and infrastructure?

What are the costs to the public associated with redevelopment?

What We Heard ... *Land Use Alternatives*

Housing Study

- Existing mismatch between income levels and housing
- Sales market is very strong
- Level of affordable housing need for renters is greater than homeowners
- Strong renter and homeowner demand on both ends of the income spectrum



KEY FINDINGS

There are several characteristics of the Harrisonburg housing market that exemplify the demand for more affordable housing, but two conditions concisely summarize the complexity of the challenges facing the City and its residents.

There is a "housing mismatch" in which thousands of households live in units that do not align with their income.

In other words, many higher income households live in housing "beneath their means" while many lower income households live in units where they must pay 30-50%, or more, of their monthly income for housing costs. While there are numerous reasons why people choose to live where they live, this housing mismatch has a disproportionately greater impact on lower income households. Higher income households have greater choice in the housing market as a result of having more income available for housing. However, when higher income households reside in lower cost housing, they are effectively "squeezing out" lower income households—who, because they are lower income, have the fewest housing options.

The lowest income group (up to \$19,410 for a family of four in 2017) has the smallest housing inventory available and affordable to them.

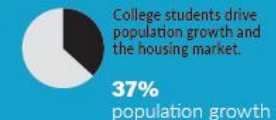
The lack of available and affordable units is because there is both a shortage of units affordable to this income tier relative to the number of households and many of the units that do exist are occupied by households with higher incomes.

The Harrisonburg sales market is a very strong one with limited inventory on the market and a median days on market of two weeks.

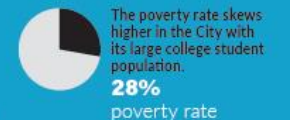
This translates to a seller's market, where buyers make competing offers and the median home sells for 99% of the list price. Twenty-one percent of home sales listed with a real estate agent sold for above the list price. Exacerbating this trend is Harrisonburg's "missing middle housing" problem. Fully 94% of all owner-occupied units are traditional single-family dwellings.



The rental vacancy rate is low at 2-3.5% indicating a very tight market with a low inventory. This creates high levels of competition within the market as renters compete for scarce units and where the lowest income households have the fewest options.



College students accounted for 37% of population growth between 2010-2018. Demand for off-campus rental units to accommodate college students exerts upward pressure on rental rates, pricing out non-student households.



Overall, the rate is 28%; however, removing the college-age households of 19-24 years old from the equation lowers the poverty rate to 14%, which is higher than Virginia's rate (10.7%) but comparable to the national rate of 13%.

What We Heard ... *Land Use Alternatives*

Housing: *location, location, location...*



HIGHER-INCOME HOUSEHOLDS



LARGE VOLUME OF HOME SALES

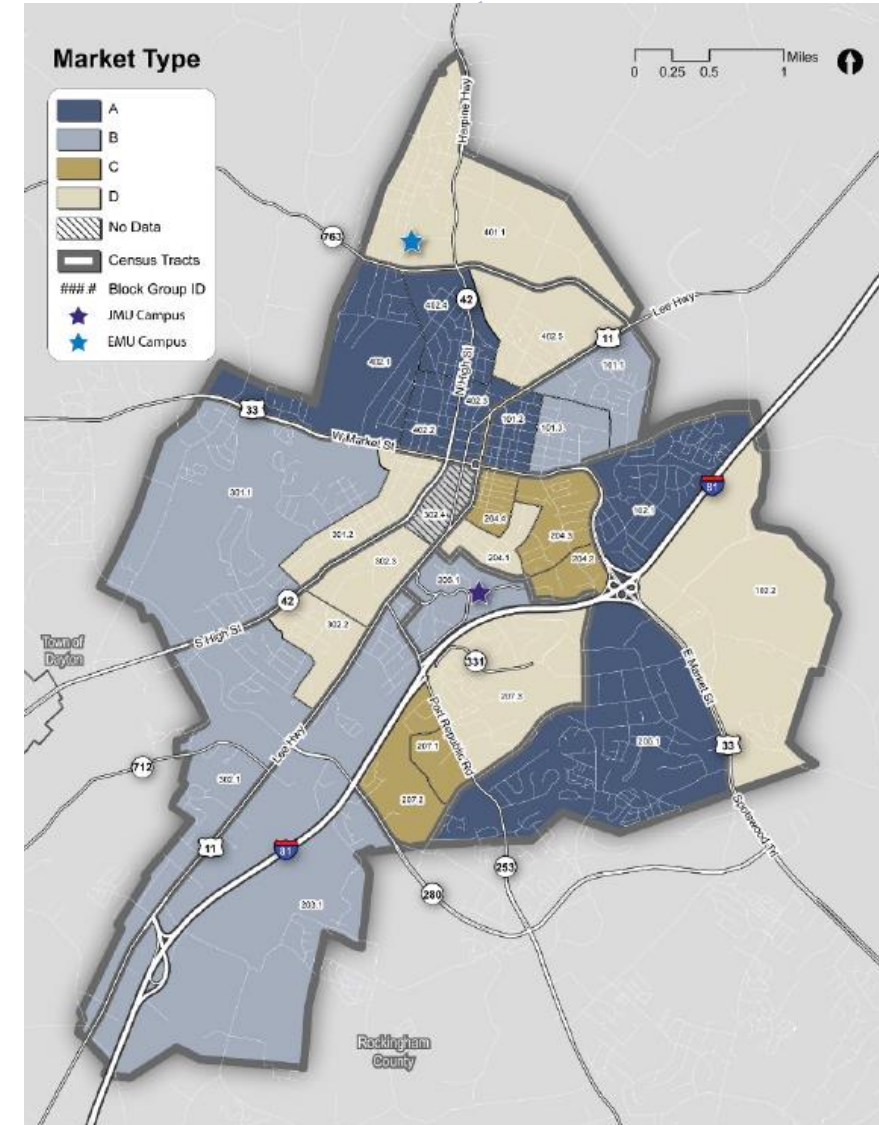


SLOWER POPULATION GROWTH



LESS ACCESS TO AMENITIES

Priorities and policies [in this area] includes the preservation of existing affordable housing while at the same time working to increase access to amenities.



Key Takeaway #1... The Value of Golf as a Community Asset

- This issue is a value proposition unique to each community
- HOGC is just one part of a system. Each element of that system plays a role and collectively they work together to serve the community.
- There is potential to add value to the property with new activities and programming targeted toward the non-golfing public
- The First Tee program brings value to underserved and at-risk citizens and potential to attract community partners
- Community survey results were very polarized, but generally not supportive of redevelopment alternatives

Key Takeaway #2... Financial Viability

- The City must define realistic expectations for financial performance
- Recent improvements and the quality of this asset suggest sustaining good financial performance is realistic
- A simple but effective food and beverage service is essential
- Value-added activities and programs to increase revenue should continue to be evaluated, but cautiously to ensure success and compatibility.
- Continue toward an aggressive marketing strategy to enhance the brand of HOGC as a regional amenity and expand local and regional partnerships.

Key Takeaway #3... Land Use and Accessibility

- Do not dismiss prior planning efforts and community input behind your current Comprehensive Plan.
- The HOGC is appropriately located with respect to land use adjacencies, access, and public infrastructure.
- Alternative uses for the land must consider good land use principles and market demand.
 - Residential: *may be appropriate, but not ideal location for low-income housing*
 - Commercial: *perhaps limited potential along Market Street frontage*
 - Complimentary Recreation and Entertainment: *some potential, but sensitive to location and accessibility from some more remote neighborhoods*
 - Environmental infrastructure and education: *good potential for functional and education features*

Scenario Development

Guiding Principles For Scenario Development

1. **Focus on land use** and mitigate negative impacts on adjacent land uses
2. **Respect** the environmental assets and enhance sustainability where possible, and maintain the 35-acre deed-restricted parcel for recreational use
3. Assess potential changes to **attract and accommodate a broader, more diverse user population** and position the clubhouse as a community amenity
4. **Focus on green infrastructure** and linkages between the property, residential areas, downtown, and other park facilities including bike, pedestrian, and transit options.
5. **Enhance partnerships** with local and regional organizations and educational institutions
6. **Expand marketing outreach** and branding as a regional asset

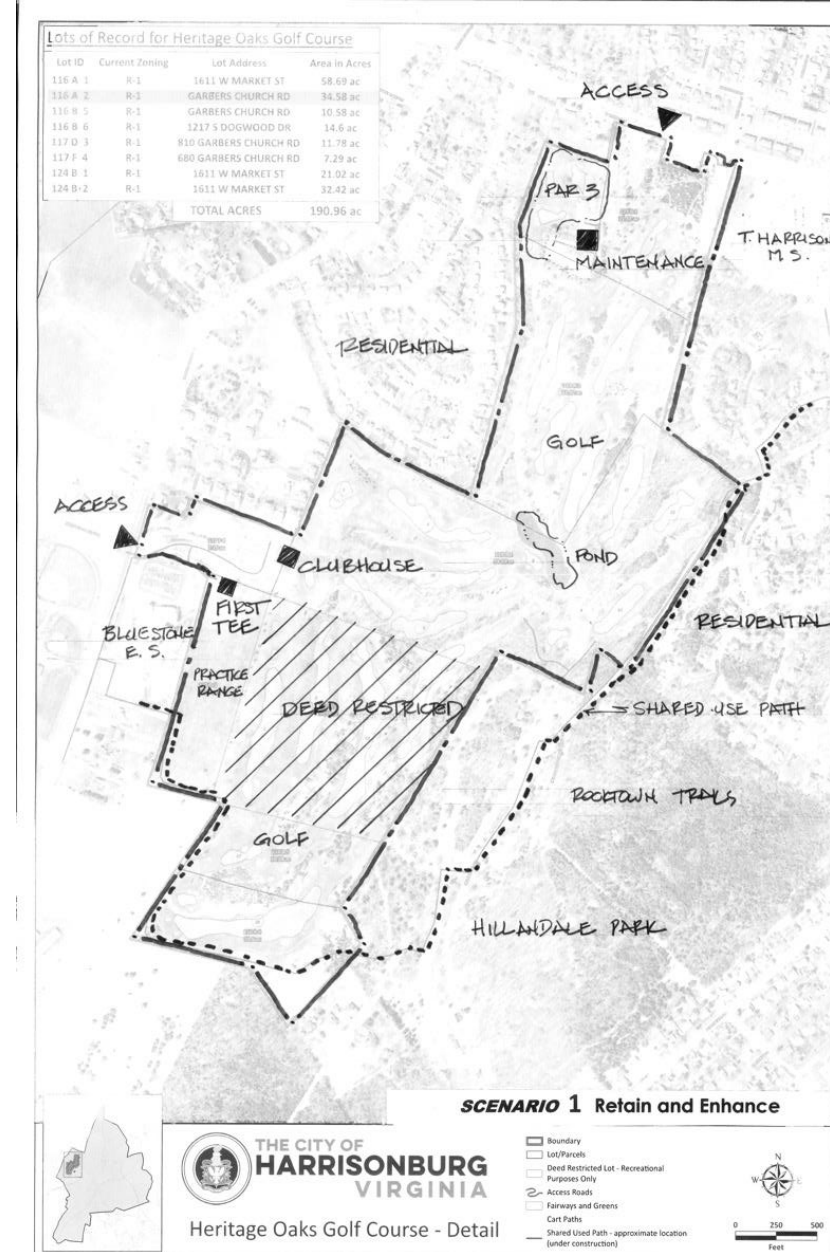
Scenario 1...
Retain and Enhance



Maintain a regulation high-quality regional golf destination and create a community gathering place.

Key Elements of this Plan

- Maintain 18-hole course
- Expand recreation opportunities to drive increased and a more diverse participation
- Explore various operational models
- Continue to improve operational performance
- Increase marketing efforts, broaden and strengthen partnerships



Scenario 1...

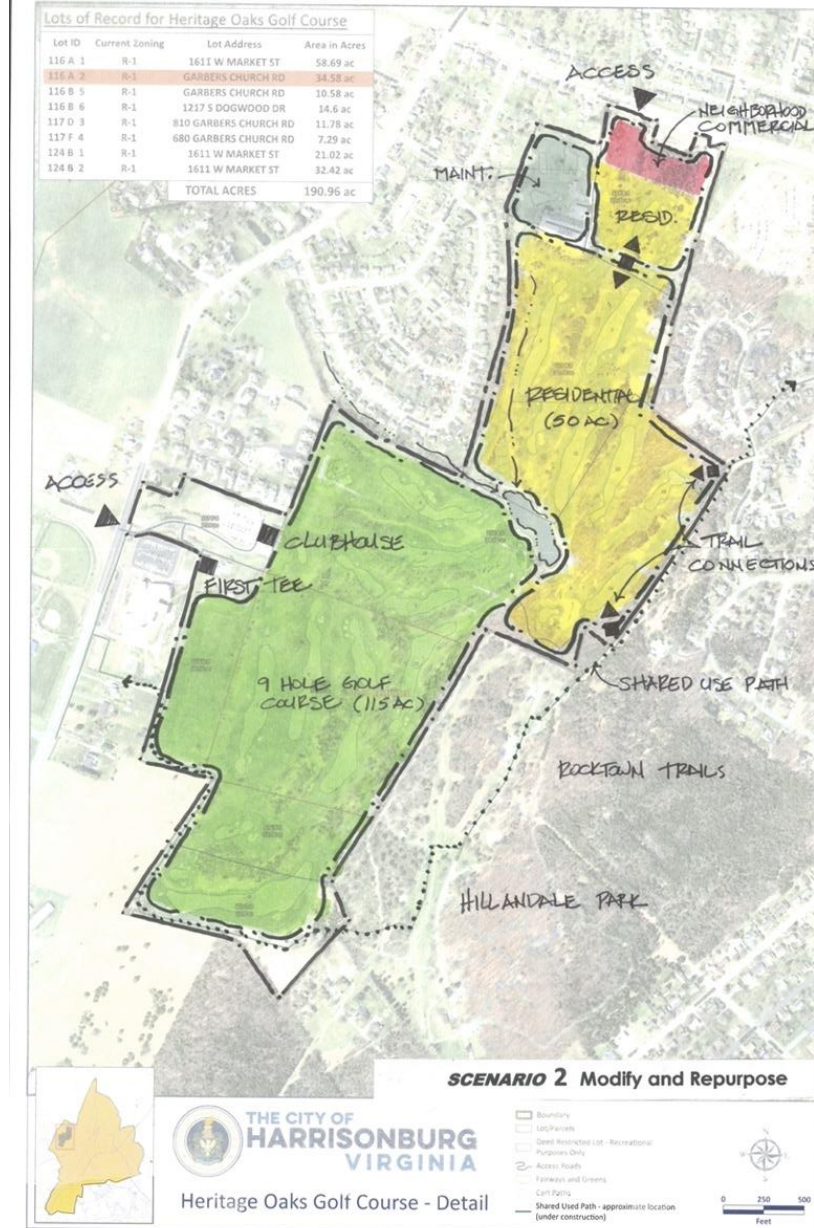
Scenario 2...
Partial Redevelopment



A modified golf course (9-hole) and partial redevelopment to add a mix of uses.

Key Elements of this Plan

- Reconfigure 140-acres as 9-hole course
- Sell 50-acres fronting West Market for development
 - Residential options and limited commercial
 - Include new neighborhood park on deed-restricted parcel
- Relocate Par 3 course, First Tee, and maintenance facility
- Provide new housing and connectivity to adjacent parks and recreation sites and schools.
- Leverage funds from the sale to meet citywide goals



Scenario 2...

Scenario 3...
Complete Redevelopment



A complete conversion of HOGC property to housing and recreation uses

Key Elements of this Plan

- Sell 155-acres for development
 - Develop new housing options (product types and price points)
 - Enhance connectivity to existing parks and schools
- Reconfigure deed restricted area into a public park
- Relocate Par 3 course, First Tee, and maintenance facility

Scenario 3...





GREEN = SUCCESSFUL
 YELLOW = MODERATELY SUCCESSFUL
 RED = LESS SUCCESSFUL

Scenario Performance Against Goals

	Scenario 1	Scenario 2	Scenario 3
Supportive of City Goals	GREEN	GREEN	GREEN
Consistent with adopted long-range plans	GREEN	YELLOW	YELLOW
Expands recreation offerings	YELLOW	YELLOW	RED
Limits burden on City budget	YELLOW	RED	RED
Create additional housing inventory	RED	YELLOW	GREEN
Promotes environmental sustainability	GREEN	YELLOW	YELLOW
Supports connectivity	YELLOW	GREEN	GREEN
Reduces impact on community infrastructure	GREEN	YELLOW	RED
Mitigates impact on neighbors	GREEN	YELLOW	YELLOW

Scenario Performance Against Goals

Each scenario could be in alignment with City goals, depending upon which goals you select as guiding principles and how successfully the plan is implemented.

Any redevelopment option is objectively not consistent with current adopted long-range plans.

With improved management practices, Scenario 1 can limit undo burden on the City budget. Redevelopment with residential uses would be a negative impact in that regard as residential uses are particularly burdensome on City infrastructure and demand for services.

Environmentally, Scenario 1 inherently performs better with a greater net pervious area generating less stormwater runoff than developed solutions.

The redevelopment scenarios are more prone to impacting established residential neighborhoods adjacent to the property visually, environmentally, and with traffic. However, they do offer potential for enhanced connectivity through the property with the creation of new paths and a connected residential street pattern, as well as the obvious gain in housing inventory.

- Golf as an element of a healthy Parks and Recreation system is a subjective community value proposition
- If retained, the HOGC must continue to improve management toward financial success and seek to expand recreation offerings to non-golfing public
- The City must establish expectations for financial performance.
- If redeveloped, good planning principles must prevail to determine appropriate land uses to best serve the community. Is this the right location to address City Vision and Priorities?



Conclusions ...

Conclusions ...

Some Key Action Items

1. Continued focus on more efficient management and operations practices toward **Improved Financial Performance**. Implement food and beverage services.
2. Formulate an **aggressive Marketing** strategy including stronger Educational, Corporate, and Institutional partnerships
3. Continued efforts To provide new activities to **increase participation** across a broader user group





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