

# Hiawatha Golf Course

## The Saving of an Institution!

**White Paper**  
**by SaveHiawatha18**

### Executive Summary

Harry Davis, Jr. stated in his Black Golf History presentation on November 14, 2018 that Hiawatha Golf Course is more than a golf course in the City of Minneapolis, it is an INSTITUTION!

Opened in 1934, Hiawatha Golf Course has served the South Minneapolis community for over 80 years as a place of recreation, solitude, comraderie, learning and openness to ALL! It is considered one of the most, if not THE most, ethnically diverse golf courses in the State of Minnesota.

And, Theodore Wirth, long-time MPRB superintendent, who was responsible for the building of the Minneapolis Golf Courses, said in his 1944 history of the MPRB, "With the introduction of municipal courses in public parks, golf has come within reach of the public in general."

Throughout the past 2 years, SaveHiawatha18 has determined that Hiawatha Golf Course is **not** the problem. It is a victim of bad water strategy being implemented by a variety of municipalities and government agencies in the Minnehaha Creek Watershed District, including the City of Minneapolis. The Minneapolis Park and Recreation Board (MPRB) has not held parties accountable for their contribution to the problem. The MPRB's proposed solution will cost millions of dollars, close down an historical golf course, and potentially flood nearby homes. The problem of too much water and pollution will still not be solved, and the public health of Lake Hiawatha will not be improved.

The MPRB needs to implement solutions to the water problems that are based on science and that actually solve the problems. And, Hiawatha Golf Course truly deserves to continue serving future generations as an 18-hole golf course.

## **1.0 What are the erroneous and untrue reasons given for closing Hiawatha Golf Course?**

1.1 Hiawatha Golf Course Ground is sinking - There is no scientific proof that this is happening.

1.2 Hiawatha Golf Course is in violation of its pumping permits with the DNR - The DNR says that Hiawatha Golf Course is in compliance with its 2 existing irrigation permits. The DNR says that the MPRB needs to get a Dewatering permit for the water that is being pumped into Lake Hiawatha.

1.3 The DNR won't let the pumping of water continue at current levels - The DNR has stated that they have not defined a pumping level that is acceptable.

1.4 The pumping of water is environmentally unsound. - The MPRB's 2017 Barr Engineering groundwater report says that the existing pumping is likely to have minimal ecological impact.

1.5 Hiawatha Golf Course is polluting Lake Hiawatha - The MPRB's 2017 Barr Engineering groundwater report says that the pumping of water from the golf course contributes less than 1% of the pollution coming into Lake Hiawatha.

1.6 Every time Hiawatha Golf Course floods it costs "a lot of money" to bring it back - This has not been true for any of the major floods (1965, 1987 and 2014). The golf course was pumped and grass seed was put down. That is all that has ever been done.

1.7 Hiawatha Golf Course is losing money - Information found by SaveHiawatha18 indicates that the MPRB golf courses have been mismanaged and under-capitalized since 2010, resulting in a drop in revenue, and putting the golf courses into a "death spiral".

## **2.0 What are the real reasons for wanting to close Hiawatha Golf Course?**

SaveHiawatha18 still does not totally understand the reasons for wanting to close Hiawatha Golf Course, even after 2 years of trying to find an answer that makes sense.

What we have found out so far is:

- A 2013 study commissioned by the MPRB that was critical of the management of the Minneapolis Golf Courses and a lack of interest in the Minneapolis Golf Courses by the MPRB may have started the MPRB down the path of wanting to close the Minneapolis Golf Courses. Plus, they may not have wanted to accept accountability for and spend money to rectify their under-capitalization of the golf courses.
- The City of Minneapolis needs a place to dump excess water. And, the MPRB has stated an interest in selling water storage on this property to other communities who are also looking for a place to dump their water.
- The MPRB just wants to close Hiawatha Golf Course, along with all of the Minneapolis Golf Courses. Assistant Superintendent Schroeder recently stated to one of our members that golf is not producing the revenue so we need to either move it to the General Fund or get out of golf.
- We believe that the MPRB may want this property out of the Enterprise Fund and into the general fund so that they can get more money from other government agencies to spend on this property.

Also, in reviewing the reasons given for closing Hiawatha Golf Course in Resolution 2017-243, we now see that most, if not all, of the reasons given have either been disproven or are extremely suspect.

So, we have not found any reason that requires the closing of the 18-hole Hiawatha Golf Course!

### **3.0 What are the possible negative effects of the proposed plan?**

3.1 Does nothing to solve the problem of the inundation of water coming into the area from the Minnehaha Creek Watershed, especially with impending climate change.

3.2 Spending an unknown amount of money on an ill-defined plan - MPRB documents state that the plans are 5% defined and the cost could vary from \$20 million to \$42 million.

3.3 Many proposed amenities cannot be implemented - MPRB documents proposed many amenities that can not be realistically done on this property, thus providing unrealistic expectations to the public. For example, several buildings and parking lots are proposed to be built on this low-lying, swampy property.

3.4 Loss of flood plain capacity - Storing more water on this flood plain will diminish the capacity of the flood plain.

3.5 Flooding of nearby homes - There is great concern that the introduction of more water on the golf course property will be a repeat of Lake Nokomis problems on a larger scale, and MPRB documents actually state that this flooding will raise the water table as far away as Powderhorn Lake.

3.6 Trash - This plan does not solve the problem of trash coming into the golf course and Lake Hiawatha.

3.7 Phosphorus Pollution - This plan does not solve the problem of phosphorus pollution coming into the golf course and Lake Hiawatha.

3.8 Loss of a revenue producing entity in the Minneapolis Park System - Hiawatha Golf Course has historically generated about \$1 million per year versus spending millions of dollars on a swampy piece of property that has totally unvetted revenue projections.

3.9 Loss of an accessible and unique amenity for constituents of South Minneapolis, especially for youth, seniors, minorities and golf teams from 10 schools.

3.10 Proposed increased traffic (people and cars) for the neighborhood - Changes the nature of the neighborhood that is in very close proximity to the property.

3.11 Loss of more trees on the property - The MPRB estimates that up to 189 trees will be killed on the property due to the flooding of the property. This would be in addition to the 400 trees lost in the past decade.

3.12 Historic African-American 18-hole Golf Course Lost - Hiawatha Golf Course is an historic golf course for the African-American community, and heavily used by them. Closing of the 18 hole golf course removes the ability to maintain and create more history for the African-American community. It would also show a lack of consideration and respect for the importance of this asset to the African-American community in the City of Minneapolis.

## **4.0 What should be done?**

- 4.1 Apply for a Dewatering permit from the DNR for the current level of pumping.
- 4.2 Upgrade the 18-hole golf course for even better resilience from flooding.
- 4.3 Study and implement ways to mitigate the excess water, trash and pollution coming into Lake Hiawatha. Perform a study led by the USGS for the whole Minnehaha Creek Watershed.
- 4.4 Study and implement ways to lower the level of Lake Hiawatha, focusing on the inbound and outbound Minnehaha Creek.
- 4.5 Replace trees that have been lost over the past 20 years.
- 4.6 Enhance and further implement the current Audubon Certification for Hiawatha Golf Course.
- 4.7 Create a long-term operations and capital budget for the Minneapolis Golf Courses, along with cleaning up the financial accounting and reporting.
- 4.8 Upgrade the club house.
- 4.9 Produce a full history of the property for permanent display in the clubhouse and on the golf course.
- 4.10 Look into restoring a better level of accessibility to the property by the neighborhood, especially in the non-golfing season.
- 4.11 Look at ways to accommodate non-golf participation for the neighborhood on the property.

## Finally, what is Golf?

The following statement comes from the 2013 Golf Convergence Operational and Financial Consulting Review for the MPRB Golf Courses (p. 36):

**"Golf is the only sport in which professionals are role models who demonstrate that referees are not necessary for an event to be fair and fun. For families and friends, golf is an opportunity to enjoy each other's company via a walk through nature's preserve. For the competitive athlete, golf is an arena to demonstrate ability. For business men and women, golf is an office, and for those who are retired, golf serves as a place to meet, exercise, and enjoy the reward for a life of diligent effort." (p. 36)**

This review also gave the top 3 reasons why people say they play golf : **(1) the opportunity to spend time outdoors, (2) the social aspects of the game, and (3) exercise."** (p. 43)

The above statements fulfill the long-term vision themes of the Minneapolis Park and Recreation Board:

- Urban forests, natural areas, and waters that endure and captivate.
- Recreation that inspires personal growth, healthy lifestyles and a sense of community.
- Dynamic city parks that shape city character and meet diverse community needs.
- A safe place to play, celebrate, contemplate and recreate.

**The Minneapolis Park Board needs to start "loving" and caring for this golf course again!!**

---

---

# Detailed Discussion

This White Paper provides information found by SaveHiawatha18 over the past 2 years regarding the plans by the Minneapolis Park and Recreation Board (MPRB) to close Hiawatha Golf Course.

## 1.0 What are the erroneous and untrue reasons given for closing Hiawatha Golf Course?

Since 2015, the general public has questioned the reasoning given for the closing of Hiawatha Golf Course. SaveHiawatha18's research has debunked most of the reasons. Our research has also uncovered hidden information showing a lack of proper management of the golf courses, and we have found a great deal of deception towards the public by the MPRB. We have also uncovered huge financial and property risks in the proposed plans, for the nearby neighborhoods, the City of Minneapolis and the public (who provide funding to the MPRB).

### 1.1 The Hiawatha Golf Course Ground Is Sinking

Statements have been made that the golf course is sinking at a rate of 1/4 to 1/2 inch per year. The MPRB's Barr Engineering report<sup>1</sup> indicated that there is no scientific data to determine if the golf course is sinking. The report said, a long-term study over several years would be needed to determine the amount of settling, if any. Also, the majority of settling would most likely have occurred in the 1930's when the dredging and land fill were originally done.

The Barr Report said:

"The historic or current rates of settlement in the golf course are unknown. However, there are several options the MPRB may consider to quantify the historic or current settlement rates in the golf course area. " p. 23

"No geological testing has been performed on the soils in the Hiawatha Golf Course, including the peat. Although the rate of settlement in peat can vary based on the type of peat and loading changes, settlement in peat over time typically [has] the primary consolidation happening over a relatively short period of time and continual creep occurring



over the long term."

"Given that the golf course was constructed approximately 90 years ago, the rate of settlement happening today in the golf course is likely very slow. If the settlement rate is on the order of 1/4 to 1/2 inch per year, it may be difficult to measure this amount of settlement during a short monitoring period with any monitoring approach."

Based on tests made at the Lake of the Isles restoration project, Barr said the following: "If the peat in the Hiawatha area is similar to the peat around Lake of the Isles, we would suspect that the primary consolidation in the Hiawatha golf course also happened rapidly after material was placed and after the golf course was constructed. Primary consolidation is complete and the current rate of settlement (secondary consolidation or creep) is very slow." pp. 64-65

## **1.2 Hiawatha Golf Course is in violation of its pumping permits with the DNR**

Hiawatha Golf Course currently has 2 irrigation permits with the DNR. One permit allows Hiawatha Golf Course to pump water from a well on the property for irrigation of the golf course. A second permit allows Hiawatha Golf Course to pump water from the pond system for irrigation of the golf course. The DNR says that the MPRB is in compliance with these permits since, with the large amounts of rain over the past 7+ years, there has been little or no need to pump water from these sources to irrigate the golf course. So, their levels of water usage have been well within the 36 million gallon and 2 million gallons limitation per year.

The problem for the golf course has been too much water, which is being removed by pumping the water over the berm into Lake Hiawatha. The DNR says that the MPRB does not currently hold a dewatering permit, and needs to apply for a dewatering permit for this pumping. If and when the permit is approved, the MPRB and Hiawatha Golf Course will be in compliance.

## **1.3 The DNR won't let the pumping of water continue at current levels**

The DNR has stated that they have not defined a pumping level that is acceptable or unacceptable. They have been waiting for the MPRB to submit an application for a dewatering permit, at which time they will review the application and work with the MPRB on approval of a dewatering permit.

## **1.4 The pumping of water is environmentally unsound**

Statements have been made that the pumping of water from Hiawatha Golf Course is detrimental to Lake Hiawatha, and that the volume pumped was a surprise, once it was measured. The MPRB's Barr Engineering report<sup>1</sup> says that the existing pumping is likely to have minimal ecological impact. And, it is hard to understand how the volumes could have been a surprise when projects have been done which knowingly put more water onto the golf course in recent years.

### **1.4.1 Reasons for the Increased Pumping**

The Barr Engineering report<sup>1</sup> says:

"Through the course of the initial investigations of the groundwater conditions at the Hiawatha Golf Course, we helped quantify the existing pumping rates and inflows to the golf course to understand the magnitude of the pumping. We also determined that the pumping of surface groundwater from the golf course to Lake Hiawatha was not impacting the deep groundwater aquifers in the region, but rather, just recirculating the surface groundwater inflows from the golf course ponds to Lake Hiawatha and back. Although energy intensive, the existing pumping is likely to have minimal ecological impact." p. 47

"on an annual basis, this excessive pumping is due to regional groundwater inflows (~50%), inflow from Lake Hiawatha where lake levels are above the existing golf course pond elevations (~30%), and a storm water diversion project to the golf course from the neighborhood to the west (~20%)." p.47

So, 50% of the water is coming from the surrounding watershed, 30% is seepage back from Lake Hiawatha due to the high water level of Lake Hiawatha, and 20% is from the 2011-2012 storm water diversion project that dumps millions of gallons of storm water onto the golf course each year.

"In 2011 and 2012, the City of Minneapolis completed a stormwater improvement project. The project diverted stormwater from a 71-acre watershed to the west side of the golf course to Pond A in order to provide water quality treatment in Ponds A through F and increase discharge capacity to reduce flooding in the upstream neighborhood. This

stormwater runoff along with groundwater inflow to the ponds is pumped to Lake Hiawatha by the existing pumps near Pond E." p. 2

In addition to Barr's documentation, people familiar with this diversion project, including residents that were included in the stormwater improvement project, state that one reason for the diversion project was to save money for the City of Minneapolis. In the past, the stormwater had been combined with sanitary sewer effluent, and then both went to the sewage processing plant. Over the years, previous projects and this project separated the stormwater from the sanitary sewer effluent, and diverted the stormwater to the golf course. This saved the city money at the sewage processing plant. Also, the sewage processing plant told the city that the plant may not be able to handle the volume of water that they were receiving.

**The estimated annual cost of pumping the water from the golf course into Lake Hiawatha is around \$10,000 to \$15,000 per year.**

#### **1.4.2 Effect on the Deepwater Aquifer**

Tests were done in February of 2016 to determine if the deep pumping well, installed on the golf course in 1992 for irrigation, was affecting the deep Prairie du Chien aquifer.

The MPRB's Barr report<sup>1</sup> says:

"It was concluded from the test results that there was no connection between the shallow water table aquifer and the deep Prairie du Chien Group aquifer at the golf course. Therefore, pumping from the lift station is not affecting deep aquifers." p. 17.

#### **1.4.3 Lake Hiawatha Water Levels**

Barr compiled a long-term water level record for Lake Hiawatha (1926 to 2017). They also looked at daily average flows in Minnehaha Creek and water levels in Lake Hiawatha, concluding that "There is a strong correlation between creek flows and lake levels." p. 19

A graph in the report shows a lower lake level after dredging in the 1930's. and a slow increase in lake levels through the next decades. After the Grey's Bay dam project in 1979, the lake level peaked and has stayed about the same without peaks and valleys.

Average decade statistics:

1920's	1930's*	1940's	1950's	1960's	1970's	1990's**	2000's	2010's
813.4 ft	808.2 ft	810.6 ft	811.0 ft	811.6 ft	811.6 ft	812.8 ft	812.6 ft	812.8 ft

\* after dredging in the 1930's

\*\* after replacing of Gray's Bay Dam

The MPRB's Barr Report<sup>1</sup> says:

" Increasing water levels in Lake Hiawatha have likely exacerbated the need for additional volume pumped from Hiawatha Golf Course, especially in the past several decades. Water levels in Lake Hiawatha have increased due to a variety of reasons including:

"The golf course was constructed in the late 1920's to early 1930's during a dry climatic period in the Twin Cities,

"The Minnehaha Creek watershed has developed significantly since the golf course construction,

"Installation of utilities under Minnehaha Creek downstream of Lake Hiawatha have created high points in the channel that control the water levels in the lake (with the existing outlet weir being submerged), and,

"The replacement of the dam at Lake Minnetonka in 1979 has modified the flow regime in the creek, resulting in more constant flows throughout the year when historically flows would stop in Minnehaha Creek during dry periods. Additionally, there are periods of sustained flows (~250-300 cubic feet per second) along Minnehaha Creek when Lake Minnetonka is being drawn down in the fall that can result in elevated water levels in Lake Hiawatha." p. 22

#### **1.4.4 Conclusion**

The MPRB's Barr Engineering report<sup>1</sup> indicates that the increased pumping levels have to do with factors other than the golf course. In particular, the required pumping levels have increased due to increased water coming in from the communities in the watershed, the

increased lake level, and the 2012 storm water improvement project. The report also notes that this pumping has minimal environmental impact on Lake Hiawatha. And, a former golf course superintendent of Hiawatha golf course has said that this water is the cleanest water going into Lake Hiawatha because it filters through the pond system on the golf course.

So, Lake Hiawatha and Hiawatha Golf Course are suffering from all of the water problems created by the communities in the Minnehaha Creek Watershed District.

## 1.5 Hiawatha Golf Course is polluting Lake Hiawatha

Insinuations have been made that reduced pumping of water from the golf course is needed to lower phosphorus levels in Lake Hiawatha. The MPRB's Barr Report<sup>1</sup> indicates that pumping of water from the golf course introduces negligible amounts of phosphorus into Lake Hiawatha compared to other sources. Thus, reduced pumping would not significantly impact phosphorus levels in the lake.

The MPRB's Barr Report<sup>1</sup> says:

"Lake Hiawatha Total Maximum Daily Load (TMDL) has a total annual phosphorus inflow of 6,463 pounds. The annual total phosphorus (TP) being pumped into Lake Hiawatha from Pond E [from the golf course] is calculated at 165 pounds. This is based on pumping 263,000,000 MGY [Million Gallons per Year] at a concentration of 0.076 milligrams/Liter." p. 14

"The average seasonal inflow to the lake is 1,053 million cubic feet [over 1 billion cubic feet] with 77% of the inflow from Minnehaha Creek and 23% coming from stormflow. Based on the estimated seasonal volume pumped from the golf course to Lake Hiawatha using the monitored pumping rate, the estimated volume pumped from the golf course to the lake could range from 0.3% (wet conditions) to 7.6% (dry conditions) of the total seasonal inflow volume. Using the water quality data collected in the golf course ponds and the seasonal volume to the lake, the estimated seasonal phosphorus load from the golf course is only **less than 1.0 percent** of the total seasonal phosphorus load to Lake Hiawatha." p. 23

Mitigating phosphorus pollution at or near the end of the watershed totally goes against current best practice, and will only make a massive holding pond for pollution in the Hiawatha/Nokomis neighborhood. Storing polluted water on the golf course property to

capture phosphorus will only sequester phosphorus until dry spells when the plant material dies and re-enters the water, and/or when the property floods and Lake Hiawatha water co-mingles with the heavily polluted water held in the wetland.

Also, Minnesota State law prohibits the use of fertilizer containing phosphorus on turf grass in the metropolitan area. Thus, the golf course uses fertilizer on the turf grass containing no phosphorus. Phosphorus in the pumped water is currently latent phosphorus in the golf course soil and ponds, and phosphorus from the surrounding community that drains into the golf course. And, due to the State law, phosphorus runoff should slowly deplete on its own in the metropolitan area over time as it leaves with natural run-off.

## **1.6 Every time Hiawatha Golf Course floods it costs "a lot of money" to bring it back**

The Forward in the MPRB document, Water Management Alternatives Assessment - Executive Summary for Hiawatha Golf Course<sup>3</sup>, states that "in June 2014, record rainfalls overtopped the berm, overwhelmed the pumping system and flooded the course for an extended period. Between repairs and lost revenue, total flood costs were \$4 million." This is totally counter to the facts, and the Park Board's own revenue information.

Hiawatha Golf Course was closed on June 19, 2014 due to the flood. Hiawatha's driving range reopened 13 days later on July 2nd, 2014. Hiawatha's front 9 reopened on July 25th, 2014, 36 days after the flood. The back 9 reopened on June 5, 2016. So, the golf course was totally closed for only 13 days, and the front nine was open 36 days after the flood.

The cost to reopen Hiawatha Golf Course was minimal. The driving range and front 9 were opened within a little over a month by pumping the water out of the golf course and reseeding with grass seed, which is exactly what was done in the previous 2 floods in 1965 and 1987. The back 9 was also, eventually, reseeded with grass seed and reopened.

Hiawatha's back 9 could likely have opened much earlier, but senior MPRB management were not proactive in quickly initiating the necessary repairs on this nine, which resulted in a lengthy delay in reseeding this part of the golf course. Was the delay because of the attempt to get FEMA money? Or, was the delay because the MPRB was now considering closing the golf course?

To determine lost revenue, we can look at the revenue figures from 2013, the year before the flood. Reported revenue was \$750,812. We'll use that as a base for lost revenue. The MPRB's Annual reports declare the following revenue for Hiawatha Golf Course for 2013-2016.

	Revenue	Lost Revenue
2013	750,812	
2014	501,341	249,471
2015	442,457	308,355
2016	764,506	
Total Lost Revenue		557,826

Since the golf course was back in operation in 2014, it generated revenue for 2014 and 2015. Using MPRB revenue figures, the actual revenue loss was \$557,826. By June of 2016, the full golf course was back in operation, and the annual revenue for 2016 was greater than 2013.

Repairs to Hiawatha Golf Course were pumping water from the golf course and reseeding the fairways. The grass seed came from existing supplies, and the existing staff reseeded the fairways. We also believe that one pump needed repair. So, it is unclear where any huge repair costs came from. Even if you add a swag of \$50,000 for seed and pump repair, the total estimated cost of repairs and loss of revenue would be around \$607,826, a far cry from \$4 million.

The published loss of \$4 million incurred from the flooding of the golf course is further disputed by the fact that no FEMA money was used to repair Hiawatha Golf Course. The MPRB requested and received a \$1.1 million FEMA award to help fix damage to Hiawatha Golf Course. None of this money was ever spent to repair the golf course, so Hiawatha Golf Course recovered with minimal expense and without using this FEMA money.

## **1.7 Hiawatha Golf Course is losing money**

A common theme for closing Hiawatha Golf Course is that it is losing money.

By 2013, the MPRB golf courses were losing money, so MPRB Superintendent Jayne Miller contracted a study with the firm Golf Convergence to figure out why. Golf Convergence produced an extensive and scathing financial study of the MPRB Golf Courses. One of their

conclusions was:

**"Throughout this report we have harped about how these fabulous assets have gone unloved, neglected and essentially abandoned. We have tried to jolt hoping the reader of this report realizes how fabulous the underlying core assets owned by the Park Board are and the potential they offer citizens in the Minneapolis metropolis."**<sup>7</sup> p. 83

The report put most of the blame for the decline in revenue on the MPRB due to a lack of proper management and capital investment. There are many questions as to why, after this scathing report, the MPRB did not start to address these problems and get the golf courses back on track.

### **1.7.1 MPRB Financial Statements for All Golf Courses**

According to the financial information published by the MPRB for all golf courses the revenues started dropping in 2009. Listed here are a variety of reasons for changes in revenue and expenses.

The 2014 Golf Convergence study<sup>7</sup> found the following reasons for the decline in revenue from 2010 to 2013:

- The MPRB Golf Courses have been severely under-capitalized, meaning the golf courses were literally going to seed. For the years 2010 to 2013, the MPRB spent less than 2% of the industry benchmark for capital repairs/improvements. The report called this spending level "embarrassingly paltry." (p. 22 & 87)
- Golf Convergence expressed reservations about the financial statements for the golf course operations (p. 9):
  - "We have great reservation how costs are allocated to each golf course."
  - "We are not confident that the financial statements as provided for an individual golf course are in compliance with generally accepted accounting principles and truly reflect the operational performance of an individual golf course."
  - "We are extremely skeptical as to the accuracy of the starts (rounds)."
  - "We have great reservation regarding the accuracy of the financial statements in the aggregate as revenues reported in the Active Network golf course POS did not reconcile to the Compass accounting system. The variance, in some cases, was as great as 10%."
- "The facilities' adoption of technology, including meaningful customer tracking, was lacking." (p. 19)
- "It is the belief of Golf Convergence that the recent drop in rounds, while influenced by the weather is also a result of declining experience provided to the golfer from lack of capital



investment." (p. 42)

- "It would appear that the potential of the Golf Department has been under-managed since 2011. It is the opinion of Golf Convergence that the decline is most likely attributable to controllable factors." (p. 55)
- "Reliance on a third-party to book tee times is a serious tactical flaw." (p. 63) This has been corrected.
- "While the City installed a superior golf management software program provided by Active Network, many of the most valuable reports required to operate a golf course are available but are not being utilized to optimize revenue." (p. 64) This has been corrected.
- "Because many of the facilities use outdoor space [to store equipment], the useful life of the equipment is shortened. (p. 99)
- If equipment has a breakdown, it is taken to a central repair facility for repairs. The equipment in need of repair is often out of service for weeks, which in turn causes production interruptions during the high season." (p. 99)

SaveHiawatha18 found the following regarding revenue and expenses during the past 8 years:

- From 2014 to 2017 at least one golf course was closed or under construction each year, reducing revenue at these MPRB golf courses.
  - Hiawatha Golf Course was partially closed for 2 years due to the flood of 2014 (although, this timeframe could have been much shorter if senior MPRB management had directed golf course personnel to initiate repairs immediately).
  - Meadowbrook Golf Course was closed for 3 years due to reconstruction after the flood of 2014.
  - Theodore Wirth Golf Course had parts of the golf course under construction in 2017 for changes to accommodate the Loppet.
- The Loppet contract moved personnel expense from the winter sports budget to the golf budget.
- The State of Minnesota required entities like the MPRB to catch up on their pension contributions, adding a large expense to the golf budget in 2015, 2016 and 2017.
- The minimum wage has increased over this timeframe, so personnel costs have increased.
- The clubhouse at Meadowbrook Golf Course was severely damaged from the water not being shut-off over the winter, and had to be demolished.
- FEMA money was obtained for repairs to Meadowbrook Golf Course, but it is unclear if the FEMA payment offset the expenses for the repairs to the golf course.
- Expenses are added to the golf budget at the end of the year by the central MPRB office, causing the golf course management to be blind to these expenses during the

year.

- Over the past 40 years, greens fees at the MPRB golf courses have increased much faster than the median income, possibly affecting patronage.
- The Great Recession caused the economy to collapse. It is understandable that golf course revenues would drop during this time frame.
- It is unclear how the expenses were allocated for the Loppet construction at Theodore Wirth Golf Course. Were they allocated against the golf budget or somewhere else?

So, Golf Convergence and SaveHiawatha 18 have found many reasons that could have depressed the revenues and increased expenses for the MPRB golf courses in the past few years, most of which were within the control of the MPRB.

See Appendix A.1 for a more detailed financial analysis.

### **1.7.2 Hiawatha Golf Course Financials**

Through the years, Hiawatha Golf Course has been one of the best performing golf courses in the MPRB. According to the MPRB's Impact Assessment document (pg 30)<sup>2</sup>, Hiawatha Golf Course has been financially sustainable. The average annual net revenue for the past 20 years is \$120,000. This 20 years includes the past 6 years which were impacted by wet conditions, flooding and recovery. The average is sustained by positive revenues in the earlier years of this timeframe. So, why has Hiawatha Golf Course suffered reported revenue losses in the past 5 years?

Some possible reasons are:

- The golf course was in poor condition with temporary greens due to inconsistent and/or improper maintenance, including scalping of fairways, starting in 2011.
- There has been little investment in the golf course. For example, bunkers have not been repaired, benches have fallen apart and there was no sand in the practice bunkers.
- There has been an irregular mowing schedule.
- The kitchen was out of commission from the Fall of 2013 to 2017.
- Equipment is being expensed against the Hiawatha golf course that is not at the golf course.
- Green fees have been lower than other MPRB golf courses since the 2014 flood.

- In 2017, full-time golf course personnel started charging year-round to golf due to the Loppet contract.
- Repairs to the golf course for the 2014 flood, although minimal, were expensed against the golf course even though FEMA money was available for the expenses.
- After the 2014 flood, senior management was slow to make repairs on the back 9 to get it back in service.

Again, SaveHiawatha18 has found many reasons why Hiawatha Golf Course revenues have become depressed.

See Appendix A.2 for a more detailed analysis.

### **1.7.3 Conclusion**

We have found that the MPRB Golf Courses were lacking in good management practices. This is confirmed by the Golf Convergence study done in 2013 for the MPRB. The golf courses have languished through lack of capital investment. Equipment is not expensed properly, and staffing has been unnecessarily increased in the golf budget due to the Loppet contract. Plus, golf course managers are blind to expenses added to their budgets at the end of the year. And, after the 2014 flood, Hiawatha Golf Course could have been fully opened earlier if senior MPRB management had not held back on repairs.

We have found that some costs, like Comp Abs, have had a large adverse affect on the financials of the golf courses for the short term, but have little to do with the long-term viability of the golf courses.

Golf Convergence also noted that a culprit for the lack of capital investment in the golf courses is the Enterprise Fund philosophy presented in the Superintendent's 2014 Recommended Budget. The stated philosophy was:

The Enterprise Fund will "Finance its capital improvement program with profits generated in the current year. If profits generated in a particular year were not sufficient to cover the costs of all scheduled projects the project would be deferred or cancelled based on prioritized need."

Golf Convergence said "The philosophy of funding capital investments only when cash flow is sufficient is faulty. As stewards of great assets, there comes a responsibility to protect, maintain, and invest for the current and future generations."<sup>7</sup> (pp. 7 and 82) Also, they stated that "\$1,125,000 is

allocated annually for the capital investment in Enterprise Fund. The allocation of those funds is subject to Park Board approval. Historically, the Golf Department receives a scant portion of those resources."<sup>7</sup> (p. 22)

The MPRB needs to explain, and be held accountable for, why they have violated the Public Trust by stopping the feeding of the "golden goose", only to slowly starve it out of existence.

And, Kari Haug, the golf course architect hired by the MPRB in 2018, explained at a Hiawatha Golf Course Community Advisory Committee meeting that golf participation is currently increasing, especially among women, while the closing of golf courses due to overbuilding is decreasing. This portends well for the Minneapolis Golf Courses, and the MPRB would do well to take advantage of this opportunity rather than lose it.

---

## **2.0 What are the real reasons for wanting to close Hiawatha Golf Course?**

SaveHiawatha18 still does not totally understand the reasons for wanting to close Hiawatha Golf Course, even after 2 years of trying to find an answer that makes sense.

What we have found out so far is:

- A 2013 study commissioned by the MPRB that was critical of the management of the Minneapolis Golf Courses and a lack of interest in the Minneapolis Golf Courses by the MPRB may have started the MPRB down the path of wanting to close the Minneapolis Golf Courses. The MPRB hired a consultant company, Golf Convergence, in about 2013 to complete a study of the Minneapolis Golf Courses about how to bring back the revenue. The study gave an estimate of \$34 million to re-capitalize the golf courses. Some of the items in this study may not have been needed, but mismanagement brought out in the study appears to be valid. It seems likely that the MPRB may not have wanted to accept responsibility for and spend money to rectify their mismanagement of the golf courses.
- The City of Minneapolis needs a place to dump excess water. We have heard this from Michael Schroeder (MPRB) , Katrina Kessler (City of Minneapolis), and Tyler Pederson (MPRB). And, Mr. Schroeder told the MPRB Commissioners that the MPRB can make money by selling the capacity of this proposed wetland to other communities who need a place to dispose of water.
- The MPRB just wants to close Hiawatha Golf Course, along with all of the Minneapolis Golf Courses. Assistant Superintendent Schroeder recently said this to one of our members.
- We believe that the MPRB may want this property out of the Enterprise Fund and into the general fund so that they can get more money from other government agencies to spend on this property.

**So, we have not found any reason that requires the closing of the 18-hole Hiawatha Golf Course!**

### **3.0 What are the possible negative effects of the proposed plan?**

#### **3.1 Does nothing to solve the problem of the inundation of water coming into the area from the Minnehaha Creek Watershed, especially with impending climate change.**

Lake Hiawatha is the current recipient of water from the whole Minnehaha Creek watershed, or 167 square miles of land. The amount of water has dramatically increased over the years, inundating Lake Hiawatha and causing the lake level to be at a constant, abnormally high level.

This level of water is causing the following problems:

- The high water level in Lake Hiawatha requires more pumping on the golf course due to more water seeping into the golf course.
- Minnehaha Creek is degrading due to the constant flow of water coming down it. A restoration project is now being planned for the creek bed.
- Lake Nokomis is kept at an abnormally high water level to accommodate the water flowing down the Minnehaha Creek. A restoration project is now being planned for the Lake Nokomis shoreline.
- The 43rd street storm sewer pipe is compromised because the water level in Lake Hiawatha is higher than the bottom of the pipe, degrading the drainage capability of this pipe.

Plan B, which adds more water to the Hiawatha Golf Course property, does little or nothing to solve these problems for Lake Hiawatha and the Hiawatha Golf Course property.

#### **3.2 Spending an unknown amount of money on an ill-defined plan**

In July of 2017, the MPRB voted to approve Resolution 2017-243 which set the direction of the Hiawatha Golf Course property towards spending millions of tax-payer dollars on an ill-defined project.

In the MPRB's document, Benefits and Cost Comparative Screening<sup>5</sup>, p. 8, (July, 2017) the MPRB states that "less than a 5% project definition is available at this time. The estimated

cost of each alternative is a point estimate within a range of possible costs for the alternative [Plan B]. The selected accuracy range for these point estimates is -25% to +50%."

So, the MPRB voted to go with Plan B when they barely had any definition of the project on which they are embarking. They still had 95% of the project that they needed to figure out! Thus, their project costs could be 25% less than planned, or 50% more than planned! The proposed cost for Alternative B was \$27.8 million. So, the project could cost anywhere from \$20.85 million to \$41.7 million. Wow!! Whereas, their cost for potential golf course renovations was \$15.1 million (which was probably too high).

This should be concerning to all tax-payers. It shows how little may be known by MPRB staff and commissioners before they embark on new, very expensive projects!!

### **3.3 Many proposed amenities cannot be implemented**

The MPRB proposed many new amenities in their Impact Assessment document<sup>2</sup>. Many of these amenities are not likely to be implemented on the Hiawatha Golf Course property because of the swamp-like terrain, which will have huge portions of the property under water with the proposed plan. Other amenities already exist in the Hiawatha/Nokomis parks, and some have the potential of changing the quiet neighborhood that residents currently enjoy.

When questioned about the viability of some of the proposed amenities, the MPRB staff stated that many of the amenities were listed, merely, as **possible amenities without any expectation that they might be built or even be viable**.

Listed below are some of the questionable amenities with our concerns.

- Expanded restaurant and parking lot: The clubhouse knoll is very small, so any increase in size of the clubhouse and parking lot is questionable on a small piece of property.
- More park users: More park users means more congestion in a relatively quiet neighborhood. On the other hand, the increase in park users appears to be quite speculative, especially considering the already existing parkland nearby.
- North end - 1 large reservable pavilion and 3 picnic shelters with seasonal rest rooms are proposed: With the planned flooding of much of this area, it is unclear where they will have the space to build these buildings. Or, how they would accommodate plumbing when the current sewer infrastructure is at a much higher elevation than

the golf course.

- South end - Festival ground including a pavilion is proposed: This ground, along with all ground used by the golf course, is swampy ground which is unbuildable, and will be even more unbuildable with more water permanently stored there.
- A [boat] launch and 6 private storage racks along with canoe/kayak rentals is proposed: This already exists at Lake Nokomis. Additional racks could be added to east side of Lake Hiawatha by the current park building, which is higher and would be a more accessible location.
- A second fishing pier is proposed: Why? One already exists on Lake Hiawatha. Plus, the west side of the lake will be less accessible because of the new swamp.
- Paved and biking trails are proposed around Lake Hiawatha: This seems to defeat the purpose of the new wetland by putting in pavement and hard-packed surfaces? They also would be vulnerable to flooding, thus needing repair.
- Boardwalk style trails are proposed through the wetland: They would be vulnerable to flooding in the swamp, thus needing repair, if they can be built at all.
- Restoration of approximately half the upland area is proposed to incorporate pollinator/native restorations: The native restoration would be to plants that are amenable to swampy terrain, since the land will most likely turn back to the swamp that it once was. Also, native restoration can be done on the golf course.
- Include walking, cross country skiing, natural ice skating, sledding on the property: These activities are currently done on the golf course. Also, the current golf course provides more land for these activities than would be available if the property is flooded.
- 2 new parking lots are proposed on the North End at:
  - 43rd St and 21st: The current rain garden and new day-lighting of 43rd street pipe makes this location unlikely.
  - 43rd St and 23rd: The terrain makes access to the golf course property impossible here due to the 20-30 foot drop from 43rd St. to the golf course.
- South end - 2 new parking lots of 80 stalls each (62,000 square feet of new pavements/permeable pavers area) are proposed: This area will be very swampy and not suitable for a parking lot. Even permeable pavers will, most likely, sink and need to be replaced often. Plus, this defeats the purpose of the proposed wetland; turf grass is much more permeable and environmentally friendly than any type of parking lot.



### **3.4 Loss of flood plain capacity.**

Hiawatha Golf Course serves as a valuable flood plain for the surrounding neighborhood. The plan to retain more water on this property is of great concern to people who own property in the neighborhood. The MPRB staff has never adequately explained how permanently retaining more water on the Hiawatha Golf Course will maintain (not reduce) the capacity of this flood plain to hold water inundation when heavy rains occur. In their document, Benefits and Cost Comparative Screening<sup>5</sup>, p. 21, they indicate that Plan B will not increase the flood risk to the neighborhood.

In correspondence with MPRB personnel, the MPRB's theory of protection appears to be based on the fact that the volume of the area containing water will not change. We agree that this is true. What they are missing, or not understanding, is that part of this volume will be permanently filled with water (unlike today), so it will not be available for flood storage when heavy rains occur and water pours into this property from Minnehaha Creek and the surrounding neighborhoods. Excess water will then extend out into the nearby neighborhoods.

Another concern is that the new wetland would bring a large body of water within a block of many homes, whereas currently, the nearest large body of water (Lake Hiawatha) is 4-5 blocks away.

### **3.5 Flooding of nearby homes.**

There is great concern among nearby homeowners that the retention of more water on the golf course property will cause flooding in the neighborhoods along with infrastructure failure as has occurred at Lake Nokomis.

#### **3.5.1 The Lesson of Lake Nokomis.**

SaveHiawatha18 has spent considerable time trying to understand the current problems happening at Lake Nokomis. These homes are experiencing water problems that have never occurred in that neighborhood before. Homes are having water intrusion in the yards and basements. And, infrastructure such as sewer pipes and gas mains are breaking or are in need of repair, while repair crews are finding that groundwater levels are higher than the levels documented in city records.

What is causing this change in the hydrology of this neighborhood? Nobody really seems to know, but much blame has been given to climate change. We believe that some or all of the following are likely responsible for the increase in groundwater levels in this neighborhood:

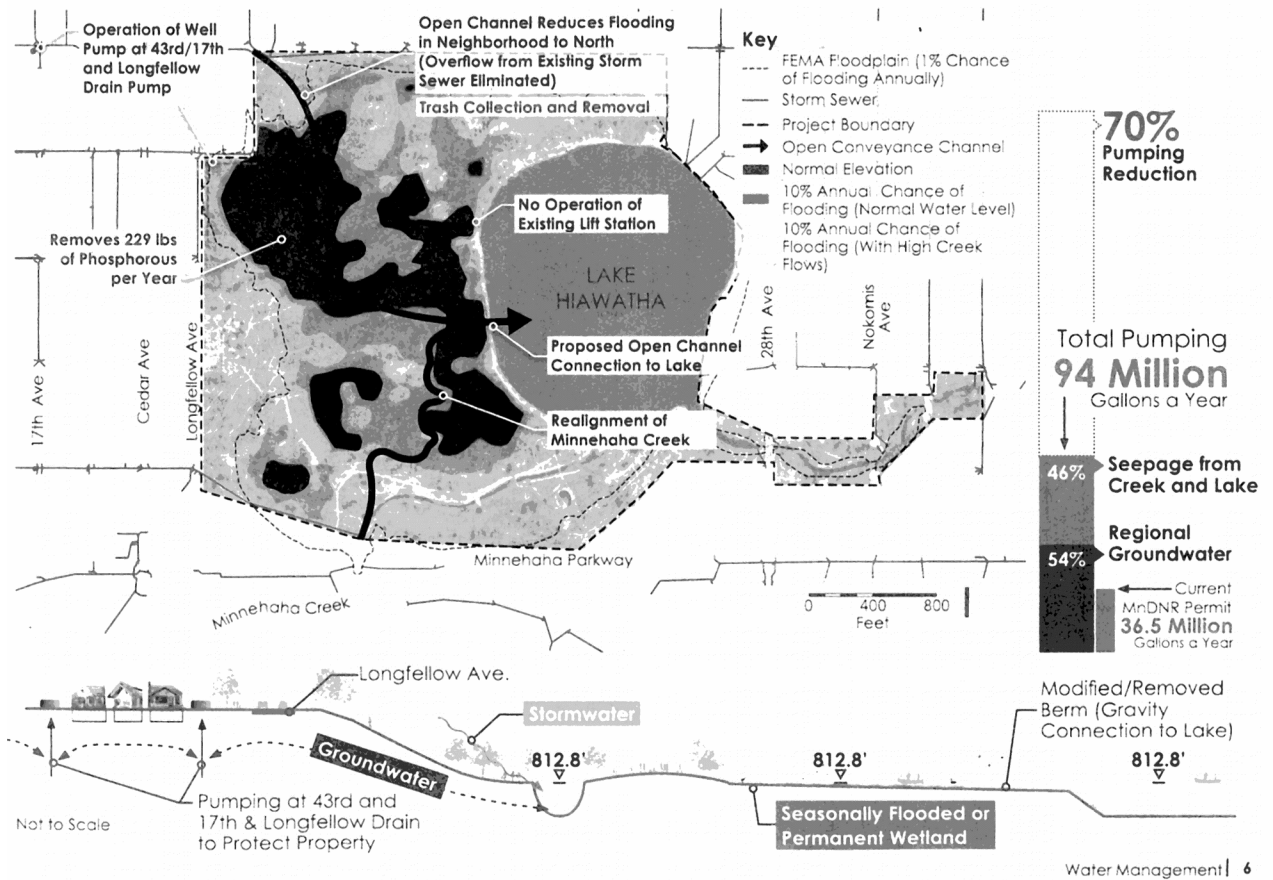
- Previously dry land around the lagoon has been converted to new retention ponds. With this change, the land around these ponds appears to be retaining more and more water, causing mature trees to die.
- Rich Acres Golf Course was converted to an airport runway which sheds more water into Lake Nokomis
- Snow was stored near Cedar Avenue and Highway 62, which melted and ran into Lake Nokomis. This has been discontinued.
- The lake level of Lake Nokomis has been held at historically high levels by the Minnehaha Creek Watershed District (MCWD) to accommodate expelling of water from the upper watershed. The fact that the old WPA wall at Lake Nokomis is usually below the level of the lake is physical evidence of this change. Also, there is a current project underway by the MPRB to repair the shoreline of Lake Nokomis (more evidence of problems).
- Water levels are increasing around Solomon Park in South Minneapolis with homes experiencing water problems along with the loss of portions of their yards to excessive water.
- There is more water coming down Minnehaha Creek from communities in the upper watershed. This is evidenced by damage to the creek bed of Minnehaha Creek which is now being repaired with FEMA money. Some examples of increased water are:
  - Development has occurred in the upper watershed over the years that has increased the amount of water coming down Minnehaha Creek.
  - Changes were done at Meadowbrook Golf Course to evacuate water more quickly from the golf course property during its reconstruction, which means that water will be released to Minnehaha Creek more quickly during rain storms.
  - The MCWD has focused on the problem of water quality, but we have found that little attention has been given to water QUANTITY.
  - A pending project in Edina will take out a dam that currently holds back water in Minnehaha Creek.

Further monitoring wells have been installed in the area to get a greater understanding of what is causing the problem. But, we believe that no further changes should be made with respect to water in the Lake Nokomis and Lake Hiawatha area until the cause of the problems at Lake Nokomis is determined, and remedies are formulated.

### 3.5.2 The Concerns with Plan B at Lake Hiawatha.

The proposed plans for retaining more water on the property around Lake Hiawatha is a cause of grave concern to the nearby residents. The following diagram shows the proposal for Plan B from the MPRB - Executive Summary document<sup>3</sup>.

## Water Management | Alternative B



Our research has brought up the following issues:

#### 3.5.2.1 Current pumping protects homes.

The MPRB's Barr Report<sup>1</sup>, p. 23, says "the groundwater monitoring and modeling indicate that pumping in the golf course is protecting the low basements in the adjacent neighborhood from flooding."

The addition of more water to the golf course property will put these neighborhoods at risk of flooding with infrastructure damage.

### **3.5.2.2 Sub-standard modeling was done.**

In reviewing the modeling that was done, 2 concerns were noted.

**Freeboard** - Freeboard is the distance between the bottom of a structure and the underlying water table. The appropriate distance helps to protect the structure from water intrusion. The modeling by the MPRB was done using a freeboard of 0.5 feet (6 inches). In researching freeboard standards, we learned that Minnesota statute for new construction requires a minimum of 1 foot of freeboard. And, FEMA recommends 2-3 feet of freeboard be used in construction. So, the modeling done by the MPRB did not use State of Minnesota or Federal standards for freeboard, and thus, we consider this modeling to be sub-standard.

**2014 flood level** - The modeling done by the MPRB for Lake Hiawatha water levels did not include any modeling for the water level reached in the 2014 flood. The maximum level that they modeled was 814.2 feet, which is the high normal water level. No modeling was done for water levels above 816.2 feet, which is the level reached in the 2014 flood. When asked why this was not done, the MPRB response was that they didn't feel that it was necessary. So, there is no knowledge of what the flooding would be at the 2014 flood level with water taking up part of the current flood capacity.

### **3.5.2.3 Changes to the pumping regime at Hiawatha Golf Course.**

MPRB Plan B would change the pumping at Hiawatha Golf Course, eliminating the pumping over the berm at Lake Hiawatha, and installing 2 new pumps in the neighborhood outside of the golf course property. One is proposed on Longfellow Avenue and another is proposed at the intersection of E. 43rd St. and 19th Avenue S.

The MPRB determined that pumping in the neighborhoods was necessary because, once pumping is stopped on the golf course property, modeling shows that the groundwater levels in the neighborhoods would go up.

Originally, only the Longfellow Avenue pump was envisioned, but further analysis by the MPRB showed that "the pumping rate defined in the original groundwater pumping analysis only using the drain system along Longfellow Avenue would not sufficiently protect lower

basements several blocks west of the golf course (south of the intersection of E. 43rd Street and 17th Avenue S)."<sup>3</sup> Note that this analysis used 0.5 feet of freeboard which is considered sub-standard.

So, the modeling already shows that the groundwater levels will go up in the neighborhoods. This seems to be a risky venture for the MPRB.

#### **3.5.2.3.1 Groundwater levels will increase as far away as Powderhorn Lake.**

The MPRB document, Water Management Alternatives<sup>3</sup>, page 15, states that "we anticipate a slight increase in the long-term water levels in Powderhorn Lake ." If "all groundwater pumping stopped at the golf course, the modeling estimated an increase in the Powderhorn Lake water levels of 0.7-0.8 feet. ... Under the reduced pumping scenarios, the groundwater modeling estimates an increase in the Powderhorn Lake levels of 0.3-0.4 feet." To offset these increased water levels, increased pumping would be required at Powderhorn Lake.

This is concerning because, even with an attempt at adding pumps in the neighborhoods, the modeling shows that water levels will still go up for homes that are in low-lying neighborhoods from Lake Hiawatha to Powderhorn Lake in South Minneapolis. How many more neighborhood pumps will need to be installed to fix any problems created by this plan?

And, we have not seen any plans to address potential flooding in the neighborhood directly southwest of the golf course. This area is also low and prone to water problems. Will the pumping changes increase the likelihood of water problems in this neighborhood?

#### **3.5.2.3.2 The proposed pumping will draw water into the neighborhoods.**

A major concern with the proposed Plan B is that it would change the direction of the flow of water in the neighborhoods. Water in the neighborhood northwest of Hiawatha Golf Course currently flows to the southeast into the golf course, and eventually makes its way to the edge of Lake Hiawatha where it is pumped over the berm into Lake Hiawatha. The proposed plan for pumps in the neighborhoods would change the direction of this water flow, drawing water towards the new pumps in the neighborhoods. This will include water from the new wetland on the Hiawatha Golf Course. MPRB modeling estimates that almost half (46%) of the pumped water will come from "seepage from Creek and Lake"<sup>3</sup>, which will travel through the neighborhoods, and will then be returned to the wetland/lake.

This should be one of the most frightening aspects of this plan for the neighborhood residents.

**3.5.2.3.3 Pumping back to the wetland does not create a functional Cone of Depression.**

The MPRB document, Water Management Alternatives<sup>3</sup>, page 14, states that "the Longfellow Drain would discharge to Minnehaha Creek or Lake Hiawatha." And, "the well located at the intersection of E. 43rd St. and 19th Ave. S., .. would ... discharge to the existing storm sewer along E. 43rd Street" which runs down 43rd Street and then under the golf course, ultimately discharging directly to Lake Hiawatha. Plan B proposes to day-light this storm sewer at the northwest corner of the golf course property, which would put the water right back on the wetland and into Lake Hiawatha.

We have expressed concern that return of this water back to the golf course property and Lake Hiawatha does not create a functional cone of depression to protect the homes as asserted by the MPRB. We have talked to Scott Pearson, a hydrologist at the DNR, and he has also confirmed that he would have reservations about this plan. He agreed that, in his opinion, this plan would not create an effective cone of depression. He indicated to us that the water would need to be permanently removed from neighborhoods, that is, the Hiawatha golf course property and Lake Hiawatha. It would need to be transported to some point downstream of these properties to be effective.

One other concern with using the 43rd St. pipe for dumping of this water to Lake Hiawatha is that the parameters stated in Water Management Alternatives<sup>3</sup>, page 14, indicate that the ability of this pipe to return water to Lake Hiawatha is, at times, severely compromised. This past summer, the level of Lake Hiawatha was at 813 to 814 feet for much of the summer. Visual inspection of the pipe at these levels showed the outlet of the 43rd Street pipe as being totally submerged under water. In this document they give the following parameters for the loss of capacity for the 6.5 foot diameter pipe:

	Hiawatha Lake Level	Standing Water in Pipe	Lost Capacity of Pipe
Low normal	811.8 ft	1 ft	~10%
Normal	812.8 ft	2 ft	~26%
High Normal	814.1 ft	3.3 ft	~50%

Lost capacity reflects the back-flooding that occurs in this pipe because of the high water levels of Lake Hiawatha. The MPRB figures indicate that at High Normal (814.1 ft) half of the capacity of the pipe would be unavailable.

It is of high concern that, during high precipitation days, when removal of water through the 43rd Street pipe is needed most, the capacity of this pipe to handle that water is degraded because of the high lake levels of Lake Hiawatha.

If the plan will be to daylight this pipe and create a channel across the golf course, it is unclear at this time whether this channel will even work since the MPRB's Impact Assessment document<sup>2</sup> (p. 12) states that "grading plans were not developed as part of this assessment." So, it is unknown if the channel will effectively move water to Lake Hiawatha.

#### **3.5.2.3.4 Wetland water level will mimic water level in Lake Hiawatha.**

Once pumping stops on the golf course property, the water level on the golf course property will mimic the water level of Lake Hiawatha. This means that, across the street from the homes, the level of water in the new wetland will vary from 811 feet (low normal) to 814 feet (high normal). The study of the basements of nearby homes determined that the bottom of the basements varied from 811 feet to 814 feet.

State of Minnesota freeboard requirements would dictate that the water level under the homes should be no more than 810 feet. FEMA freeboard requirements would dictate that the water level under the homes should be no more than 808-809 feet. Both of these requirements are below the "low normal" level of Lake Hiawatha.

It is frighteningly unclear how any pumping will keep water out of the basements that will be directly across the street from a wetland that will be at or higher than the bottom of the basements. This is especially concerning since the pumping will be drawing water from the wetland, through this neighborhood, to the pumps west of these homes.

#### **3.5.3 Loss of property tax revenue and cost of infrastructure failure.**

A financial analysis of Plan A and Plan B was presented in MPRB document, Benefits and Cost Comparative Screening<sup>5</sup>. Nowhere in this financial analysis is the loss of property tax revenue and cost of infrastructure failure due to flooded homes and neighborhoods

discussed. This is the biggest fear of nearby, low-lying homeowners, which is very likely to happen when this water is brought near to the homes. We already have the example of severe water problems at the homes by Lake Nokomis. Public officials do not know what is causing the increase in water and infrastructure problems in the Nokomis neighborhood, but the neighborhood and the City of Minneapolis are paying for the problems.

If Plan B backfires, the loss could well be in the millions of dollars.

## **3.6 Trash**

Trash in Lake Hiawatha has become a great concern of the neighborhood. Most of it comes from 2 sources: the 43rd Street storm sewer pipe and Minnehaha Creek.

### **3.6.1 43rd Street Pipe**

There seems to be some thought that daylighting of the 43rd street pipe onto the golf course property will alleviate garbage going into Lake Hiawatha. This is true, but the garbage will, instead, be dumped into the new wetland, and it will be even more difficult to clean up. So, this doesn't seem to solve the problem; it just moves and hides the problem.

The City of Minneapolis needs to upgrade this pipe with a grit chamber that will capture the trash before it enters the golf course property and properly dispose of it.

### **3.6.2 Minnehaha Creek**

Most of the trash in Lake Hiawatha comes from the inbound Minnehaha Creek. Plan B does little or nothing to solve this part of the problem. And, it should not be the responsibility of this property to mitigate this problem. This trash problem needs to be mitigated at the points on Minnehaha Creek where the water enters Minnehaha Creek, that is, at the source of the trash. This means that communities, including the City of Minneapolis, need to allocate funds to implement solutions that will prevent this trash from entering Minnehaha Creek.

### **3.6.3 Trash from surrounding terrain**

Any trash from the golf course needs to be mitigated by the golf course staff. Mitigation of trash coming from other terrain outside of the golf course is the responsibility of the public,



the City of Minneapolis and the MPRB general park staff.

### **3.7 Phosphorus Pollution**

The main reason now given for creating a wetland on the Hiawatha Golf Course property is mitigation of pollution. Polluted water will be dumped on the new wetland, and the pollution will be sequestered. This is counter to current day best practice which is to mitigate the pollution **at the source**.

#### **3.7.1 43rd Street Pipe**

Part of the MPRB's solution is to daylight the 43rd Street pipe. This would dump phosphorus laden water onto the golf course property where it would, supposedly, be sequestered. But, it does nothing to clean up the phosphorus; it just stores it there. On the other hand, if the proposed open channel to Lake Hiawatha is built, the pollution will not be sequestered. It will flow back and forth as the water levels rise and fall in Lake Hiawatha.

#### **3.7.2 Minnehaha Creek**

Currently, most of the phosphorus in Lake Hiawatha comes from Minnehaha Creek. The current plan calls for remeandering of the creek on the golf course property. This is expected to only reduce the phosphorus pollution coming from Minnehaha Creek by a very small amount according to MPRB documents. So, this does little to mitigate the main source of phosphorus pollution coming into Lake Hiawatha.

This pollution should be mitigated at the source, which means the communities introducing the pollution to Minnehaha Creek need to do the mitigation, not the Hiawatha Golf Course property.

#### **3.7.3 Runoff from surrounding terrain**

The golf course uses fertilizer with phosphorus levels per state guidelines. This means that fertilizer for turf grass contains no phosphorus. Fertilizer with phosphorus can be used on flower beds. So, golf course personnel have already mitigated phosphorus on this property.

With the MPRB's plan, more and more phosphorus laden water will be directed onto the golf course property. Some phosphorus will be captured by the plants, soil and standing

water on the golf course property. What isn't captured will be passed on to Lake Hiawatha.

For the phosphorus that is captured on the golf course property, it will stay there until:

- the property is dredged and the phosphorus is removed to another location
- there is a dry spell and the plants that draw up this phosphorus die, releasing the phosphorus back into the water
- Lake Hiawatha backs up into the golf course property during high precipitation. This is the most likely way that the phosphorus will get released from the golf course property to Lake Hiawatha and the outbound Minnehaha Creek. The main source of flood water into Lake Hiawatha is from Minnehaha Creek. As water flows in from Minnehaha Creek, the water level rises in Lake Hiawatha. This will cause the water to back up onto the golf course property through the open channel between Lake Hiawatha and the golf course property. The flooded water will come in with the swamp water. When the water levels eventually subside in Lake Hiawatha, the water from the golf course property will flow back into Lake Hiawatha, taking with it the phosphorus laden water.

The proposed project for the golf course will do nothing to mitigate phosphorus from other terrain outside of the golf course (that is, flow from the surrounding neighborhoods). That will still be the responsibility of the public, the City of Minneapolis and the general MPRB staff.

Also, the MRPB's Benefits and Cost Comparative Screening document<sup>5</sup> (p. 20) says the following:

"Alt. B assumes an increase in annual total phosphorus reduction by 183 lbs per year, which is 5% of the reduction goal for the Lake Hiawatha Total Daily Maximum Load (TDML). This removal was estimated using engineering calculations outside of AutoCASE™. This estimated runoff nutrient reduction was assumed to result in a 3% improvement to Lake Hiawatha water quality for the AutoCASE™ model."

One question for the taxpaying public: Is the spending of \$22-\$42 million for a 3% reduction of phosphorus in Lake Hiawatha a good way to spend money, or should the MPRB, the City of Minneapolis and other government agencies use taxpayer money to implement the best practice of mitigating this pollution at the source? Another concern is the expressed interest of the MPRB and the City of Minneapolis in storing more phosphorus laden water on this property by "selling" the storage capacity to entities outside of the MPRB. This would seem

to put in jeopardy (lower) the 3% reduction by adding even more phosphorus pollution to this property.

Also, it is unclear what the new swamp on the golf course will become. If the water is stagnant, it can become a breeding ground for a large mosquito population, which means more spraying will be needed to keep the mosquito population down. How "green" will this property be due to the high amounts of phosphorus that are expected to be dumped on the golf course property? During times of high precipitation when the water backs up into the golf course property, how much algae bloom will occur in Lake Hiawatha from the comingling of the phosphorus laden water on the golf course property and Lake Hiawatha?

### **3.8 Loss of a revenue producing entity in the Minneapolis Park System.**

Hiawatha Golf Course has historically generated between \$750,000 and \$1,200,000 in revenue per year with about \$1.1 million in expenses. So, over the long term the golf course has paid for itself. The MPRB projects that the MPRB will make more revenue with a wetland. It is hard to understand how a wetland will not be a financial burden to the taxpayers of Minneapolis.

The MPRB provided an attempt at justifying this choice in their document, Hiawatha Golf Course Area Water Management Alternatives Assessment - Benefits and Cost Comparative Screening - July 14, 2017. Here are some of the more questionable justifications for moving from an 18-hole golf course to a wetland:

- p. 10 - The MPRB concluded that Plan A (the 18 golf course with a rebuilt clubhouse and banquet space) would draw in 211,000 people per year (compared to 20,000-40,000 people per year now), and it would only generate \$400,000 to \$900,000 in revenue per year. How is this possible when the golf course without these improvements has historically generated \$750,000 to \$1,200,000 dollars in revenue per year? If they are correct, this would say that enhancement of the clubhouse to a general restaurant will depress, not improve, the revenue for the golf facility.
- p. 10 - The MPRB estimates that Plan B will generate between \$600,000 and \$1,200,000 in revenue per year. The conundrum is, the golf course already generates this amount of revenue.
- p. 11 - The MPRB estimates a minimum of \$800,000 for repair and maintenance for

the golf course due to flooding twice in the 20 year planning period. They do not include any cost in Plan B for flood repairs, even though the property will also flood in the Plan B scenario. Plan A will have grass and trees in the flood-prone areas. Plan B proposes such items as new buildings and structures, paved paths, parking lots and a boardwalk trail in the flood-prone areas. Plan A will require repair of the turf grass by reseeding with grass seed. Plan B would require repair of all of the new amenities in the flood-prone areas, which will certainly cost some money to repair. So, some cost should be included for flood repair in Plan B.

- p. 21 - Table 6 - Recreational Value - The MPRB says that Plan B will have more user days than Plan A. This makes no sense. Plan A and B will have the same number of user days in the winter. During the golf season, Plan A will have no users on rain days, which is likely to be the same for Plan B. So the values should be the same. And, the analysis does not give any credence to the unique recreational value that the golf course gives to South Minneapolis, because it is the only one there.

### 3.8.1 Concessions

Over the recent past, the MPRB has taken a direction of moving into the restaurant business as a landlord. The direction for the Hiawatha Golf Course property appears to be the same. The MPRB wants to create a park restaurant on the clubhouse location. Is it a financially astute idea to put another park restaurant so close to the Nokomis Sandcastle?

In the document, Hiawatha Golf Course Area Water Management Alternatives Assessment - Benefits and Cost Comparative Screening<sup>5</sup>, the MPRB analyzed the various MPRB restaurants to determine the profitability of another restaurant at Hiawatha Golf Course. See the table below:

- Facility - Mintahoe + Sea Salt + Tin Fish + Bread&Pickle + Sandcastle
- 2015 - \$1,215,000 = 425,000 + 360,000 + 200,000 + 150,000 + 80,000
- 2016 - \$1,350,000 = 500,000 + 415,000 + 170,000 + 170,000 + 95,000

After looking at these concessions, Nokomis Sandcastle is the lowest revenue, and is way below the revenue of the golf course. A restaurant at Hiawatha Golf Course would also be heavily competing with Sandcastle due to their close proximity to each other. Thus, practical consideration would say that Hiawatha would make less than Nokomis Sandcastle because

of its proximity to Sandcastle, and Hiawatha would also draw down the revenue of Sandcastle, because the two would be in direct competition. So, why would anyone consider adding another restaurant in this location?

### **3.9 Loss of an accessible and unique amenity for constituents of South Minneapolis, especially for youth, seniors, minorities and golf teams from 10 schools.**

The Hiawatha 18-hole Golf Course has been a recreational institution in this neighborhood for over 80 years. Closing or degradation of this golf course would remove an accessible and unique amenity for the constituents of South Minneapolis.

This property is currently used by all ages from toddlers to seniors in their 80's and 90's. It is, likely, the most ethnically diverse golf course in the State of Minnesota. And it serves a variety of school golf teams in the South Minneapolis area.

Learning golf at this golf course provides a valuable life skill for children and teens that can be used in their adult life for advancement in business, or for exercise, pleasure and comraderie.

The 2013 Golf Convergence Operational and Financial Consulting Review for the MPRB Golf Courses said the following about golf (p. 36):

**"Golf is the only sport in which professionals are role models who demonstrate that referees are not necessary for an event to be fair and fun. For families and friends, golf is an opportunity to enjoy each other's company via a walk through nature's preserve. For the competitive athlete, golf is an arena to demonstrate ability. For business men and women, golf is an office, and for those who are retired, golf serves as a place to meet, exercise, and enjoy the reward for a life of diligent effort." (p. 36)**

This review also gave the top 3 reasons why people say they play golf : **(1) the opportunity to spend time outdoors, (2) the social aspects of the game, and (3) exercise.**" (p. 43)

It would be a huge loss to the South Minneapolis community if this unique amenity is destroyed and lost to the ash heap of history.

### **3.10 Proposed increased traffic (people and cars) for the neighborhood - Changes the nature of the neighborhood that is in very close proximity to the property.**

#### **3.10.1 Changes to Clubhouse Parking**

According to the MPRB Impact Assessment document<sup>2</sup>, parking would be expanded for the larger clubhouse and proposed Flex Space. They indicate that the peak capacity for the clubhouse and proposed flexible space is 600 users. Ordinance says that the facility would need off street parking for 30% capacity for clubhouse and 10% for flexible space, or 150 stalls. The MPRB recommends that the parking lot should handle 30% for both, or 180 stalls. For Alternative A, the MPRB recommended 225 parking lot spaces. This will almost double the size of the current parking lot, from 46,500 square feet to 86,500 square feet. They need this increase because they estimate that there will be an average INCREASE of 84 vehicles per day to this part of the property. pp. 48, 49

We are concerned about whether there is enough land on this knoll to accommodate a much larger building and an expanded parking lot. Will there need to be reconstruction of this knoll to increase the size of this property to accommodate these expanded amenities?

The MPRB Impact Assessment document<sup>2</sup> indicates that parking lot overflow from the facility would be to on-street parking (which could be 450 users). And, during peak periods, police flaggers may be needed for large gatherings. They estimate that there are "330 on-street parking places within 0.25 miles, but not including Cedar ave and west". They state that these estimates have not been reduced to reflect the on-street parking utilized by local residents. p. 42, 48, 49

We are concerned that the near neighborhood streets cannot handle the overflow parking for 450 people. The MPRB is assuming that all of the vehicles will be accommodated by Longfellow ave , 45th street and 47th street only. Longfellow Avenue is a fairly busy street for a side street, and has traffic that is circumventing Cedar Avenue. 45th street almost always has all parking spots filled by residents. 47th Street is largely filled with patrons of Carbone's restaurant. The west side of Longfellow Avenue is, probably, 1/4 to 1/3 filled with cars of residents. So, you won't need flaggers to handle the traffic; you will need a parking ramp. This neighborhood cannot handle this level of traffic.

### **3.10.2 Parking in the Neighborhood to the North**

The MPRB Impact Assessment document<sup>2</sup> proposes 2 new parking lots of 30 stalls each (23,000 square feet of new pavements/permeable pavers area) on the golf course to accommodate patrons for the 3-4 proposed picnic shelters on the north end of the Hiawatha Golf Course property. A peak of 174 users (or 21 vehicles per day) is predicted. They indicate that these parking lots would provide a little over 30% of needed parking capacity for these areas. One lot would be at 21st Ave. S and E. 43rd street, and one at 23rd Ave. S. and E. 43rd street. But, "the picnic pavilions in the North Area of the park was assumed to be Park," so no minimum off-street requirement is required by city ordinance. pp. 46, 47, 48, 49

We have the following concerns with the proposed parking lots:

- Lot at 21st Ave. S and E. 43rd street - This parking lot would likely take out the rain garden and turn the little park area between 19th Ave. S. and 21st Ave. S. into pavement? Plus, the proposed open channel needs to be accommodated in this area? So, the new vision for this little park is a swampy channel with a parking lot?
- Lot at 23rd Ave. S. and E. 43rd street - The street elevation is about 20-30 feet above the golf course at this intersection, so, a parking lot with an entrance at this location is not at all feasible.

As stated above, the MPRB can consider the new shelters to be part of a general park. Therefore, the city zoning ordinance would allow the MPRB to put in these shelters/pavilions without any parking lots. So, the MPRB can rely only on on-street parking to handle these new users. Thus, there could be up to 21 more cars parking on the neighborhood streets each day for these new facilities.

### **3.10.3 Parking in the Neighborhood to the South**

The MPRB Impact Assessment document<sup>2</sup> proposes a minimally developed festival grounds on the south end of the golf course, which is estimated to accommodate a peak of 1,300 users. To do this, the MPRB proposes 2 new parking lots of 80 stalls each (62,000 square feet of new pavements/permeable pavers area) on the golf course property. Also, additional bicycle parking will be installed. They estimate an increase in traffic of 22 vehicles per day. p. 48, 49

We are concerned that this area of the golf course is very low. It flooded in 2014 along with

Minnehaha Parkway due to its proximity to Minnehaha Creek. Putting in 2 huge parking lots in this area seems very questionable. What will prevent these parking lots from shifting and sinking? These parking lots will be creating more flow of water INTO the creek, instead of allowing for property that will absorb the flood waters from Minnehaha Creek. Plus, when there is an event with 1,300 users, you will certainly have more than 22 vehicles per day in this area. On the narrow Minnehaha Parkway, this could be a real mess, especially at Cedar Avenue which can back up on a normal day.

#### **3.10.4 Paid Parking**

In the MPRB document, Benefits and Cost Comparative Screening<sup>5</sup>, page 10, the MPRB states that it is possible that Plan B will introduce paid parking at the new Hiawatha Golf Course property for revenue generation!!

#### **3.11 Loss of more trees on the property.**

The MPRB estimates that Plan B would kill 189 trees on the property due to the flooding of the property because the trees could no longer grow in the new, wet terrain. Trees can use an enormous amount of water in a year. Loss of these trees will exacerbate the problem of excess water on the property because these trees would no longer be consuming and evaporating water on the property.

An estimate of the increase in water on the property can be made. A general rule of thumb for a tree's water usage is 10 gallons a day per inch of trunk size. So, a 2 inch sapling would use 20 gallons per day, or 730 gallons per year. 100 saplings would use 73,000 gallons of water per year. One large tree can lift up to 100 gallons of water out of the ground per day, or 36,500 gallons per year.

Plan B would kill 189 trees. For estimating purposes we will use a 10 inch tree. Killing a 10 inch tree would result in a loss of about 100 gallons of evaporation per day, or 36,500 gallons of extra water on the golf course per year. Killing 189 trees would result in 6,898,500 gallons of extra water on the golf course per year.

Turning this area into a swamp that cannot support trees will only add to the water problem on this property. We have seen the trees dying at the Nokomis lagoon after adding small ponds there, and expect that the same problem will occur at Lake Hiawatha. Old photos of the Rice Lake show that the property was, essentially, devoid of trees before Hiawatha Golf Course was built.



### **3.12 Historic African-American 18-hole Golf Course lost.**

Hiawatha Golf Course is an historic golf course for the African-American community, and heavily used by them.

Minneapolis Public golf courses were established from 1916 to 1934. Theodore Wirth appeared to be the driver in establishing the golf courses in every part of the City of Minneapolis so that this sport was available to everyone. This provided access to golf for minority golfers in the Twin Cities.

The Black community started playing golf at Hiawatha Golf Course as soon as it was built in 1934. In 1936, the Twin City Golf Club, a black golf organization in the Twin Cities, decided to invite the Central States Golf Tournament to the Twin Cities, a premier black golf - tournament in the Midwest. In 1938, Hiawatha Golf Course hosted the 8th Annual Central States Golf Tournament. This was, likely, the first Black tournament held at Hiawatha.

In the 1950's, controversy was brewing. Hubert Humphrey started efforts to desegregate the City of Minneapolis. Along with this effort, a group of African-American golfers pushed to lift membership restrictions at the Minneapolis Public Golf Courses. Black golfers could play on the golf courses, but they could not belong to the men's club which offered special privileges, including official handicaps which were necessary to compete in state amateur tournaments. In August of 1951, members of the Twin City Golf Club petitioned the MPRB for equal access. In the spring of 1952, the MPRB banned any discrimination on Minneapolis golf courses. This effort was initiated by some members of Hiawatha Golf Course.

In 1968, the most well-known black tournament in the Twin Cities, The Bronze Tournament, was moved to Hiawatha Golf Course. It peaked in participation while at Hiawatha with over 300 golfers and 4,000 spectators. It was held there into the 1990's. Many of the golfers that played in this tournament still play at Hiawatha Golf Course today.

Closing of the 18 hole golf course removes the ability to maintain and create more history for the African-American community. Losing this 18-hole golf course would be another example of how white communities don't value the resources, neighborhoods and history of a non-white ethnic group. Once it is gone, the resources and community are effectively ended. A case in point is the Rondo neighborhood in St. Paul.

## **4.0 What should be done?**

### **4.1 Apply for a Dewatering permit from the DNR.**

The MPRB needs to apply for a dewatering permit for Hiawatha Golf Course. Once it is approved, the MPRB will be in compliance with their DNR pumping permits.

### **4.2 Upgrade the golf course for even better resilience from flooding.**

Upgrades can be done to Hiawatha Golf Course to make it more resilient during a major flood. These can include the following modifications that were proposed for Meadowbrook Golf Course to reduce affects of flooding and to protect properties adjacent to the golf course<sup>6</sup>:

"The high value amenities of the course (tee boxes, bunkers, greens and irrigation control units) will be protected as they will be raised out of the floodplain. Areas of the rough and fairway have been designed to flood; this is a necessity to ensure flood waters are retained in the site and do not impact downstream properties. The rough and fairway areas are also designed to drain flood waters as quickly as possible to minimize damage and allow for the course to be reopened as quickly as possible following flood events."

Note: Meadowbrook Golf Course improvements include changes to drain water from the property more quickly during rainstorms. This seems to indicate that water will be drained into Minnehaha Creek more quickly, which will cause more water to end up in Lake Hiawatha in a shorter time frame. This may be OK if it is only water from the golf course. If it is water from the surrounding community, that water should be mitigated on the property of that community. And, it means that the MPRB has added more water coming into Lake Hiawatha during storm events.

### **4.3 Study and implement ways to mitigate the excess water, trash and pollution coming into Lake Hiawatha. USGS study for the whole Minnehaha Creek Watershed.**

The salient question that we have is, "Why would anyone retain more water in an area that already has too much water?"

#### **4.3.1 Prior Lake: Similar Situation, Different Solution**

In 2014, Prior Lake suffered a similar situation to South Minneapolis' situation. Their study document, Prior Lake Stormwater Management & Flood Mitigation Study<sup>4</sup>, came up with a different solution.

Their preferred solution includes providing areas in the upper watershed to store and absorb water. This is the opposite of the MPRB's solution, which is to store more water in the lower watershed.

In Prior Lake's option B, more water would be stored in Spring Lake during high flows. Under Feasibility Issues, they say that "the MnDNR has indicated that it will not allow [other] options to be installed until greater efforts have been made to secure storage in the upper watershed." In our opinion, our scenario is exactly the same. There should be no storage capacity added to Lake Hiawatha and Lake Nokomis until greater efforts have been made to secure storage in the upper Minnehaha Creek Watershed!!

One difference between Prior Lake and Hiawatha Golf Course is that for Prior Lake, public officials will need permission of the property owners to create water storage solutions on the owners' properties. In the case of Hiawatha Golf Course, the MPRB is the property owner, so the MPRB is OK with adding water features to their property, so there does not need to be any acceptance of the plan by any private entity. Another concern that is not mentioned in the Prior Lake study is whether they will make sure that they study any peripheral effects of the water storage to the nearby properties. This is also of concern with the Hiawatha Golf Course plan. The owners of the properties adjoining the MPRB property also have little or no power to say yes or no to the solution. This is where public officials and governmental agencies are needed to protect the private property owners.

Also, in Section 7.5, the Prior Lake document says that "Upper watershed storage provides better flood control for the larger flood events than any of the other individual options." They also indicate that it scores higher for pollution mitigation. So, we believe that this is what should be looked at as a first solution by the MPRB, the Minnehaha Creek Watershed District (MCWD) and the DNR.

### **4.3.2 Mitigating Trash**

There is a focus on mitigating the trash entering Lake Hiawatha by day-lighting the 43rd Street storm sewer pipe. It has been unclear as to how this will mitigate trash coming in from this source. It appears that it will only distribute it throughout the new wetland. And, most of the trash comes into Lake Hiawatha from Minnehaha Creek, which is not being solved with the MPRB's solution.

The focus needs to be on getting the contributors of trash to Minnehaha Creek and the 43rd Street pipe to mitigate it before it leaves their property. This, generally, means the cities along the way need to capture and dispose of their trash.

### **4.3.3 Mitigating Phosphorus**

As stated in Section 1.6, Hiawatha Golf Course is contributing less than 1% of the phosphorus pollution to Lake Hiawatha. The phosphorus pollution is, mainly, coming from Minnehaha Creek and the surrounding watershed.

Remeandering of Minnehaha Creek is planned, but the MPRB's own documents say that this will only reduce phosphorus load coming in from Minnehaha Creek by a very small amount.

Also, state law prohibits the use of phosphorus on turf grass in the metro area. Hiawatha Golf Course abides by this law. So, golf course management practices are not contributing new phosphorus to Lake Hiawatha.

So, what should be done to reduce phosphorus in Lake Hiawatha?

Best practice states that the pollution should be mitigated at the source, and that is what we believe needs to be done so that it does not even enter the Hiawatha neighborhood. Communities that are contributing phosphorus to the Minnehaha Creek Watershed need to take responsibility for mitigating their own contribution.

And, in Section 7.5, of the Prior Lake document<sup>4</sup> it says that Upper watershed storage scores higher for pollution mitigation. So, we believe that this is what should be looked at as a first solution by the Minnehaha Creek Watershed District (MCWD) and the MPRB.

#### **4.3.4 Perform a Independent Study of the Minnehaha Creek Watershed**

It has become clear through this process that current scientific data is lacking for the Minnehaha Creek Watershed that can inform decision making, especially in lieu of present-day climate change. We are seeing an increase in precipitation that is causing severe problems in parts of the watershed. Also, there is fragmented implementation of solutions by various government bodies, not taking into account the effect of these changes in other municipalities.

Another concern is the fact that the City of Minneapolis 2040 plan is going to allow an extensive increase in the footprints of new buildings, including replacing current housing stock with larger housing stock. This will put more pressure on the city's infrastructure for handling of water. More information needs to be collected with regard to the effect of this plan on the city infrastructure for water management and climate change.

And, Nokomis residents have found that the benchmark records used in the City of Minneapolis for groundwater levels go back to the 1930's, and bear no resemblance to water levels being encountered by repair crews doing work today.

We believe an independent study needs to be done by the United States Geological Service to gather current information about groundwater and the changes that are occurring in the Minnehaha Creek Watershed District before any major water management projects are implemented. This will help government agencies and cities make informed decisions when planning and implementing water management projects, such that each community bears their part of the burden of water management and climate change.

### **4.4 Study and implement ways to lower the level of Lake Hiawatha, Inbound and outbound Minnehaha Creek.**

#### **4.4.1 Downstream Impediments**

Statements have been made that removing impediments downstream from Lake Hiawatha would not help lower the water level of Lake Hiawatha. Barr Engineering surveyed Minnehaha Creek downstream from Lake Hiawatha and indicated that removal of weirs and excavation of the creek downstream could, potentially, lower the lake level by 1 foot.

The MPRB's Barr Report<sup>1</sup> said:

"The lowest channel elevation at the downstream end of the surveyed section of the creek was approximately elevation 809.0 ft NGVD29. Lowering the control for the water levels in Lake Hiawatha to this elevation (1.5 feet lower than the existing control) would require excavation of approximately 2,000 feet of creek channel, replacement/lowering of utility crossings under the creek bed, and the associated permitting for these activities." p. 26

"Based on this survey, we have estimated that the potential lowering of Lake Hiawatha control would result in a water surface of 811.8 ft NGVD29, which is approximately one (1) foot lower than that the Ordinary High Water Level (OHWL) and approximate average water elevation (812.8 ft NGVD29) that we have been using for our groundwater and stormwater evaluations." p. 26

So, the following could be looked at to lower the level of Lake Hiawatha, which would also have the effect of lowering the amount of pumping from Hiawatha Golf Course:

- Remove the weir at the outlet of Lake Hiawatha that serves no purpose.
- Remove the unused CenterPoint pipe and the unknown structure above it.
- 28th Avenue Bridge over the Creek - Make sure that plans for the new bridge remove impediments to the flow on Minnehaha Creek (work is scheduled for 2019).
- Dredge/Clean-up deposits in Minnehaha Creek from the storm sewers.
- Create a plan to address any changes needed to the active structures under Minnehaha Creek.
- Create and execute plans for other bridges crossing Minnehaha Creek that require changes to lower the creek levels, and thus, lower Lake Hiawatha.
- Look at ways to mitigate the rock dam east of 30th Ave. South which was, apparently, built to keep the creek from regressing back to the bridge and affecting the footings.

#### **4.4.2 Maintenance of the Minnehaha Creek inlet to Lake Hiawatha**

Steve Skarr, former manager of Hiawatha Golf Course provided this historical perspective of the maintenance of the water flow through Lake Hiawatha:

"Lake Hiawatha's water contaminant problem has been wholly caused by the Minneapolis Park and Recreation Board itself. The delta as Minnehaha Creek enters Lake Hiawatha has

not been dredged since 1984! The sand that was taken out in 1984 was used to create fill for Fort Snelling State Park."

"Before 1984, the delta at Lake Hiawatha was dredged every ten years or so. In 1972, much of the sand was used as fill for many area paving projects in the area, to build new tees at Hiawatha Golf Course and to build up the area near the lake. In 1973-1974, sand from the delta was used to fill in the north end of Pearl Park for additional soccer fields (that are still being used today)."

"Through neglect, the MPRB has allowed the delta to overgrow that entire area of the lake. Beavers created dams that changed the entire direction of Minnehaha Creek out into the middle of Lake Hiawatha. This has caused much of the lake to fill in and has greatly degraded the water quality of Lake Hiawatha. The creek used to flow along the south wall of the lake right back into Minnehaha Creek."

This new delta needs to be dealt with to increase the ability of the water to quickly enter and leave the lake as it did in the past. This, most likely, means some dredging, which the MPRB has been reticent to do. Yet, in their document, Benefits and Cost Comparative Screening<sup>5</sup>, p. 12, they stated that for Plan B they are planning for "260,000 cubic yards of mass site grading and 33,000 cubic yards of pond/wetland excavation to increase water depths and promote open water conditions on portions of the site." Yet, they can't excavate Lake Hiawatha to "increase water depths and promote open water conditions"? This is an example of the hypocritical approach that the MPRB has taken on this project.

#### **4.4.3 Mitigate water coming down Minnehaha Creek from communities to the north.**

The Minnehaha Creek Watershed District needs to take the lead in engaging communities to reduce the QUANTITY of water coming down Minnehaha Creek. As stated in the Prior Lake study, doing mitigation upstream is preferable to trying to handle the water at the bottom of the watershed.

#### **4.5 Replace trees that have been lost over the past 20 years.**

Hiawatha Golf Course has lost about 400 trees over the past 5 years through disease, pests and flooding. These trees need to be replaced. This is not only for aesthetics, but it would also help to reduce the level of water pumping on the golf course, as trees consume an

enormous amount of water.

On the other hand, the proposed wetland would drastically reduce the number of trees on the property, which would increase the problem of excess water on the property.

Replanting of trees on the property can help to mitigate the pumping at Lake Hiawatha and the Hiawatha Golf Course. A general rule of thumb for a tree's water usage is 10 gallons a day per inch of trunk size.

- A 2 inch sapling would use (evaporate) 20 gallons per day, or 730 gallons per year. 100 saplings would use 73,000 gallons of water per year.
- A 10 inch tree would use (evaporate) 100 gallons of water per day, or 36,500 gallons of water per year. Adding 189 10-inch trees to the golf course would result in a reduction of 6,898,500 gallons of pumped water on the golf course per year. (This quantity is estimated to be the amount of extra water that Plan B would add to the golf course due to tree loss.)
- And, one large tree can lift up to 100 gallons of water out of the ground per day, or 36,500 gallons per year.

#### **4.6 Further implement Audubon Certification for Golf Courses.**

Hiawatha Golf Course is a member of the Audubon Cooperative Sanctuary Program for Golf. Their web-site explains the program as follows:

"The Audubon Cooperative Sanctuary Program for Golf is an award winning education and certification program that helps golf courses protect our environment and preserve the natural heritage of the game of golf. By helping people enhance the valuable natural areas and wildlife habitats that golf courses provide, improve efficiency, and minimize potentially harmful impacts of golf course operations, the program serves an important environmental role worldwide." See the following web page for more detailed information:

<https://www.auduboninternational.org/acspgolf>

Hiawatha Golf Course has developed a plan for certification, as have the other Minneapolis Golf Courses. We believe that this plan should be enhanced and expanded at Hiawatha Golf Course to further implement Audubon principles on the 18-hole golf course. The MPRB has a opportunity to make Hiawatha Golf Course a stellar example of how a golf course and the environment can be intertwined, especially in an urban setting.



## **4.7 Create a long-term operations and capital budget for the Minneapolis Golf Courses, along with cleaning up the financial accounting and reporting.**

Based on SaveHiawatha18's research into the state of the MPRB Golf Courses, it has become clear that the MPRB needs to retake responsibility of managing public resources seriously. They have mismanaged not only the golf courses, but many other projects under their control.

A stinging statement from the 2014 Golf Convergence<sup>7</sup> report was: "With a Park Board that has many identified projects far exceeding available capital, how does one justify the investments necessary?" (p. 36)

This practice has continued. At a 2017 meeting about the restoration project for the shores of Lake Nokomis, the presenters for the MPRB stated that they only had a portion of the needed funds available for the project, but they were ready to start. A citizen pointedly asked them why they would proceed without having all of the money set aside. The presenter stated that they would find the rest of the money somehow. The citizen then asked what would happen if the MPRB couldn't find the rest of the money. The presenter just answered that the MPRB would find it.

Starting projects without adequate funding set aside, or deciding to forego necessary capital expenditures if no money is available, is the height of irresponsibility. This needs to change within the MPRB.

What should be done with respect to the MPRB Golf Courses?

Recommendations from the Golf Convergence study<sup>7</sup> should be considered for implementation, if they have not already been done. This includes:

- Develop a strategic business plan for the golf courses. The study indicated that this did not exist in 2013.
- Develop a long-term capital budget plan for the golf courses with mandatory maintenance and improvements. Golf Convergence said, "The industry benchmark would suggest that the MPRB's Golf Department should allocate \$660,190 for capital investment on its 18-hole golf courses. [From 2010 to 2013], the total investment has been \$58,076 where it should have been \$3,300,950 placing the golf course in the grips of the death spiral of deteriorating playing conditions leading to declining, further reduction in revenue, and increasing losses." (p. 85)
- Golf Convergence recommended that "The Park Board should be creating annual equipment reserves exceeding \$200,000 annually." They said that no such reserve existed in 2013. (p. 85)
- The MPRB needs to straighten out their accounting systems, and use general

accounting practices for golf courses.

- The MPRB needs to straighten out their expensing of equipment so that each golf course is expensed for the equipment they have.
- Implement better marketing strategies to target golfers to increase patronage and revenue. Golf Convergence said that "Minneapolis has a great advantage in the number of golfers per 18 holes within five miles of their golf courses. They range from 3,321 at Meadowbrook to a high of 8,316 golfers living within five miles of Hiawatha." (p. 45)
- If the MPRB is still using a third party for booking tee times, they should consider changing this. Golf Convergence said, "Reliance on a third-party to book tee times is a serious tactical flaw. The MPRB would be well-served by abandoning Teemaster and creating their own unique web-site with appropriate branding." The agreement was for \$45,000 per year and a minimum of 1,000 unrestricted tee times. (p. 63, 70) This has since been changed to Club Profit software to book tee times in house.
- Remedy the problem of no cold storage for golf course equipment to increase equipment life. (p. 99)
- The MPRB must figure out a way to repair golf course equipment in a quick and timely manner.(p. 99)
- Do an analysis of the comp rounds that are offered, and determine how best to use and/or limit comp rounds considering the overall health of the golf courses.
- The central MPRB office needs to work with the golf course managers all year long, reviewing revenue and expenses.
- Upgrade the merchandising at the golf courses. They could use programs like PCC to increase merchandise and grill sales, and rounds of golf and cart usage.

#### **4.8 Upgrade the club house.**

The Hiawatha Golf Course clubhouse is in need of renovation. A variety of ideas have been proposed. At a minimum, the following should be considered:

- Renovate the bathrooms and locker rooms.
- Expand the menu of the kitchen.

#### **4.9 Produce a full history of the property for permanent display in the clubhouse and on the golf course.**

Throughout this process, much information has been collected about the history of the Hiawatha Golf Course property and the golf course itself. We suggest that the MPRB, the Hennepin County Historical Society and the Minnesota Historical Society work with interested parties in producing a comprehensive historical display of the full history of

Hiawatha Park and Golf Course that can be displayed in the Hiawatha Golf Course clubhouse, on the 18 hole golf course, in the Hiawatha Park Building and on the park property. This could include descriptions of the history with photos. Also, it should include Native-American history, settlement history (ownership by white settlement), and golf course and park history.

Another suggestion would be for the MPRB to hold historical sessions periodically for the public that explore the history of this property, and other properties around the park system. The CAC focus sessions for Black golf history and local Native-American history are good examples of these types of programs.

#### **4.10 Look into restoring a better level of accessibility to the property by the neighborhood, especially in the non-golfing season.**

Much discussion has surrounded the lack of accessibility to the property by non-golfing residents. Some solutions to this could be:

- Remove fencing, where possible, and replace with more pleasing barriers to protect the amenities of the golf course from vandalism. Also, better maintain any fencing that remains.
- Make sure that the golf course property is accessible whenever it is closed for golf.
- Look at possible ways to provide paths through/around the golf course, keeping safety parameters in mind.

#### **4.11 Look at ways to accommodate non-golf participation from the neighborhood on the property.**

The MPRB should look at ways to accommodate non-golf participation on the 18-hole golf course. Some ideas are:

- special non-golf events on the property during the golfing season
- provide better accessibility in the winter with special programs

---

## **Appendix A Financial Analysis for the MPRB Golf Courses**

A common theme for closing Hiawatha Golf Course is that it is losing money. There are many questions as to how the revenue and expenses are calculated and distributed regarding the Minneapolis Golf Courses run by the MPRB.

### **A.1 MPRB Financial Statements for All Golf Courses**

A look through the financials for all MPRB golf courses reveals some other items that need to be taken into account when assessing the financial viability of the golf courses.

### A.1.1 MPRB Golf Courses Profit(Loss) By Year

According to the MPRB's graph, Figure 9, in the Alternatives Assessment document<sup>2</sup>, p. 30, it shows that total net revenue (profit/loss) for all Minneapolis golf courses from 1997 to 2016 was approximately as listed under "Graph". We, also, culled the numbers for all golf courses from the MPRB's Year End Financial Statements for 2007 to 2017, except as noted.

	Revenue	Expenses	Profit/Loss	Profit/Loss-Graph
1997:				\$1,300,000
1998:				\$1,500,000
1999:				\$1,450,000
2000:				\$1,750,000
2001:				\$1,700,000
2002:				\$1,100,000
2003:				\$1,000,000
2004:				\$1,450,000
2005:				\$1,050,000
2006:				\$ 950,000
2007	\$6,502,851	\$6,046,518	\$456,337	\$ 800,000
2008	\$6,592,925	\$6,453,935	\$138,990	\$ 900,000
2009	\$6,367,642	\$6,291,084	\$ 76,598	\$ 750,000
2010	\$6,012,599	\$6,181,256	(\$168,657)	\$ 490,000
2011	\$5,189,931	\$6,067,182	(\$877,251)	\$ (200,000)
2012	\$5,959,252	\$5,890,553	\$ 68,699	\$ 700,000
2013	\$5,121,345	\$6,037,071	(\$916,626)	\$ (300,000)
2014	\$4,402,670	\$6,156,073	(\$1,753,403)**	\$ (800,000)**
2015	\$4,638,711	\$6,145,073	(\$1,506,362)**	\$ (100,000)**
2016*	\$4,967,999	\$5,522,824	(\$554,825)**	
2016	\$4,888,089	\$6,869,448	(\$1,981,359)**	\$ (200,000)**
2017*	\$4,753,724	\$5,935,816	(\$1,182,092)**	
2017	\$4,684,144	\$6,632,935	(\$1,950,791)**	

\* Financial results from "MPRB Financial Status Report as of Year-End, 2017".

\*\* Golf Course(s) fully/partially closed. Meadowbrook & Hiawatha-2014 & 2015, Meadowbrook-2016, Theodore Wirth-2017.

So, looking at the array of numbers, we have different sets of numbers depending on the source of information. Which numbers are correct? We certainly don't know which numbers are correct.

Regardless of the massive differences in the numbers, the revenues started dropping in 2009. See Section 1.7.1 for the myriad of reasons we have found for why revenues dropped at the golf courses. When you see all of these reasons, it is understandable that revenue will be depressed at these golf courses during this time, and most of the reasons were under the control of the MPRB.

### **A.1.2 Comp ABS, Post Emp Ben & Pen Liab Adj Line Item**

An interesting item for 2015, 2016 and 2017 is an expense against the golf courses called ""Comp ABS, Post Emp Ben & Pen Liab Adj". This reflects Workman's Compensation claims, pension contributions and other post employment benefits that were paid out in these years. In 2015, 2016 and 2017 these costs were exceedingly high which would heavily affect the profit/loss of the golf courses in these years. Here is the list of Comp ABS expenses placed against the golf courses for the past 10 years:

2007: \$	42,917
2008: \$	51,115
2009: \$	24,463
2010: \$	53,102
2011: \$	76,987
2012: \$	74,935
2013: \$	(59,579)
2014: \$	4,756
2015: \$	574,253
2016: \$	1,038,470
2017: \$	386,051

We understand that most of the increases in 2015, 2016 and 2017 were the result of payments made to pension plans to catch-up on insufficient funding that occurred over the previous years. The State of Minnesota required organizations that participated in under-funded public pensions to increase funding to get these funds to 90-100% funding. Therefore, these huge expenditures, if not explained, make the golf courses look like their operations are losing money in much larger amounts than they actually are. In previous years when the golf courses were showing a profit, the profit was diverted to other MPRB initiatives. Now we can see that some of these profits should have been paid into the pension plans to fully fund them.

### **A.1.3 Minimum Wage Increases**

A 2016 MPRB Memo delineates another impact to the budget in the Enterprise Fund which is the increase in the minimum wage. The anticipated impacts were: 2014-\$7,000, 2015-\$32,000, 2016-\$31,000, 2017-not given, 2018-\$83,000. This was before the \$15 minimum wage increase in Minneapolis. Source: 2016 MPRB Budget Issues document. I am guessing that these wage increases are less likely to affect the MPRB revenue from the refectories because wages (and any increases) are the responsibility of the private companies that run the refectories. But, it will affect any Enterprise budget entity that directly hires its staff, like golf courses. These increases will continue, and will need to be accommodated in the budget process.

### **A.1.4 FEMA Money for Meadowbrook Golf Course**

The MPRB received a \$2.3 million grant from FEMA for repairs to Meadowbrook Golf Course as a result of the 2014 flood. Meadowbrook was reopened in 2017 after being closed for 3 years. The MPRB shows that Meadowbrook Golf Course had FEMA reimbursable repairs that totaled \$567,122. The MPRB indicates that in 2017, they added the expenditure of \$567,122 "for FEMA reimbursable restoration expenses at Meadowbrook Golf Course" to the golf budget. In the 2017 audited Annual Report, it appears that the repairs were expensed against the golf course budget. But, it appears that the FEMA reimbursement for the repairs was added to the Enterprise Fund as a general grant. If this is correct, the expense was put against the golf courses showing a huge loss while the general Enterprise fund takes the reimbursement.

Also, it is unclear as to what happened to the rest of the FEMA money. Did the MPRB receive the rest of the money and use it for other purposes, or did they forgo the rest of the money? We have not received answer from the MPRB at this time.

And, in 2015, the Meadowbrook clubhouse was irreparably damaged when the water was not turned off for the winter, and the building suffered water damage. So, it was torn down and there is now a trailer that serves as the clubhouse.

### **A.1.5 Repair of Columbia Golf Course Bridge**

In 2017, \$90,546 was spent for repair of the Columbia Golf Course Bridge. It is currently unclear whether this expense is charged against the Columbia Golf Course budget or against the Enterprise budget as a whole.

This also brings up a concern about the reporting of operating expenses versus capital expenses. Generally, operating expenses are separated from capital expenses in reports. It has been difficult to determine which expenses are for day to day operating expenses which show the general viability of the golf courses versus capital expenditures which show long-term investment in the golf courses.

### **A.1.6 Are Greens Fees In Line With Inflation?**

Another question we would have for the MPRB is, "What is the correlation between the rise in greens fees and the decline in number of rounds played over the last 20 years?" Greens fees have consistently risen faster than the Median Income over the last 30 years.

The following mathematical exercise gives an idea of the possible change in affordability of golf over the past 40 years.

Cost of an 18-hole round at the Minneapolis Public Golf Courses:

1977 - \$5.00

2018 - \$34.00

Increase - 680%

Median income:

1977 - \$13,571.88

2017 - \$61,372.00 (latest figure available)

Increase - 452%

To accommodate a 680% increase in the price of golf, the median income should be \$92,288.78. The current median income is \$30,000 less than this number.

To accommodate the current median income, the price of 18 holes of golf should be \$22.61.

So, has golf become less affordable to people who would like to golf? This math exercise



says yes. And, most people admit that the middle class is shrinking. If the number of rounds are going down, why isn't the MPRB, at a minimum, lowering prices during the unfilled time slots to make sure those slots are filled so that they bring in more revenue?

#### **A.1.7 MPRB Budget Planning and Review**

We have found that the golf course managers are blind to expenses that are added to their budgets at the end of the year by the central MPRB office.

The MPRB publishes a preliminary Annual Report shortly after the end of each year. This report includes preliminary expenses for the golf course budget. When the final Audited Annual Report is published, the expenses for the golf course budget have increased dramatically. So, expenses are added at the end of the year that the golf course managers are unaware of and have no control over. This makes budgeting a difficult, shot-in-the-dark task for the golf course managers.

It, also, appears that the central MPRB office does not hold periodic (for example, monthly) reviews of financials with the golf course managers to make sure everything is on track, and to make any necessary adjustments to hold down or control expenses, and/or to increase revenue.

#### **A.1.8 The Loppet Contract**

In 2016, the MPRB entered into a contract with The Loppet to take over Winter Sports Activities for the MPRB and to implement new construction at Theodore Wirth Golf Course to accommodate the Loppet and Loppet related activities. For 2017, it is still unclear what the effect of the Loppet contract had on the revenue of the golf courses, in particular, Theodore Wirth Golf Course.

##### **A.1.8.1 The Loppet Construction Costs**

The 2017 unaudited budget declaration, p. 13, states "Expenditures were increased by \$1,000,000 at Theodore Wirth Regional Park related to site improvements for the Adventure and Welcome Center and golf course. See Board Approved Resolutions 2016-249 (Donation Agreement), 2016-250 (Operation Agreement), 2016-251 (Lease Agreement) and 2016-252 (Golf Course Changes and Improvements). The new Adventure and Welcome Center is for

the Loppet activities including winter skiing and bike trails, and also replaces the Par 3 golf course building with the new Wirth Adventure and Welcome Center building. According to Resolution 2016-252, \$89,000 to \$97,900 of the \$1 million expenditure was approved for renovating the golf course bunkers. The rest of the money was spent because "modification of the golf course is necessary to allow for the implementation of the Wirth Adventure and Welcome Center, which will occupy the location of existing holes #17 and #18, as per the approved Theodore Wirth Regional Park Master Plan". So, the majority of the cost (\$900,000) is not to enhance the golf course, but to accommodate Loppet activities: cross-country skiing, bike paths and trails. To make this accommodation, several holes on the 18-hole and 9-hole golf courses were moved and reconstructed. These changes were not required by the golf course. We don't know where the \$900,000 was expensed. Were these costs expensed against the golf course budget or against the winter sports budget or against the general Enterprise Budget?

Also, along with the construction costs, the Theodore Wirth Golf Courses (18-Hole and Par 3 courses) were under construction during 2017, so the revenues will naturally be down for these golf courses (due to construction required to support NON-GOLF activities).

#### **A.1.8.2 Losses by Winter Sports Activities**

While talking about winter sports activities, part of the Enterprise Budget, here are the profit/(loss) figures for Winter Activities from the Annual Reports:

	Revenue	Expenses	Profit/(Loss)
2007	\$98,131	\$376,359	(\$278,228)
2008	\$101,528	\$260,050	(\$158,522)
2009	\$164,258	\$262,661	(\$98,403)
2010	\$78,351	\$112,191	(\$33,840)
2011	\$43,591	\$95,075	(\$51,484)
2012	\$188,422	\$437,715	(\$249,293)
2013	\$250,346	\$592,134	(\$341,788)
2014	\$182,008	\$656,759	(\$474,751)
2015	\$118,449	\$851,895	(\$733,446)
2016	\$100,467	\$773,905	(\$673,438)
2017	\$0	\$53,351	(\$53,351)

As you can see, Winter Sports Activities have had a loss every year for the past 10 years, and the losses have become larger until the MPRB contracted with the Loppet in 2017 to take

over the running of Winter Sports. So, the losses for these Enterprise Fund activities have been supported by other revenue in the Enterprise Fund. And, yet, the MPRB spent almost \$1 million in new money in 2017 from within the Enterprise Fund to further support these activities.

### **A.1.8.3 Staffing Effects of the Loppet on Golf**

The Loppet contract had another negative effect on the Golf budget. According to the Loppet operating resolution, 2016-250, golf course staffing was affected by this new contract.

#### **A.1.8.3.1 Language of Loppet Agreement from Resolution 2016-250**

##### **Current Wirth maintenance positions**

Should the Board of Commissioners approve the Operations Agreement, the Loppet will assume all operations related to snow making, trail grooming, and other current winter maintenance at Wirth. The current golf maintenance staff, five golf parkkeeper foremen and five golf park keepers , all of whom are full time employees of the MPRB , will be retained within the Golf Department year round; however, winter work tasks will be modified. Importantly, these staff would be responsible for seasonal shutdown operations of the golf courses in the fall and seasonal startup operations of the golf courses following the winter season. No positions would be eliminated.

As a result of savings achieved through the Operating Agreement related to winter recreation operations activities, albeit the savings are in the Enterprise Fund, the Superintendent is requesting the Board of Commissioners support a 2017 budget that allows the number of full time parkkeepers be increased by one parkkeeper. This request is above and beyond the staffing increases that have been identified in the 20 Year Neighborhood Park Plan (NPP20).

##### **Funding**

Two aspects of funding are necessary for discussion under the proposed agreements:

- The costs of implementing improvements supporting the AWC [Adventure and Welcome Center]; and
- The costs of MPRB operations related to the AWC.

Costs of implementation for the MPRB are summarized in the Donation Agreement.

Staff has framed a comparison of the 2015 budget for the Winter Recreation Area to a potential budget under the agreements with the Loppet. The following summary describes that comparison:

<u>Item</u>	<u>2015 Year End Actual</u>	<u>Budget under Loppet Agreements</u>	<u>Costs shifted to Golf or other maintenance</u>
Revenue			
Winter sports*	\$215,000		
Refectory Sales			
Lease		\$6,500	
<b>TOTAL REVENUE</b>	<b>\$215,000</b>	<b>\$6,500</b>	
Expenses			
Wages	\$471,107	\$79,123	\$359,406
Fringe benefits	\$188,316	\$36,587	\$113,497
Materials, other	\$56,947	\$44,569	\$65,217
Contractual services	\$73,373		
Capital outlay	\$33,939		
Agreement oversight**		\$12,500	
<b>TOTAL EXPENSES</b>	<b>\$766,735</b>	<b>\$172,779</b>	<b>\$538,120</b>
-----			
Revenue less Expenses (\$551,735)		(\$166,279)	(\$538,120)

\* This figure is the average revenue between 2010 and 2015.

\*\* Because the programs and activities under the agreements offer a benefit to the MPRB, the costs of Agreement Oversight are partially (approximately 50%) covered by the lump sum portion of the lease payment.

## Lease

Salient points include:

- a) MPRB and Loppet will enter into a 20-year lease, with two ten-year options for renewal.
- b) Loppet will pay annual rent equal to 18% of Loppet's net income, plus an annual lump sum payment of \$6,500, with the lump sum amount increasing by \$1,000 every ten years of the lease and lease renewals.
- c) Loppet will pay \$20,000/year into an escrow account for the long-term maintenance of the building, with the escrow amount increasing by \$10,000 every ten years through the initial term of the lease and the lease renewals.

### A.1.8.3.2 An Assessment of the Loppet Agreement

The projected profit/loss is interesting when the changeover occurs.

<u>Item</u>	<u>2015 Year End Actual</u>	<u>Budget under Loppet Agreements</u>	<u>Costs shifted to Golf or other maintenance</u>
TOTAL REVENUE	\$215,000	\$6,500	
TOTAL EXPENSES	\$766,735	\$172,779	\$538,120
-----			
Revenue less Expenses (\$551,735)		(\$166,279)	(\$538,120)

The MPRB cut their losses for winter sports from (\$551,735) to (\$166,279). But, they will shift (\$538,120) in losses to "golf and other maintenance" So, if you add the projected losses together, the combined loss goes from (\$551,735) in 2015 to (\$704,199) in 2016. So, it appears that the MPRB has increased their total loss by entering into this agreement. Unless, of course, the Loppet actually makes a profit on this endeavor and has to pay 18% of their profits to the MPRB. And, the estimated annual increase in expense to the golf budget is \$538,120 per year.

This loss to the golf budget is because the full-time, year-round golf staff will no longer be working for and charging to Winter Sports during the winter months as they have done in the past. They will be charging to the golf budget for the entire year, thus increasing

expenses to golf.

The MPRB also indicates that they can hire another parkkeeper with the savings. But, there do not appear to be any savings in the Enterprise budget as a whole since costs were just shifted from Winter Sports to Golf, and the total expected expense (loss) for the sum of the two rose from 2015 to 2016.

## **A.2 Hiawatha Golf Course Financials**

Taking a look at the financials of Hiawatha Golf Course, there are some items that concern us about the integrity of the numbers, especially from the perspective of a golf course that has historically made a good profit.

### A.2.1 Hiawatha Golf Course Numbers

MPRB Year-End Financial Statements indicate that the expenses for Hiawatha Golf Course are generally about \$1.1 million per year. The revenue can fluctuate from about \$750,000 to \$1.5 million per year. In the 20 years ending in 2016 Hiawatha Golf Course averaged \$120,000 per year in profit, or \$2.4 million in profits in this 20 year period. This timeframe included when the golf course was temporarily closed. (Source: Hiawatha Golf Course Area Water Management Alternatives Assessment, Impact Assessment<sup>1</sup>, p. 30.)

Here is a list of the revenue generated from Hiawatha Golf Course by year from MPRB Year End Financial reports:

	Golf Course	Learning Center	Total Revenue	Profit/Loss
2007	\$1,163,089	\$140,776	\$1,303,865	\$117,277
2008	\$1,183,274	\$131,875	\$1,315,149	\$ 58,847
2009	\$1,202,073	\$136,280	\$1,338,353	\$143,274
2010	\$1,089,786	\$127,183	\$1,216,969	\$ 20,369
2011	\$ 913,600	\$ 98,871	\$1,012,471	(\$112,995)
2012	\$ 987,397	\$107,633	\$1,095,030	(\$ 22,041)
2013	\$ 656,218	\$ 94,594	\$ 750,812	(\$401,064)
2014	\$ 416,943	\$ 84,398	\$ 501,341**	(\$696,557)
2015	\$ 339,515	\$102,942	\$ 442,457**	(\$448,648)
2016*	\$ ???,???	\$???,???	\$ 765,845	(\$123,486)
2016	\$ 649,943	\$114,563	\$ 764,506	(\$266,794)
2017*	\$ ???,???	\$???,???	\$ 908,354	(\$208,384)
2017	\$ 796,329	\$112,025	\$ 908,354	(\$360,370)

\* Financial results received by SaveHiawatha18 from the MPRB with more detailed 2017 financials.

\*\* Golf Course partially closed.

The following are Operations costs from the MPRB Annual financial reports. As you can see, the operations costs have been relatively stable over the last decade.

	Golf Course	Learning Center	Total Expenses
2007	\$1,112,217	\$74,371	\$1,186,588
2008	\$1,105,873	\$50,429	\$1,156,302
2009	\$1,131,329	\$63,750	\$1,195,079
2010	\$1,136,923	\$59,737	\$1,196,660
2011	\$1,074,934	\$50,532	\$1,125,466
2012	\$1,032,321	\$84,750	\$1,117,071
2013	\$1,095,796	\$56,080	\$1,151,876
2014	\$1,155,601	\$42,297	\$1,197,898
2015	\$ 852,921	\$38,184	\$ 891,105
2016*	\$ ???,???	\$??,???	\$ 889,331
2016	\$ 977,180	\$54,120	\$1,031,300
2017*	\$ ???,???	\$??,???	\$1,116,738
2017	\$ 1,230,633	\$38,091	\$1,268,724

\* Financial results received by SaveHiawatha18 from the MPRB with more detailed 2017 financials.



The following are Rounds of Golf played at Hiawatha Golf Course since 2000 from Hiawatha Golf Course Financial FAQ (6/21/17).

	Rounds of Golf
2000	48,524
2001	55,627
2002	50,508
2003	53,560
2004	50,259
2005	45,084
2006	42,560
2007	43,099
2008	43,085
2009	43,721
2010	40,756
2011	31,057
2012	31,541
2013	23,416
2014	14,090**
2015	17,987**
2016	24,752**
2017	30,000*
2018	??????

\*Forecast from 2017

\*\* Hiawatha Golf Course partially closed

Revenues started dropping in 2011. See Section 1.7.2 for reasons why this occurred.

### A.2.1.1 Planning and Budgeting

A curiosity that we found came from 2 documents, a detailed financial statement for the golf courses that we requested and the Audited MPRB Year End reports. Financial figures for Hiawatha Golf Course are shown below for 2016 and 2017.

	Revenue	Expenses	Profit/Loss
2016*	\$465,000	\$ 809,897	(\$344,897)
2016**	\$765,845	\$ 889,331	(\$123,486)
2016***	\$764,506	\$1,031,300	(\$266,794)
2017*	\$900,584	\$1,048,409	(\$147,825)
2017**	\$908,354	\$1,116,738	(\$208,384)
2017***	\$908,354	\$1,268,724	(\$360,370)

\* Approved budget from "Preliminary MPRB Financial Status Report".

\*\* Actual Year-End Financial results from "Preliminary MPRB Financial Status Report".

\*\*\* Actual Year-End Financial results from "Final Audited MPRB Financial Status Reports".

Two items are curious to us:

- From the preliminary to the final numbers, there is an increase in the loss, which is mostly due to added expenses. See Section A.2.7 for a more detailed discussion of this curiosity.
- The approved budget is already expecting a loss in revenue. So, the golf course managers are already expected to be behind in their budget before they even start.

### A.2.2 Equipment

Upon review of the 2018 equipment records obtained from the MPRB, we have found out that some equipment is being expensed against Hiawatha Golf Course that is not at Hiawatha Golf Course, thus showing incorrect expenses for Hiawatha Golf Course. According to the 2013 Golf Convergence report<sup>7</sup>, this was true as far back as 2013.

### A.2.3 Greens Fees Have Been Depressed at Hiawatha Golf Course?

Hiawatha Golf Course has had lower greens fees than the other Minneapolis Golf Courses of \$28.00 since the 2014 flood.

During 2017 the golf course was fully open, and many golfers say it was in great condition.

Yet, the MPRB Superintendent set the greens fees at a rate several dollars lower than the other Minneapolis Golf Courses. We don't know her reasoning, but it did artificially depress the revenue collected on Hiawatha Golf Course in 2017. So, if you see the revenue for Hiawatha Golf Course for 2017, take the number of 18 hole rounds played and multiply that by \$3 to \$4. Then, add that to the net revenue and see what the net revenue might have been if she hadn't done that.

#### **A.2.4 Hiawatha Golf Course FEMA Award**

The MPRB requested and received a \$1.1 million FEMA award to help fix damage to Hiawatha Golf Course after the 2014 flood. None of this FEMA money was used to repair Hiawatha Golf Course. The MPRB took a 10% discount on the FEMA award in 2018 so that they can use the money in any manner they wish. They indicate that 1/3 will go to each of 3 golf courses (Hiawatha, Gross and Theodore Wirth).

Our concern is how this money will be allocated in the financial reports. Will the expense be allocated against the golf course budget and the FEMA money be applied as income to the general Enterprise Fund, thus making the golf courses look like they lost more money than they did? This appears to be what happened with the Meadowbrook FEMA award?

We have heard that, when the MPRB took the discount, they lose the ability to ask for any FEMA money again for future flood damage to Hiawatha Golf Course. Regardless, the MPRB has used Hiawatha Golf Course to get over \$900,000 from FEMA for other MPRB expenditures, while not spending any of the money for its intended purpose, repair of Hiawatha Golf Course. Yet, any expenses to repair the golf course were expensed against the golf course.

## **DEFINITIONS:**

**MPRB** - Minneapolis Park and Recreation Board

**AWD** - Adventure and Welcome Center at Theodore Wirth Golf Course

**Plan A** - This plan would retain the 18-hole Golf Course at Hiawatha and, possibly, include an expanded restaurant.

**Plan B** - This plan would close the 18-hole Golf Course at Hiawatha and replace it with an expanded wetland. It is not currently defined what could or would be on this property.

**Cone of Depression** - A cone of depression is created in a well when water is removed from the well, leaving a void. Water from the surrounding area then fills in this void, thus drying out the area around the well.

## **SOURCES:**

(1) MPRB Report: Feb. 2017 Barr Engineering groundwater report commissioned by the Minneapolis Park and Recreation Board (MPRB)

(2) Hiawatha Golf Course Area Water Management Alternatives Assessment, Impact Assessment, 7/14/2017

(3) Executive Summary - Hiawatha Golf Course Area - Water Management Alternatives Assessment, July 2017

(4) Prior Lake Stormwater Management & Flood Mitigation Study, December 2016

(5) Hiawatha Golf Course Area Water Management Alternatives Assessment - Benefits and Cost Comparative Screening - July 14, 2017

(6) Meadowbrook Golf Course and Minnehaha Creek Improvements Environmental Assessment Worksheet, December 2, 2015

(7) Golf Convergence's Golf Course Operational and Financial Consulting Review, January 2, 2014