Lakeview Golf Club
Master Plan Consulting
City of Meridian, ID

Final Report

Prepared For:

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Introduction and Purpose

The City of Meridian, Idaho ("City") retained NGF Consulting ("NGF") to help assess operations and capital needs of the City's 18-hole Lakeview Golf Club ("Lakeview GC") with the ultimate goal of developing strategies to ensure the financial sustainability of Lakeview GC under City operation as a municipal golf facility. NGF's role is to assist the City with strategic master planning for Lakeview GC and producing a "guiding document" that comprises a market analysis, feedback from extensive stakeholder engagement, a prioritized capital plan, and best business practice recommendations for operations. The objective of the study is to create a plan for Lakeview GC that can help the City achieve the goal of operating it on a self-sustaining basis (without taxpayer support), while also providing high-quality and affordable recreation to Meridian residents and visitors.

The City requires this independent, expert analysis to provide direction to the City regarding key elements of its stewardship of Lakeview GC, including, but not limited to:

- Do the facility and market analyses indicate there will be sufficient demand – from both daily fee players and passholders - to result in operations that are financially self-sustaining?
- What capital improvements are needed to make Lakeview GC more marketable beyond the immediate "mile-square" neighborhoods? How much are they likely to cost, and how should they be prioritized?
- How should the City manage Lakeview Golf Club beyond the period for the interim management contract? For example, should self-operation be a consideration, or should the City look to enter into a longer-term agreement with the current management company?
- What operational best practices will help the facility achieve the goal of self-sustainability?

To answer these and other questions, NGF conducted a comprehensive study that included a market analysis, physical review of assets, community/stakeholder engagement, and operations review. The latter component comprised elements such as: management structure; fee analysis (daily fees, passes, etc.); marketing and direct selling; customer service; use of technology; player development and programming; staffing; and, food and beverage services.

The NGF market and operations analysis, as well as community engagement, was managed by Ed Getherall, MBA, Director of Consulting, with assistance from Senior Director of Consulting, Richard Singer and Research and Consulting Administrator Jodi Reilly. The site analysis, physical evaluation and capital improvement planning was managed by Forrest Richardson, Principal, Forrest Richardson and Associates ("FRA"). In addition to Mr. Richardson's site tours, the consultants attended virtual meetings with City and golf course staff, including the Golf Course Focus Group, and conducted a multi-faceted community engagement process. We also collected materials to aid in understanding the local market area, including economic, demographic, and climatological data.

Executive Summary

This section comprises NGF Consulting's summary of key findings and recommendations related to the City of Meridian's current and future operation of its 18-hole Lakeview Golf Club, based on our review and analysis in the winter and spring of 2021. Full detail, along with supporting narrative and exhibits, is found in the body of the report and the Appendix.

SITUATION OVERVIEW / PROJECT BACKGROUND

In the body of the report, NGF presents a situation analysis of Lakeview Golf Club intended to provide the appropriate background and context for later analysis and discussions. The situation analysis comprises three elements - project background, facility overview, and operations overview. The latter two components are discussed in the report, and the project background is summarized here.

The City of Meridian has long owned the land that Lakeview GC sits on, and has leased the golf course out to private operators, the last of whom sold the leasehold interest and improvements – including the clubhouse built around 2000 - to the Western Ada Recreation District (WARD) for about ±$1.4 million. WARD may be disbanded in the next few years and has an agreement with the City to convey the assets/improvements to the City. In the interim, the City has entered into a License and Management Agreement with the District to operate and maintain the golf course. The City subsequently entered into a short-term third-party management agreement with national golf course operator, KemperSports Management ("KemperSports", "KSM", or "Manager"), to manage and maintain the facility. Management retained much of the existing key staff, including the current General Manager and the Superintendent (subsequently retired).

Extensive engagement with customers of Lakeview Golf Club by NGF during the study process revealed a negative perception of previous management, focused primarily on the extremely lean maintenance budget and the relative lack of investment in the facility subsequent to the addition of the new clubhouse about 20 years ago. Extensive community engagement revealed that stakeholders have high expectations that the City will improve Lakeview GC, which is viewed as an important addition to the City's public recreational amenities.

MARKET ANALYSIS

To assess the current positioning and potential market opportunities for Lakeview Golf Club under City ownership, NGF analyzed key "external" factors that have the potential to affect demand for golf. The overview includes NGF's macro perspective of the US golf industry. On a local/regional basis, we analyzed area demographic and economic factors, as well as golf supply and demand indicators, that characterize the trade area. Detailed analysis is presented in the report, with summary below.

The Treasure Valley golf course market is characterized by active golf courses for this climate region, attributable to high quality golf courses at very affordable green fees. Golf courses in the Valley benefit from a vibrant economy and very high-growth population from which to draw players. With rapid population growth, already favorable (compared to overall U.S.) golf demand-supply ratios should grow more favorable over time, barring further golf course development. With more affluent households moving to the area, the apparent ceiling on green fees in this market may go higher over time.

Despite the relative robustness of the market, Lakeview GC has been reliant on its "built-in" season passholder base for survival, with daily fee play at 'rack rates' accounting for only about a quarter or so of total plays. The course, in its current condition, draws much of its daily fee play through various forms of discounting (e.g., VIP Card). The key to Lakeview GC being able to successfully increase market share –

especially in terms of daily fee play – appears to be substantially improving the product through major capital investment.

PUBLIC / STAKEHOLDER ENGAGEMENT

A key component of this study was a vigorous, multi-faceted public and overall stakeholder engagement campaign. The process yielded very useful information and feedback - including several recurring themes – for the City as it begins its stewardship of Lakeview Golf Club. The overall vibe with respect to the City's decision to take control of the assets and management of Lakeview GC was very positive, with most we spoke to excited about the opportunity it presents. Details of the feedback provided can be found in the body of the report.

The various components of the engagement process are listed below.

- Golfer Survey
- Phone and Video Interviews / Focus Groups with:
  - Current and former public officials – including Mayor Simison, City Council members, Parks & Recreation commissioners, WARD Chairman, and City staff.
  - Golf Course Focus Group
  - Lakeview GC Men's and Ladies' Golf Associations
  - HOA representatives
- Community Online Survey
- 'Town Hall' meeting held at Lakeview GC

KEY AREAS OF STUDY AND RECOMMENDATIONS

In the body of the report, NGF provides a detailed assessment of current conditions, preliminary capital improvement plan (CIP), and administrative and operational recommendations aimed at providing guidance to the City as moves forward with its stewardship of Lakeview Golf Club. Below are summary narrative and recommendations related to four key master plan areas of focus: 1) Long-term Management Structure; 2) Preliminary CIP; 3) Golf Playing Fees; and 4) Food and Beverage Service.

Management Structure

Below are descriptions of the most typical management / operational options for public agency (i.e., "City" as referred to below) golf courses. In our experience, there is no ideal operating scenario that fits all situations, and each public entity must arrive at its own unique approach to operation and maintenance. Summaries of the most common management options are shown here, with more detail in the report.

- **Self-Operation**: The City is in direct control of the golf operation, and all golf course staff are public employees, with on-site management reporting to a City staff member. The municipality earns all revenues, and is responsible for all expenses and capital improvements.
  - The primary advantage is that the City has control of the day-to-day operation of the golf course for maximum benefit to the community.
  - The chief potential disadvantages include the potential lack of expertise in overseeing and operating a golf course, and that finding, hiring, and retaining qualified personnel can be a cumbersome and time-consuming process.
- **Full-Service Management Contract - Fixed Fee:** This option – the current structure at Lakeview GC - involves the City hiring a single, independent third-party to manage all aspects of the golf course in exchange for a pre-determined fixed management fee. The municipality

earns all revenues, is responsible for all expenses, funds capital improvements, and pays a management fee to the operator.

- Key potential advantages to this strategy include: savings with a private labor vs. public labor expense structure and the benefit of professional management.
- The potential disadvantages include some loss of City control over day-to-day operations, and the obligation of the fixed management fee, regardless of yearly variations in performance.

- **Full-Service Management Contract - Fixed Fee + Variable Component (i.e., "Hybrid"):** These "hybrid" feature compensation to the contractor that comprises both a fixed fee component and an additional incentive-based, or variable, component (most typically gross revenue-based) that allows the operator and City to share in the risk of the operation.

- **Operating Lease:** Some municipalities lease their entire golf facilities to a private operator in exchange for an annual (or monthly / quarterly) lease payment and / or capital improvement considerations. (Former arrangement at Lakeview GC).
  - The potential advantages of this option from the municipality perspective are the avoidance of financial subsidy of the golf course, the collection of lease payments, and some level of capital investment by the lessee.
  - The key disadvantage for a municipality is that it has very little control on the day-to-day operations, including policies, procedures, and golf playing fees.

- **Concession Agreements**: These are similar to lease agreements and can come in several types or combinations. The typical areas of operation for concession agreements include Pro Shop, Food and Beverage, and Golf Course Maintenance and involve the municipality contracting for one, some, or all of these services.
  - Concessions allow a municipality to shift some risk and payroll to one or more private entities that also have specialized expertise in that particular revenue center.
  - A potential disadvantage of this structure is that there may be a misalignment of interests between concessionaires, or between a concessionaire and the municipality operating the golf course.

NGF Commentary and Recommendation

It is not practical to precisely quantify the benefit to facility revenue of the management contract structure, but NGF experience has been that the majority of municipalities entering into these agreements enjoy a net benefit – after management fee - that accrues through the advantages listed above, as well as access to regional / national marketing and purchasing programs, procurement advantages, etc. Additionally, many of our municipal clients find it a great benefit to have an outside company act as both an emissary and as a "buffer" between facility customers and City staff / officials.

On the expense side, savings under a private structure can be considerable with respect to labor costs, largely due to savings on employee benefits. In the case of Lakeview GC, the <u>City staff's direct comparison analysis of the cost of currently budgeted staffing showed that, under City self-operation, the labor cost would be 13% higher than under the current management contract</u>. (The annualized management fee, including reimbursement for accounting system, is currently $108,000). On the other hand, the City has $166,000 worth of items in the FY22 budget that would be subject to 6% sales tax under the current operating structure; under self-operation, the City would not pay tax on these items, resulting in savings of $9,960.

Another consideration when deciding between self-operation and management agreement is that, *regardless of operating structure*, some City staff will have responsibilities related to: oversight; liaising with the management company; stewardship of capital improvement projects; accounting; customer relations; human resource issues, etc. There are no "benchmarks" that exist that can predict whether the

City of Meridian will require additional staff to perform these functions. In some cases – mostly with multi-course systems - the increased workload cannot be absorbed, creating the need for additional municipal staff. Each city must do an internal assessment of current staff resources in the context of additional responsibilities that will have to be taken on by one or more people. (We note that the City of Idaho Falls, which owns and operates three 18-hole regulation golf facilities, has a staff person – the Director of Golf Operations – that oversees all three facilities. However, he also functions as the Head Golf Professional at Pinecrest Golf Course).

There is no "one size fits all" solution to choosing a management structure. Each municipality must weigh the various pros, cons, and other variables related to factors such as desired level of control over day-to-day operations, operating expense differences, ease of hiring / firing, how "nimble" the City is with respect to procurement of goods and services, public policy objectives, and potential revenue advantages of outside professional management. While about 45% of municipal golf courses in the US are self-operated, the national trend is clearly towards third-party management. NGF's US Golf Facility Database (every facility updated annually), supplemented by extensive periodic survey research of municipal golf facilities, shows that the percentage of municipal golf facilities managed by third-party vendors (*excluding* full-facility leases) steadily increased from less than 15% in 2010 to about 25% in 2020.

The City had several purposes in mind when it decided to enter into a short-term agreement with a private management partner to manage Lakeview GC. First and foremost, it was the most logical and efficacious way to manage the transition of the golf course operation from the previous lessee to the City, including the onboarding of employees. Also, the City desired to see the NGF master plan report prior to making key long-term strategic decisions. So, in consideration of City objectives, NGF's evaluation of Lakeview GC in the context of various potential advantages and disadvantages of each structure, and current uncertainties with respect to the labor situation, timing of capital improvements, etc., <u>we conclude that an interim management agreement is, on balance, the most advantageous short-term operating structure for Lakeview GC.</u>

The City is in the midst of what will be a multi-year learning curve with respect to Lakeview GC and there is simply not enough information about the potential of Lakeview GC – and too many unpredictable variables (e.g., the labor market) – to make a decision about long term management at this point. Once the City has made some of the high-priority capital improvements recommended in this report and established a reliable financial performance baseline for the facility, informed decisions about long-term management can be made.

Finally, one of the chief concerns expressed by the City to NGF about the private management structure was providing sufficient financial incentive to improve the performance of the golf facility. In light of this concern<u>, if the City ultimately decides that a management agreement is the preferred structure for the long-term management of Lakeview GC</u>, it may wish to explore with its management partner a fee arrangement that includes both fixed and variable components, with the latter based on the achievement of mutually-determined performance objectives (most commonly, reaching established gross revenue thresholds). There are several reasons that the City should not expect the current agreement to include a variable compensation component in the short term, including:

- There is no reliable financial performance history for Lakeview GC, and, therefore, no reasonable baseline on which to establish gross revenue thresholds;
- The current condition of the golf course, as well as uncertainty over food and beverage operations, preclude constrain optimal performance; and
- There are likely to be several interruptions in normal service due to construction impacts over the next several years as the City implements the recommended capital improvement plan.

Once the Lakeview GC facility and operation "stabilize" (i.e., after most of the major capital improvements have been completed) and a reliable and achievable financial performance baseline can be established, the variable compensation structure becomes much more plausible.

Lakeview GC Preliminary Capital Improvement Plan

Due to the age and condition of the Lakeview Golf Club, critical components of the overall golf course master plan report were an assessment of current conditions and preparation of a prioritized, preliminary capital improvement plan (CIP) for the facility. Detailed findings and recommendations are included in the body of the report, with supporting exhibits in the Appendix.

NGF Consulting retained Golf Course Architect Forrest Richardson, current president of the American Society of Golf Course Architects (ASGCA), to perform the review and help NGF with the CIP. He found that essentially all of the golf course infrastructure and components are past their expected useful life, as prior operators invested very little in the golf course. Additionally, there are deferred maintenance items throughout the golf course, and customer rate course conditions very poorly across all features. Based on the evaluation, the NGF team concluded that, in order to successfully increase rounds played and revenues at Lakeview GC, especially among those Valley golfers that do not live immediately proximate to the golf course, the golf course product must be greatly improved.

The NGF team's preliminary capital improvement plan is divided into five "buckets", listed in order of the consulting team's assessment of priority need. The first, highest priority bucket comprises start-up capital costs, followed by three prioritized tiers of improvements and concluding with what we have termed 'longer-range capital enhancements. Summary descriptions are provided below. The full plan and supporting narrative are provided in this report.

Start-Up Capital Costs

The items with the highest priority for Lakeview Golf Club operations are capital start-up costs that comprise "mission-critical" items - maintenance equipment replacement and golf carts – that will be required this golf season. NGF also believes the mitigation of safety issues identified in this report should be completed as soon as possible. Start-up capital costs total **$435,000**.

Tier 1 Capital Replacements

The next priority bucket of improvements comprises additional replacement maintenance equipment as identified by the management company, as well as the critical replacement of the irrigation system, including addition of a ground water well. Also included is renovation of the existing on-course restroom structure near Hole #s 12 and 13 for accessibility and ADA compliance. The preliminary estimate for these items, including architectural and engineering allowance for future improvements, is **$3.63 million**.

Tier 2 Capital Replacements / Improvements

Proposed Tier 2 capital improvements include a drainage solution for fairways and roughs, tee reconstruction, and an allowance for construction of cart paths (material and extent of coverage TBD). The preliminary estimate for these Tier 2 items, including architectural and engineering allowance for Tier 3 improvements, is **$902,000.**

Tier 3 Capital Replacements / Improvements

Proposed Tier 3 capital improvements include continued construction of golf course infrastructure components, namely greens and sand bunkers. Also included are some site and landscape work, as well as replacement of the clubhouse roof and three HVAC cooling units. Tier 3 improvements are estimated to total **$841,000**.

Long-Range Capital Enhancements

Long-range enhancements to the golf course include the lake / aqua range construction solution described in the narrative of the report, construction of a new accessible on-course restroom near the existing Hole #5 tee area, short-game practice area relocation and upgrades, and the 'Zenger' 9-hole Practice Course. Timing would depend on funding availability. (NGF recommends creating a Capital Reserve Fund, with annual contributions equivalent to 5% of yearly gross operating revenues). The long-term items total **$2.17 million**.

Preliminary Estimated Cost Summary

Following are summary observations regarding the cost estimates for the NGF-FRA preliminary, capital improvement plan for Lakeview Golf Club (see disclaimer in body of report):

- The total "all-in" estimated cost of the recommended capital plan is just under **$8 million**, including new golf carts, replacement maintenance equipment, and longer-range capital enhancements that include work on the aqua range / lake, new permanent on-course restroom, and optional player development / practice related improvements that NGF believes will be beneficial to Lakeview GC and the Meridian community.
- Of the $8 million plan total, $2.17 million is allocated for the longer-range capital enhancements as noted above, including the proposed "Zenger" 9-hole practice course. If the City decides not to go forward with these optional investments or to defer them for future years, the total cost of the capital program – including the start-up costs – is about **$5.8 million**.
- Subtracting out the start-up costs, comprising safety mitigation items, maintenance equipment, and golf carts, as well as the proposed longer-range enhancements, costs to complete base improvements to the golf course (including nominal amounts for the clubhouse) are estimated to total **$4.9 million**.

Golf Playing Fees

The Meridian / Treasure Valley area is a low-fee market, despite some very high-quality public golf courses. There seems to be a "fee ceiling" at play, though perhaps that will rise over time with the influx of new golfers from pricier markets. In its current condition, and with characteristics such as narrow corridors with many fairways double-loaded with homes, Lakeview GC offers an inferior product to its competitors. This makes it difficult for Lakeview GC to compete effectively for daily fee market share except through significant discounting of fees off of rack rates (e.g., VIP Pass program).

Season pass fees for Lakeview GC may be high relative to the quality of the golf experience offered. However, with Lakeview GC acting effectively as a community or HOA golf course and most passholders living in immediate proximity to the club, their frequency of play very high, thus lowering the effective rate per round at Lakeview GC. Additionally, passholders take up many of the tee times that are most desirable for daily fee players. The combination of a significant number of heavily discounted daily fee rounds and very active passholders has resulted in an average golf playing fee revenue of only ±$10 per round for about three-quarters of total rounds played at the facility. (For comparison, the average green fee revenue per round for 'rack' daily fee rounds was about $28).

NGF Recommendations

In light of market and facility factors discussed in the report, NGF makes the following recommendations for daily green fee and season pass pricing at Lakeview GC:

- For the short term, the City should retain the basic fee structure that is intact now and focus on reducing discounting and taking advantage of pricing power when Lakeview GC has it (e.g., as it has during the pandemic)
- In the intermediate term beyond FY 2021-22, the City should consider adjusting daily and season pass fees each year only to account for inflation in expenses. (Inflation continued to accelerate in June 2021; the Labor Department said June's consumer-price index increased 5.4% from a year ago, the highest 12-month rate since August 2008). It is an industry best practice to adjust fees modestly at least biennially to reflect a higher cost of producing rounds of golf and / or market competitive dynamics. The key to sustaining fee increases will be offering enhanced value with continued facility improvements, such as those that have already occurred (e.g., new cart fleet and maintenance equipment). Current customers are loyal to the convenience of

Lakeview GC, so despite dissatisfaction among some golfers that prices are too high for the product offered, we believe that inflation-adjusted fees should be sustainable.

  - After Lakeview GC is significantly improved, it may be able to sustain a higher market position that goes beyond just inflation-based increases. However, there is a lot of quality competition in the market for daily fee play, and demand will likely be much more elastic than it is for passholders.

- NGF concurs with the budgeted $1 increase in cart fees; a key will be to keep up with market-established fees now that Lakeview GC will have a new, high-quality fleet.

- Based on analysis provided to NGF, we believe management should focus on creating an internal loyalty / frequent player program, and on practicing active internal yield management to offer discounted play during slow demand periods, rather than renew the VIP Pass program. Management conveyed that about 65% of the revenue for the pass (currently priced $179 for 12 months) goes to the program, with Lakeview GC taking about 35%. Even if the internal loyalty program offered all of the same benefits as the VIP Pass, Lakeview GC collecting 100% of revenue for the pass should result in an increase in the average daily rate for daily fee rounds.

- One of City's goals with respect to the stewardship of Lakeview GC is to expand access and participation to the broader community. When the golf course is significantly improved and the City is ready to make a concerted push to attract more "outside" play, adjustments to the season pass program may be necessary in order to free up desirable tee times. For example, over time one or more of the following options can be analyzed and considered for implementation:

  - Limit the number of passes available for sale.

  - Introduce a weekday-only (either M-Th or M-Fri) pass that is more affordable but eliminates weekend play.

  - Institute a per-round surcharge for the tee times that are in highest demand, such as weekend mornings. (NGF observed that many current passholders are retired, affording them more flexibility on the days of the week they play).

Food and Beverage Service

The food and beverage operation at Lakeview GC is substantial for a public golf course, with annual *gross* revenues exceeding $500,000 in FY19. This is due to the large volume of non-golfer related demand from the local neighborhoods surrounding the golf course. The feedback from the stakeholder engagement phase of this project indicates that the restaurant, and particularly the shaded outdoor patio, is viewed as a nice, tight-knit community gathering place that could become even more popular with some refreshing, potential expansion of outdoor space, and marketing outreach to the local community.

NGF Commentary

Food and Beverage service at a public golf course is not necessarily intended to be a profit center, but rather to support the primary business of selling green and cart fees. For instance, food and beverage carts, in isolation, are often money losers for a golf course, but this is a service that is expected by golfers, who might otherwise play elsewhere. Most successful food and beverage operations at public golf courses are those that offer simple, quick, and inexpensive service that is convenient to the round of golf.

On the face of it, there would appear to be a good opportunity to grow the food and beverage business at Lakeview GC and turn it into a profit center. It has a built-in customer base of both golfers and non-golfers, and there is not much competition from casual restaurants in the area, the most notable exception being Rudy's on McMillan, a sports bar-themed pub / restaurant located about 2 miles away; the next closest restaurants are about 3 to 4 miles away.

The manager's preliminary program for Lakeview GC that was shared with NGF includes strategies for increasing awareness, drawing events through direct sales efforts, engaging the community with specials and theme nights, and potentially building a stand-alone brand identity for the restaurant. Additionally, management was already underway with an analysis of costs associated with food and beverage, so that actions – such as adjustments to service hours, staffing levels, menus, prices, etc.- could be taken to take the money-losing operation to breakeven or profitability.

With that background as context, NGF notes that a number of things have changed – largely prompted by the pandemic and the associated stimulus measures - that has prompted a potential change in direction for food and beverage service at Lakeview GC, and also led to a temporary closing of the kitchen. Specifically, new challenges have been overlaid on what was already a challenging aspect of the golf facility business. The most important of these are the inability to hire and retain staff, and rising food, labor, and other costs.

Potential Directions for Food and Beverage Service at Lakeview GC

There are a lot of unknowns regarding the future of the Food and Beverage operation at Lakeview GC. NGF essentially sees two fundamental ways the City can go with the food and beverage operations, with different levels of financial risk:

1.) Under this scenario, the pandemic's effects on restaurant dining dissipate, input costs stabilize, reliable workers – including a Kitchen Manager – will become available, and the restaurant returns to full service. In the short / intermediate term, however, food and beverage service at Lakeview GC continues to offer only premade items, hot dogs/brats, and beverages. This level of service is likely sufficient for golfers, at least for the short term, but essentially shuts out non-golfing diners. If / when "normalcy" returns, the City and management can proceed with plans to make the full-service bar / restaurant into a profitable part of the overall golf course operation. This strategy would very likely mean higher prices so that unprofitable parts of the business (essentially everything except for alcohol) would produce positive margins, and those increased prices would be absorbable by customers.

The City could give this option a "trial period", i.e., 6 months to a year, to see if the operation can become profitable, and then reevaluate at the end of that time. To give this strategy a fair chance of being successful, we recommend refreshing the interior and the patio and looking at alternatives to enlarge outdoor, shaded space, while having the new Marketing Coordinator work to draw meetings and other events.

2.) The other option assumes that the food and beverage service at Lakeview GC will likely not be profitable as a full-service restaurant. In this case, serving golfers would be top priority, and this would be accomplished through a permanently scaled-down version of Food and Beverage service. This type of operation would be more in line with other market public golf courses, such as the City of Nampa's Centennial GC, that are not located within residential communities and which have simple "snack bar" service that requires minimal staffing. This model involves reduced financial risk, due to the much lower expense profile, and still offers the chance at breakeven or profitability, especially since higher-margin alcohol sales reportedly account for about 55% or more of Food and Beverage revenues at Lakeview GC.

At this writing, the City had hired a local caterer / restaurateur as a paid consultant to manage food and beverage operations at Lakeview GC for the short term, at least while the current labor shortage exists. <u>This brings up an additional possible direction for food and beverage service at Lakeview GC: The City issuing a Request for Proposal (RFP) or Request for Expression of Interest (RFEI) to gauge the potential of leasing the food and beverage operation to a local restaurateur</u>.

Food and beverage concessions are common at municipal golf courses, though less so when there is a separate management company in place for all other aspects of the golf operation. While each situation is different and there are many variables involved (e.g., whether facility capital investment is expected), a 'typical' food and beverage concession agreement would pay the municipal owner in the range of 6% to 10% of gross revenues. If the City was to consider seeking a private operator, NGF recommends it wait until the uncertainty over the cost and availability of labor, the potentially transitory nature of inflation in input costs, and whether the pandemic may worsen during the fall / winter comes into clearer focus.

The bottom line is that unless Food and Beverage has traditionally been profitable, or seemingly has potential to become a strong profit center, the reduced-service option will offer the least financial risk, assuming golf customers do not flee in droves to other golf courses as a result. A limited menu focusing on premade sandwiches, 'grab-n-go', hot dogs, etc. can perhaps be supplemented by a food truck, at least during high demand times and for special events, and possibly as a permanent addition. Also, outside tournaments, such as charity events, can be catered.

General Recommendations

Following are some general recommendations for food and beverage operations at Lakeview GC. Some recommendations will be more applicable than others, depending on the ultimate scale of the operation.

- Analyze and closely monitor input costs and operating margins for food and beverage items, and for special events, such as theme nights.
- Evaluate demand by time of day, day of week, and month of the year, and adjust hours of operation and staffing accordingly.
- Increase Food and Beverage patronage of golfers and non-golfing homeowners.
    - Engage the HOAs to increase exposure via email, website, etc.
    - Promote the restaurant amenity as a value to HOA members.
- Continue with themed dining events – Valentine's Day dinner, Sunday Brunch, etc. - <u>if it is determined incremental net revenues can be achieved</u>.
- Send weekly email reminders advertising specials, especially to "mile square" community.
- Increase demand and improve revenue generation during the off season through service / menu modifications, special events, etc.
- Monitor customer trends and behaviors, and adjust service and offerings accordingly.
- Increase awareness and engagement:
    - Increase signage for visibility to those outside "mile square"; put a sign on the clubhouse.
    - Undertake paid social media campaigns.
- Create a standalone identity for the bar / grill, including separate webpage, social media, etc.

SUMMARY STATEMENT

Lakeview Golf Club presents both challenges and opportunities for the City of Meridian, Idaho. On one hand, the NGF team has documented a high level of deferred maintenance and capital needs that will require a multi-million investment to address. Additionally, the City is faced with a number of key public policy decisions related to issues such as the long-term management structure of the facility, the accounting methodology by which to measure financial results, and the direction to take the food and beverage operation in. Finally, as with any business in any given year, golf course performance is at the mercy of uncontrollable external factors, such as weather variations, economic factors (such as current labor shortage), etc.

On the other hand, Lakeview GC operates in a strong public golf market that is benefitting from one of the highest population growth rates in the country, as well as the pandemic-related demand surge in golf interest and participation. Additionally, the facility enjoys a robust, loyal "built-in" customer base from the mile-square neighborhoods. Finally, the City has an opportunity to broaden the appeal of the facility in the community by increasing the engagement level of non-golfers through special events and programs, and potentially the future addition of a venue such as the ‘Zenger’ 9-hole practice course concept recommended by the NGF team.

Though the budget for the FY21-22 fiscal year shows an operating loss of about ($241,000), NGF believes there is a chance for Lakeview GC to achieve breakeven or profitable operations in the future. First, recommended investments in the golf facility must be made to improve the golf experience and the marketability of the product. Additionally, season passholders must continue to sustain the facility with the reliable yearly cash flows and the facility will also have to add ±5,000 daily fee rounds from the broader market. Finally, chances at overall facility profitability would be much greater if the food and beverage operation, which is under stress due to external factors, was to become a profit center.

Despite some limitations and constraints, we believe that, with facility improvements and a strong programming element, Lakeview Golf Club will have a good opportunity to fill a niche in this market, differentiating itself on its playability, user-friendliness, walkability, and sense of community, as well as by offering “something for everyone”.

Situation Overview

In this section, NGF comprises a summary situation analysis of the City's Lakeview Golf Club intended to provide the appropriate background and context for the analysis and discussions in this report. More intensive discussions of the physical assets and operations are presented later in this report. All findings are based on the NGF team's review in the winter and spring of 2021.

The situation analysis comprises the following sections:

- Project background;
- Summary facility overview; and
- Summary operations overview.

PROJECT BACKGROUND

The City of Meridian has long owned the land that Lakeview GC sits on, and has leased the golf course out to private operators, the last of whom sold the leasehold interest and improvements – including the clubhouse built around 2000 - to the Western Ada Recreation District (WARD) for about $1.4 million. The City has never been actively engaged in the golf course operation; in later years of the lease agreements, the City collected a $6,000 annual rent payment.

WARD may be disbanded in the next few years and has an agreement with the City to convey the assets/improvements to the City. In the interim, the City has entered into a License and Management Agreement with the District to operate and maintain the golf course. The City subsequently entered into a short-term third-party management agreement with national golf course operator, KemperSports Management ("KemperSports" or "KSM"), to manage and maintain the facility. The agreement includes a flat monthly fee of $7,000, plus $2,000 per month as reimbursement for KSM's financial accounting package, for a total of $9,000 monthly. Management retained much of the existing key staff, including the current General Manager and the Superintendent (subsequently retired).

Extensive engagement with customers of Lakeview Golf Club by NGF during the study process revealed a negative perception of previous management, focused primarily on the fact that the last lessee ran the golf course on an extremely lean budget and invested little money in capital after building the clubhouse about 20 years ago. Stakeholders have high expectations for the City improving Lakeview GC, which is viewed as an important addition to the City's public recreational amenities.

LAKEVIEW GOLF CLUB FACILITY OVERVIEW

Following is an overview of the Lakeview Golf Club, including a summary description of golf course and support amenities. Later in the report, we provide a detailed assessment of current conditions, capital needs, and recommended improvements.

Lakeview Golf Club Overview

The 18-hole, par-72 course, formerly known as "Cherry Lane Golf Club", was originally built in 1979 as a 9-hole course, designed by Robert "Bob" Earl Baldock (1908 - 2000). Appendix E, Exhibit 1. This original nine is now played as the back nine of the current 18-hole layout. Baldock's son, Robert Lee Baldock, assisted his father with the original work. Nine additional holes were added in 1997. It is uncertain whether either of the Baldocks were involved with that expansion work, although we assume they may have at least planned the full 18 holes. As part of the new nine holes, an aqua-range was constructed to replace the practice area that had been part of the original 9-hole course in 1979.

Lakeview Golf Club Scorecard			
Tees	**Rating**	**Slope**	**Yardage**
Blue	70.4	131	6376
White	68.3	125	6008
Red	64.4	114	5180

Lakeview GC includes the following basic amenities and support structures:

- Golf course – 18-hole, par-72 golf course;
- Practice aqua driving range (not full length);
- Practice putting green and short game area;
- Clubhouse (includes cart storage at basement level);
- Golf maintenance building;
- Permanent restroom between Hole Nos. 14 and 15;
- Portable on-course restrooms (3); and
- Parking lot – approximately 120 spaces.

Clubhouse

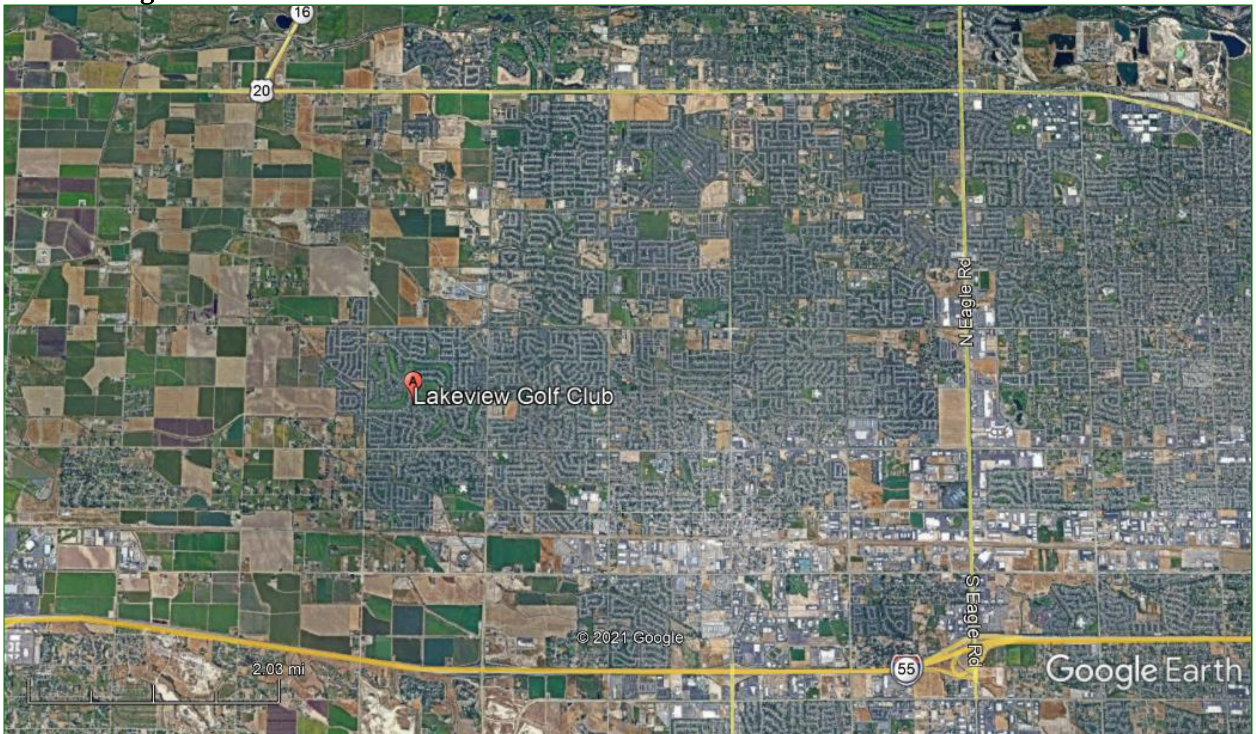
The single-story clubhouse at Lakeview GC was built in approximately 2000 and totals about 5,500 square feet under air. The building has a concrete slab, and the structure is poured concrete. The clubhouse comprises the following key elements: pro shop, bar/lounge area, men's and women's restrooms, and offices. The inside seating capacity of the bar/lounge is about ±70. The facility also features a very popular outside patio area with capacity for about ±50. The patio, which has been used for wedding ceremonies in the past, features a 10-foot bubbling fountain.

Site Overview

The Lakeview GC is located on W. Talamore Road in Meridian, ID. The "mile square" in which the club is situated is bordered on the west by N. Black Cat Rd., on the north by W. Ustick Rd., on the east by N. Ten Mile Rd., and on the south by W. Cherry Lane. Surrounding land uses in proximity to the club, including the mile-square neighborhoods, are largely residential, especially to the east, northeast and south. Housing values in the subdivisions proximate to the golf club, as in the Treasure Valley in general, have been steadily rising due to the influx of new buyers, including many from pricier markets out of state. The majority of residents are aged 50 and higher, with a mix of snowbirds, empty nesters, etc.

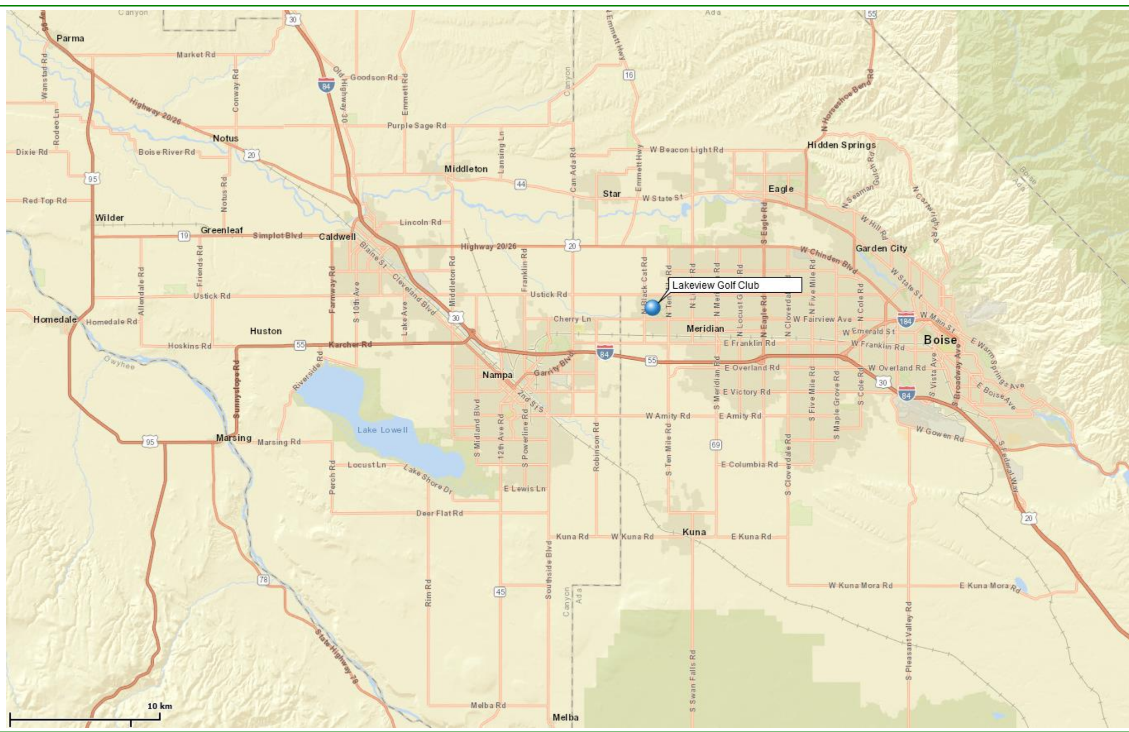
Lakeview GC is about 20 minutes west of Boise and is easily accessible via major arterials, including US 26 (Chinden Rd) about 2.5 miles to the north, and several I-84 interchanges – N. Ten Mile Rd. about 2.25 miles to the SSE, S. Meridian Rd. 3.5 miles to the southeast, and Idaho Center Blvd. 3.5 miles to the southwest.

Aerial Image



Google Earth image of Lakeview GC in Meridian, ID, showing mile-square communities, as well as surrounding residential areas. I-84 is to the south.

Location – Regional Context



Map showing Meridian, ID and surrounding cities, including Nampa to the west and Boise to the east.

OPERATIONS OVERVIEW

Following is a high-level summary of operations at Lakeview Golf Club, based on information provided to NGF by the City and golf course management.

Operating Structure and Oversight

As of November 2020, the golf course assets are leased by the City from WARD and managed by national golf facility operator KemperSports Management under a short-term fee-for-service agreement. Most of the current employees were employed by the lessee and retained by the management company, including the key positions of General Manager (formerly golf professional) and Superintendent (subsequently resigned).

The golf facility is part of the Parks and Recreation Department, and oversight at the City level is provided by the Parks Superintendent. The Superintendent reports to the P&R Director, who in turn reports to the Mayor. A Golf Course Focus Group - comprising a mix of golf course representatives, citizen representatives, elected officials (including the Mayor and two City Council members), and P&R staff – meets periodically and serves in an advisory role.

Fees / Pricing

Lakeview GC offers golf play on both a daily fee and season pass ('membership') basis. Non-discounted, or 'rack', daily green fees are affordable, with 18-hole, adult walking rates ranging from $29 to $39, and per person cart fees of $15 for 18 holes and $10 for 9 holes. (Daily trail fees for private carts are $13). Unlimited play 7-day passes (cart not included) cost $1,449 for singles, $2,249 for married couples and $2,349 for families (children under 17). A 'Half Price' pass entitling holders to 50% off walking green fees is $449. An annual Trail Pass for private carts costs $549.

Analysis reveals that a significant percentage of daily fee rounds at Lakeview GC are sold at less than rack rates, due to various discounts available through programs such as BOGO and the VIP Pass. The Teetiming.com 2021 VIP Passes offer golf punch cards for Lakeview GC at $179. (Other area courses, such as Boise Ranch and TimberStone also participate). The pass entitles the holder to ten (10) free 18-hole rounds, valid any day after 12:00 noon. Additionally, the card benefits include 10 Buy-1-Get-1 Free 18- or 9-hole rounds, valid anytime, and $1 off any size bucket of range balls throughout the year. Later in the report, we will discuss Lakeview GC fees in the context of the competitive market.

Operating Results / Rounds Played, Revenues, and Expenses

Lakeview GC is a fairly typical public golf facility in that it derives revenues from green and cart fees (including season pass dues), as well as driving range, merchandise, food and beverage sales, lessons, and other miscellaneous revenues, such as rentals. The level of gross food and beverage revenues at Lakeview GC is significantly higher than that of an "average" municipal golf course, owing largely to the large volume of non-golf customers living in direct proximity to the facility,

The financial performance information shared by the last lessee with the City was limited. The current manager, after going through all available records, surmised that only the results from fiscal year 2018-19 provided some degree of reliable insight. Based on this limited historical information, the following can be surmised about Lakeview GC performance:

- The facility hosted about 30,300 rounds in FY19, increasing in FY20 by 28% to just under 39,000 rounds, due to the pandemic-related demand lift that the golf industry experienced. Management, after analyzing point-of-sale (POS) reports, estimates that passholder and highly discounted daily fee rounds (e.g., VIP rounds) accounted for about 75% of play at Lakeview GC, and these rounds generate an average of just over $10 per round.

- The facility generated between $1.4 million and $1.5 million in total gross operating revenues in FY19. Though POS accounting was difficult to follow, the approximate breakdown by *gross* revenue category is estimated at:
    - Daily green fee + passholder dues – 36%
    - Cart rentals (including trail fees) – 11%
    - Food and Beverage – 37%
    - Pro shop (includes merchandise, rentals, lessons, miscellaneous) – 13.5%, about 60% of which appears to be merchandise sales
    - Driving Range – 2.5%
- Total FY19 Operating Expenses and Cost of Goods Sold broke down as follows:
    - Cost of Goods Sold: $405,767
    - Total operating expenses: $915,464, including:
        - An extraordinarily low $207,000 in Course Maintenance
        - About $641,000 in total labor expense, about 70% of total expenses
- These reported revenue and expense figures resulted in net operating income (cash basis before depreciation) of about $118,600.
- Depreciation expense was reported at $99,125, making Lakeview GC very close to a break-even operation in FY19, as reported.

Lakeview Golf Club FY2021-2022 Operating Budget and Projections

Under the prior lease agreement, Lakeview GC was operated on a very lean basis, most glaringly on the golf course maintenance side. NGF has observed that this is a typical scenario in the final years of a lease agreement when the lessee (or lessor) has no intent of renewing/extending the agreement. So, the historical revenue and, especially, expense budgets provided cannot be considered reliable or desirable guidelines for future budgets, especially under the expected much higher service level for Lakeview Golf Club under City stewardship.

Below are some summary assumptions driving the Lakeview Golf Club budget prepared by management for the 2021-22 fiscal year. Management noted that, in the absence of reliable historical financial information, point-of-sale reports were used as the basis for developing rounds and revenue assumptions. Even those reports were incomplete, due to the use of two POS systems. On the operating expense side, payroll projections reflect current staffing plans, recommended new positions, and minimum wage or parity driven increases. Expense budgets were informed by the management company's experience operating the course, supplemented by market benchmarking data gathered from the Boise and Nampa municipal golf course budgets. The budget does not include any expenses paid directly by the City.

Operating Revenues

- Due to the pandemic-driven demand increase in the golf industry, estimated Lakeview GC golf rounds for FY20 were 29% higher than for FY19. As things return to "normalcy", it is unclear how much of the Covid-related lift will "stick" after competition for consumer recreation and discretionary spending increases. Therefore, FY22 rounds are budgeted to decline 11% compared to 2020. The decline is projected to be primarily among daily fee rounds, which are projected to return to 2019 levels.
- The resulting 34,607 rounds are 13% higher than FY19, but the decrease over FY20 levels results in $130,000 less facility gross revenue than achieved in FY20.

- Price increases are not contemplated in the budget, pending decisions about capital investments in the product. The NGF GolfSAT survey fielded in December 2020 revealed a negative Net Promoter Score and satisfaction scores in the 1 percentile (i.e., worse than 99% of facilities benchmarked), so demand may be highly elastic with fee increases, especially on the daily fee side.
- Cart revenues are projected to increase by 10%, attributable to increased utilization and a programmed price increase (6.7%) associated with investment in new cart fleet.
- Range and Pro Shop revenues per round are consistent with recent historical results.
- Food and Beverage will return to historic levels of activity. That activity generates one-third of Lakeview GC revenues, but is budgeted at a loss for FY22. (Management is working with staff to evaluate pricing and offerings to better optimize margin).

Operating Expenses

Payroll Expense Drivers

- Facility payroll (inclusive of taxes and benefits) is proposed to increase, attributable to:
  - Course Maintenance (increase of $74,000)
    - Conversion of existing full-time, year-round Laborer to Lead position at an hourly rate of $18
    - Conversion of existing full-time, seasonal Irrigation Specialist to full-time, year-round at an hourly rate of $18
    - Increase the FT Laborer starting hourly rate from $11 to $15
    - Increase the PT Laborer starting hourly rate from $11 to $14
    - Increase Superintendent salary to $66,000 annually
  - Carts/Range (increase of $12,000)
    - Increase employees by $2/hour (start rate $10.50), associated with assumed increase in Federal minimum wage as of 1/1/2022
  - Food and Beverage (increase of $42,000)
    - Increase all front-of-house employees by $2/hour (start rate $8.50) associated with assumed increase in Federal minimum wage as of 1/1/22 – total $19,000
    - Increase in rates for all kitchen positions to match market and improve recruitment/retention of staff
  - Pro Shop (increase of $71,000)
    - Increase all employees by $2/hour (start rate $10.50) associated with assumed increase in Federal minimum wage
    - Pass-through of lesson revenues paid to golf professionals
    - Promotion of staff person to Operations Manager (Feb 2021 - $16K)
  - Administration and Marketing
    - Increase in General Manager salary to $66,000 (Nov 2020 - $15K)
    - Addition of part-time, year-round Marketing Coordinator at $15/hour, total of 23,000; offsetting expense savings of $14,000 by eliminating ForeUp marketing support contract (effective 8/2021)
  - Employee Benefits (e.g., health insurance; $94,000 increase)

Other Expenses

Management reported that other operating expenses were the most difficult for which to make comparisons to the FY19 data (again, due to the prior recordkeeping). Below are listed the budget variances based on what could be deciphered from reported FY19 actual results.

- Other operating expenses, with budget increases noted:
  - Course and Grounds
    - Fertilizer/Chemical budget benchmarked to be consistent with courses in the market – increased by $13,000
    - Dryject aeration service ($15,000 increase)
    - Increased irrigation repairs and maintenance ($12,000)
    - Goose control ($5,000, new in 2021)
    - Increased equipment repairs and maintenance, plus allowance for equipment rental ($30,000 budgeted)
    - Deferred maintenance and repairs - $15,000
  - Pro Shop
    - Range balls ($10,000)
    - Allowance for purchase of rental clubs and pull carts ($3,000)
  - Administration
    - Repair and Maintenance ($12,000)
    - Accounting service ($24,000)
    - Travel ($12,000)
    - Employee meals ($12,000)

EBITDA

Management's budget for the FY21-22 fiscal year showed an operating loss of ($147,005), before management fees and irrigation taxes. After adding these two expenses, the total net loss on operations on a cash basis (depreciation excluded) is about ($241,000). In order to achieve breakeven operations, NGF-recommended investments in the golf facility must be made to improve the golf experience and the marketability of the product so that an additional 5,000 - 6,000 daily fee rounds can be attracted from the broader market. Additionally, season passholders must continue to sustain the facility with the reliable yearly cash flows from dues, and the food and beverage operation must become a profit center.

Summary

Making accurate pro forma projections for a golf facility operation can be difficult, due to the number of uncontrollable variables that can affect both the revenue and expense side of the operation in any given year, such as weather variations and economic factors; i.e., inflation (especially in labor costs). It becomes even more difficult when there is not a reliable history from which to draw knowledge from, and when, as is the case with Lakeview GC, a new operating model and service standard are being introduced.

NGF has reviewed the management's assumptions, in the context of our experience with similar municipal golf operations (including several in this regional market) and finds them to be reasonable and conservative based on expected inputs and information known at this time. Much of the outcome is reliant on the pace and nature of facility improvements (especially those related to playing conditions), as well as on the degree to which the pandemic-induced demand surge in golf may be transitory. Finally, the food and beverage operation is under stress at this writing, due to factors such as turnover in key positions, the inability to find willing workers, and increasing wages. Therefore, its potential as a generator of positive net income is highly in doubt at this time.

Market Analysis – External Factors Affecting Demand for Golf

To assess the current positioning and potential market opportunities for Lakeview Golf Club under City ownership, the environment in which the facility operates must be understood. Below, NGF Consulting provides a summary of key "external" trade area factors that have the potential to affect demand for golf. The overview includes NGF's macro perspective of the U.S. golf industry. On a local/regional basis, we analyze area demographic and economic factors, as well as golf supply and demand indicators, that characterize the trade area for Lakeview GC.

NATIONAL GOLF INDUSTRY OVERVIEW

While some participation headwinds persist for golf, the industry continued its macro stabilization trend over the 2016 – 2019 period. The game remains popular and has a deep well of interested prospects. While golf's pay-for-play green fee revenues and other spending will always be vulnerable to outside forces, such as weather and the economy, its chief challenge remains ***getting more of those non-golfers who express interest in playing ('latent demand') to actually give golf a try, and converting more beginners into committed participants*.** Golf is also having trouble attracting and retaining young adults (i.e., Millennials); though this segment continues to account for a large percentage of annual play and spending, factors like debt and competing recreational activities have suppressed golf demand from this segment.

As we will see below with national rounds played for 2020, golf has received a strong, though perhaps temporary, boost from the Covid-19 crisis. While preliminary research indicates that the number of golfers has not changed markedly, some new golfers have joined the game (especially in junior segment) and rounds activity by existing golfers has increased significantly, due to many factors, not the least of which is the fact that golf is an outdoor activity that is conducive to social distancing. It will be up to golf's stakeholders, including the major associations, course management companies, and those on the front lines – golf professionals, instructors, and other staff – to make sure that a strong percentage of new and reactivated golfers stick with the game.

Key Trends in Demand

Participation - The national golfer number (defined as those people that had played at least one round of golf the prior 12 months) showed net attrition since 2012, declining by about ±1.2 million to 23.8 million people in both 2016 and 2017 before rebounding to 24.2 million in 2018, 24.3 million in 2019, and 24.8 million in 2020. Overall, the number of golfers has declined by nearly 6 million since peaking at 30.6 million in 2003. Research shows that this attrition was primarily among occasional/less committed golfers. However, the vast majority of "core" golfers remain in the game.

Rounds Played 2019-2021 – Nationally, 2019 rounds played (year-over-year) were up by 1.5%, according to Golf Datatech. Remarkably, despite nationwide Covid-19-related golf course shutdowns beginning in March, national rounds played surged in 2020 after reopening, finishing 13.9% (about 60 million rounds) **ahead** of 2019's numbers. The 4-state region comprising Idaho, Wyoming, Montana, and Utah finished up 2020 up by 20.4%. (see Appendix A tables). Through April 2021, national rounds were up 43.8% over 2020, with the 4-state region up by 29.3%

Baby Boomer Effect and Generation G (the "Golf Generation") – As Baby Boomers age and retire over the next 15 years or so, we expect to see a measurable increase in total rounds played in the U.S. Boomers - born between 1946 and 1964 - are currently 56 to 75 years old. About 6 million of them are golfers; that's approximately 1/4 of all golfers, and they currently play about 1/3 of all rounds. While not technically a generation, the 46-65 age cohort is the most vital group for the golf industry, accounting for the most golfers, rounds and spend in the industry – more than $9 billion in total annually. Generation G includes younger Boomers and older members of Generation X.

Golf Course Supply

The number of course closures has outweighed new openings for 14 consecutive years during the ongoing balancing of supply and demand. According to NGF data, since the market correction in golf course supply began in 2006, there has been a 10% cumulative reduction of U.S. golf courses in terms of 18-hole equivalents (18HEQ). In 2019 there were 279.5 permanent closures (18HEQ), about 40% higher than the level experienced in the prior two years. For perspective, golf supply grew by 44% from 1986-2005. The demand for land to develop residential and commercial real estate is influencing the supply correction in golf. Closures tend to be more value-oriented, public facilities in the best-supplied areas: Florida, Texas, Ohio, California, and New York had the most closures in 2019 and all rank among the top six states with the most golf courses.

Other Measures of Health

Other metrics to consider when measuring the health and trajectory of golf include:

Investment in Facilities: Investment in major renovation projects has replaced new construction as the largest source of U.S. golf course development activity. NGF tracked more than 1,200 major renovations completed since 2006, totaling ~$3.75 billion in spending.

Increasing Diversity: The junior golf population showed moderate attrition, dropping from 2.7 million in 2017 to 2.5 million in both 2018 and 2019. Junior golfers continue to show a transformation in diversity. About 34% of golfers age 6-17 are females, up from 17% in 1995 (23% of **all** golfers are women). Also, about 25% of junior golfers are non-Caucasian, up from only 6% in 1995. A similar trend is observed among young adult (18-34) or Millennial golfers, of which about a quarter are female and a quarter non-Caucasian. The highest diversity is among beginning golfers (see below).

Beginners: The number of beginners rose to a record 2.6 million in 2017 and 2018, surpassing the record set in 2016 and representing an increase of about 600,000 since 2014 (beginners fell slightly to 2.5 million in 2019). The last two years have set records and exceeded the year 2000, when Tiger Woods was in his prime and drawing newcomers to the game in unprecedented numbers. About 35% of beginning golfers are women, and 26% are non-Caucasian (compared to 18% of total golf population).

Off-Course Participation: Driven primarily by the popularity and growth of Topgolf, a non-traditional form of golf entertainment, there were an estimated 23 million off-course participants (only those activities that involve hitting a ball with a golf club) in 2019, up by 2 million from 2017. In 2020, the number grew to 24.3 million, nearly half of whom did not play on a golf course.

Latent Demand: Overall interest in playing golf remains very high. NGF survey research indicates that the number of non-golfers who say they are “very interested” in taking up golf – which had doubled between 2014 and 2018 (CAGR of ±15%), increased by an additional 1 million in 2019 to 15.7 million people, and in 2020 to just under 17 million, as many beginners were attracted to the game during the pandemic.

Dedicated: Several years ago, NGF developed a scale to gauge participant engagement with golf. NGF annual golfer survey research indicates that the number of dedicated golfers has remained steady at 20 million for the past 8 years. These dedicated golfers are responsible for ±95% of rounds played and spending. Those who are more engaged are significantly more likely to continue playing.

National Golf Industry Overview Summary

It is difficult to conclude how the national trends discussed above will affect any particular golf course, as we cannot definitively predict which, if any, of these trends will continue. On balance, however, we believe that a continuation in the growth of beginning golfers, successful activation of the large cohort of non-golfers that have expressed interest in playing ("latent demand") by golf operators and organizations, such as National Golf Foundation (through its "Welcome2Golf" program), and the continued golf course supply correction towards equilibrium, should have a positive effect on the golf facility industry.

In terms of the potential long-term impacts of the Covid-19 pandemic, it is way too soon to tell what, if any, lasting effects on golf participation and demand will be. With less competition from other sports and activities, the pandemic, at least in the short term, has had a very positive effect on golf demand, with a significant rise in new and returning golfers manifesting in fuller tee sheets across the U.S. Another outcome has been higher average green/cart fees for those facilities able to practice dynamic pricing.

Remarkably, year-end figures from Golf DataTech show that the US golf industry increased by about 60,000 million rounds in 2020, despite widespread shutdowns of golf courses in March and April. (Of course, those facilities with large food and beverage and, especially, banquet operations have suffered the most, though reduction in expenses has helped to somewhat mitigate loss in revenue). Ultimately, post-pandemic success at retaining new golfers depends largely on operators successfully engaging these customers and giving them a reason to continue playing even after new avenues of recreation and entertainment become widely available again.

LOCAL / REGIONAL MARKET OVERVIEW

Below we provide an overview of local demographic, golf demand, and golf supply measures and metrics for the Meridian / Ada County area. NGF Consulting utilizes predictive models as benchmarks for estimating potential market strength. Refer to Appendix B tables.

Defining the Primary Trade Area for Lakeview Golf Club

A number of factors assist in determining the expected market area for a golf facility. In addition to the quantity, quality, and nature of the subject facility and competitive facilities in the area, the availability of highway and major thoroughfare infrastructure, traffic patterns, economic and demographic factors, and the propensity for golfers to travel to play golf all play a role in establishing the primary market area for a golf facility.

Based on NGF's analysis of the Lakeview GC in the context of the factors cited above – and taking into account the significant percentage of play derived from members living in immediate proximity to the club **-** we expect that the Lakeview GC currently draws the majority of its ***daily fee*** play from a market comprising a 15-mile radius of the golf course. In addition to Meridian, this area includes Star and Eagle to the north, Nampa and Caldwell to the west, Kuna to the south, and Boise to the east.

Demographics

Below, NGF provides key observations regarding the population, median age, and median household income trends for the immediate 2-mile market, as well as the 5-, 10- and 15-mile market radials and Ada County. (See Appendix B for source tables).

2-Mile Radial Market for Lakeview GC

Following are NGF summary observations regarding the demographic profiles of the immediate 2-mile submarket around the Lakeview Golf Club.

- **Population:** There were an estimated 24,000+ residents living within 2 miles of the golf course in 2019, including more than 1,900 golfers, according to NGF's proprietary Demand Model. The projected compound annual growth rate in population of 2.64% is nearly 4 times that projected for the overall US through 2024.
- **Median Household Income**: MHI in the immediate 2-mile market for Lakeview GC is about 1.65% lower than the national median of $63,709. *In general, higher income people are more likely to participate in golf, and they play more frequently than lower income residents*.
- **Median Age**: The median age in the 2-mile market is just under the national median of 38.3 years. In general, the propensity to play golf with greater frequency increases with age, making older markets more attractive to golf facility operators, all other factors being equal.

Broader Submarkets and Ada County

Following are NGF summary observations regarding the demographic profiles of the 5-, 10-, and 15-mile submarkets and Ada County.

- **Population:** There were approximately 121,000 people living within 5 miles of Lakeview GC in 2019. As expected, population density increases in the broader rings, as Nampa and Boise proper are included. The 10- and 15-mile markets have populations of about 448,000 and 638,000, respectively, while Ada County is home to 469,000 people. As with the 2-mile market, the projected compound annual growth rate in these broader markets are nearly 4 times higher than that of the nation through 2024.
- **Median Income:** Median Household Incomes in the 5- and 10-mile radials around Lakeview GC are 9.7% and 2.0% lower, respectively, than the corresponding national figure. Incomes in the 15-mile market and the Boise City-Mountain Home-Ontario core-based statistical area (CBSA) are ± 7% lower than the US mark. Earlier we noted the positive correlation between income and golf participation.
- **Median Age:** Other than 2-mile "fall out of bed" market, we observe median ages in the local submarkets that are moderately lower than the national median of 38.3 years. Other factors being equal, we would expect the average golfer in these markets to play less frequently compared to the national benchmark for this measure.

Local Golf Demand and Supply Indicators

Below is a summary of key findings regarding the public golf demand and supply profile in the trade area for Lakeview GC. This information is derived from the NGF Demand Model (based on ongoing NGF golf participation research), NGF U.S. Golf Facilities Database, and NGF Golf Market Analysis Platform (GolfMAP).

- **Golf Participation Rate:** Household golf participation rates in all of the submarkets are either right at the national benchmark, slightly below it (15-mile radial, CBSA), or slightly above it (5-mile market, Ada County). The same dynamic is observed for rounds demand potential per household.
- **Number of Golfers and Average Rounds Played per 18 Holes:** The 10-mile primary market contains 43,000+ golfers, while 15-mile has nearly 59,000 and the CBSA about 67,500. Based on facility self-reported and modeled activity levels, average annual rounds played per 18 holes of golf in the 10-mile primary market and Ada County is ±26,000. This compares to the national average of about 31,500.
- **Golf Supply and Supply-Demand Ratios:** There are 11 total golf facilities within 10 miles of Lakeview GC, including 8 public (3 municipal, including Lakeview GC), totaling 198 holes. The broader 15-mile radial comprises 20 total golf facilities (342 holes), including 15 public (7 municipal). The NGF database reveals a net loss of 18 golf holes in the 10-mile primary market over the previous decade, with the Foxtail Golf Course and Driving Range in Meridian closing in 2015, while the CBSA has *added* 27 total holes during that time. Despite a seeming abundance of golf courses, supply-demand ratios show that the 10-mile primary trade area for Lakeview GC has 61% more golfing households per 18 holes of public golf than the overall nation. The CBSA overall has 18% more golfing households per 18 holes than the US benchmark.
- **Latent Demand:** People who express an interest in playing golf but have not yet started include former golfers and those who have never tried. The demographic profile of latent demand tends to be more female and younger than the population as a whole. Surveys show these golf-interested non-golfers cite several barriers to entry into golf, including the cost and social aspects (no one to play with). NGF research projects nearly 67,000 interested non-golfers living within the defined 10-mile radial market. These interested non-golfers represent a rich well of "prospects", some of whom can be activated with creative programming aimed at inviting and "onboarding" them into the game.

Local Economic and Climate Factors Affecting Demand for Golf

Sources: Miscellaneous online; City of Meridian.

Following is a summary of key economic factors that have the potential to affect demand for golf in the Meridian / Ada County area.

- WalletHub ranked Meridian as the seventh-fastest growing city in the country; it is now the second largest city in Idaho with a population of just under 107,000 as of 2019. Nampa earned the No. 46 spot in the overall rankings, while Boise trailed at No. 174. In the ranking segregated by city size, Nampa was part of the "small city" category for areas with fewer than 100,000 people. Both Meridian and Boise were included in the "midsize city" category, which included cities with populations between 100,000 and 300,000 people. The Boise Metro area, comprising five counties, is the third largest in the northwest, with about 750,000 people.
- Meridian finished No. 9 on Money's list of the "Best Places to Live in America," for 2019. Meridian and the rest of the Treasure Valley benefits from a high quality of life, including low crime rate, abundant cultural and recreational amenities, natural beauty, favorable weather, and relatively low cost of living.
- As a result of the population growth, the housing market has been hot, resulting in rising prices. The average home price in Meridian for 2019 was $343,528, an increase of 7.4% over 2018's figure of $319,758. With a spate of new construction, Meridian is more expensive than most of its neighbors, including Boise, Garden City, Nampa, and Caldwell
- Transportation: The Boise Airport serves more than 3 million travelers each year. The major interstate serving the Treasure Valley is I-84, which runs through Boise, Meridian, Nampa and Caldwell. The interstate is supplemented by federal highways 20, 26 and 30, as well as state highways 21, 44 and 55. The average commute time is just 22 minutes, providing residents with more discretionary time than is observed in larger metro areas.
- Supplementing golf demand from permanent residents are: (1) The area's corporate and public employers, civic groups, churches and charities (active with tournaments and outings); (2) Visitors to the Treasure Valley area. In a down year for travel, nearly 2 million passengers went through Boise Airport, and the market is popular destination for corporate meetings and conventions. (NGF research shows that roughly one-third of golfers play when traveling).
- Meridian's largest private employers include St. Luke's Health Services (1,500 employees), Citi (1,300), Blue Cross of Idaho (1,000), Scentsy (1,000), and AmeriBen (700). From a regional perspective, Micron Technology - a Fortune 500 company headquartered in Boise - employs 6,000 in the Treasure Valley, while other large regional employers include Saint Alphonsus Health System, Hewlett Packard, J.R. Simplot Company, and IDACorp (Idaho Power).
- Climate: The Meridian area enjoys four seasons, including a relatively mild winter and summers that feature about 50 days with a high above 90 degrees. Average high temperatures are coldest in December and January, at just below 40 degrees. The hottest months are July and August, when average highs are in the upper 80s. Golf courses generally remain open year-round, with periodic closures due to weather. Meridian averages about 11 inches of rain and 10 inches of snow per year, with 211 sunny days.
- Minimum Wage: The Idaho minimum wage is a relatively low $7.25 – matching the Federal number - and was last changed in 2008, when it was raised $0.70 from $6.55 to $7.25. The State minimum wage is likely to increase in coming years as the Federal minimum wage is raised; increases have been factored into the Lakeview GC budget.
- Higher Education: Boise State University is the largest university in Idaho, with 790 full-time faculty and 26,000+ students. The College of Western Idaho has a total enrollment of 31,000+.

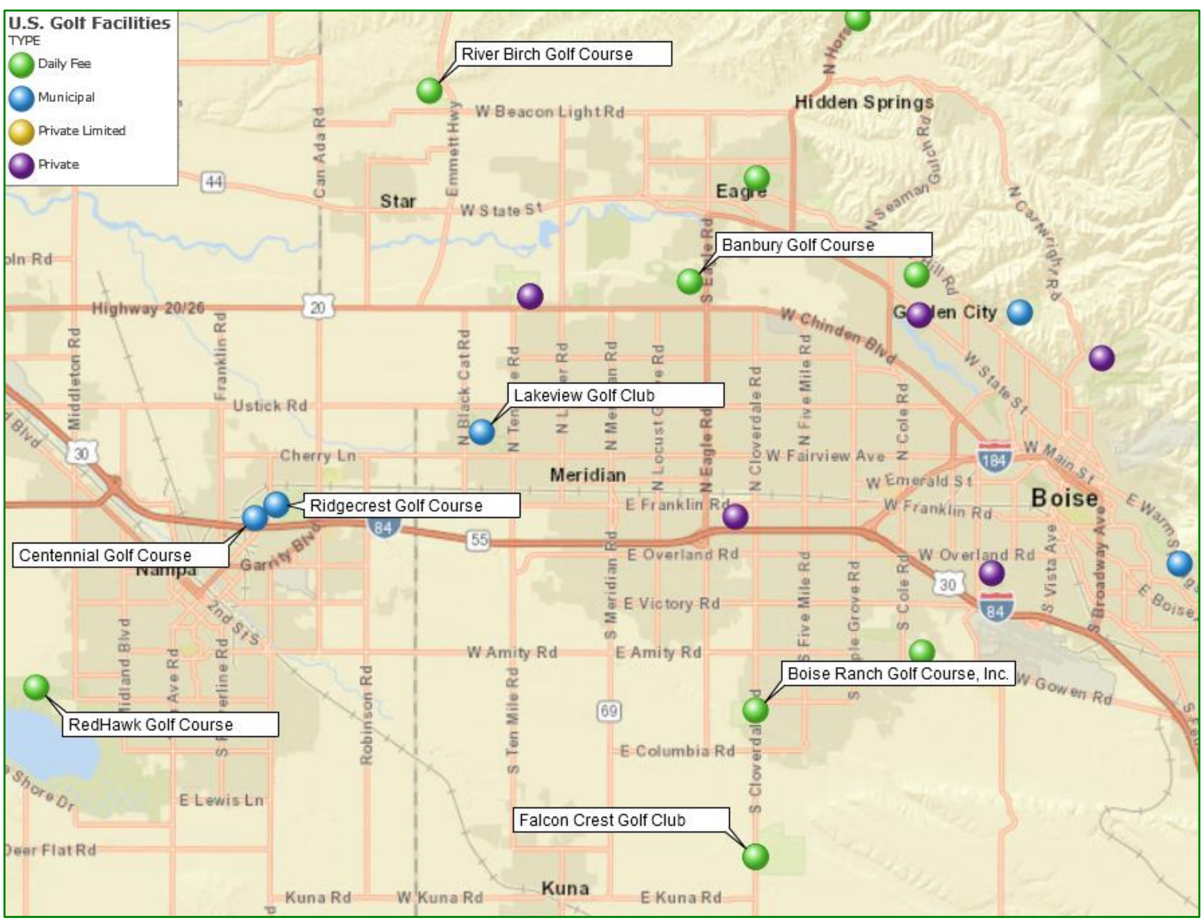
COMPETITIVE GOLF MARKET

The quality level of public golf facilities in the Treasure Valley is generally very good, including – to varying extents - the 7 facilities identified by NGF (with input from management, Lakeview GC golfers, and area golf operators) as most competitive to Lakeview GC. The list is intended to be a representative subset – based on factors such as price point, quality, and amenities offered:

- Banbury Golf Course – 18H Daily Fee – Eagle
- Boise Ranch Golf Course - 18H Daily Fee – Boise
- Centennial Golf Course - 18H Municipal – Nampa
- Falcon Crest Golf Club - 36H Daily Fee – Kuna
- Redhawk Golf Course 18H Daily Fee – Nampa
- Ridgecrest Golf Course - 27H Municipal – Nampa
- River Birch Golf Course - 18H Daily Fee – Star

Examples of regional *secondary* competitors (all 18-hole regulation courses) to Lakeview GC include the City of Boise's Quail Hollow and Warm Springs golf courses, Shadow Valley GC in Boise, Eagle Hills GC in Eagle, and Purple Sage GC and TimberStone GC – both in Caldwell. Summary information regarding the primary competitors, including golf course description and estimated annual rounds played, are shown in the table on the following page. Additional tables with daily green and annual/season pass fee information can be found in the tables in Appendix C.

Competitive Facilities Map



Facility Summary Information – Lakeview GC Competitive Set								
Golf Facility	**Location**	**Type**	**Year Open**	**Par / Slope**	**Front Tee/ Back Tee**	**Location Relative to Lakeview GC**	**Est. 2020 Rounds Played**	**Tee Stations**
Lakeview Golf Club	Meridian	MU-18H	1978	72 / 131	5,367/ 6,521	-	37,000	15
Banbury Golf Course	Eagle	DF-18H	1999	71 / 149	4,522 / 6,908	5.3 miles NE	42,000	25
Boise Ranch Golf Course	Boise	DF-18H	1994	71 / 125	5,266 / 6,607	8.0 miles SE	37,000	25
Centennial Golf Course	Nampa	MU-18H	1988	72 / 116	5,483 / 6,655	5.0 miles W	40,000	25
Falcon Crest Golf Club (27R + 9E)	Kuna	DF-36H	2001	72 / 122	5,463 / 7,089	10.4 miles S/SW	57,000	100
Redhawk Golf Course	Nampa	DF-18H	2009	71 / 127	4,089 / 6,730	10.5 miles SW	34,000	40
Ridgecrest Golf Course (Champ. 18H)	Nampa	MU-27H	1996	72 / 134	5,186 / 6,918	4.5 miles W	46,731	60
River Birch Golf Course	Star	DF-18H	2004	73 / 119	5,537 / 6,974	7.1 miles N	32,000	40

*Air miles from subject site, rounded to half-mile; actual driving distances will likely be greater.
Type: DF – Daily Fee; MU – Municipal; R – Regulation; E - Executive

Significant Findings – Competitive Public Golf Market (18-Hole or Greater)

NGF Consulting research indicates the following significant findings for the Lakeview Golf Club competitive public access golf market:

- While Lakeview Golf Club has been described to NGF as a “fun” course, in its current condition, and with characteristics like narrow corridors with many fairways double-loaded with homes, the golf course is inferior in quality to its competitors. This makes it difficult for Lakeview GC to compete effectively for daily fee market share except through significant discounting of fees (e.g., VIP program). However, the built-in “captive audience” - comprising golfers living in the homes within a square mile of the facility - significantly boosts activity levels at Lakeview GC, primarily through annual passes.
- Lakeview GC’s high-quality competitors include the City of Nampa’s Centennial and Ridgecrest courses, Banbury, Boise Ranch, and Falcon Crest. These courses are newer than Lakeview GC, do not have homes lining the fairways, are more aesthetically pleasing, and offer a superior price/value proposition to Lakeview GC.
- Despite offering vastly different golf experiences than Lakeview GC does, Centennial and Ridgecrest – due to their value and proximity – may be the two most important competitors to Lakeview GC in the context of daily fee market share. Each offers strong value, with Ridgecrest a particularly good and challenging golf experience for its price point. Management told NGF that both courses had been on the upswing since about 2017 in terms of rounds played, and each saw additional rounds (and a lot of new customers) during the pandemic-fueled upswing in 2020. The trend is attributed to the strong population growth in Nampa and the Treasure Valley. Unlike Lakeview GC, the Nampa course are predominantly daily fee courses, with only an estimated 20% to 25% of total rounds coming from passholders.
- Nampa’s lease agreement with the state on the nearly 500 acres of land at Centennial and Ridgecrest expires at the end of this calendar year. NGF was told by a couple of market sources that Ridgecrest was in danger of closing at the end of the lease, but further research indicates the city hopes to continue leasing the property and potentially own the golf course in the future.

- More than one operator we spoke to noted, and NGF concurs, that the high-quality golf courses in this market would be positioned at considerably higher green fees in many other markets (e.g., Bay Area, Phoenix-Scottsdale, Seattle, Portland, southern California, south Florida). Anecdotally, these operators noted that a lot of the new resident golfers coming to the Treasure Valley from some of these very same markets have expressed this observation.
- Average peak season ('prime time') walking green fees among the market competitors fall within a relatively tight range. On the lower end, weekday 18H green fees range from the upper $20s weekdays / mid $30s weekends at facilities such as Centennial, Redhawk and River Birch, to mid $30s weekdays / low-mid $40s at Boise Ranch, Ridgecrest, and Lakeview GC (latter is $39 weekends). So, Lakeview GC falls in the middle tier by the criterion of 'rack' pricing, though we previously noted that a large volume of daily fee rounds at the club are played through various discount programs, such as VIP. At the high end of the range, Banbury GC is at $43.50/$53 for walking 18H rounds. Most clubs offer junior, senior and twilight rates, and fees are generally discounted 10% to 20% during the short winter season.
- Cart fees also group within a small range of $15 to $17 (per person, shared cart) for 18 holes, and $10 to $12 for 9 holes. Most facilities allow private carts and have both annual and daily trail fees available, with the latter generally in the same cost range as 18H cart fees.
- All of the golf facilities in the identified primary competitive subset offer season passes that allow for unlimited play (cart not included). Several also offer weekday-only passes. For unlimited 7-day individual passes, Banbury GC, which limits the number of passes sold, is easily the highest priced at $2,999. The other facilities fall within a range of $985 for Centennial and $1,850 for Redhawk. Lakeview GC, at $1,499, is similarly priced to Falcon Crest ($1,399 for Championship Course only), Ridgecrest ($1,450), and Boise Ranch ($1,600). Also, the price of the Lakeview GC pass is marginally higher than the cost for the City of Nampa's pass that includes *both* Centennial and Ridgecrest.
    - While the season price fee for Lakeview GC is high relative to the quality of the golf experience offered, the fee reflects that the club's membership is very local and very active, due to the convenience of the course location. With Lakeview GC acting effectively as a community or HOA golf course, the frequency of play of its passholders is likely higher than that of most or all of its competitive set, thus lowering the effective rate per round at Lakeview GC. With members playing a high average number of golf rounds each year, the average effective green fee per member round is very low compared to daily fee (non-passholder) rounds.
- With an estimated average of 38,000+ annual rounds per 18 holes (short courses at Falcon Crest and Ridgecrest excluded), the competitive subset compares favorably to the national average of about 31,500 (all types), and the facilities are especially active in comparison to many non-Sunbelt markets. The market operators we spoke to reported seeing many new customers in 2020, due to both the pandemic and the continued influx of new residents into the Treasure Valley. The most active facilities in the market are Ridgecrest, Falcon Crest, Banbury, and Falcon Crest.

LOCAL / REGIONAL MARKET SUMMARY

Following are key NGF takeaways from the Meridian / Treasure Valley market analysis:

- The Treasure Valley golf course market is characterized by very active golf courses for this climate region, attributable to high quality golf courses at very affordable green fees. With more affluent households moving to the area, the apparent ceiling on green fees in this market may go higher over time.
- Golf courses in Meridian and the Valley benefit from a vibrant economy and very high-growth population from which to draw players. With this rapid population growth, already favorable (compared to overall U.S.) golf demand-supply ratios should grow more favorable over time, barring further golf course development.
- Despite the relative robustness of the market, Lakeview GC has been reliant on its "built-in" season passholder base for survival, with daily fee play at 'rack rates' accounting for only about a quarter or so of total plays. The course, in its current condition, draws much of its daily fee play through various forms of discounting (e.g., VIP Card).
- The key to Lakeview GC being able to successfully increase market share – especially in terms of daily fee play – appears to be substantially improving the product through major capital investment. However, even with major improvements, Lakeview GC will still lag most competitors, due to the nature of the golf course, with its tight corridors and fairways double-loaded with homes.
- Still, we believe that with facility improvements and a strong programming element, Lakeview GC will have a good opportunity to fill a niche in this market, differentiating itself on its playability, user-friendliness, walkability, and sense of community, as well as by offering "something for everyone" through creative programming and potential addition of amenities such as the Zenger Short Course.

Public / Stakeholder Engagement

As noted in the introduction to this report, public and overall stakeholder engagement was an important part of the overall master plan study process. It is very important to the City to hear from various constituents as it begins its stewardship of the golf course. Below are NGF summary findings focusing on important recurring themes gleaned from the various components of the engagement process. Responses are not attributed to individuals to protect privacy.

GOLFER SURVEY (NGF GOLFSAT)

In December 2020, shortly after taking over management of Lakeview GC, KSM fielded the NGF GolfSAT golfer survey. The survey results revealed some of the worst scores, benchmarked against like facilities, that NGF has observed. Satisfaction was particularly low for course condition factors, while convenience of location was the only factor that was rated and benchmarked very positively.

PHONE AND VIDEO INTERVIEWS / FOCUS GROUPS

NGF staff conducted one-on-one interviews or hosted Zoom meetings with a variety of people that have some connection to Lakeview Golf Club to ascertain feelings and opinions about the City's acquisition of golf course assets and future stewardship of the facility. Summary findings follow.

Public Officials, Golf Course Focus Group Members, Lakeview GC Associations

NGF consultants spoke via telephone to ±20 individuals comprising a cross-section of representatives from these various groups. Additionally, we conducted Zoom meetings with representatives of the Men's Golf Association, the Ladies Golf Association, and the Cherry Lane HOA. Summary observations follow.

Current and Former Public Officials

The group included the Mayor, members of City Council (including the City's Liaison to Parks), Parks and Recreation Commissioners, the P&R Department Youth Commissioner, WARD Chairman, City Finance Director, and a former Mayor. The overall vibe with respect to the City's decision to take control of the assets and management of Lakeview GC was very positive, with most we spoke to excited about the opportunity it presents.

Some of the more resonant and/or recurring themes that came out of the discussions:

- The golf course reflects on the City's image and the quality should measure up to other communities' golf courses (Nampa's courses, especially Ridgecrest, was brought up several times as a comparison), and also uphold the standard of other City of Meridian parks – visually and operationally – as a point of pride.
- Lakeview GC should be operated as a municipal golf course with professional practices and standards.
- There is almost universal recognition that the Lakeview GC facility requires multiple millions of dollars in improvements, due to the aged-out condition of its infrastructure.
- Lakeview GC should remain "entry level" on both the skill required and the price. The facility should be about accessibility, and not be exclusionary in any way. Should be more marketing to the broader community to create awareness and engagement.

- The facility should be a welcoming place for kids and beginning golfers. Good practice facilities and active programming, especially for youths (e.g., The First Tee, programs through the West Ada School District), is very important.
- The idea of potentially adding a new forward tee, enhanced practice facilities, and possibly a new 9-hole practice course, was very well-received.
- The golf club should not be about non-golf food and beverage events such as weddings; also, it should not have a "night club" atmosphere. On the other hand, most people expressed that the restaurant can be a focal point of the club as a community gathering place, especially if the atmosphere was upgraded.
- The City should focus on the golf course's benefit to older folks. It is an integral part of the quality of life for many of the local residents above age 60.
- The discussion of the idea of the golf course as public accommodation vs. for-profit business was a frequent one. While some thought there should be a breakeven or even profit imperative, others thought that a subsidy would not be a bad thing and that the golf course "should get the same resources and attention as other parks that benefit the broader community". There was agreement that City leaders need to reach consensus on this issue.
- Most constituents we spoke to were in favor of continuing professional outside management, rather than trying to operate it with City employees.
- One of the common themes revolved around access to the golf course by non-golfers, protocols, behavior, etiquette, etc.:
  - Examples that came up included "trespassers" (dog walkers, kids taking established paths to shorten walking distance to school, neighbors walking on course before or after hours to practice chipping, and putting).
  - Poor golfer behavior was cited by some (balls in backyards, broken windows, jumping fences, and urinating in yards).
- Community neighbors are an essential voice and partner to the City, and this should be acknowledged. The City must be transparent with messaging about rules/protocols (e.g., break a window, leave a note), expectations, who to call when something goes against protocols, what the City's liability is in different situations, etc. The City should clearly convey and reinforce its values related to being respectful, etc.

Lakeview Golf Club Associations

As would be expected from the Men's and Ladies' Golf Associations that are highly engaged with the golf course, we received much more granular feedback about golf course conditions, service levels, management, etc. than we received from non-golfing community stakeholders. Key NGF observations from engagement with these representatives, who were conveying the prevailing views of their members:

- They expect quick and steady improvement to the golf course under City management, and for the golf course to "grow into" the fee levels being charged so they're justified based on market competitive factors.
- The social aspect at Lakeview GC is as important as the golf. The City should enhance and promote the "real community atmosphere" that exists there.
- Most spoke highly of the clubhouse as a gathering place, but also noted the need for much improvement in the food and beverage operation:
  - The bar / restaurant is understaffed, resulting in poor and inconsistent service, especially during busy times (e.g., after league play). Not having a dedicated bartender is a key reason for this.

- The kitchen is not big enough to handle the busier times, thus slowing service.
- People turn out for themed food nights such as Taco Tuesdays. There should be specials for leagues, who are a "good revenue opportunity", and also daily specials to attract more locals to the restaurant. The Friday Night 9-Hole Couple Chapman – a new couple's night event – was cited.
- The food is good, but some would like to see at least one full meal option (e.g., multi course with veggies, salad, etc.); others would like to see some more healthy options to the bar/fried food fare.
- Nearly everyone loves the outdoor space and would like to see it expanded. Ideas expressed include installing folding doors to extend open air space and extending the patio more towards range.
- The interior of the clubhouse is dated and not aesthetically pleasing. It needs new paint, new A/C, furnishings and fixtures, updated restrooms, and a general refreshing. The patio should be expanded and fixtures replaced.

- The golf course needs a lot of work and is priced too high for its condition. They would gladly pay current fees if conditions were greatly improved and most recognize that the fees are worth it because of the convenience of the location.
- The on-course restrooms must be improved, and there is a need for a nice permanent, accessible restroom for ladies on the Front 9.
- The members noted seeing a lot of new customers in 2020 that were "given no directions or instructions". Reportedly, examples of poor behavior cited include carts being driven onto the greens, golfers being inappropriately dressed (though there appears to be no dress formal code), lack of etiquette, children driving golf carts, playing in the bunker sand, etc.
- There is a need for golf course ambassadors (i.e., marshals) that have sufficient support from management to enforce the rules. Ambassadors, if well-trained and backed up with appropriate authority, would be a big help in ensuring proper etiquette and behavior, as well as acceptable pace of play.
- Perception of people living near the course that it is their "playground" or backyard; need to communicate rules, repercussions through the HOAs.
- Service standards, organization and communication need to be improved in the pro shop and food and beverage operations.
- The golf course should have an accessible restroom on the Front 9 (one member noted that spouse is in a wheelchair and has to go back to clubhouse to use a restroom).
- Maintenance crew "works tails off" but is just not equipped properly.
- A few voiced concerns that, as older passholders stop playing, they are not being replaced. "We need new blood, but many moving in from other areas are not golfers". Management needs to try to bring these newcomers into the game.

HOA Representatives

NGF was able to speak with, via phone or video meeting, representatives of several of the homeowners' associations of the communities within the mile-square of Lakeview GC. Some of the themes that emerged are as follows:

- "Nice little course, fun to play"; also, a "friendly gathering place", but prices are too high. A resident discount on golf and food and beverage would increase community participation.
- One of the residents spearheaded the organization of a blood drive at Lakeview GC, marketing it via bulletin boards, at the clubhouse, in the HOA newsletter, etc. She mentioned that it would be good for the community and the golf course to hold more non-golf events at Lakeview GC, such as a food truck, farmer's market, etc., during slower days, such as Mondays and Tuesdays. The club should also test a Sunday Brunch.
- Most like the food (prime rib is very popular) and the patio, but don't like the indoor "bar" atmosphere.
- There is not enough wait staff, especially on nice weather days and/or if there is a function. Some of the employees are unfriendly, but it's "probably because they're overworked". Even just one more staff person would help a lot during busy days/times.
- A few mentioned that the pro shop service is inconsistent and that staff could communicate better. Some employees were singled out as being unhelpful, while others were cited as "extra nice and helpful".
- Course infrastructure is in bad condition. The irrigation system, equipment, and cart paths are in very poor condition; some golfers use the grass, due to potholes in the cart paths as they don't want to damage their private carts.
- New players don't know or care about proper golf etiquette. There is also an issue with people "trespassing" on the golf course.

Golfers (across segments)

Additional salient comments from <u>golfers</u> across the engagement segments:

- Lakeview GC lags far behind the competition in terms of quality.
- There is a need for better communication (e.g., via newsletter, periodic emails, etc.) between the City, golf course management, and golfers.
- There is very little awareness of the presence of Lakeview GC in the broader Meridian / Valley area. Many who do know about it believe it's a private club.
- Golfers from within the local residential areas have a sense of entitlement for special privileges (e.g., playing in fivesomes, always having preferred tee times available to them). Daily fee golfers from outside the immediate community are not made to feel welcome.
- Management lax on rules enforcement, teaching of etiquette; no oversight of behavior on the golf course.
- The former lessee ran the facility on a shoestring and didn't invest capital and was dismissive of complaints.
- The City appears to be showing a commitment to improving things. They are excited about the possibilities.
- And a somewhat salty comment, but one that may truly capture the essence of Lakeview GC in its current condition, and the loyalty of its core customer base: *"It's a 's__y' course, but it's our 's__y' course"*.

COMMUNITY ON-LINE SURVEY

NGF developed an online survey (refer to Appendix D) that was primarily targeted at residents of the communities in the "mile-square" area around Lakeview GC. The survey was intended to gauge awareness, usage, and satisfaction levels for the golf course and the restaurant. It is hoped that the information gathered will be useful to the City and to management as they formulate strategies to improve Lakeview GC and, ultimately, to ensure that the facility can be self-sustaining operationally.

The online link to the survey was placed on the City website, discussed at the Town Hall meeting at Lakeview GC, and distributed to the local community through various avenues, with help from some of the various HOAs around the golf course. For example, Cherry Lane HOA broadcast the link on their Facebook and Nextdoor accounts, while Ashford Greens HOA had NGF (via phone) and the Parks Superintendent (in person) talk about the survey at a recent mention at an HOA Board meeting. At the time of this analysis, a total of 123 completed surveys had been received (final number was 127). While not a statistically valid sample size, the response does provide enough directional guidance to be helpful.

Survey Results

Following is a summary of the survey results, including: (1) Respondent Profile; (2) Questions and Frequencies; (3) NGF Observations; and (4) Discussion of 'other' answers and open-ended questions.

Respondent Profile

The following table summarizes the profile of the survey respondents.

Demographics of Responders	% of Total
Overall	**123 responses**
Gender	
Male	59.5%
Female	40.5%
Age	
18-34	4.9%
35-49	15.4%
50-64	32.5%
65+	47.2%
Household Income before taxes	
<$100k	44.9%
>$100k	55.1%
Less than $50,000	5.1%
$50,000-$74,999	17.3%
$75,000-$99,999	22.4%
$100,000-$149,999	35.7%
$150,000-$199,999	12.2%
$200,000-$249,999	4.1%
$250,000 or more	3.1%

Questions and Frequencies

Below are the survey questions and resulting frequencies of answer choices.

Do you, or does anyone in your household, play golf?

- Yes – 71.5%
- No – 28.5%

Have you, or has anyone in your household, played golf at Lakeview Golf Club in the past 24 months?

- Yes - 85.2%
- No – 14.8%

About how many times have you or your other household member played golf at Lakeview GC in the past 24 months?

- 1-7 times – 34.7%
- 8-24 times – 18.7%
- 25-49 times – 17.3%
- 50-99 times – 10.7%
- 100 times or more – 18.7%

Where do you, or your golfing family member, play most often?

- Lakeview GC Golf Course – 61.4%
- Centennial Golf Course (Nampa) – 8.0%
- Banbury Golf Course (Eagle) – 4.5%
- Eagle Hills Golf Course (Eagle) – 3.4%
- Shadow Valley Golf Course (Boise) – 3.4%

Are you, or is anyone in your household, an annual passholder at Lakeview Golf Club?

- Yes – 28.7%
- No – 71.3%

What would prompt you or your golfing family member to play at Lakeview GC more frequently?

- Improved course conditions – 60.2%
- Improved customer service – 22.7%
- Improved amenities / services (e.g., on-course restrooms, restaurant, clubhouse restrooms) – 45.5%
- Specials targeted to residents of my subdivision -52.3%
- More golf events / programs – 18.2%
- More non-golf events/programs – 11.4%
- Not sure – 9.1%
- Other (please explain) – 18.2%

Are you aware that Lakeview GC has a bar / restaurant that is open to the general public?

- Yes – 95.1%
- No – 4.9%

Please choose the phrase below that best describes how you or someone in your household has patronized the Lakeview Golf Club restaurant.

- I / we have dined there – 42.7%
- I / we have gone there only for beverages or cocktails – 3.4%
- I / we have attended an event/theme night (Taco Tues., Prime Rib Night) – 8.5%
- I / we have had food and beverages and also attended an event(s) there – 34.2%
- I / we have not patronized the restaurant – 11.1%

About how many times have you or your household member patronized the restaurant at Lakeview GC in the last 12 months?

- None (0 times) – 16.5%
- 1-2 times – 20.4%
- 3-5 times – 29.1%
- 6-10 times – 7.8%
- 11-20 times – 9.7%
- 21 times or more – 16.5%

What would prompt you or a family member to patronize the restaurant at Lakeview GC more frequently?

- Better overall menu – 48.3%
- Availability of healthier choices – 26.7%
- Improved customer service – 25%
- Improved ambience (e.g., décor, restrooms, etc.) – 39.7%
- Not sure – 15.5%
- Other – 18.1%

Why haven't you or a family member patronized the restaurant at Lakeview GC?

- Generally, eat at home and/or have food delivered – 23.1%
- Have other favorite restaurants nearby – 23.1%
- Haven't heard good things about it – 15.4%
- Prefer more upscale (fine) dining – 0%
- Need healthier choices – 7.7%
- Don't like the ambience / atmosphere – 15.4%
- Not interested – 7.7%
- Not sure – 15.4%
- Other (please explain) - 38.5%

How interested would you be in participating in specialized programming at Lakeview GC for community residents (e.g., discounted golf lessons for beginners, free clinics, '9 and Wine' socials, closest to the pin contests, etc.)?

- Very interested – 39.0%
- Interested – 22.0%
- Moderately interested – 13.8%
- Slightly interested – 12.2%
- Not interested – 13.0%

Whether you're a golfer or not, we'd like to know your thoughts about any programs, events, activities, etc. that you think will promote patronage of Lakeview GC among the broader Meridian community (i.e., non-golfers and people that reside beyond the immediate neighborhoods around the course). Please (check all that apply).

- Golf events / programs, such as discounted golf lessons for beginners, free clinics, '9 and Wine' socials, closest to the pin contests – 60.3%
- Non-golf events and activities, such as movie nights, social gatherings, etc. – 47.1%
- Not sure – 25.6%

NGF Observations

Key NGF observations regarding the results of the online neighborhood survey:

- Just over 45% of respondents were from Ashford Greens, while 21% were from Cherry Lane, and a smattering were from other HOAs. About 18% responded that they did not live in any of the surrounding neighborhoods.
- As we expected, a strong majority - 71.5% - of people who took the time to complete the survey were golfers. Of these, about 29% said they or a household member were a season passholder at Lakeview GC. (Perhaps a stronger contingent of the non-golfing neighbors would have participated if there was an efficient way to distribute the link to most of the homeowners).
- 85% of the responding golfers had played at Lakeview GC in the prior 24 months – again, an expected result.
- There is certainly a "heavy half" among the golfers in terms of their frequency of play at Lakeview GC, with about 47% reporting that they'd played there 25 times or more in the prior 24 months, more than 29% playing 50 times or more, and nearly 1 in 5 playing 100 times or more in the last couple of years. Of those that reported playing at Lakeview GC 50 times or more, 82% are season passholders.
- Of the golfers, 61% play most often at Lakeview GC; those that don't spread the wealth among area golf courses, including Centennial (8%), Banbury (4.5%), and Eagle Hills and Shadow Valley (each 3.4%).
- When asked what would prompt them to play at Lakeview GC more frequently, 60% noted improved course conditions, 52% chose "specials targeted to residents of my subdivision", 45.5% mentioned "improved amenities / services", while about 23% picked "improved customer service".
- A vast majority of respondents are aware that Lakeview GC has a bar / restaurant open to the public; of these, only 11% have not patronized the restaurant on some level – i.e., for dining, special events, etc. About two-thirds who have patronized the restaurant visited 5 times or fewer in the prior 12 months, while 26% were there an average of about one time per month or more.

- When asked what would prompt them to use the bar / restaurant more frequently, just under half checked "better overall menu", and about 40% chose "improved ambience". About 1 in 4 chose "improved customer service" and "availability of healthier choices".
- When asked what would prompt them to use the bar / restaurant more frequently, just under half checked "better overall menu", and about 40% chose "improved ambience". About 1 in 4 chose "improved customer service" and "availability of healthier choices".
- There was strong interest expressed in participating in specialized programming at Lakeview GC for community residents (e.g., discounted golf lessons for beginners, free clinics, '9 and Wine' socials, closest to the pin contests), more than 60% either interested or very interested, and only 13% not interested.
- Similarly, respondents – whether golfers or non-golfers – were asked about any programs, events, activities, etc. that they think will promote patronage of Lakeview GC among the broader Meridian community.
  - More than 60% cited the specialized programming listed in the previous question.
  - Almost half think that non-golf events and activities, such as movie nights and other social gatherings, would help promote patronage of Lakeview GC to the broader community.

Comments Related to 'Other' Options and Open-End Question

Several survey questions gave the option of 'Other (please explain)'. There was also one open-end question. Following are some of the common themes that emerged:

Q7 – Excluding reduction in time constraints you may have, what would prompt you or your golfing family member to play at Lakeview GC more frequently?

- Too expensive
- Marshaling, or lack thereof
- Other:
  - Course has a very cliquish "locals only" vibe
  - Some of the staff must be let go….
  - Turnover in kitchen is abysmal

Q11 - What would prompt you or a family member to patronize the restaurant at Lakeview GC more frequently?

- Employees have not consistently worn masks / respected Covid protocols
- Consistent hours of operation
- Sufficient and consistent staffing to improve service
- Other:
  - Separation between dining and lounge
  - Employees should be allowed alcohol on day off

Q12 –Why haven't you or a family member patronized the restaurant at Lakeview GC?

- New to the neighborhood and haven't had time
- Forget it's there as an option

Q15 - Please briefly share any concerns you have about Lakeview Golf Club that you believe the City needs to address/prioritize as part of its stewardship of the facility. (Open-end).

- Course conditions across many categories (irrigation, cart paths, and tees)
- Lower fees / specials for residents
- Food and Beverage / restaurant management
- Restaurant – menu; update / ambience; service levels
- Neither golf course or restaurant are welcoming to non-regulars
- Need permanent on-course restroom
- Management staff / better communication
- Use of the property by non-golfers

Q16 – Whether you're a golfer or not, we'd like to know your thoughts about any programs, events, activities, etc. that you think will promote patronage of Lakeview GC among the broader Meridian community (i.e., non-golfers and people that reside beyond the immediate neighborhoods around the course).

- Patio entertainment / live music on patio
- Employees should be allowed to drink when not working
- "We have a great community; patrons will show for any event, but without proper staff it will fail".
- Advertising with coupons
- Golf league for beginning women golfers
- Space permitting, activities like Pickleball; Card Room or TV lounge in Clubhouse (currently no draw there)

TOWN HALL MEETING AT LAKEVIEW GOLF CLUB

A well-attended 'Town Hall' meeting was held at the back patio of Lakeview Golf Club on April 21, 2021, from 6:00 to 7:00 p.m. Mayor Simison and Parks and Recreation staff provided an update to the community on progress, plans, and opportunities for public participation as the City works to evaluate the club's current and future needs and develop a Master Plan for the coming years. The City released a press release prior to the event, an excerpt of which was:

"We've had the opportunity to work with consultants to better evaluate Lakeview GC's needs over the past few months," said Mayor Robert Simison. "This Town Hall Meeting will provide us the chance to update community members, neighbors, and customers on these efforts, as well as gather feedback and insight from those who frequent the club. Lakeview Golf Club is Meridian's only public golf course, and, as such, we think it is important to keep the public informed and involved when making decisions for its future." NGF team member Forrest Richardson followed the meeting online.

Feedback from the attendees did not focus on "big picture" public policy issues around the City's ownership of Lakeview GC (with exception of an attendee questioning the need to pay a management company from out-of-state), but rather on specific operational-level issues at the golf course. Themes included:

- Neighbors not happy with behavior of some golfers
- Poor course conditions
- Need for more affordable green and pass fees
- Errant balls
- Employees not being able to have an alcoholic beverage at Lakeview GC, even when not working

Capital Improvement Plan

Due to the age and condition of the Lakeview Golf Club, a critical component of the overall golf course master plan report NGF is preparing for the City of Meridian, Idaho is the prioritized Capital Improvement Plan (CIP). Essentially all of the golf course infrastructure and components are past their expected useful life, as the prior lessee invested very little in the golf course itself. The results of the golfer survey (NGF GolfSAT) fielded by KemperSports in December were among the poorest we've ever measured - benchmarked against 100,000+ completed surveys - and the worst ratings related to golf course conditions. (These findings were borne out by NGF's virtual focus groups with the Men's and Ladies' Golf Associations). Finally, the condition and insufficiency of maintenance equipment makes the capital plan a priority, as do the safety issues identified by the NGF team in this report.

In short, we believe that in order for management and the City to successfully increase rounds played and revenues at Lakeview GC, especially among those Valley golfers that do not live immediately proximate to the golf course, the golf course product must be greatly improved. The NGF team's recommendations in this section are intended to help the City achieve that goal.

This section is organized into the following main components:

- Introduction;
- Golf Course Evaluation – existing conditions, identified needs, recommendations (includes maintenance building, equipment, golf cars);
- Clubhouse Summary Evaluation – identified short-term needs and recommendations based on inspection by independent contractor; and
- Preliminary Capital Improvement Plan – 3-Year plan, prioritized, with preliminary cost estimates.

INTRODUCTION

NGF Consulting subcontracted Golf Course Architect Forrest Richardson, ASGCA, to provide an evaluation of the existing **golf course** for the purpose of helping the City identify needs and priorities. The City recognizes that the facility has significant deferred capital improvement work that would ordinarily have resulted in replacement of components of the course (features, irrigation, drainage, etc.) by this time. Given that the original nine holes has now been in service for 42 years, and the newer nine holes for 24 years, there are distinctions made to account for these age differences.

The City has previously contracted with Baer Design Group to provide a baseline study of the existing **irrigation system**. The Baer report addresses irrigation infrastructure and issues with pumping, control, and reliability. It is expected that Baer Design Group will follow-up on its initial reporting with a more in-depth analysis following NGF Consulting findings.

While Mr. Richardson conducted the work related to the golf course and its components, evaluation of the **clubhouse** building and its major components was done by Boise-based inspection company, Bent Nail Inspections, on February 22, 2021. Summary findings and preliminary cost estimates for recommended repairs/replacement are presented later in the report.

Finally, replacement needs for **golf carts** and **golf course maintenance equipment** were determined based on conversations with the manager's regional vice president and Lakeview GC staff, including the long-time superintendent, and visual inspection of the equipment by Mr. Richardson during his visit.

GOLF COURSE EVALUATION

Evaluation Methodology

Golf Course Architect Forrest Richardson, ASGCA, visited the facility over two days, January 15th and 16th, 2021. Operations and maintenance staff were consulted, including the General Manager and Superintendent, who provided a tour of the course to Mr. Richardson.

Mr. Richardson also visited five local golf facilities to familiarize himself with public sector and public "daily fee" courses that compete for business with Lakeview GC (Banbury Golf Course, Ridgecrest Golf Club, Centennial Golf Course, River Birch Golf Club and Shadow Valley Golf Club). At the onset of the evaluation, available mapping, aerial photography, and historical aerials were acquired.

The emphasis of the evaluation includes the following:

- Overall golf course condition and needs (features and infrastructure);
- Turf conditions;
- Notable safety issues;
- Water storage (reservoir) and irrigation;
- Practice facilities (existing and future opportunities);
- Arbor assets (trees and landscaping);
- Maintenance facility condition and needs; and
- ADA Compliance issues and concerns.

Mr. Richardson's consulting scope was to document and quantify present conditions and expected golf course improvement needs. His reporting breaks down the various features and infrastructure by outlining and prioritizing these identified needs, and preparing preliminary probable cost estimates (by general category) that take into account how improvement work may be carried out by the City. (See Appendix E, Exhibit 2 for a visual of existing course layout and conditions).

It is important to recognize that these preliminary probable cost estimates are for budgeting and subsequent planning efforts as the City begins to develop funding approaches for the facility. At the heart of subsequent planning efforts will be a "Final Improvement Plan" that is prepared to more completely identify all areas of needed improvement and further refine probable costs. This plan is likely a joint venture of the following consultant specialties:

- Golf Course Architect (e.g., Forrest Richardson and Associates);
- Irrigation Consultant/Designer (e.g., Baer); and
- Civil Engineer — for preliminary water delivery, lake and other engineering / planning.

The distinction between this current NGF-FRA evaluation report and a "Final Improvement Plan" is primarily that the formalized improvement plan will combine all of the final determined needs into one document that covers recommended improvements to golf course components, irrigation/lakes, and buildings/structures, as well as any more modest changes that can be made by in-house (i.e., golf course and/or City) labor and staff. Additionally, the "Final Improvement Plan" will solidify phasing to meet the City's needs and ability to fund improvements.

Existing Conditions, Needs, and Recommendations

Golf course components wear out at different intervals. For example, putting greens may have an overall expected life span of 30 or more years but could last longer with better care and protocols for aerification and topdressing. Irrigation systems typically last 20-30 years, but certain components may last significantly longer. Sand bunkers (and associated drainage) require significant renovation, often in as short a period of time as 7-10 years. (See Appendix F for Golf Course Lifecycle Chart).

New approaches to renovation of golf infrastructure and features have focused on better longevity. Irrigation pipe is now HDPE type, with a much longer life expectancy. Sand bunker construction using hard liners beneath the sand layer have proven to double the lifespan of bunker drainage and typical issues with bunkers that lead to reconstruction needs.

The following categories are broken down by general area of the facility, with some features combined into related categories. Recommendations accompany each area covered below. (See Appendix G for a summary table showing all of the recommendations, how the NGF team believes they should be prioritized, and preliminary cost estimates).

Water Delivery, Reservoir (Lake), Pumping, and Irrigation Systems

It is essential to understand that the irrigation system is wholly integrated as part of the facility's practice area. When the course was expanded from 9 to 18 holes in the 1990s, the large lake feature was constructed and its use doubles as a reservoir for water storage and as an "Aqua Range" where players hit floating golf balls. These "floaters" are collected when balls float to the shore (a fountain in the center is helpful in steering balls towards shore) and then made available the following day. The Aqua Range itself has significant safety concerns, due to length that, at about 200 yards, is insufficient to prevent some golfers from exceeding the hitting area. Balls leave the golf premises, and, despite poles and netting, some balls land in residential lots.

The larger area of the main lake is used as an aqua range where players hit floating balls from a tee area into the lake. During the winter, when no water is in the larger lake area, traditional (non-floating) golf balls are currently being used, then collected before spring when this lake is again full.

The logistics of getting water to the course is via the "Eight Mile Canal," which is an irrigation water canal that distributes water to multiple users. The golf facility is one such user and receives water through a manual gate located left of the 18th fairway. This manual gate allows water to flow into the primary (main) lake where it is then drawn into the pumping system. Water is measured using Miner's Inches and is then converted to gallons used.

Water is supplied to the course by way of a canal system called the "Eight Mile Lateral," of which this feeding ditch is the point at which water is allowed to flow into the main irrigation lake.

Water is available only from mid-April through mid-October. In the "no water" season (winter months), a small well is activated and produces approximately 300 gallons per minute. An isolated reservoir was developed several years ago, so the well water during the winter could be managed in a significantly smaller lake area, allowing proper intake to the pump system. The two lake areas are separated by a dam that isolates water between the main lake and the smaller "winter only" portion. During winter months, this smaller lake is kept as full as possible, while the main lake area is allowed to dry up.

The pump station is located in the far back corner of the lake/Aqua Range area and is served by a power transformer. The Baer report cites issues with the pump system, including its condition and intake apparatus. Currently there is significant manual labor involved in separating and controlling water levels between the two lake areas.

The pump station house adjacent to the small portion of the main irrigation lake that has been isolated to provide a winter reservoir for irrigation water needs.

The intake pipe from the isolated reservoir of the main lake system.

As noted in the Baer Group report, the irrigation system is predominantly far past its useful lifecycle. While some mainline pipe may be preserved for more function, there is virtually no other component group that is salvageable. At present, the system is held together through constant repairs and the know-how of just a few key employees who have worked with the system for the past several decades. If these employees were to leave, the City would be very hard pressed to find anyone with adequate knowledge to keep the system operating to any efficient level.

Water Delivery, Reservoir (Lake), Pumping, and Irrigation Systems Recommendations

Fundamental to the entire irrigation storage and Aqua Range is an undertaking to design and engineer a better configuration for the lakes. The consulting team has created a preliminary conceptual plan, "*Practice Range and Lake Conceptual Study*", that accompanies this report. Appendix E, Exhibit 3. This conceptual plan shows how the primary lake can be improved and would be separated from a second lake area that would be at a slightly higher elevation to the larger lake. This way golfers using the Aqua Range would tee off above the main lake. The main lake would be allowed to deplete seasonally unless a secondary source of water could be found.

A "land bridge" between the two lakes would be shaped with target greens so golfers will focus on these targets. These targets accommodate play at roughly 140-220 yards depending on where the range tees are situated. One target is intended to appear as an island, even though it is connected by land to the land bridge. Additional floating targets could be placed in front of this land bridge.

We recommend floating golf balls (also lower compression for limited flight distance) be used at all times, unlike the present where floating golf balls are used during the summer season and then "regular" golf balls used when the lake is drained. Because the facility has limited distance for the practice range, we feel it is imperative that the City instigate such measures, combined with signage and management so the practice area is operated safely and consistently. The mixing of ball types is not a best practice and may lead to confusion on how players use the practice area. Reverting to one type of ball, with less compression and distance, is the only way to mitigate the situation. Poles and netting, while they may be raised, are subject to breaches, bird damage, and other factors that may allow future issues to persist.

Behind the land bridge, at the slightly higher elevation, the farther lake is intended to be kept full throughout the year. We believe it is doubtful that lake could be kept full with just the existing, small well during the winter season. Therefore, a secondary source of water — perhaps a second well — could be added. Regardless, the flexibility of the conceptual design allows a much smaller upper lake to be full at all times, pending a secondary source of water. Whereas the lower lake, if allowed to deplete in the winter, could be much more aesthetically pleasing with the addition of the target greens across the land bridge.

Safety Analysis

The Lakeview Golf Club is a contrast of two nines. The original nine (c. 1979) was built with some corridors (area devoted to each golf hole, or series of holes) significantly narrower than typical guidelines. While there are no hard and fast standards for width of golf play corridors, some best practices do exist and are adjusted for factors, such as elevation above sea level (affects hitting distance by players), terrain, wind, length of tee shot, presence of penalty areas (sand, water hazards), natural land features and the type of player using the facility. At Lakeview GC some widths from adjacent residential lots are only ±200-feet across the primary landing area of holes (par-4s and par-5s), whereas an expected width would be closer to the ±300-360-foot range. Some consideration is given to the age of the Lakeview GC facility as best practices at the time the course was built may have been less than today. However, the corridor widths are a significant concern and are addressed below in specific areas.

Corridor width concerns are especially evident at Hole Nos. 11, 12, 14, 15 and 16. Forrest Richardson, ASGCA has worked on several courses designed by Robert Baldock and notes that this condition is unusual because most Baldock designs are generally well-planned. One presumption is that the residential developer of the original nine holes may have directed more narrow hole corridors in order to maximize housing lots. This is but one theory on why widths are especially narrow in some areas.

Regardless of the background, there exist areas of concern on both the original and more recent (c. 1997) nines. Staff reports that damage to adjacent homes is a regular occurrence and that a few homeowners have reported being hit with errant balls, although this is rare. The problems are significantly more realized on the back nine. The corridors for golf holes have been generally evaluated, and Mr. Richardson provides the following preliminary mitigation measures, each to be studied in greater detail and integrated to a final "Improvement Plan" as defined above.

One of several erected nets along residential lots that prevent some errant balls from hitting private property. While this is not uncommon on courses with residential homes adjoining fairways, many corridor widths at Lakeview GC are less than desirable. We recommend mitigation measures to reduce the number of errant balls.

Safety Mitigation Recommendations - Golf Holes / Errant Balls

Please refer to the Appendix E, Exhibit 4, "Recommended Safety Mitigation Measures (preliminary)" to locate the following specific recommendations. *(Note: All numbers correspond to current/existing hole numbering).*

1.1 Add trees to the left side of tees to assist in knocking down errant shots before they reach heights.

1.2 Add trees left of fairway landing area.

1.2 Revise the existing lake to eliminate water penalty area front of No. 1 green; this will promote safer approach shots to the green at the first hole.

2.1 Add trees to the left side of tees to assist in knocking down errant shots before they reach heights.

2.2 Add a sand bunker (diagonal to tee shot) at the left of the fairway landing area that clearly aims the tee shot farther rightward.

2.3 Expand the improved fairway to the right, encouraging shots farther right.

3.1 Relocate No. 3 green (related to making room for a short, 9-hole practice course); a secondary benefit is changing the slight-dog-leg right hole to a straight hole with less impact to adjacent homes. This also shifts the green away from the access trail that connects Harbor Point Drive with Moon Lake Street as used by residents.

5.1 Add trees to the right side of tees to assist in knocking down errant shots before they reach heights.

5.2 Add a sand bunker (diagonal to tee shot) left of the second shot landing area that clearly aims the approach shot farther rightward.

6.1 Add trees to the left side of tees to assist in knocking down errant shots before they reach heights.

8.1 Shift primary tee(s) to the left along property limits, creating an angle away from the right side of the hole. Add trees to right side of tees to assist in knocking down errant shots before they reach heights.

8.2 Add a sand bunker (diagonal to tee shot) at the right of the fairway landing area that clearly aims the tee shot farther leftward and also "pinches" the landing area between this new bunker and the pond, thus promoting a shorter "lay-up" tee shot by some players.

8.3 Strengthen the greenside bunker at the front right of the green to promote an angle to the green from farther left of the fairway.

9.1 Split existing Hole No. 9 into two holes (replacing existing Hole No. 4, removed to facilitate the short 9-hole practice course); new No. 8 will remain a par-5 to a new green.

9.2 Construct a new set of tees playing to the existing No. 9 green, but expanded rightward; this new hole will mitigate conflicts left of existing No. 9 and will create two more enjoyable and playable holes.

10.1 Strengthen the greenside bunker at the front left of the green to promote an approach away from the homes at the left of the green area.

11.1 Add trees to both sides of tees; assist in knocking down errant shots before they reach heights.

11.2 Consider more definition of the drainage basins that cross the fairway, perhaps adding sand bunkers that will "pinch" the landing area, thus promoting a shorter "lay-up" tee shot by some players.

11.3 Add trees left of the second shot landing area to encourage play farther right, away from the homes.

12.1 Add trees to both sides of tees to assist in knocking down errant shots before they reach heights.

12.2 Add two sand bunkers at both edges of the fairway, providing a visual cue to players from the tee.

14.1 Raise and align tees and add more tees to gain better view of the fairway. Add trees to both sides of tees to assist in knocking down errant shots before they reach heights.

14.2 Add a sand bunker as an aiming crutch for players on their second shot; this will serve as both a "target" and also a guide to the proper distance for a shot of played shorth of the canal hazard.

15.1 Add trees to both sides of tees to assist in knocking down errant shots before they reach heights.

16.1 Add a sand bunker (diagonal to tee shot) at the left of the fairway landing area that clearly aims the tee shot farther rightward.

17.1 Add forward tee(s) to allow shorter club selection, thus promoting better accuracy from the tee to the green.

18.1 Add trees to both sides of tees to assist in knocking down errant shots before they reach heights.

P.1 Conduct further study and consider implementing significant changes to the Aqua Range that will limit hitting distance. Proposed changes include: (1) Creating targets that are placed ±140-220 yards from the primary tee area; and (2) Reserving the farther back area as a buffer to existing residential lots. (See Appendix E, Exhibit 3).

Other Areas of Concern

The above recommendations cover errant ball issues, which we consider to be the primary issue in terms of safety at the Lakeview Golf Club. Other areas of safety include the following:

- **Bridges -** Some of these span canals and may need guard-rails or re-working to provide safer approaches and conditions.

Bridges that span canals should be evaluated for replacement or fitted with appropriate side rails.

This walking bridge at Hole No. 18 should be removed in favor of having all players use an appropriate bridge with sufficient side rails.

- **Tree roots at playing surface -** In some areas, tree roots are present at the turf elevation and pose a risk to golfers when playing shots.

Tree roots are exposed or near the turf surface in many areas. This poses a hazard to players, maintenance equipment, and irrigation lines.

- **Lack of cart paths -** Issues associated include wet / muddy areas along tees and greens that may pose a hazard to players. Also, not having defined paths on which to mandate cart traffic in certain areas (examples: canals, lake edges, etc.) result in an inability to control cart usage across the golf facility.
- **Public crossing of the course** in certain areas where neighbors get from one street to another.

Tees

Existing tees are universally uneven and exhibit poor drainage. Nearly all tees are crowned but pockets also exist within the tees, and staff reports that they collect water after irrigation and rain events. A few tees are poorly aligned and may contribute to errant balls. Overall, tee size is adequate, yet all of the golf holes require forward tees to accommodate players of varying abilities. The existing course yardage from the forward tees measures 5,180 yards, and this ideally should be closer to 3,500 yards. At least one new forward tee should be added at all holes to provide proper length for players who are unable to reach holes in regulation strokes (e.g., kids, beginners, elderly).

Nearly all tees are crowned with uneven surfaces. Tees should be generally flat, aligned to the center of the golf hole, and of adequate size to spread wear across the surface.

Recommendations:

- Re-surface and align all tees, adding some surface area to specific tees (such as par-3s where wear and tear is significant).
- Add ± 18 new forward tees - at least one at each golf hole to provide a more inclusive golf experience for beginners, youth, and players who cannot hit as far.

Sand Bunkers

It appears that there were never any fairway bunkers on the course. Greenside bunkers total 28, and there is one practice sand bunker. All bunkers are well past their useful lifecycle and are in need of being fully reconstructed with new edges, some expansion areas, and all-new drainage. A few of the existing bunkers may be eliminated based on further design study. At present there is a pattern of “left” and “right” bunkers at a majority of greens. This redundancy can be mitigated by elimination of some bunkers.

Sand bunkers are a hallmark of golf, adding both interest and challenge. All Lakeview GC sand bunkers are past their useful lifecycle and are in need of complete rebuilding, including sub-surface drainage, edging, and restored depth.

Drainage may be accomplished by a sump basin beneath each bunker, or there may be an outfall drainage pipe installed to a nearby lake or existing drainage basin. Additional bunkers should be considered on some holes as a way to help direct players visually from the tee. In most instances, these will be fairway bunkers placed strategically as part of an overall “Final Improvement Plan” that will carry forward the findings of this evaluation.

Recommendations:

- Rebuild most existing bunkers, preferably using a hard liner system that will prolong the life span of sand bunkers and help conserve sand with drainage via sumps or as outfall pipe to lakes or existing drainage basins.
- Add strategic bunkers to help guide players and serve as mitigation measures to errant ball issues at specific locations.

Greens

Greens on the original 9 holes (east area, now the back-nine) are generally suffering from excessive thatch. These greens appear to have been built on a blend of native soils and sand, although this is unconfirmed. Staff notes that these greens present the greatest issues, including the thatch build up and severe gradients (slopes). Some areas of the greens cannot be set with a hole location as the slopes are too much to prevent balls from rolling off. This is frustrating and causes pace of play issues, so staff uses only areas of the greens that can be set to prevent such roll-offs. This leads to excessive wear in areas of the greens and is not good for long-term sustainability of the green conditions.

Greens on the front (east) nine need reconstruction, due to a variety of rootzone issues, including poor maintenance prior to the current staff's efforts. Under previous management in the 1980s-90s, excessive thatch was allowed to develop and this has led to an upper layer of organics that cannot be removed without significant rebuilding. Also, as shown here, slopes (gradients) are excessive in many places and there are few places to locate a hole where balls do not run off of the surface.

Greens on the newer 9-holes (west area, now the front nine) are likely built with a modified "California Type" green construction using more sand and a herringbone drainage tile pattern at the subgrade. Drainage sumps are likely below the low points of each green area. These details are unconfirmed. Staff notes that these greens behave better and require less measures to keep in good condition.

Total green surface area is ±2.0 acres as reported by staff. Green sizes are predominantly small. Many appear to have lost surface area over the years, which is a common problem. Green speeds are generally 8-9 by the Stimpmeter measure method. This is mostly to do with gradients that cannot withstand faster speeds. Faster speeds, even if nominal, would likely help elevate the facility from a competitive perspective. To accomplish this, a full renovation and rebuilding project would need to be undertaken. The NGF team does not recommend full rebuilding at this time but does recommend resurfacing of the older greens (back nine, east portion).

Overall, greens are well maintained considering their age and the issues present. Staff does a good job of managing and preserving the rootzone. Poa annua is present in >20% of the green areas with balance comprising bentgrass. Aerification is now being performed once per year with 5.5-inch core type tines and backfilling with pure sand. This practice is correct and should be continued.

Recommendations:

- Enlist a qualified agronomic consultant to update findings that have been previously reported by the USGA Green Section (reports dated 2002 and 2006).
- Re-surface the older (back nine) greens - perhaps removing a significant portion of the upper level rootzone - and re-contour these greens with expansion as needed.
- Instigate selective renovation and expansion of greens on the newer nine (front nine).

Fairways and Roughs

The total of managed turgrass at the golf course is reported by staff to be ±130 acres. Turf is generally in good condition with decline attributed mostly to drainage and irrigation issues. The grassed areas (including tees) are a combination of bluegrass, ryegrass, and bentgrass.

Poor drainage is the primary issue across all fairway and rough areas. This leads to poor turf health, rutting from carts and equipment, and unhappy customers, due to standing water. The Lakeview GC site is predominantly flat with very nominal gradients across the course. Surface water from rain events and irrigation cycles ponds in pockets and has little surface slope to drain off to lower areas, ponds, or one of several drainage basins that were built primarily to take residential area drainage from rooftops and streets. Many areas of heavy play are wet, including approaches to greens.

	
Most fairway areas are flat with little gradient to move surface water (drainage). In a few places, depressions are part of the system of drainage, mostly to handle runoff from streets and neighborhood areas. In these areas, water ponds and eventually percolates into the ground.	Turf and fairway areas do not receive even distribution of irrigation, due to an older system with poor spacing of heads. This causes ponding, which in turn leads to turf health issues, such as salt build-up, rutting, and soil compaction. Conversely, dry areas that do not get adequate water result in turf decline, due to dry soil conditions.

The area along a residential street where drainage enters the golf course. The golf course provides an important role in dewatering the residential areas.

Staff reports that soils do drain but that many areas are slow draining with clays and caliche layers present. The old irrigation system exasperates drainage issues, as the coverage is very uneven with many overlapping areas that receive too much water.

We believe the remedy for drainage at Lakeview GC is to install a system of sumps, which would likely be augured holes of approximately 20 inches in diameter by approximately 15-20 feet in depth. These sump holes would ideally be of ample depth to reach a gravel or permeable layer of soil types where surface water could filtrate. Sumps constructed by this method are typically fitted with an HDPE perforated pipe of ±10-inches in diameter, which is then installed with surrounding 3/8-inch washed gravel. A properly fitting drainage grate is attached to the top. Sufficient volume of the pipe and gravel system is adequate to dewater even large areas.

A series of drainage tiles (trenches with gravel and pipe) can interconnect multiple sumps constructed as described above. The layout for such a system on flat sites is often designed in the field after applying a significant volume of water. Using this method, the Golf Course Architect, with insight from the Golf Course Superintendent, is able to devise a plan that can mitigate most of the significant drainage problems. This method is also lower in cost, as augured holes are usually easy and can be installed quickly. Once mapped and fitted with trace wire, such a system of multiple sumps and interconnected tiles can be added to by maintenance staff as new problem areas are identified. The allowances noted in capital investment assume that a series of sumps as described would be installed with a minimal amount of connected drain tiles at the onset. Following Year 3, additional drain tiles would be added by maintenance staff as part of annual "special project" maintenance. This is best practice as it is often impractical to engineer a complete drainage system across a predominantly flat site. Rather, identifying drainage "hot spots" in the field is much more practical and overall saves cost in the method described.

Note: The NGF Consulting team believes it is especially critical that such a drainage improvement plan be installed in sync with any new irrigation work. Trenching and disturbance of the fairways and roughs will be double the inconvenience if done under two separate contracts and periods. Timing of improvements for maximum efficiency and minimum course disruption is another benefit of a "Final Improvement Plan" that comprises work plans from all consultants brought together in one set of documents for bidding.

Recommendations:

- Resolve widespread drainage issues with a formal plan for drainage as described above, implementing a series of sumps and interconnected drainage tiles.
- Fill smaller pockets (pot-holes) with sand, including sand removed from bunkers as part of a bunker renovation plan and project.
- Continue best practices for turfgrass management in concert with subsequent agronomic reports and recommendations.

Cart Paths

For the most part, the Lakeview Golf Club has no formal path system except for short spans of paths, mostly around the clubhouse area. Where "paths" do exist, they are gravel or compacted soils and have no formal edging to hold non-turf materials within the path area. As a result, areas of heavy use and access are rutted and muddy (or dusty) and have an unkempt look. In some areas, such as along tees and greens, areas are very wide because there is no defined area on which carts are expected to drive and maneuver. Some areas are worn with no turf as wide as 20-30 feet.

		
Formal cart paths are needed, at minimum, along tees and greens where players drive too close to slopes. The lack of cart paths results in rutting and worn turf, in addition to causing slippery areas.	Example of area in front of a green where, without formal paths, carts maneuver and park wherever it seems convenient. The result is a mess for staff to repair, not to mention a poor experience for the golfer.	Another result of cart traffic without formal paths is continued wear patterns that add significantly to maintenance cost.

Recommendations:

- Develop a plan for installing formal paths, which will help maintain better conditions during wet days when carts should ideally be mandated to stay on paths. Also, investigate various surfaces such as asphalt, concrete or compacted decomposed granite.
- Implementing the plan ideally over time, on a phased basis driven by funding and course interruption.

Lakes and Ponds

Staff reports that all lakes and ponds leak into the ground. The volume of water lost is unknown but would be significant if the condition is present in all water bodies. Original lining of the main lake and smaller ponds may have used Bentonite, although this is unconfirmed. Leaking adds to the issues of keeping ponds full. In addition to the primary irrigation lake (Aqua Range) and its smaller isolated portion, there are three smaller ponds at existing Hole Nos. 4, 7, and 8. The pond at No. 4 is separated into two areas with a small connection inlet.

When water from the Eight Mile Canal is unavailable, ponds are allowed to dry up. Staff reports that, in months when water is readily available, these smaller ponds are manually filled. When dried up, they become unsightly and their edges pose a safety issue, as they are unstable and slippery. One solution is to eliminate these smaller ponds, but homeowners enjoy them in the summer months and now consider them an integral part of the neighborhood landscape. As covered in the proposed short course concept, the pond at existing Hole No. 4 would be fully reconstructed into a smaller series of ponds and connecting streams. Other ponds should be evaluated for improvement work.

The three ponds on the western (back) nine are all decorative in nature. They provide little to no value to golf strategy, and are certainly not sustainable in terms of water use. Many of the shorelines are deteriorating, and study should be undertaken to address any long-term needs. These ponds are artificially filled in the spring as water is available, and they are kept full until fall. Aesthetics in the winter months is not good, as shown in the photo.

Recommendation:

- Further study lakes and ponds to determine whether leaking is an issue warranting remedy. At the main lake, we presume that rebuilding and reconfirmation would also rectify lining and any leaking. Eventual improvement is subject to a well-crafted plan and associated engineering.

Trees (Arbor Assets)

The primary issue with existing trees is root intrusion to irrigation infrastructure and greens. At some areas, as noted, roots are present at the surface. This poses a danger to golfers when swinging, as roots are not always evident and the result can be wrist injuries. Pine needle scale is reported by staff and will affect numerous Scotch Pines. Overall, trees are a definite asset to the course and should continue to be managed. The City arborist has inventoried the trees and is actively managing the Lakeview GC assets as workload allows. However, we note that the City arborist may have most of his or her focus on plant health; ultimately, Lakeview GC will likely need to be evaluated by an arborist with golf course experience who will recommend a management plan that fits in with overall golf course plan, safety considerations, etc.

Trees help define the course, yet many existing varieties are inappropriate based on their shedding, root habits, and ability to withstand soil conditions. As part of a "Final Improvement Plan", the NGF team recommends that the City integrate a Tree Management Protocol that identifies specific varieties to use in the future, along with a specific planting plan for additional trees that help mitigate safety issues.

Recommendations:

- Engage a certified arborist.
- Integrate a tree inventory to a "Final Improvement Plan."
- Develop a formal program for removal, replacement and pruning; arrive at a palette of tree varieties to use going forward as the course is improved.

ADA Compliance (Course Areas)

Our evaluation did not find any major ADA compliance issues on the golf course or practice areas (i.e., non-building portions of the facility). Some tees may need more gentle slopes to meet ADA guidelines. When formal cart paths are installed, they will need to meet ADA guidelines. The practice areas all appear to be accessible. When the short game area is renovated, along with its practice bunker, the features will need to be accessible.

Based on a general assessment, portable restrooms, and the older permanent restroom, do not appear to meet ADA guidelines (e.g., width of entry door, access from cart path, etc.) This should be evaluated by the City's ADA compliance officer, or a consultant qualified for that review. The maintenance building may have accessibility issues, and should be evaluated along with the on-course restrooms.

Recommendations:

- Conduct a formal evaluation of ADA compliance of the on-course restrooms and maintenance facility.
- Plan for future ADA compliance improvements along with course-wide renovations and replacements.

Maintenance Facility

The existing maintenance facility appears adequate in terms of its size and basic configuration. It is lacking certain equipment and safety features that need to be fully inventoried by a qualified consultant. As examples, a lift for working on equipment is needed, as are some basic safety requirements to meet O.S.H.A. minimum standards. Fuel storage appears adequate, although the existing installation should be addressed along with the other noted areas.

Recommendations:

- Conduct a formal evaluation of the maintenance facility, including all minimum requirements, such as O.S.H.A., local fire codes and chemical storage.
- Add a separate chemical storage locker or pod building to the grounds.
- Plan for future compliance improvements along with course-wide renovations and replacements as part of an overall improvement budget.

Maintenance Equipment and Golf Cars

Another critical component to the master improvement plan for Lakeview GC is to address the significant need for replacement equipment needs – specifically, some "mission-critical" items that are necessary for Lakeview GC to remain a viable golf course under City of Meridian stewardship. Though we would typically consider these items to fall under "start-up" capital for a new owner taking over a golf course, for purposes of this report, we have included them in the overall improvement plan and prioritized them at the top of the list, based on: conversations with the Lakeview GC superintendent; review of the equipment list showing age, condition and number of hours in service (maintenance equipment); the visual inspection of golf carts and maintenance equipment by NGF team member Forrest Richardson; and, extensive industry experience.

It is apparent to the NGF team that the City is essentially "starting from scratch" with respect to carts and maintenance equipment at Lakeview GC. We have seen this dynamic on numerous occasions when a municipality is "handed the keys" after a long period of leasing assets to a private operator. Some lessees invest little in golf course assets in the final years of their agreements, and that certainly appears to be the case with Lakeview GC. We believe that the City's investment in carts and equipment falls under the category of necessary start-up costs to maintain a good quality, competitive municipal golf course. During the course of our stakeholder engagement for this study, numerous golfers noted the poor condition of maintenance equipment, and several referenced oil leaks on the fairways on greens, as well as ruts / unevenness on the putting surfaces attributed to the mowers.

Having a fleet of reliable, quality carts in good condition ties directly to revenue generation and Lakeview GC's ability to compete effectively in a crowded market that includes many high-quality choices for daily fee golfers. Additionally, a new fleet could justify a modest fee increase for cart rentals. Finally, an important consideration for municipal clients that are new to the business of golf is that the golf carts are very public-facing, and reflect on the image of the City in the minds of customers.

In our view, good-quality maintenance equipment and a reliable irrigation source are the lifeblood of the golf course operation. Having poor-conditioned equipment that is in continual need of repair and under threat of breakdown results in inefficiencies and poor playing conditions, a dynamic that makes it difficult to compete for market share. (NGF golfer surveys consistently show that course conditions – especially greens - are the most important factor for golfers when choosing a place to play). Good golf course maintenance conditions also correlate positively to surrounding home values and the brand image of the municipal owner.

The NGF team has reviewed the priority equipment list prepared by management company staff, including those items labeled as “ASAP”, such as the rough mower, the two greens mowers, and the light-duty utility vehicle. We concur that the cart and equipment items requested by management are both reasonable and essential to the operation of Lakeview GC and to the City’s successful stewardship of the golf course asset.

On-course Restrooms

There are three portable sanitary facilities that have been placed on the course. These are located between Hole Nos. 4-5, 8-9, and 14-15. A permanent structure is located between Hole Nos. 12-13. None appear to meet ADA guidelines. At minimum, accessible portable units should replace those portable units that are not accessible. An evaluation of the permanent structure should be made to see if it can be made accessible.

Ultimately, permanent structures should be available between Hole Nos. 14-15 (existing, upgraded or reconstructed), and adjacent to the existing No. 5 tee area, where it would also eventually serve the proposed short practice course if it is developed between Hole Nos. 3-4.

Recommendations:

- Replace the existing three portable units with portable accessible units (eventually to be removed in favor of just two permanent structures as noted below).
- Upgrade or reconstruct the permanent restroom between Hole Nos. 14 and 15 based on a formal evaluation.
- Plan for a future permanent structure near existing Hole No. 5 tees (see above).

Practice Area Amenities

The Aqua Range (practice area) is discussed above with specific recommendations that we feel will yield a safer and overall better practice experience. Even with limited flight (lower compression) “floater” golf balls, the Aqua Range can be a fun and enjoyable practice amenity for the City to operate as part of the facility.

The practice range tees have been backed up to the clubhouse patio area in order to try and provide ample length to hitters. Even this does not provide enough length.

View from the “patio” range tees looking out to the aqua range.

The existing short game area is very limited and well undersized. Ultimately, a re-design of both the short game area and the practice putting green would serve to create a more useable, flexible, and enjoyable area for players to hone their game and warm up before playing.

	
The putting green is well located but undersized for a municipal course with the degree of play that Lakeview GC receives.	A very small green was added to the facility to serve as a short game practice area. This is not only poorly located from a safety standpoint, but it is far too small for any meaningful use by the public. Eventually, a larger area should be planned for this use.

Recommendation:

- Based on initial evaluation, we recommend the City study expanding and/or relocating the short game area, perhaps west of the existing practice putting green.

New Golfer Development Opportunities

As shown on Appendix E, Exhibits 5 and 6, "The *Zenger 9-Hole Practice Course Concept and Associated Changes*" and "*The Zenger 9-Hole Practice Course Concept*", Golf Course Architect Forrest Richardson, ASGCA has conceptually provided a layout for a short 9-hole "Practice Course" that could be added to Lakeview GC. The potential name is based on the original founding of Meridian, Idaho by the Zengers. The Zenger's impact in the history of Meridian can be gleaned from this article in the August 19th, 1893 Idaho Statesman:

> *"D.L. Bradly, the well know farmer-blacksmith, informs THE STATESMAN that the town of Hunter has changed its name and will now be known as Meridian, it being located precisely on the Boise meridian. Mr. C.G. Zenger, the proprietor of the new town, came in yesterday and filed the plat with the county recorder. A store is already in operation there, and another is being built. A lodge of Odd Fellows has been organized at that place, and they will erect a commodious hall this fall. Mr. Bradly says the wheat crop on Five Mile Creek is very good. Grasshoppers consumed the greater part of the second clover crop, but the third crop of alfalfa promises well."*

Mr. Richardson's concept plan shows removal of the existing No. 4 hole, which will be "made up" in the routing by splitting the existing No. 9 Hole into two holes — a new par-5 of better playable length and a new par-3. Yardage of the 18-hole course would be preserved at ±6,200-yards and par-72. The resulting new holes — a par-5 of approximately 500 yards and a par-3 of 140 yards would add interest and accommodate the concept for this new feature.

These changes would open an area of approximately six acres that Mr. Richardson shows as this new 9-hole short course area. This concept would help differentiate the Lakeview GC facility, providing a marketing edge that would add appeal to the City's asset. The concept for a short course would help in the following areas:

- Player development for new players, to introduce golf to beginners
- As a youth area to help train young players
- As a practice course for seasoned players, to build short game techniques
- As a fun "family golf experience" for casual golfers (and non-golfers) of all ages
- As a teaching facility for professional staff

The design of this short course is shown with five greens offering a flexible layout that can be set-in in multiple ways. As a 9-hole course, play is par-25 with two holes at "Par-2" lengths. The first, Hole No. 2, is a chipping hole where play begins from off the green surface to a hole 25-35 yards away. The second such hole is No. 7 where play begins from the green surface to a hole 25-40 yards away. The concept for a "Par-2" was first introduced in 2001 *(Routing the Golf Course, John Wiley and Sons)* and has been since implemented on creative golf course concepts.

The balance of this area is made up of seven par-3s ranging in length from 60 to 100 yards, with tee-flexibility to allow play from forward tees. The existing pond system is re-designed into a pleasing series of smaller ponds with interconnecting streams. It is intended that this pond system would ideally be kept full during the entire year, which remains dependent on the ability to increase water access in the winter months. Initial estimates are that the required volume of the proposed system is roughly 50% of the existing ponds in this location.

By locating this short course concept near the clubhouse and main access, Lakeview GC would not only benefit from a new amenity, but also one that can be managed efficiently by operations staff. Potential funding could be explored by a number of available grant-based programs, including First Tee, USGA Good for the Game, Tiger Woods Foundation, and the Wadsworth Foundation.

CLUBHOUSE ASSESSMENT AND RECOMMENDATIONS

NGF was informed that no due diligence in the form of inspections had been done by Western Ada Recreation District (WARD) in advance of its purchase of the Lakeview GC improvements from the last lessee. We engaged Full Nail Inspections of Boise, Idaho to perform an inspection of the clubhouse at Lakeview GC. The *Summary Report* and *Full Report* by Bent Nail Inspections are provided as separate documents, with a summary exhibit of short-term repair/ replace recommendations shown in the Appendix G Exhibit.

Bent Nail's recommended repairs of a significant nature that are *not* considered "immediate" are shown below as being necessary in Years 2-3, and are included in the capital improvement plan. More immediate issues identified during the inspection are explained in the accompanying Bent Nail reports and are listed in Appendix G. NGF considers these to be relatively minor repairs / maintenance items of a nature that would typically be expected to be funded out of start-up costs or the annual operating budget (e.g., 'Equipment Repairs & Maintenance' line item). (**Note**: NGF does not attest to the accuracy of the reporting or cost estimates provided by Bent Nail).

Recommended Immediate Repairs – Short Term

Summary of immediate repair needs for the clubhouse, based on inspection by the contractor:

Immediate Clubhouse Repairs (source: Bent Nail)	
Electrical Issues	$500
Roof Repairs	$250
Drainage (see inspection report exhibit)	$2,000
Sheetrock Repairs	$2,000
Miscellaneous Items (see inspection report exhibit)	$1,500
Total Immediate Repairs	**$6,250**

Recommended Repairs – Intermediate Term

Based on the inspection report prepared by Bent Nail Inspections and provided to the City separately, the following items will likely need to be addressed in the next 2 to 3 years, as per Bent Nail (Appendix G):

- Roof replacement - $23,000
- Air Conditioning Units – replace 3 @ $5,000 each = $15,000
- Cart storage entry Sump Pump - $2,500

PRELIMINARY CAPITAL IMPROVEMENT PLAN - LAKEVIEW GOLF CLUB

Below we present the NGF team's preliminary capital improvement plan for Lakeview Golf Club based on the assessment of the golf course current conditions and recommended solutions presented earlier in the report. *For maximum benefit, the plan would ideally be completed in entirety over a 3-year period. However, as with the majority of municipalities that NGF consults for, the City of Meridian will not be able to fund all improvements over the next few years. In recognition of potential funding constraints, the NGF team has presented the plan in the context of five prioritized and sequential "buckets" (more later) so that the City can plan funding appropriately.*

We believe the recommended improvement plan, if fully implemented, addresses Lakeview GC's major capital needs for at least the next 10-15 years, though unexpected repairs are always possible. For potential capital needs beyond the next few years, NGF recommends the City set up a CIP set-aside fund equivalent to 5% of facility gross revenues to create a reserve for future repairs, equipment replacement, etc.

We note that two recommended facility enhancements – construction of a new short practice area and construction of a 9-hole practice course ("the Zenger") - are prioritized as longer-term priorities only because they are not "mission-critical" to operating the golf course. Based on golf industry trends and the feedback we heard from several key stakeholders regarding the "community" aspect of Lakeview GC and the desire to have the facility be inviting to younger people, the NGF team believes strongly that these optional improvements would be highly beneficial to the experience at Lakeview Golf Club. The Zenger practice course, in particular, could not only help bring more non-golfers to enjoy the City's new recreation amenity, thus broadening the facility's appeal to the overall community (as more and more municipal golf courses are doing), but should also be revenue-positive after its initial cost is amortized.

Additionally, some items that were originally prioritized by the NGF team as necessary shorter-term improvements – namely, the conceptual plan to reconstruct the lake and aqua range, and the construction of a new accessible on-course restroom – are shown in 'Long-Range Capital Enhancements'.

Preliminary Probable Cost Estimates

Golf Course

Probable cost estimates for the golf course components are based on the current report and evaluation leading up to the findings, as well as cost input from City staff on some items, such as the irrigation system, cart paths, and ground well. As noted, these are preliminary and have been estimated based on projections of the Golf Course Architect without detailed planning, engineering, surveys, or details.

The preliminary nature of the estimates lends them to be used as a guide for subsequent architectural and engineering (A&E) planning that will refine cost estimates and show how the improvements can be carried out over time. Architectural and Engineering costs as shown are for un-allocated components, i.e., overall A&E fees and costs for each year. Certain other improvement work as shown may also have A&E costs associated as part of the lump sum amounts provided for those components. Allocation of A&E costs are to be determined based on refined design plans.

The cost estimates in the table below begin with start-up capital costs. The plan assumes allowing adequate time to prepare the detailed architectural and engineering plans, followed by construction documents consisting of the following:

Engineering:

- Survey Mapping (topographical, LIDAR and aerial)
- Lakes Engineering (lining/sealing, edges and water storage calculations)
- New well site (if feasible)
- Engineering Specifications

Golf Course Architect:

- Golf Course Features and Improvement Plans
- Greens and Features Details
- Drainage Plan
- Turfing Plan
- Tree Plan
- Golf Course Specifications

Irrigation Designer

- Pump System
- Irrigation Replacement / Improvement Plans
- Irrigation Specifications

Detailed A&E plans should also involve an industry operations consultant to assist the City and Operator with such factors as (i) phasing and interruption to play and revenue; and (ii) impacts to use, player attraction / retention, and associated incremental net revenues.

Maintenance Equipment and Golf Carts

Golf cart and maintenance equipment cost estimates were provided by the manager, based on their research of both used and new golf course maintenance equipment, as well as bids attained on a new fleet of golf carts. The NGF team reviewed these costs and concludes that they are reasonable and within industry norms.

Lakeview GC Preliminary Capital Improvement Plan

The preliminary capital improvement plan is divided into five "buckets" (see below), listed in order of the consulting team's assessment of priority need. The first, highest priority bucket comprises start-up capital costs, followed by three prioritized tiers of improvements and concluding with what we have termed 'longer-range capital enhancements. Summary descriptions are provided below. The full plan with cost estimates is presented below, while the support narrative was provided earlier in this report.

1) Start-up Costs
2) Tier 1 Capital Replacements
3) Tier 2 Capital Replacements / Improvements
4) Tier 3 Capital Replacements / Improvements
5) Longer-Range Capital Enhancements

Start-Up Capital Costs

The items with the highest priority for Lakeview Golf Club operations are capital start-up costs that comprise "mission-critical" items - maintenance equipment replacement and golf carts – that will be required this golf season. NGF also believes the mitigation of safety issues identified in this report should be completed as soon as possible. Start-up capital costs total **$435,000**.

Tier 1 Capital Replacements

The next priority bucket of improvements comprises additional replacement maintenance equipment as identified by management, as well as the critical replacement of the irrigation system, including addition of a ground water well. Also included is renovation of the existing on-course restroom structure near Hole #s 12 and 13 for accessibility and ADA compliance. The preliminary estimate for these items, including architectural and engineering allowance for future improvements, is **$3.63 million**.

Tier 2 Capital Replacements / Improvements

Proposed Tier 2 capital improvements include a drainage solution for fairways and roughs, tee reconstruction, and an allowance for construction of cart paths (material and extent of coverage TBD). The preliminary estimate for these Tier 2 items, including architectural and engineering allowance for Tier 3 improvements, is **$902,000.**

Tier 3 Capital Replacements / Improvements

Proposed Tier 3 capital improvements include continued construction of golf course infrastructure components, namely greens and sand bunkers. Also included are some site and landscape work, as well as replacement of the clubhouse roof and three HVAC cooling units. Tier 3 improvements are estimated to total **$841,000**.

Long-Range Capital Enhancements

Long-range enhancements to the golf course include the lake / aqua range construction solution described in the narrative of the report, construction of a new accessible on-course restroom near the existing Hole #5 tee area, short-game practice area relocation and upgrades, and the 'Zenger' 9-hole Practice Course. Timing would depend on funding availability. (As noted in the report, NGF recommends creating a Capital Reserve Fund, with annual contributions equivalent to 5% of yearly gross operating revenues). The long-term items total **$2.17 million**.

NGF-Forrest Richardson Preliminary Capital Improvement Plan for Lakeview Golf Club

NGF cautions that the estimates are not actual opinions of cost based on final planning, engineering, and bid documents. Rather, the NGF team's estimates are intended to provide only "preliminary planning level guidance" based on the technical "on the ground" experience of the consultants. Costs in golf course renovation / constructions are always highly fluid, and especially so in the spring and summer of 2021, due to pandemic-related inflation pressure on materials, components, fuel, labor, etc. Other factors that must be taken under consideration are the timing of the improvements, and the rapidly rising costs being experienced in Meridian and the Treasure Valley due to the growth boom.

NGF Preliminary Capital Improvement Plan - Lakeview Golf Club		
Items/Areas	**Est. Costs**	**Notes**
STARTUP COSTS		
Golf Course Maintenance Equipment	$140,000	
(See separate itemized spreadsheet prepared by Manager)		
Golf Carts	$235,000	
54 new (net of trade)		
Course Safety Mitigation		
Detailed Plans (Golf Course Architect)	$20,000	
Tree Additions	$20,000	(Allowance for ±40 new trees)
Bridge Replacement/Upgrade Allowance	$20,000	(Allowance only)
TOTAL STARTUP COSTS	**$435,000**	
TIER 1 CAPITAL REPLACEMENTS		
Golf Course Maintenance Equipment (Deferred Start Up Costs)	$465,000	
Irrigation System		
Pumping and Irrigation Systems Plans (Irrigation Designer)	$85,000	
Ground water well	$250,000	
Pump System	$350,000	Incl. structure
East Nine Irrigation System (Full Replacement)	$1,300,000	Full replacement, w/ turf reduction
West Nine Irrigation System (Upper Layer Replacement)	$1,100,000	Less main lines and some laterals
A&E for Capital Replacements / Improvements	$50,000	
On-course Restrooms ADA Compliance		
Renovate Existing Structure (Hole Nos. 12 and 13)	$30,000	(Allowance)
TOTAL TIER 1 CAPITAL REPLACEMENTS	**$3,630,000**	
TIER 2 CAPITAL REPLACEMENTS / IMPROVEMENTS		
Drainage - Fairways and Roughs		
Golf Course Construction (East Nine)	$80,000	Sump method (Allowance)
Golf Course Construction (West Nine)	$80,000	Sump method (Allowance)
Cart Paths		
Detailed Plans (Engineer)	$12,000	
Golf Course Construction (East Nine)	$150,000	(Allowance - surface TBD)
Golf Course Construction (West Nine)	$150,000	(Allowance - surface TBD)
Tees		
Golf Course Construction (East Nine)	$200,000	(20) Re-surfaced, (10) new
Golf Course Construction (West Nine)	$180,000	(16) Re-surfaced, (8) new
A&E for Capital Replacements / Improvements	$50,000	
TOTAL TIER 2 CAPITAL REPLACEMENTS / IMPROVEMENTS	**$902,000**	

TIER 3 CAPITAL REPLACEMENTS / IMPROVEMENTS		
Greens		
Golf Course Construction (East Nine)	$405,000	(9) Fully reconstructed, Modified USGA
Golf Course Construction (West Nine)	$120,000	Expansions only (Allowance)
Sand Bunkers		
Golf Course Construction (East Nine)	$120,000	(15) New, Incl. removals
Golf Course Construction (West Nine)	$120,000	(15) New, Incl. removals
Course Site / Landscape		
Trees Removal, Additions	$20,000	Additional to safety mitigation trees
Lake and Ponds Further Evaluation (Engineer)	$15,000	Aqua Range, short course excluded
Golf Clubhouse Replacements		
Roof Replacement	$23,000	
HVAC - 3 cooling units @ $5,000 each	$15,000	
Cart Entry Sump Pump	$3,000	
TOTAL TIER 3 CAPITAL REPLACEMENTS / IMPROVEMENTS	**$841,000**	
LONGER-RANGE CAPITAL ENHANCEMENTS		
On-course Restroom - Build New (Existing Hole No. 5 Tee Area)	$350,000	Allowance
Lake / Aqua Range Construction		
Architectural and Engineering	$60,000	
Construction	$450,000	
Artificial Mat Surface and Tee Construction	$35,000	
New Golfer Development - "Zenger" 9-Hole Practice Course		Allowance only
Detailed Plans (Golf Course Architect)	$80,000	
Engineering Allowance (Civil)	$45,000	"Zenger Practice Course"
Golf Course Construction / New Irrigation	$800,000	Incl. ponds, water streams
Changes to Existing Hole Nos. 3 and 9	$225,000	
Practice Area Amenities Upgrades		
Detailed Plans (Golf Course Architect)	$5,000	
New Short Game Area (West of Existing Practice Green)	$120,000	Relocated short game area
TOTAL LONGER-RANGE CAPITAL ENHANCEMENTS	**$2,170,000**	
TOTAL ESTIMATED COSTS	**$7,978,000**	
Total without Longer-Range Enhancements	**$5,808,000**	
Total without Longer-Range Enhancements and Start-Up Capital	**$4,908,000**	

NGF-Forrest Richardson Capital Improvement Plan – Cost Summary

Following are summary observations regarding the cost estimates for the NGF-FRA preliminary, capital improvement plan for Lakeview Golf Club:

- The total "all-in" estimated cost of the recommended capital plan is just under **$8 million**, including new golf carts, replacement maintenance equipment, and longer-range capital enhancements that include work on the aqua range / lake, new permanent on-course restroom, and optional player development / practice related improvements that the NGF team believes will be beneficial to Lakeview GC and the Meridian community, but which can be deferred until funding becomes available.
- Of the $8 million plan total, $2.17 million is allocated for the longer-range capital enhancements as noted above, including the proposed "Zenger" 9-hole practice course. If the City decides not to go forward with these optional investments or to defer them for future years, the total cost of the capital program – including the start-up costs – is about **$5.8 million**.
- Subtracting out the start-up costs, comprising safety mitigation items, maintenance equipment, and golf carts, as well as the proposed longer-range enhancements, costs to complete base improvements to the golf course (including nominal amounts for the clubhouse) are estimated to total **$4.9 million**.

Capital Improvement Plan – Phasing Considerations

Performing golf improvement work in phases may be accommodated, but is likely to have impact in terms of higher cost and a longer duration of interruption to golf uses. One "lump sum" contract awarded to a qualified builder will always generate the most cost-efficient outcome. It is often popular in municipal work to develop full plans and specifications for the full complement of work, and then request optional bids for various scenarios related to phasing. For example, the City could request a lump sum bid to do all work and place a time constraint on the work but also request bidders to propose phasing that would allow a certain number of holes to remain open at all times. In this case the duration may be two or more years, but the City still enjoys benefits of a lump sum contract for the full renovation scope.

Golf renovation projects involve infrastructure and work to features (greens, tees, bunkers, etc.) that dovetail to one another. An example is irrigation work, which, if isolated into a separate (sole) contract, will typically be very inefficient because the installation of drainage and other similar work can be done along with irrigation trenching and installation. Additionally, if new tees and bunker renovation work are to be performed, irrigation heads and lines need to be installed accordingly. So, separating tee, green, or bunker work from irrigation replacement results in additional money being spent to rework mis-matched areas.

While detailed plans can often facilitate such phasing of different types of work to the course, it is far more efficient to phase "sections" of the golf facility, completing all improvement work for each "section" as part of one phase. The "section" approach can involve a series of holes (even individual holes), or dividing the course into halves, such as front and back nine phases. Factors such as business interruption, revenue loss, and required maintenance of turfgrass that will be preserved should be considered when phasing sections of a golf course is contemplated.

The NGF team recommends that the City of Meridian determine the scope of work and then contract a full set of Construction Documents (CDs) for all areas: golf course renovation, irrigation, drainage, etc. Once these CDs are in hand, it will then be possible to solicit competitive bids from qualified golf course builders (i.e., GCBAA members, or certified members) and to do so with an eye toward how the course will be closed and/or portions kept open for use.

Operational Considerations and Recommendations

Below, NGF provides summary recommendations for key facets of the Lakeview Golf Club operation. Some of these recommendations – especially those related to marketing and direct selling – are likely to be much more resonant after renovation of the facility. NGF has focused its operational recommendations for Lakeview Golf Club on 'big picture' decisions faced by the City in its stewardship of the facility. Other more granular recommendations focus on industry 'best practices'; we note that many of these practices are either already in place or in planning (with some variation) by the management company. Findings and recommendations are presented below for consideration by the City.

CITY ACCOUNTING OF THE GOLF OPERATION

How the City ends up accounting for the Lakeview Golf Club operation is a matter of public policy. However, to provide appropriate background, we present the following summary discussion on common forms of public agency accounting for golf.

Basics of General Fund vs. Enterprise Fund Accounting

Municipalities may account for golf course activities within the general fund, or as either an enterprise fund or special revenue fund. Following is a summary discussion of these three methods.

General Fund

Municipal golf operations that are funded as an annual budget line item within the general fund (most typically within the Parks and Recreation Department) are generally not expected to be self-sustaining through user fees. In other words, they are on equal footing with other public recreation amenities and services, with taxpayer dollars supporting operational and capital investment needs that are not expected to be funded by user fees. (NGF experience over hundreds of municipal operations reviews has repeatedly shown that golf, even if supported by general fund dollars, nearly always has the highest "cost recovery" of a public agency's recreation offerings). And, unlike most enterprise funds, no indirect costs (more below) are assigned to the golf operations, presenting a truer picture of on-site performance. NGF has also observed that golf facilities accounted for within a municipal general fund can usually be budgeted for the operating and capital expenses they require, assuming the funding is available (i.e., general fund is healthy).

Enterprise Fund

An enterprise fund establishes a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. Under enterprise accounting, the revenues and expenditures of the service are segregated into a separate fund with its own financial statements, rather than commingled with the revenues and expenses of all other governmental activities. An enterprise fund is established by a municipality to account for operations of a business-like activity, such as a water utility, airport, or recreation, like a golf course.

Enterprise accounting ensures transparency that allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user fees and that which is supported by tax dollars and / or some other source of funds. At year-end, positive net income is retained in the fund (for purpose of funding future deficits, capital improvements, etc.). Conversely, if the enterprise fund incurs an operating loss and does not have sufficient fund balance to cover it, the general fund (or another enterprise fund) may have to execute a "transfer in" to cover the deficit.

Special Revenue Fund

Less commonly, a municipal golf system may be accounted for as a Special Revenue Fund, particularly in cases where full cost recovery through user fees is not anticipated. A special revenue fund is an account established by a government to collect money that must be used for a specific project. Special revenue funds provide an extra level of accountability and transparency to taxpayers that their tax dollars will go toward an intended purpose.

Key Considerations in Choosing Accounting Structure for City Golf Operations

While the accounting for golf enterprise funds varies across municipalities, a majority of municipalities charge their golf enterprise fund 'indirect' costs for services provided, such as insurance, legal, human resources, finance, and information technology (IT). NGF experience, and recent municipal golf research that includes 2019 operating results, has shown that this layer of cost, which is incremental to the golf course's on-site operating expenses, is often the difference between a golf course operating at a loss or a profit, especially when general fund charges are disproportionate to actual services being provided.

In addition to allocating indirect service costs, the municipality may also allocate a portion of salaries for positions involved in oversight and administration of the golf enterprise fund; these vary by title across municipalities, but may include positions such as Parks & Recreation Director, Parks & Recreation Assistant Director, Finance Director, Director of MIS / IT, etc. Indirect charges are generally allocated based on a measure, such as the number of employees, budget or some other basis. While our observed range has varied widely, NGF's extensive body of work with public sector clients has shown that, for municipalities with a single18-hole golf course, the indirect cost and salary allocation most commonly falls in the range of between $75,000 and $125,000 per year.

A final consideration is that even those municipal golf courses and systems that are set up as enterprise operations will often find that some of the 'public accommodation' aspects of running municipal golf courses are at odds with the goal of financial self-sustainability. Examples include green fees and / or season passes that are priced below 'market rate' (e.g., resident rates), complimentary play for certain constituents, and, more generally, municipal officials instituting or upholding policies that are not representative of best business practices but rather based on public policy.

NGF Commentary

The decision on how to account for the operations of Lakeview Golf Club is one of public policy and is based on the City's vision of what the golf course represents to both facility patrons and those residents that do not use the facility. We do note that there is a trend - reflective of how difficult it is for any given municipal golf operation to cover all of its expenses with user fees and other associated revenues - of public agencies changing their accounting for golf from enterprise fund to general fund, often at the same time that they "write off" accumulated fund deficits or forgive interfund loans in the face of years of operating deficits.

MANAGEMENT ALTERNATIVES

Lakeview Golf Club is presently operated under a short-term fee-for-service management agreement with KemperSports Management. NGF Consulting has noted a decided trend over the last 10 to 15 years away from full municipal self-operation, with cities, counties, etc. turning to a variety of partial or full privatization structures, such as concession arrangements, operating leases, or, most commonly, fee-for-service agreements, such as the one the City of Meridian has entered into.

Below are descriptions of the most typical management / operational options for public agency (i.e., "City" as referred to below) golf courses. In our experience, there is no ideal operating scenario that fits all situations, and each public entity must arrive at its own unique approach to operation and maintenance. The most common management options are shown below (these are not intended to be exhaustive, as there are hybrids and variations thereof).

- **Self-Operation**: In this form of management, the municipality is in direct control of the golf operation, and all golf course staff are public employees, with on-site management reporting to a City staff member. The municipality earns all revenues, and is responsible for all expenses and capital improvements.
    - The primary advantages are: the City has control of the day-to-day operation of the golf course for maximum benefit to the community; and, there is no obligation to pay an annual management fee (though the City retains all risk associated with low revenue and / or high expense).
    - The chief potential disadvantages / challenges include: the potential lack of expertise in overseeing and operating a golf course; finding, hiring, and / or retaining qualified personnel can be a cumbersome and time-consuming process; and, the likelihood that there will be less of a "buffer" between golf course patrons and the City (in contrast to having a private operator on site).
- **Full-Service Management Contract - Fixed Fee:** This option involves the municipality hiring a single, independent third-party to manage all aspects of the golf course in exchange for a pre-determined fixed management fee – typically in the range of 4-6% of facility gross revenue. The municipality earns all revenues, is responsible for all expenses, funds capital improvements, and pays a management fee to an operator.
    - Advantages to this strategy include potential savings with a private labor vs. public labor expense structure; the benefit of professional management; ease of procurement of goods and services, and, access to national purchasing, marketing programs, etc., if a larger national firm is chosen).
    - The potential disadvantages include some loss of City control over day-to-day operations; lack of a performance-based financial incentive for the operator under a fixed-fee arrangement (we note, however, that public employees may not have financial incentive in the operation either, beyond job retention); and, the obligation of the fixed management fee, regardless of yearly variations in performance.
- **Full-Service Management Contract - Fixed Fee + Variable Component (i.e., "Hybrid"):** Increasingly, NGF Consulting has been observing management agreements in which total compensation to the contractor comprises both a fixed fee component and an additional incentive-based, or variable, component (most typically gross revenue-based) that allows the operator and municipality to share in the risk of the operation. The basic structure of the management agreement is the same – the municipality earns all revenues, is responsible for all expenses, and pays a management fee. <u>However, the principal potential advantage of this "hybrid" scenario is financially incentivizing the operator with respect to the revenue</u>

performance of the golf facility. The variable part of the compensation may also be partly tied to meeting other performance standards, such as those related to customer service, etc.

- **Operating Lease:** Some municipalities lease their entire golf facilities to a private operator in exchange for an annual (or monthly / quarterly) lease payment and / or capital improvement considerations. NGF experience tells us that these agreements, in order to be sustainable through good years and bad, must be win-win, where the operator has a chance to recoup investment (which reverts to the municipality at lease end) in the golf course, equipment and structures, *and* make a yearly profit.
  - The advantages of this option from the municipality perspective are the avoidance of financial subsidy of the golf course (at least in theory – we have seen many an operator vacate a lease prematurely), the collection of rent / lease payments each year, and, depending on the length of the contract and rent terms, having an outside party pay for some level of needed capital improvements.
  - The key disadvantage for a municipality is that it has very little control on the day-to-day operations, including policies, procedures, and fees. However, these agreements can be crafted in such a way so as to preserve some public purpose for the golf facility (e.g., accommodations for local high school teams) and to ensure certain quality and conditions are met by the operator.
- **Concession Agreements**: These are similar to lease agreements and can come in several types or combinations. The typical areas of operation for concession agreements include Pro Shop, Food and Beverage, and Golf Course Maintenance and involve the municipality contracting for one, some, or all of these services.
  - Concessions allow a municipality to shift some risk and payroll to one or more private entities that also have specialized expertise in that particular revenue center.
  - A potential disadvantage of this structure is that there may be a misalignment of interests between concessionaires, or between a concessionaire and the municipality operating the golf course.

NGF Commentary and Recommendation

On the revenue side of the equation, it is difficult to precisely quantify the benefit of hiring an expert outside management company. However, NGF has found, through many years of working with municipal clients, that in the majority of cases the cost of the annual management fee more than pays for itself through advantages such as the expertise of the large national operators, the benefits of access to regional / national marketing and purchasing programs, procurement advantages, etc. Additionally, many of our municipal clients find it a great benefit to have an outside company act as both an emissary and as a "buffer" between facility customers and City staff / officials.

On the expense side, savings can be considerable with respect to the labor budget, though the degree is variable depending on market and local labor laws. We have frequently seen savings of 15% to 25% or more when compared to a fully public pay and benefit structure. In the case of Meridian and Lakeview GC, the City provided preliminary estimates that show the approximate extra labor cost if the City were to operate the golf course with public employees. City staff's direct comparison analysis of the cost of currently budgeted staffing showed that, under City self-operation, the labor cost would be 13% higher than under the outside management structure due to the additional cost of employee benefits. (The annualized management fee, including reimbursement for their accounting system, is currently $108,000). On the other hand, the City has $166,000 worth of items in the FY22 budget that would be subject to 6% sales tax under the current operating structure; under self-operation, the City would not pay tax on these items, resulting in savings of $9,960.

We do emphasize that, though there may be financial advantages to the outside management structure and the City will be relieved of the *day-to-day* operating responsibility of the golf course, under both self-operation and third-party management scenarios, *some City staff will remain significantly involved with responsibilities related to overall oversight, liaising with the management company, stewardship of capital improvement projects, accounting, customer relations, human resource issues, etc.* This level of involvement will be especially high in this transition period of taking over stewardship of the golf asset.

Another consideration when deciding between self-operation and management agreement is that, *regardless of operating structure*, some City staff will have responsibilities related to: oversight; liaising with the management company; stewardship of capital improvement projects; accounting; customer relations; human resource issues, etc. There are no "benchmarks" that exist that can predict whether the City of Meridian will require additional staff to perform these functions. In some cases – mostly with multi-course systems - the increased workload cannot be absorbed, creating the need for additional municipal staff. Each city must do an internal assessment of current staff resources in the context of additional responsibilities that will have to be taken on by one or more people. We note that the City of Idaho Falls, which owns and operates three 18-hole regulation golf facilities, has a staff person – the Director of Golf Operations – that oversees all three facilities. However, he also functions as the Head Golf Professional at Pinecrest Golf Course. The City of Boise, in contrast, employs a dedicated Golf Operations Manager to oversee its golf system, which comprises two 18-hole regulation courses.

There is no "one size fits all" solution to choosing a management structure. Each municipality must weigh the various pros, cons, and other variables related to factors such as desired level of control over day-to-day operations, operating expense differences, ease of hiring / firing, how "nimble" the City is with respect to procurement of goods and services, public policy objectives, potential revenue advantages of outside professional management, etc. While about 45% of municipal golf courses in the US are self-operated, the national trend is clearly towards third-party management. NGF's US Golf Facility Database (every facility updated annually), supplemented by extensive periodic survey research of municipal golf facilities, shows that the percentage of municipal golf facilities managed by third-party vendors (*excluding* full-facility leases) steadily increased from less than 15% in 2010 to about 25% in 2020.

The City had several purposes in mind when it decided to enter into a short-term agreement with a private management partner to manage Lakeview GC. First and foremost, it was the most logical and efficacious way to manage the transition of the golf course operation from the previous lessee to the City, including the onboarding of employees. Also, the City desired to see the NGF master plan report prior to making key long-term strategic decisions. So, in consideration of City objectives, NGF's evaluation of Lakeview GC in the context of various potential advantages and disadvantages of each structure, and current uncertainties with respect to the labor situation, timing of capital improvements, etc., <u>we conclude that an interim management agreement is, on balance, the most advantageous short-term operating structure for Lakeview GC.</u>

The City is in the midst of what will be a multi-year learning curve with respect to Lakeview GC and there is simply not enough information about the potential of Lakeview GC – and too many unpredictable variables (e.g., the labor market) – to make a decision about long term management at this point. Once the City has made some of the high-priority capital improvements recommended in this report and established a reliable financial performance baseline for the facility, informed decisions about long-term management can be made.

Finally, one of the chief concerns expressed by the City to NGF about the private management structure was providing sufficient financial incentive to improve the performance of the golf facility. In light of this concern<u>, if the City ultimately decides that a management agreement is the preferred structure for the long-term management of Lakeview GC</u>, it may wish to explore with its management partner a fee arrangement that includes both fixed and variable components, with the latter based on the achievement of mutually-determined performance objectives (most commonly, reaching established gross revenue thresholds). There are several reasons that the City should not expect the current agreement to include a variable compensation component in the short term, including:

- There is no reliable financial performance history for Lakeview GC, and, therefore, no reasonable baseline on which to establish gross revenue thresholds;
- The current condition of the golf course, as well as uncertainty over food and beverage operations, preclude constrain optimal performance; and
- There are likely to be several interruptions in normal service due to construction impacts over the next several years as the City implements the recommended capital improvement plan.

Once the Lakeview GC facility and operation "stabilize" (i.e., after most of the major capital improvements have been completed) and a reliable and achievable financial performance baseline can be established, the variable compensation structure becomes much more plausible.

GOLF PLAYING FEES / MARKET POSITIONING

We note that the Meridian / Treasure Valley area is a low-fee market, despite some very high-quality public golf courses. There seems to be a "fee ceiling" at play, though perhaps that will rise over time with the influx of new golfers from pricier markets. In its current condition, and with characteristics such as narrow corridors with many fairways double-loaded with homes, Lakeview GC offers an inferior product to its competitors. This makes it difficult for Lakeview GC to compete effectively for daily fee market share except through significant discounting of fees (e.g., VIP Pass program) off of rack rates.

The built-in "captive audience" of local golfers living very close to Lakeview GC significantly boosts activity levels at the club, primarily through purchase of season passes. And while all of the golf facilities in the identified primary competitive subset offer season passes that allow for unlimited play (cart not included), they remain, unlike Lakeview GC, *primarily daily fee golf courses, while Lakeview GC functions very much like a semi-private golf course*. While season pass fees for Lakeview GC may be high relative to the quality of the golf experience offered, most passholders live in immediate proximity to the club and are very active, resulting in a low effective rate per round played.

With Lakeview GC acting effectively as a community or HOA golf course, the frequency of play of its passholders is likely much higher than that of most or all of its competitive set, thus lowering the effective rate per round at Lakeview GC. Additionally, passholders take up many of the tee times that are most desirable for daily fee players. The combination of a significant number of heavily discounted daily fee rounds and very active passholders has resulted in an average golf playing fee revenue of only ±$10 per round for about three-quarters of total rounds played at the facility. (For comparison, the average green fee revenue per round for 'rack' daily fee rounds was about $28).

With daily fee play at 'rack rates' accounting for only about a quarter or so of total rounds, a key to successfully increasing daily fee market share appears to be substantially improving the product through major capital investment. However, even with major improvements, Lakeview GC will still lag most competitors due to the nature of the golf course, with its tight corridors and fairways double-loaded with homes. Still, we believe that with facility improvements and a strong programming element, Lakeview GC will have a good opportunity to fill a niche in this market, differentiating itself on its playability, user-friendliness, walkability, and sense of community, as well as by offering "something for everyone".

NGF Recommendations

In light of market and facility factors discussed in the report, NGF makes the following recommendations for daily green fee and season pass pricing at Lakeview GC:

- For the short term, the City should retain the basic fee structure that is intact now and focus on reducing discounting and taking advantage of pricing power when Lakeview GC has it (e.g., as it has during the pandemic)
- In the intermediate term beyond FY 2021-22, the City should consider adjusting daily and season pass fees each year only to account for inflation in expenses. (Inflation continued to accelerate in June 2021; the Labor Department said June's consumer-price index increased 5.4% from a year ago, the highest 12-month rate since August 2008). It is an industry best practice to adjust fees modestly at least biennially to reflect a higher cost of producing rounds of golf and / or market competitive dynamics. The key to sustaining fee increases will be offering enhanced value with continued facility improvements, such as those that have already occurred (e.g., new cart fleet and maintenance equipment). Current customers are loyal to the convenience of Lakeview GC, so despite dissatisfaction among some golfers that prices are too high for the product offered, we believe that inflation-adjusted fees should be sustainable.
    - After Lakeview GC is significantly improved, it may be able to sustain a higher market position that goes beyond just inflation-based increases. However, there is a lot of quality competition in the market for daily fee play, and demand will likely be much more elastic than it is for passholders.
- NGF concurs with the budgeted $1 increase in cart fees; a key will be to keep up with market-established fees now that Lakeview GC will have a new, high-quality fleet.
- Based on analysis provided by management, we believe the City should focus on creating an internal loyalty / frequent player program, and on practicing active internal yield management to offer discounted play during slow demand periods, rather than renew the VIP Pass program (provided through TeeTiming.com). Management conveyed that about 65% of the revenue for the pass (currently priced $179 for 12 months) goes to the program, with Lakeview GC taking about 35%. Even if the internal loyalty program offered all of the same benefits as the VIP Pass, such as free rounds or BOGO ('Buy One Get One'), Lakeview GC collecting 100% of the revenue for the pass should result in an increase in the average daily rate (ADR) for daily fee rounds.
- One of City's goals with respect to the stewardship of Lakeview GC is to expand access and participation to the broader community. When the golf course is significantly improved and the City is ready to make a concerted push to attract more "outside" play, adjustments to the season pass program may be necessary in order to free up desirable tee times. For example, over time one or more of the following options can be analyzed and considered for implementation:
    - Limit the number of passes available for sale.
    - Introduce a weekday-only (either M-Th or M-Fri) pass that is more affordable but eliminates weekend play.
    - Institute a per-round surcharge for the tee times that are in highest demand, such as weekend mornings. (NGF observed that many current passholders are retired, affording them more flexibility on the days of the week they play).

GOLF COURSE STAFFING

For the FY21-22 operating budget prepared by management, there will be sixteen (16) total full-time year-round staff (defined as 32+ hours for 8+ months), three (3) fulltime seasonal staff (32+ hours for less than 8 months), and twenty-two (22) total part-time staff, including the key new position of Marketing Coordinator.

Fulltime Equivalent (FTE) staffing includes:

- Course and Grounds (5) – Positions are Superintendent, which is the only salaried position, Irrigation Specialist (formerly seasonal), Assistant Superintendent, Crew Leader, and Laborer.
- Pro Shop (2) – General Manager and Operations Manager.
- Food and Beverage (5) - Includes vacant Kitchen Manager position.

NGF notes the following high-level observations and recommendations for staffing at Lakeview GC:

- NGF has noted a trend in the golf facility industry towards more use of part-time and seasonal staff, and this is evident at Lakeview GC in the new budget. For example, in terms of FTEs, Lakeview GC's budgeted staffing for golf course maintenance (KSM's 'Course and Grounds') ranges from three (3) during January through March, to eight (8) for May through October. Similarly, in the Pro Shop, staffing ranges from a low of six (6) FTEs January through March to as high as thirty (30) in June and July. Food and Beverage is also seasonal, but with much narrower swings in FTEs, bottoming out at six (6) in the winter months, and peaking at eleven (11) for the summer months.
- While each property is unique, key <u>on-site</u> full-time staff positions at a 'standard' 18-hole municipal golf course generally include a full-time Director of Golf (DOG) / General Manager, Superintendent, and Golf Shop Manager. Depending on variables such as the scale of the food and beverage operation, number of holes (9 vs. 18), extent of golf programming, etc., key staff may also include some combination of the following positions (not exhaustive):
    - Head Golf Professional
    - Assistant Golf Professional – especially if DOG functions as the Head Golf Professional
    - Kitchen Manager
    - Head Chef
    - Assistant Superintendent / Crew Foreman
    - Mechanic
    - Irrigation Spray Technician
- In the early summer of 2021, the staffing for the Food and Beverage operation at Lakeview GC was very much in flux, due to staff turnover and the inability to bring new employees on, which is a problem being felt across the country, particularly in the hospitality and service industries. This problem is very salient at Lakeview GC, as one of the recurring themes that came out of our stakeholder engagement was that the restaurant was understaffed, resulting in inconsistent and poor service levels during busier demand times. The lack of a dedicated bartender and sufficient wait staff were cited as key service bottlenecks.
- NGF likes the addition of the part-time Marketing Coordinator position, as this on-site marketing person can cross train on several aspects of the business and provide agility, flexibility, and efficiency. (The current General Manager formerly had a versatile marketing person who did other things, such as backing up counter). Keeping social media interactions fresh, direct selling of both golf and non-golf events, and building mutually beneficial relationships in the community should all be key parts of this position's responsibility.

NGF Commentary

Determining efficient staffing levels for Lakeview GC is obviously best left to the on-the-ground facility manager. However, NGF notes that the budgeted staffing levels seem appropriate for the expected service levels for a municipal golf course at this price point. (The biggest wild card at Lakeview GC with respect to staffing is the Food and Beverage operation; more on this below). Maintenance staffing has been tricky at Lakeview GC, due to the aged-out equipment and infrastructure - especially the irrigation system – that resulted in great inefficiencies with respect to maintenance, and sometimes lack of equipment for workers to ride. With new maintenance equipment and, ultimately, a new irrigation system should come efficiency and predictability on the staffing side.

FOOD AND BEVERAGE SERVICES

The food and beverage operation at Lakeview GC is substantial for a public golf course at this price point, with annual gross revenues exceeding $500,000 in FY19. This is due to the large volume of non-golfer related demand from the local neighborhoods surrounding the golf course. Food and beverage service at the Lakeview GC clubhouse includes the bar / restaurant and outside patio. Seating capacities are approximately 70 inside and 50 outside. The restaurant is open seven days a week, with the kitchen generally closing at 7 p.m. on non-event nights, and closing after the last customer – about 9 p.m. in summer. Lakeview GC has a call-ahead phone at #9 tee and has a beverage cart.

The relatively small kitchen and limited seating capacities constrain the ability to do larger non-golf events, though events, such as small weddings, have been hosted in the past. The small kitchen also negatively affects service times during busier periods, such as after league play. The interior of the restaurant is dated and needs refreshing (e.g., new paint, carpeting, furniture and fixtures), as well as new HVAC system, updated restrooms, and sewer system repairs.

The feedback from the stakeholder engagement phase of this project, including both online survey results and one-on-one phone calls / video meetings, indicate that the restaurant, and particularly the shaded outdoor patio, is viewed as a nice, tight-knit community gathering place that could become even more popular with some refreshing, potential expansion of outdoor space, and marketing outreach to the local community. In addition to the patio crowd, there is a contingent of customers that enjoys the indoor bar. Finally, theme nights like Taco Tuesdays and Prime Rib Friday are reportedly quite popular and busy, though – based on incomplete records available – may not have been profitable.

NGF Commentary

Food and Beverage service at a public golf course is not necessarily intended to be a profit center, but rather to support the primary business of selling green and cart fees. For instance, food and beverage carts, in isolation, are often money losers for a golf course, but this is a service that is expected by golfers, who might otherwise play elsewhere. Most successful food and beverage operations at public golf courses are those that offer simple, quick, and inexpensive service that is convenient to the round of golf.

On the face of it, there would appear to be a good opportunity to grow the food and beverage business at Lakeview GC and turn it into a profit center. It has a built-in customer base of both golfers and non-golfers, and there is not much competition from casual restaurants in the area, the most notable exception being Rudy's on McMillan, a sports bar-themed pub / restaurant located about 2 miles away; the next closest restaurants are about 3 to 4 miles away.

Management's preliminary program for Lakeview GC that was shared with NGF includes strategies for increasing awareness, drawing events through direct sales efforts, engaging the community with specials and theme nights, and potentially building a stand-alone brand identity for the restaurant. Additionally, the manager was already underway with an analysis of costs associated with food and beverage, so that actions – such as adjustments to service hours, staffing levels, menus, prices, etc.- could be taken to take the money-losing operation to breakeven or profitability.

With that background as context, NGF notes that a number of things have changed – largely due to the pandemic and the associated stimulus measures - that has prompted a potential change in direction for food and beverage service at Lakeview GC, and also led to a temporary closing of the kitchen. Specifically, new challenges have been overlaid on what was already a challenging aspect of the golf facility business. The most important of these are the inability to draw and retain staff, due to a tight labor market affected by factors such as extended federal unemployment benefits, and rising food, labor, and other costs.

In other words, there are a lot of unknowns regarding the future of the Food and Beverage operation at Lakeview GC. NGF essentially sees two fundamental ways the City can go with the food and beverage operations, with different levels of financial risk:

1.) Under this scenario, the pandemic's effects on restaurant dining dissipate, input costs stabilize, reliable workers – including a Kitchen Manager – will become available, and the restaurant returns to full service. In the short / intermediate term, however, food and beverage service at Lakeview GC continues to offer a reduced level of service that is likely sufficient for golfers, at least for the short term, but essentially shuts out non-golfing diners. If / when "normalcy" returns, the City and management can proceed with plans to make the full-service bar / restaurant into a profitable part of the overall golf course operation. This strategy would very likely mean higher prices so that unprofitable parts of the business (essentially everything except for alcohol) would produce positive margins, and those increased prices would be absorbable by customers.

    The City could give this option a "trial period", i.e., 6 months to a year, to see if the operation can become profitable, and then reevaluate at the end of that time. To give this strategy a fair chance of being successful, we recommend refreshing the interior and the patio and looking at alternatives to develop a more permanent shade solution, while having the new Marketing Coordinator work to draw meetings and other events.

2.) The other option assumes that the food and beverage service at Lakeview GC will likely not be profitable as a full-service restaurant. In this case, serving golfers would be top priority, and this would be accomplished through a permanently scaled-down version of Food and Beverage service, perhaps similar to what is in place now. This type of operation would be more in line with other market public golf courses, such as the City of Nampa's Centennial GC, that are not located within residential communities and which have simple "snack bar" service that requires minimal staffing. This model involves reduced financial risk, due to the much lower expense profile, and still offers the chance at breakeven or profitability, especially since higher-margin alcohol sales reportedly account for about 55% or more of Food and Beverage revenues at Lakeview GC.

At this writing, the City had hired a local caterer / restaurateur as a paid consultant to manage food and beverage operations at Lakeview GC for the short term, at least while the current labor shortage exists. Another possible direction for food and beverage service at Lakeview GC is for the City to issue a Request for Proposal (RFP) or Request for Expression of Interest (RFEI) to see if there is potential interest in a local / regional restaurateur leasing the food and beverage operation at Lakeview GC.

Food and beverage concessions are common at municipal golf courses, though less so when there is a separate management company in place for all other aspects of the golf operation. While each situation is different and there are many variables involved (e.g., whether facility capital investment is expected), a 'typical' food and beverage concession agreement would pay the municipal owner in the range of 6% to 10% of gross revenues. (These percentages may be driven lower if the current labor shortage and inflationary pressures end up being more than transitory). If the City was to consider seeking a private operator, NGF would recommend it wait until the uncertainty over the cost and availability of labor, the potentially transitory nature of inflation in input costs, and whether the pandemic may worsen during the fall / winter comes into clearer focus. With so many potentially unfavorable variables currently at play, the City would likely not receive proposals with terms favorable to the them until things "normalize" somewhat. This is especially true given that it is unclear if the food and beverage operation at Lakeview GC can be profitable even without these constraints.

NGF experience has shown that public golfers – especially at value-oriented golf courses such as Lakeview GC - are generally satisfied if they can sit down with friends or playing partners and get a sandwich or hot dog, along with beverage of choice. Many operators across the country that we've spoken to during the 14 months or so since reopening after pandemic-forced closure have found that "less can be more" in terms of food and beverage profitability. In other words, forced to operate with reduced staff and limited take-out menus, many were able to still make a profit while continuing to sell rounds of golf.

The bottom line is that unless Food and Beverage has traditionally been profitable, or seemingly has potential to become a strong profit center, the reduced-service option will offer the least financial risk, assuming golf customers do not flee in droves to other golf courses as a result. A limited menu focusing on premade sandwiches, 'grab-n-go', hot dogs, etc. can perhaps be supplemented by a food truck, at least during high demand times and for special events, and possibly as a permanent addition. Another consideration is that limited food service could hamper the Marketing Coordinator's ability to draw larger golf outings, though Lakeview GC has not historically hosted many of these. The disadvantage can be mitigated somewhat by allowing outside caterers for these events, as long as the golf course has exclusive right to sell the alcohol.

Of course, there is also a two-sided public policy aspect to the decision of which direction to go with Food and Beverage service at the golf course. On one hand, if the City opted for the scaled-back 'snack bar' version of food and beverage at Lakeview GC, the reduced service will likely disappoint a lot of patrons of the restaurant that live in the surrounding residential communities. Conversely, if the City were to go "all-in", do all it can to try to make the full-service restaurant a profit-maker, and subsequently lose money anyway, other residents of Meridian that are not patrons of Lakeview GC would be subsidizing the restaurant.

MARKETING AND DIRECT SELLING

Management has submitted the FY22 operating budget for Lakeview GC, and it includes a marketing budget of about $32,000 (includes Marketing Coordinator salary). This is equivalent to about 2.0% of projected gross revenue, which seems sufficient for Lakeview GC in its current condition, especially since much of the budget will be directed to low-cost digital channels. Additionally, marketing will be bolstered by coordination with the City's Communications Department. After the City ultimately completes large-scale capital improvements at the facility, there will be greater need for enhanced direct selling and marketing, as well as promotions, such as Grand Reopening events.

NGF reviewed management's preliminary marketing plan, *Lakeview GC Sales and Marketing Opportunities for 2021*, and presents a summary of key potential initiatives and areas of focus below, based on documentation and discussions with the manager's regional staff. (*After recent discussions with City staff and regional staff, we note that some of the thinking below may have evolved – especially as it relates to plans for the food and beverage operation at Lakeview GC, based on the current labor situation across much of the hospitality and service industries, as well as general inflationary pressure*).

General Opportunities

- Create a local staffing resource for marketing and sales support, also ensuring local control of social media, SMS, email, content creation, etc. (Enacted with funding of a part-time Marketing Coordinator position in the budget).
- Improve customer data capture through emails and texts (SMS), supported by staff training and incentives.
- Consider creating a Loyalty / Frequent Player program, such as one that awards points per $ spent across all revenue channels). Potentially integrated with a mobile app.
- Promote Lakeview GC's "**differentiators"** (e.g., now a City property, new golf carts, and future capital improvements) to generate new daily fee rounds
- Explore rebranding of the property, including rethinking the name and logo.

Community Engagement

- Increase engagement and transparency with the Golf Course Focus Group and empower them to be ambassadors.
- Take advantage of synergies with the City Communications and Parks and Recreation Departments.
  - Use of P&R program guide, website, social channels, etc.
  - Outreach to P&R about Lakeview GC player development programs; promote programs in the spring and summer catalogs
  - Explore opportunity for P&R events at Lakeview GC
- Chamber of Commerce – Explore marketing and networking opportunities; broadcast property updates to a wider audience; potential opportunity to host Chamber events at Lakeview GC, such as golf outings, happy hour events, etc.

Food and Beverage

- Increase Food and Beverage patronage of golfers and non-golfing homeowners.
  - Engage the HOAs to increase exposure via email, website, etc.
  - Promote amenity as a value to HOA members
- Themed dining events – Valentine's Day dinner, Sunday Brunch, etc., <u>if it is determined incremental net revenues can be achieved</u>.
- Weekly email reminders for Food and Beverage specials, especially to surrounding community.
- Increase demand and improve revenue generation during the off season; this may require modified schedule and/or available menu.
- Monitor customer trends and behaviors.
- Increase awareness and engagement:
  - Increased signage for visibility to those outside "mile square"; put a sign on the clubhouse
  - Paid social media campaigns
- Analyze whether to create a standalone identity for the bar / grill.

Digital Marketing / Advertising / Social Media

- Create a more sustainable posting schedule / strategy
  - Utilize more branded content and less graphics / generic content
  - Theme content – motivation Monday, tip Tuesdays, etc.
  - Need to utilize more video content and Instagram stories
  - Look into Hootsuite for use at Lakeview GC
- Monitor and engage on our social channels – comment, like, reshare (engage our followers).
- Website updates - routinely audit for outdated content; explore SEO upgrade possibilities.

Outings and Events

- Try to attract new golf outings if incremental revenues justify them.
- Promote deals, public events, player development, etc.
- Cultivate Food and Beverage events from community.

NGF Commentary and Recommendations

A marketing emphasis can be critical for a golf course to create awareness, increase activity levels, and, in some cases, correct misperceptions in the market. (In Lakeview GC's case, due to its "cloistered" location within a dense residential community, there has been some lack of awareness of the facility, as well as a perception among a contingent of market golfers that the facility is not open to the general public). Strategies can include advertising to raise awareness and forge a brand image, developing a public relations campaign to tout facility improvements, and increasing utilization of web, print, and social media. An effective and comprehensive marketing plan incorporates research, planning, strategy, market identification, budget, advertising, timetable, and follow-up, such as tracking to adequately gauge effectiveness of various campaigns and vehicles.

Ideally, the City and golf course management could simply increase marketing for Lakeview GC to draw more daily fee play from the broader market. However, we believe such efforts with the course in its current condition would be unproductive. Aside from condition issues, Lakeview GC presents marketing challenges in that it is not appealing to many low-handicap golfers because of its flat, aesthetically plain characteristics, as well as narrow hole corridors and the prevalence of fairways that are "double-loaded" with homes. On the flip side, the golf course can be too challenging for high-handicap golfers that may find it very difficult to keep balls in play and avoid hitting homes with their shots.

Because the Lakeview GC product is inferior to competing golf courses in the Valley market, the short-term marketing focus should probably be on raising the spend of current customers through creation of a frequent player / loyalty program and vigilant yield management (see prior discussion). For the short / intermediate term, some marketing messaging can be tied to completed improvements, such as the new cart fleet, to hopefully stimulate trial among area golfers that have not played at Lakeview GC.

Though we believe Lakeview Golf Club is at a disadvantage when it comes to successfully marketing to the broader Valley market, it does benefit from an engaged, active, and loyal core customer base, largely comprising season passholders living in the surrounding subdivisions. While the loyalty is primarily due to the convenience factor for this "captive audience", these core customers are, effectively, the lifeblood of Lakeview GC. And while this group does not require much marketing effort to retain them, the older golfers that eventually will play less frequently or stop playing will need to be replaced from this community that has an increasing number of new faces.

In summary, NGF believes that the City of Meridian and its golf facility management team face a challenge trying to build market share with a product that significantly lags the market in terms of golf experience and competes for daily fee play primarily on price. As such, positive results from marketing initiatives may be greatly muted, at least until Lakeview GC is greatly improved. Below, NGF offers some 'best practice' marketing and programming considerations for implementation at Lakeview GC:

- **Marketing Plan and Focus** – Management should, at least every couple of years, refine the marketing plan, including a synopsis of prior year results, review of the competitive landscape, proposed rates and programs, and planned marketing strategies. Plans should also include clearly defined goals and a tracking mechanism to gauge the effectiveness of the various strategies and marketing vehicles.

- **Direct Sales** – Direct selling to recruit and facilitate outside leagues, golf outings and non-golf events such as corporate meetings, small banquets / receptions, and events is an important tool for today's proactive golf operator. These events can provide a supplemental income source and result from active outreach to local organizations, such as businesses, churches, civic organizations, chambers of commerce, etc. Now that the City operates Lakeview GC, it would also seem a good place to host some City off-site meetings.

- **Branding / Rebranding** – Management has noted to NGF that preliminary discussions with the City have been held around potentially rebranding Lakeview Golf Club because of its lack of awareness and the perception among some that it's a private club. (Certainly, its isolated location within the surrounding neighborhoods contributes greatly to these issues). A key question that arises for NGF is whether now is the appropriate time to change the facility's name, logo, etc.

    - For the short term, we believe it would be more effective to broadcast news about improvements as they are made, while at the same time reinforcing the "open to the public" message.

    - Lakeview GC in its current condition should probably best be positioned for the short term along the lines of it being "a nice little course, fun to play", and at a good value.

    - The timing of a potential rebranding may be optimal in conjunction with grand reopening events after the golf course is renovated in a significant way.

- **Food and Beverage** – At this writing, it is uncertain which direction the City and management will go in relative to the scale of the Food and Beverage operation at Lakeview GC. <u>If some form of scaled-back operation continues, due to labor / inflationary pressures, we recommend that the City and management explore utilizing a food truck at Lakeview GC, at least during high demand times and for special events, and possibly as a permanent addition</u>. <u>The use of food trucks is becoming more common at golf courses, and we have seen this type of service be successful</u>.

  Assuming the kitchen is reopened and full-service restaurant is re-established, we make the following recommendations:

    - Focus marketing on the "mile-square" surrounding communities and promote and enhance the grill's community atmosphere and reputation as a friendly gathering place. Position as a place like "Cheers" (i.e., where everybody knows your name). The patio is a strong asset, and should also be upgraded (fixtures, etc.), and its potential expansion explored.

    - In order for marketing to be successful in drawing new customers, the ambience and décor will need to be upgraded, the menu refreshed, and service levels enhanced. Quite a few stakeholders we spoke to noted that the interior was stale and had a "barroom" feel, and that service was very slow during busy times.

- A key focus of the new Marketing Coordinator's will be to market programs and events to the community, though profit margins will dictate the extent to which these events are held.

- **Website** – See discussion under 'Utilization of Technology'.
- **Email Database** - See discussion under 'Utilization of Technology'.
- **Social Media** – In today's marketing environment, maintaining a strong social media presence is important, though it does require time and dedication. Ideally, a staff person at both the golf course and the City would be responsible for updates and fresh content (e.g., specials/promos, events/contests, tournaments, facility improvements, news about the Lakeview GC Lakers PGA Junior League team, etc.) for Facebook, Instagram, Twitter, etc. to keep golfers - especially younger ones - engaged with the facility.
- **Loyalty / Frequent Player Program -** NGF agrees with the manager that a loyalty / frequent player program should be developed for Lakeview GC, perhaps in conjunction with a mobile app. These programs involve a low-fee (i.e., $50 - $99 annually) or no-fee "membership" that entitles the holder to green fee and pro shop discounts or allow them to accumulate points that can later be applied toward purchases. NGF generally recommends driving volume by offering discounted green fees through a vehicle such as this, rather than through deeply discounted multi-play packages, such as those offered at Lakeview GC.

UTILIZATION OF TECHNOLOGY

Like virtually all aspects of society and business, golf is undergoing a digital transformation. As such, it is imperative to take advantage of today's tools to help efficiently manage and market a golf facility. Technology is one of the most important tools available to a golf course management team to build a larger customer database, create customer loyalty, and boost revenue.

NGF Commentary and Recommendations

NGF experience tells us that a large, national management company is up to date on all of the latest technology. However, as a general guideline for City staff, NGF offers the following high-level observations and recommendations regarding some of the most common and effective ways that technology is being put to use at successful public golf courses.

E-mail Communications – E-mail databases are essential in today's golf market place, as a means of staying in touch with the golfer customer base. E-mail marketing, with the exception of word-of-mouth and free advertising, is the most cost-effective advertising possible and is essential for effective practice of yield management to sell tee time inventory that might otherwise go unfilled. NGF recommends that pro shop staff continue to build the Lakeview GC customer email database by soliciting addresses when golfers come into the shop and when they book tee times via phone. Addresses can also be collected via the online tee time reservation and through an 'eClub' on the website.

Website and Internet – The Internet is the most cost-effective form of advertising for golf facilities. Lakeview GC-golf.com is the address for the dedicated website for Lakeview Golf Club. (NGF did not observe a link to the Lakeview GC website on the City of Meridian website). The Lakeview GC website, part of the contract with foreUp Marketing Services, includes the essential elements NGF recommends for public golf course websites, including current rates, tee time reservation portal, separate tab for the bar and grill, news on instruction and programs, calendar of events, and online store. Also very important is search engine optimization (SEO), as many golfers – especially those visiting or new to an area – will turn first to Google or another search engine to locate a place to play. In the case of Lakeview GC, NGF searched the phrases 'Golf in Boise' and 'Golf in Treasure Valley, Idaho', and Lakeview GC appeared 10th on the list. However, Lakeview GC appeared first on the list when the phrase 'Meridian Idaho Golf' was searched, which is, of course, highly desirable, especially since the Lakeview GC location is isolated within a residential community.

Mobile App – Consider developing a smartphone application that includes yardage guides and allows golfers to receive text alerts broadcast from the email system. The average person checks their cell phone 150 times per day. Having a mobile application facilitates connecting with the customer and can be especially appealing to young adults.

Point-of-Sale System - Comprehensive utilization of a quality, golf-oriented point-of-sale (POS) system helps management understand its customer profile segments, while also providing assistance in marketing and customer tracking. The efficiency of software for tee time reservations, operations / accounting reporting, retail point-of-purchase reporting, and overall management information systems has advanced dramatically in recent years and can help improve overall performance. Some of the key features of industry leading POS systems - often underutilized by operators – are summarized in the bullets below.

- Creation of customer profile segments, including play and spending patterns, to help effectively practice yield management and implement targeted email marketing campaigns (i.e., data mining), rather than one-size-fits-all email blasts.
- Integrate social media tools into email marketing. This can be done automatically through delivery tools that automatically integrate to the leading social media forums, such as Facebook, Twitter, Instagram, etc.

There are also vendors that do not provide POS but offer comprehensive services that manage all aspects of online marketing efforts. For example, they may provide software that integrates information collected from the POS, tee sheet, website, mobile applications, booking engine, and social media networks to help general managers better understand and market to their customers.

PLAYER DEVELOPMENT AND PROGRAMMING

Lakeview Golf Club is very active in player development and programming, including individual and group lessons (available through General Manager / Director of Golf and Assistant Golf Professional), active golf associations and leagues, and extensive junior programming. Following is a summary of key activities beyond individual/group instruction.

Lakeview GC Golf Associations and Leagues

- The Lakeview GC Ladies Golf Association (LLGA) has about 120 members. They have a Ladies Day (tee times blocked, formerly a shotgun) every Tuesday morning from March through October, with as many as 60 players. There are groups available for both competitive play (18 holes) or 'Grins and Giggles' (9 holes). Additionally, the association hosts monthly golf events, including the July Member-Guest Tournament and August Club Championship.
- The Lakeview GC Men's Golf Association (LMGA) reported about ±160 members. The group has two "crews" that have regular weekly outings (2-5 tee times blocked): the Tuesday-Thursday-Sunday crew that goes off at 11:30 a.m., and the Super Seniors, who play M-W-F at 10 a.m. in winter, and 8:30 a.m. in summer. The association also hosts 6 to 7 annual Men's tourneys, averaging 40-50 players.
- Additionally, there are a variety of men's and women's leagues that play regularly during the year, comprising mostly season passholders.

Junior Golf Programs

As noted, Lakeview GC staff is very active with junior programming, including:

- 'Operation 36' - Kids receive 8 practice sessions and 4 play days during the program. New students receive a starter pack that includes a bag tag to track their progress. All kids also get access to the Op36 mobile app that is used for training, self-training, and keeping track of their progress through the program.
- TGA (Teach, Grow, Achieve) – During these spring and summer camps, kids receive group instruction in the morning, and the full-day campers play the course in the afternoon after lunch each day. The program is intended to cultivate qualities such as sportsmanship, perseverance, and leadership.
- PGA Junior League – Combines great instruction and fun matches for the Lakeview GC Lakers in the PGA Junior League. Kids receive a packet that includes a team jersey and play in 2-person matches against other teams at Lakeview GC.
- Lakeview GC Junior Golf Association is a family-oriented series of summer Wednesday golf tournaments that culminate with the Junior Club Championship.

NGF Commentary and Recommendations

Cultivating new golfers is not only key to the future of golf but has also proven to be an immediate generator of revenues for facilities. PGA of America data shows that the successful player development program produces at least 200 new golfers per facility. NGF has found that the public golf facilities that are most successful tend to be very active in adult player onboarding and development, as well as other "grow-the-game" initiatives. Creative programming is especially effective in onboarding new players from segments (e.g., women and millennials) that represent strong latent demand for the game but that may not prefer to be introduced to the game in traditional ways, such as individual lessons.

NGF summarizes below some of the industry best practice type recommendations for enhancing player development, onboarding, and overall programming once the facility is sufficiently staffed (i.e., with the addition of 1-2 assistant professionals and / or contract instructors).

- **Junior Golf Program**: As noted earlier, Lakeview GC has a robust junior golf program. NGF considers a very active junior program to be a best practice and a key to success for any public golf course. In addition to offering individual and group lessons and clinics, NGF believes that having programs such as those offered at Lakeview GC (Operation 36, PGA Junior League), as well as others such as First Tee STEM Links and Drive, Chip and Putt, is an integral part of municipal golf.
- **Increasing Women's Participation**: Work to increase women's participation, as females are strongly represented among the latent demand cohort. At present, women account for about 20% of golf participants, but 40% of beginners. There are many reasons why female golf participation is low, but increasing participation from women is one of the keys to maximizing revenue. The most common issues relate to golf course difficulty, retail selection, on-course services (restrooms, drinking fountains), food / beverage selection, and customer service.

  Recent NGF studies related to women and golf revealed several facets that were key in their consideration of where and how much to participate in golf. Both the PGA and NGF have found through experience that adding a food and beverage component to female-oriented programming can significantly improve traction. Most important, it is crucial to listen to what they want and incorporate it into instructions, programming and events. Creating leagues is another effective strategy, as is having a regular calendar of events. (Lakeview GC is active in this area, though most participants appear to be passholders).

NGF identified several common characteristics that female-friendly golf facilities exhibit:

- Golf courses that are not too overly difficult, and have a most forward tee of less than 4,600 yards with no "forced carries" of over 60 – 80 yards.
- Restrooms (cleaned several times a day) at least every six holes on the golf course; features and items should include mirror, soap, lotion, sunscreen, Band-Aids, etc.
- Ball washers on the forward tees.
- At least one female instructor and a golf staff that takes a consistent approach to all players regardless of gender.
- Help with selecting equipment and even women-only demo days and/or women-only custom fitting days.
- The availability of women's club rental sets.
- Programs that allow more social and / or family involvement.

- **Lessons and 'Onboarding'**: Operators should work directly with the PGA of America, LPGA, and First Tee on programs that have a proven track record, and how to best implement and promote them. Examples include Get Golf Ready; Drive Chip and Putt; First Tee; PGA Junior League; LPGA-USGA Girl's Golf; and LPGA's Teaching Her. Of course, a critical element to success is transitioning new players from learning to playing.

- **Golf Events**: Creative golf-themed events, on both the golf course and the driving range, are becoming more and more popular with operators looking to make golf more fun for less committed golfers. One of the major initiatives to grow activity that NGF recommends is specialized programming and events aimed at onboarding or simply increasing the patronage of young adults. National NGF research (*Golf and the Millennial Generation*) has shown this to be a demographic segment that favors "experiential" events (i.e., those that young adults can "socialize") that combine golf, fun, and a social component. Examples of actual events that NGF has observed recently include:

  - A weekly 9-hole Thursday Scramble that had 13 teams (52 participants) generated about $2,500 in direct revenue, plus additional bar revenue before and after the event. (Lakeview GC had a successful 'Friday Night Chapman' couples' event that combined 9 holes of golf with food and beverage). Also, a 2-Person Scramble was held June 12th, though it was restricted to members of the LMGA and LLGA.
  - 'Balls and Beers' at the driving range. Participants paid a small fee for the event, which featured a craft beer truck, music, contests, unlimited range balls for an hour, and a golf professional providing quick lessons and tips.
  - Weekly (or even daily) contests, such as longest drive, hole-in-one, or closest to the pin can be very popular, especially when combined with food and beverage and music.
  - '9 and Wine' golf training programs for women's groups are a particularly popular and effective way to engage beginning women golfers and non-golfers.

- **Events for Non-Golfers** – One of the City's goals with respect to its stewardship of Lakeview GC is to engage more of the Meridian non-golfing community in the facility. Special or regular events such as scavenger hunts, movie nights, Karaoke night, Meet your Neighbor Night, Green Market, etc. could be a good way to make non-golfers participate in Lakeview GC.

- **Miscellaneous -** Below are some additional thoughts to increase golf participation through programming.

  - With junior programming, make an effort to get the moms out to the course.

- Make sure older, used golf equipment is available free of charge for beginners, and possibly for other needy prospects via donation or at a deep price discount.
- Consider offering reduced fee lessons (perhaps limited to one per person, subsidized by City) for residents as a means of increasing golf participation.
- Encourage participants to bring a friend.

CUSTOMER SERVICE

Results of the extensive customer / stakeholder engagement phase of the master plan study revealed much room for improvement in customer service at Lakeview Golf Club, though significant improvement under City stewardship was noted by most participants. All employees go through the KemperSports orientation. The two 2-hour sessions comprise several training modules, including: General Company Orientation; Harassment and Sensitivity Training; and Proprietary KSM Service modules. Additionally, customer service protocols are taught through KSM's proprietary "True Service" program.

NGF Commentary and Recommendation

Strong customer service can be a key differentiator in building customer loyalty. (Though the NGF golfer survey results showed a higher level of satisfaction with the customer service level at Lakeview GC than with the golf course conditions, they also showed there is room for improvement). High level service at a golf course begins the moment the golfer sets foot on the property, beginning with a friendly welcome (especially for faces that staff may not have seen before). NGF **recommends** continual staff training and establishment of customer service standards and measurable metrics – monitored through periodic NGF GolfSAT surveys and occasional secret shoppers - to make sure that the standards are being consistently met or exceeded.

COMMUNICATION

A strong culture of communication goes hand-in-hand with strong customer service at a municipal golf course. At Lakeview GC, this is multi-faceted and includes communications among golf course staff members, between staff (golf course and City) and customers, between golf course staff and the Golf Course Focus Group, and between staff and the communities around the golf course. With KSM still new to the Lakeview GC property – and all of the employees new to the management company - improvement in communications among staff members and to the golf course customers should improve organically.

Perhaps the more challenging aspect will revolve around communicating about what is permissible and what is not with respect to behavior, golf course access, etc. A very common theme of the stakeholder engagement, especially among golfers and neighbors of the golf course, was perceived misbehavior of golfers and other individuals. Pervasive examples cited to NGF included:

- Lack of knowledge of golfer etiquette / proper behavior (balls in backyards, broken windows, driving carts on greens, letting kids drive carts, kids playing in bunkers, and urinating in yards).
- "Trespassing" by non-golfers – people on bikes, fence-jumpers, dog walkers, kids on the course at night, kids taking shortcuts to school bus stop, homeowners walking on course before or after hours to practice chipping, putting, etc.
- Perception of people living near the course that the golf course is their playground or backyard.

NGF Commentary and Recommendation

In terms of communications between golf course staff members, as well as between staff members and facility customers, continued staff training is the key. If there is a project scheduled that may disrupt play, the most important thing staff can do to mitigate dissatisfaction is to communicate with patrons ahead of time. Some things cannot be avoided, but customers will generally be understanding as long as "surprises" are kept to a minimum and they are made to feel they are vested partners in the golf course.

In terms of communications with golfers regarding etiquette, rules, etc., as well as with neighbors regarding course access, the golf course staff and the City should present a united front and must be transparent with messaging about rules, expectations, protocols, safety guidelines, etc. For example, there should be a policy on what is considered trespassing for this essentially public park that has many access points, to include:

- What's allowed, what is not;
- What the City's liability is in certain situations;
- What protocols and expectations are (e.g., break a window or solar panel, leave a note);
- Rules, protocols for reporting infractions; and
- Penalties / repercussions.

Policies, repercussions, etc. should be communicated through various channels, including social media, golf course and City websites, mobile apps, through the HOAs, and with on-course signage (e.g., "proceed at own risk"). The City, as part of these communications, should also convey what its values are related to being respectful of others.

OTHER OPERATIONAL ISSUES

Pace of Play Management

Pace of play is very important to golfers, as evidenced by the results of tens of thousands NGF GolfSAT golfer surveys completed over the years that show it is an important factor for golfers in choosing one course over another. Slow pace of play at Lakeview GC was indicated as an issue in the stakeholder engagement phase of this study, including the golfer survey and the focus groups with the Men's and Ladies Golf Associations. Some of this is attributable to the significantly increased demand in 2020, including among novice golfers and those unfamiliar with Lakeview GC. Ideally, pace of play should be a constant that can be relied upon by golfing consumers at any day or time. This then allows the City and its operator to market this hallmark as a quality to be expected at the facility.

NGF Commentary and Recommendation

While there is no magic bullet that can be pressed at a busy municipal golf course that has customers with all manners of skill levels, there are some things that can be tried to speed up play and mitigate the occasional pace issue, such as golf course ambassador training programs and retention of paid player assistants. NGF believes the City should consider obtaining a Pace Rating that will allow the operator to understand better what the course layout and conditions are capable of delivering. The USGA Pace Rating, which can be obtained through the Idaho Golf Association, calculates a target completion time (time par) for each golf hole, taking into account the length and difficulty of the hole, as well as and other attributes of play. Time pars allow players to keep track of when they are expected to arrive at each tee.

Other things the City could consider to improve pace of play if it becomes a worsening issue that begins to affect demand for daily fee play at Lakeview GC – especially after major facility improvements - include lengthening the tee time interval during traditionally slow play periods (drawback is reducing capacity), and bringing in a pace of play consultant to study play patterns, layout, etc.

Recordkeeping and Reporting

Ideally, reporting to the City will provide baseline measures of how the golf course is performing and trending with respect to key metrics, while also facilitating more informed decision-making by City staff and officials when it comes to funding operational and physical enhancements at the golf course in the future. Most important, the accounting and reporting system should have appropriate protocols, redundancies, and safeguards in place to ensure that any discrepancies in numbers between the golf course and the City are minor, detected soon after occurring, and easily reconciled.

NGF Commentary and Recommendations

Following are some NGF best practice recommendations (most of these may already be in place at Lakeview GC) related to recordkeeping and reporting for a municipal golf course:

- Accurate categorization and recording of all rounds played by type (e.g., passholder, daily fee 'rack', VIP, other discount categories, complimentary, tournament / event) – along with the attendant revenue – will provide an accurate baseline for facility activity levels and per-round revenue center trends, as rounds played are the most fundamental unit of measure at a public golf course.
- Protocols should be established for recording of transactions; i.e., how payments are recorded, how inventory is received and expensed, what types of transactions can be put into 'Customer Clearing', etc.
- All staff involved in golf course finances – at both the golf course and the City – should learn the *foreUP* POS system, or whichever other system management decides to adopt. NGF suggests a half-day or day-long training session to understand the capabilities, functionalities and utilities of the POS system vis a vis recording of transactions, voiding of transactions, reporting, inventory management, etc. (Ongoing training of golf course staff, as needed, to make sure the system is being used correctly).
- Create weekly, monthly, quarterly and annual reporting templates - some with intent of reconciling numbers, others aimed at providing concise and useful 'at-a-glance' summaries for City staff and officials.

Golf Course Ambassador Program

We have discussed several times in the report that there appears to be a significant need at Lakeview GC for a golfer education and golf course ambassador (i.e., marshal / player assistant) program. The club formerly had a couple of marshals, but they apparently did not have the support of management, and thus had little clout with the players. Especially with the influx of new players (some new to both golf and Lakeview GC) in 2020, a lack of etiquette and course knowledge has resulted in some inappropriate and / or unsafe behavior on the course, as well as round times as long as 5.5 hours during peak demand times.

NGF Commentary and Recommendation

Management should institute a formal golf ambassador program to help educate players and enforce some order out on the golf course. While rarely a panacea, a program with "teeth" (i.e., well-trained marshals with perceived "clout") should be helpful in maintaining order and moving players along at an appropriate pace. It is critical that the ambassadors have full back-up and support from management so that golfers know they have the authority to enforce the rules. Complement the ambassador program with an education campaign to provide golfers instructions on etiquette, course layout, etc. The education begins in the pro shop (or with a starter), and can be supplemented by printed rules sheets placed on carts, above urinals in the restrooms, in the pro shop, etc., and by digital messaging on cart GPS screens, etc.

Accessibility

The issue of accessibility came up in NGF focus stakeholder meetings for this project. For example, it was brought up that neither Lakeview GC nor other Valley public golf courses provide access to a mobility-assisted golf cart. Additionally, one person who has a physically challenged spouse noted that he had to return to the clubhouse if he had to use the restroom, due to the lack of an accessible permanent restroom at Lakeview GC. The NGF team's Lakeview GC capital plan recommends improvements to the existing on-course restroom (back 9), including making it ADA compliant; this is considered a short-term improvement need by NGF and the City. Additionally, we have recommended that a new, permanent, accessible restroom be constructed on the front 9.

NGF Commentary

While NGF does not profess to have comprehensive knowledge of the latest protocols regarding compliance with ADA regulations, the general guideline that golf courses operate under is that all areas of a course that must be "accessible" must be done so by a *standard* golf cart. These areas include in and around the clubhouse and the practice tees (e.g., via wheelchair along paths to access a portion of the tee). There must be a point of entry into a practice bunker and green, and the putting green itself. On the course, all restrooms, rain shelters, and at least one of the two most forward tees on every hole must be accessible from a cart path. There must be curb openings of 4-5 feet every 100 feet or less at 4-5 feet, or no curbs at all.

The following article should be helpful: https://www.usga.org/content/usga/home-page/course-care/forethegolfer/2018/accommodating-golfers-with-disabilities.html

Excerpted from this article are suggestions to make a golf facility more inclusive and accessible to people with disabilities:

- Develop a written plan of how your facility will accommodate golfers with disabilities.
- Work towards developing a training program for staff members who will assist disabled golfers.
- Evaluate the facility for accessibility, identifying potential barriers to access and creating a continuous pathway throughout the golf course.
- Produce a map of the accessible routes provided through the golf course.
- Prioritize work to remove existing barriers and to provide access to all putting greens, the practice facility, and at least one teeing surface on each hole.
- Develop a written policy regarding the use of single-rider assisted mobility vehicles and golf carts during inclement weather.
- Make available a mobility-assisted cart.

Potential Overall Economic Impact of Lakeview Golf Club on Meridian

Golf courses have a financial impact on local economies beyond their on-site revenue generation from operations. These impacts (including 'multiplier effects') derive from:

- Job creation / employee compensation
- Large capital improvement / renovation expenditures (planned for Lakeview GC)
- Local expenditures on supplies / materials
- Golf course-driven tourism / hospitality spending
- Residential real estate – new construction in golf communities, plus housing premiums
- Local tax generation (local sales tax, higher property tax, due to housing premiums)
- Fundraising - Charitable golf events

In 2017, NGF did an economic impact analysis for the city of Prescott, Arizona's 36-hole Antelope Hills Golf Course. While the facility generated about $3 million in direct on-site revenues and produced a small annual deficit after city administrative charges, our analysis showed a total of $7.3 million in impact to the Prescott economy, excluding effects on real estate and tax generation. In addition to direct economic impact, Antelope Hills also results in jobs and compensation, both at the golf course and as a result of the effect the golf course operations have on the local hospitality industry.

For Lakeview Golf Club, economic impact beyond those related to on-site operations is somewhat constrained because it is not a regional "destination" golf course that draws more players from outside of the city to play there and spend money in Meridian restaurants, gas stations, lodging properties, etc. However, a rehabilitated Lakeview GC is likely to result in increased home values, especially for those houses that have golf course frontage.

Independent of direct and indirect financial impacts of the golf course operation, there are other benefits that accrue to a municipality that owns and operates a golf course. Lakeview Golf Club is now an important part of the open space program for the City of Meridian.

The value of the golf course land to the City of Meridian includes the following aspects:

- Open space land
- Organized public recreation (golf and potential future recreation amenities)
- Potential public meeting space (clubhouse)
- Environmental enrichment (habitat, wetlands, etc.)

Appendices

A: National Rounds Played Report

B: Local Demographic, Demand and Supply Data

C: Lakeview GC Primary Competitors Information

D: Community Online Survey

E: Golf Course Exhibits

F: ASGCA Life Cycle Chart

G: Clubhouse – Short-Term Repair / Replace Cost Estimates

APPENDIX A – NATIONAL ROUNDS PLAYED REPORT

End of Year 2020

National Golf Rounds Played Report

DECEMBER 2020

	DEC	YTD
PACIFIC	**53.9%**	**4.8%**
CA	**58.3%**	**5.6%**
Los Angeles	45.6%	*
Orange County	32.3%	*
Palm Springs	19.2%	*
Sacramento	106.8%	*
San Diego	60.0%	*
San Francisco/Oakland	130.9%	*
HI	**-8.4%**	**-32.7%**
OR	**79.8%**	**22.2%**
Portland	87.1%	*
WA	**67.0%**	**3.6%**
Seattle	87.6%	*
MOUNTAIN	**30.2%**	**14.3%**
AZ	**25.9%**	**12.2%**
Phoenix	29.9%	*
CO	**43.3%**	**19.9%**
Denver	5.9%	*
ID, WY, MT, UT	**52.9%**	**20.4%**
NM	**25.5%**	**2.0%**
NV	**36.8%**	**-3.6%**
Las Vegas	36.9%	*
WEST NORTH CENTRAL	**84.6%**	**23.1%**
KS, NE	**87.9%**	**20.0%**
ND,SD	**NA**	**24.4%**
MN	**NA**	**23.6%**
Minneapolis/St.Paul	NA	*
IA, MO	**72.5%**	**24.6%**
St Louis	70.3%	*
Kansas City	147.5%	*

	DEC	YTD
UNITED STATES	**37.3%**	**13.9%**
PUBLIC ACCESS	**34.7%**	**12.4%**
PRIVATE	**45.2%**	**19.9%**
EAST NORTH CENTRAL	**16.8%**	**14.5%**
IL	**28.6%**	**15.4%**
Chicago	16.9%	*
IN	**47.1%**	**23.5%**
MI	**-9.1%**	**7.1%**
Detroit	-5.5%	*
OH	**3.0%**	**14.0%**
Cincinnati	29.2%	*
Cleveland	-26.6%	*
WI	**NA**	**19.9%**
SOUTH CENTRAL	**33.5%**	**20.3%**
AL	**37.6%**	**5.0%**
AR, LA, MS	**36.8%**	**19.4%**
OK	**33.3%**	**24.3%**
KY, TN	**38.2%**	**22.5%**
TX	**30.7%**	**21.4%**
Dallas/Ft. Worth	37.9%	*
Houston	20.0%	*
San Antonio	37.7%	*

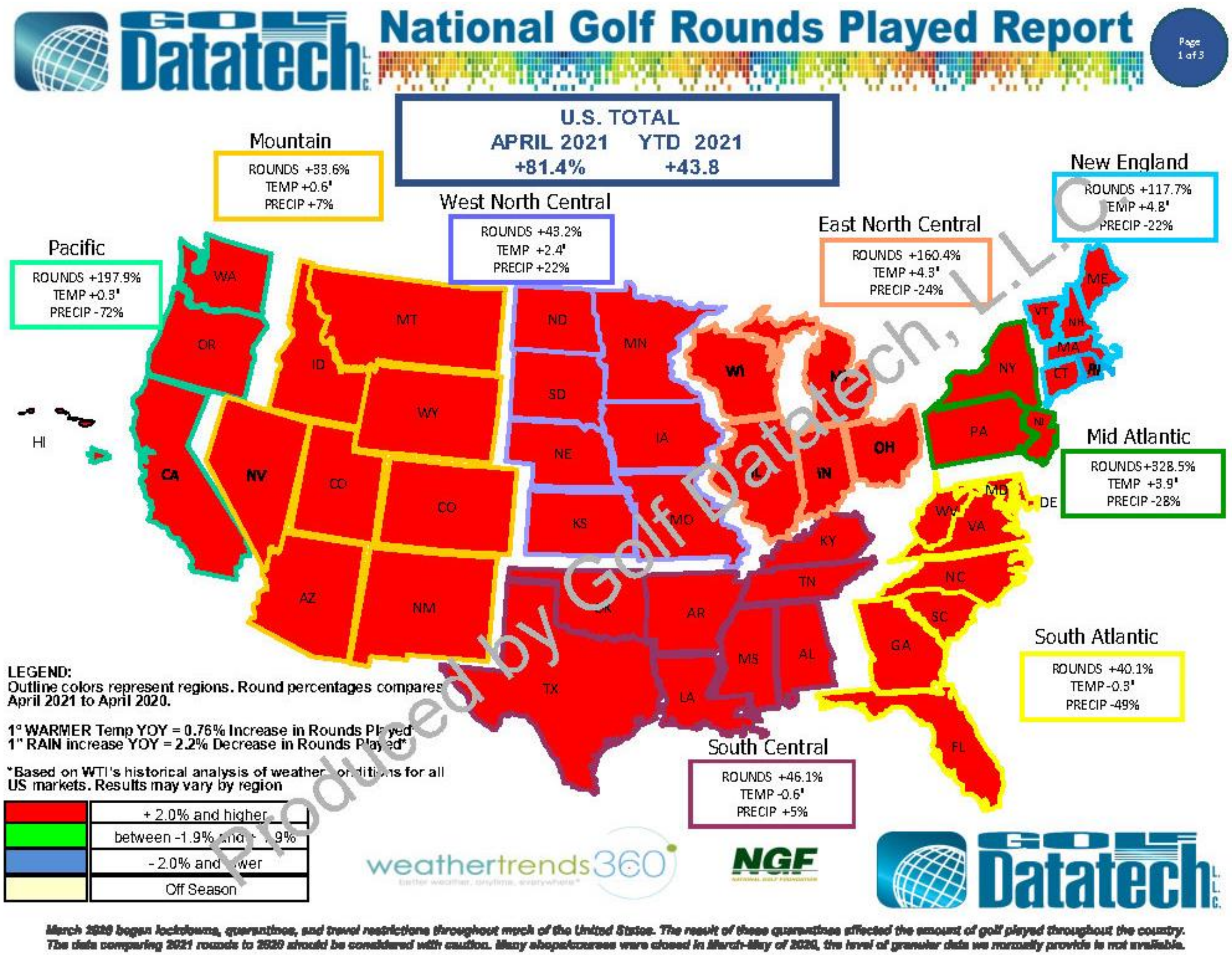
* Not reporting YTD 2020

	DEC	YTD
SOUTH ATLANTIC	**26.9%**	**8.4%**
DE, DC, MD	**56.1%**	**7.7%**
Washington/Baltimore	75.2%	*
FL	**19.0%**	**6.9%**
Jacksonville	27.1%	*
Orlando	23.7%	*
Tampa	20.3%	*
Palm Beach	12.5%	*
Naples/Ft Myers	19.8%	*
Miami/Ft.Lauderdale	10.5%	*
GA	**47.7%**	**14.6%**
Atlanta	51.8%	*
NC	**29.5%**	**5.8%**
Greensboro/Raleigh	50.9%	*
SC	**31.6%**	**-0.2%**
Charleston	55.7%	*
Hilton Head	63.4%	*
Myrtle Beach	15.6%	*
VA, WV	**56.9%**	**21.3%**
MID ATLANTIC	**66.6%**	**18.0%**
NJ	**80.8%**	**15.8%**
NY	**72.7%**	**20.6%**
New York City	77.5%	*
PA	**52.1%**	**16.3%**
Philadelphia	52.3%	*
Pittsburgh	11.9%	*
NEW ENGLAND	**101.1%**	**17.1%**
CT, MA, RI	**100.3%**	**18.0%**
Boston	80.8%	*
ME, NH, VT	**NA**	**15.0%**

The percentages represent the differences in number of rounds played comparing December 2020 to December 2019
For more information contact Golf Datatech, golfroundsplayed@golfdatatech.com or call 407-944-4116


Datatech L.L.C.
National Golf Rounds Played Report
Page 3 of 3
US 2020 vs. 2019 YTD THROUGH DECEMBER
+13.9%
Mountain
ROUNDS +14.3%
West North Central
ROUNDS +23.1%
East North Central
ROUNDS +14.5%
New England
ROUNDS +17.1%
Pacific
ROUNDS +4.8%
Mid Atlantic
ROUNDS +18.0%
South Atlantic
ROUNDS +8.4%
South Central
ROUNDS +20.3%
WA
OR
CA
NV
ID
MT
WY
UT
CO
AZ
NM
ND
SD
NE
KS
MN
IA
MO
OK
TX
AR
LA
WI
MI
IL
IN
OH
KY
TN
MS
AL
GA
FL
SC
NC
VA
WV
MD
DE
PA
NJ
NY
VT
NH
ME
MA
CT
RI
HI
LEGEND:
Outline colors represent regions. Round percentages compares year to date 2020 to year to date 2019.
1° WARMER Temp YOY = 0.76% Increase in Rounds Played*
1" RAIN increase YOY = 2.2% Decrease in Rounds Played*
*Based on WTI's historical analysis of weather conditions for all US markets. Results may vary by region
+ 2.0% and higher
between -1.9% and + 1.9%
- 2.0% and lower
weathertrends360
NGF
Datatech L.L.C.
Produced by Golf Datatech, L.L.C.

April 2021


National Golf Rounds Played Report
Page 1 of 3
U.S. TOTAL
APRIL 2021 YTD 2021
+81.4% +43.8
Mountain
ROUNDS +33.6%
TEMP +0.6°
PRECIP +7%
West North Central
ROUNDS +43.2%
TEMP +2.4°
PRECIP +22%
Pacific
ROUNDS +197.9%
TEMP +0.3°
PRECIP -72%
East North Central
ROUNDS +160.4%
TEMP +4.3°
PRECIP -24%
New England
ROUNDS +117.7%
TEMP +4.8°
PRECIP -22%
Mid Atlantic
ROUNDS +328.5%
TEMP +3.9°
PRECIP -28%
South Atlantic
ROUNDS +40.1%
TEMP -0.3°
PRECIP -49%
South Central
ROUNDS +46.1%
TEMP -0.6°
PRECIP +5%
WA OR CA NV ID MT WY UT CO AZ NM ND SD NE KS MN IA MO WI MI IL IN OH KY TN AR OK TX LA MS AL GA FL SC NC VA WV MD DE PA NY NJ VT NH ME MA CT RI HI
LEGEND:
Outline colors represent regions. Round percentages compares April 2021 to April 2020.
1° WARMER Temp YOY = 0.76% Increase in Rounds Played*
1" RAIN increase YOY = 2.2% Decrease in Rounds Played*
*Based on WTI's historical analysis of weather conditions for all US markets. Results may vary by region
+ 2.0% and higher
between -1.9% and 1.9%
- 2.0% and lower
Off Season
weathertrends360
NGF
Golf Datatech L.L.C.
Produced by Golf Datatech, L.L.C.
March 2020 began lockdowns, quarantines, and travel restrictions throughout much of the United States. The result of these quarantines affected the amount of golf played throughout the country.
The data comparing 2021 rounds to 2020 should be considered with caution. Many shops/courses were closed in March-May of 2020, the level of granular data we normally provide is not available.

Golf Datatech L.L.C. National Golf Rounds Played Report

APRIL 2021

	APRIL	YTD
UNITED STATES	81.4%	43.8%
Public Access	93.1%	48.4%
Private	46.6%	30.0%

	APRIL	YTD
PACIFIC	197.9%	66.4%
CA	207.3%	63.5%
Los Angeles	*	*
Orange County	*	*
Palm Springs	*	*
Sacramento	*	*
San Diego	*	*
San Francisco/Oakland	*	*
HI	959.6%	36.4%
OR	15.6%	37.2%
Portland	*	*
WA	562.1%	141.2%
Seattle	*	*
MOUNTAIN	33.6%	21.5%
AZ	27.4%	15.3%
Phoenix	*	*
CO	11.1%	5.3%
Denver	*	*
ID, WY, MT, UT	27.2%	29.3%
NM	48.3%	33.7%
NV	311.3%	51.3%
Las Vegas	*	*
WEST NORTH CENTRAL	43.2%	39.4%
KS, NE	19.0%	21.7%
ND,SD	18.1%	22.5%
MN	76.0%	77.3%
Minneapolis/St.Paul	*	*
IA, MO	57.4%	45.4%
St Louis	*	*
Kansas City	*	*

	APRIL	YTD
EAST NORTH CENTRAL	160.4%	147.2%
IL	624.4%	313.0%
Chicago	*	*
IN	28.4%	46.3%
MI	264.1%	219.6%
Detroit	*	*
OH	103.8%	111.7%
Cincinnati	*	*
Cleveland	*	*
WI	[illegible]70.0%	2[illegible]0.5%
SOUTH CENTRAL	46.1%	32.4%
AL	34.0%	27.4%
AR, LA, MS	6.0%	21.5%
OK	63.5%	22.7%
KY, TN	71.6%	56.7%
TX	51.5%	30.8%
Dallas/Ft. Worth	*	*
Houston	*	*
San Antonio	*	*

	APRIL	YTD
SOUTH ATLANTIC	40.1%	18.6%
DE, DC, MD	62.5%	29.4%
Washington/Baltimore	*	*
FL	43.5%	13.8%
Jacksonville	*	*
Orlando	*	*
Tampa	*	*
Palm Beach	*	*
Naples/Ft Myers	*	*
Miami/Ft.Lauderdale	*	*
GA	21.2%	25.1%
Atlanta		
NC	49.2%	27.2%
Greensboro/Raleigh	*	*
SC	84.0%	28.9%
Charleston	*	*
Hilton Head	*	*
Myrtle Beach	*	*
VA, WV	4.4%	10.3%
MID ATLANTIC	328.5%	153.2%
NJ	4876.6%	257.0%
NY	204.4%	93.1%
New York City	*	*
PA	264.5%	175.9%
Philadelphia	*	*
Pittsburgh	*	*
NEW ENGLAND	117.7%	88.7%
CT, MA, RI	56.7%	48.9%
Boston	*	*
ME, NH, VT	100.0%	1061.0%

* Not reporting YTD 2021

The percentages represent the differences in number of rounds played comparing April 2021 to April 2020

For more information contact Golf Datatech golfroundsplayed@golf-datatech.com

March 2020 began lockdowns, quarantines, and travel restrictions throughout much of the United States. The result of these quarantines affected the amount of golf played throughout the country. The data comparing 2021 rounds to 2020 should be considered with caution. Many shops/courses were closed in March-May of 2020, the level of granular data we normally provide is not available.

March 2020 began lockdowns, quarantines, and travel restrictions throughout much of the United States. The result of these quarantines affected the amount of golf played throughout the country. The data comparing 2021 rounds to 2020 should be considered with caution. Many shops/courses were closed in March-May of 2020, the level of granular data we normally provide is not available.

APPENDIX B – LOCAL DEMOGRAPHIC, DEMAND AND SUPPLY DATA

Lakeview Golf Club	2-mile ring	5-mile ring	10-mile ring	15-mile ring	Ada County	CBSA	U.S.
Summary Demographics							
Population 1990 Census	3,730	19,823	154,894	272,742	205,766	319,586	248,584,652
Population 2000 Census	12,218	51,247	252,256	395,756	300,888	464,825	281,399,034
CAGR 1990-2000	12.60%	9.96%	5.00%	3.79%	3.87%	3.82%	1.25%
Population 2010 Census	20,409	91,964	367,994	535,621	392,365	616,561	308,745,538
CAGR 2000-2010	5.26%	6.02%	3.85%	3.07%	2.69%	2.87%	0.93%
Population Estimate 2019	24,178	121,520	448,173	638,396	469,025	727,337	326,955,948
Population 2024 Projected	27,539	138,321	510,730	728,062	535,136	828,445	338,366,389
CAGR 2019-2024	2.64%	2.62%	2.65%	2.66%	2.67%	2.64%	0.69%
CAGR 2010-2024	2.16%	2.96%	2.37%	2.22%	2.24%	2.13%	0.66%
Median HH Income (2019)	$62,676	$69,921	$62,394	$59,202	$65,364	$59,322	$60,523
Median Age (2019)	38.1	36.4	36.3	36.2	37.5	36.8	38.2
Ethnicity					0.069		
White	92.4%	90.2%	87.2%	86.4%	88.5%	86.2%	70.1%
African American	0.8%	1.2%	1.3%	1.5%	1.6%	1.4%	13.4%
Asian	1.4%	1.9%	2.3%	2.3%	2.9%	2.3%	5.8%
All Other	5.4%	6.7%	9.2%	9.9%	6.9%	10.2%	10.7%
Hispanic Population							
Hispanic	7.9%	9.0%	12.5%	13.8%	8.6%	14.0%	17.6%
Not Hispanic	92.1%	91.0%	87.5%	86.2%	91.4%	86.0%	82.4%

CAGR = Compound Annual Growth Rate

Lakeview Golf Club	2-mile ring	5-mile ring	10-mile ring	15-mile ring	Ada County	CBSA	U.S.
Golf Demand Indicators							
Total Households	7,608	42,941	164,558	240,594	183,375	274,902	125,541,798
Number of Golfing Households	1,036	6,068	22,297	31,659	26,041	36,435	17,484,590
Projected Golfing Households (2024)	1,135	6,577	23,944	33,852	28,150	38,924	18,258,060
Projected Annual Growth Rate	1.80%	1.60%	1.40%	1.30%	1.60%	1.30%	0.90%
Seasonal Golfing Households	3	35	111	182	175	495	748,477
Latent Demand/Interested Non-Golfers	2,980	18,271	66,858	98,521	77,532	108,792	47,425,600
Household Participation Rate	13.60%	14.10%	13.50%	13.20%	14.20%	13.30%	13.90%
Number of Golfers	1,928	12,523	43,112	58,787	47,252	67,542	24,241,030
Rounds Potential (resident golfers)	25,559	154,314	566,354	792,324	644,185	927,829	434,080,100
Estimated Course Rounds (in-market supply)	25,263	174,347	288,827	512,064	409,858	658,773	434,084,100
Demand Indices							
Golfing Household Participation Rate	100	104	100	97	104	97	100
Seasonal Golfing Households	7	14	12	13	16	31	100
Latent Demand/Interested Non-Golfers	97	103	103	108	114	104	100
Rounds Potential per Household (resident golfers)	99	106	102	97	104	100	100

Lakeview Golf Club	2-mile ring	5-mile ring	10-mile ring	15-mile ring	Ada County	CBSA	U.S.
Golf Supply							
Golf Facilities							
Total	1	6	11	20	16	25	14,604
Public	1	4	8	15	11	20	10,896
Public: Daily Fee	1	2	6	9	9	13	8,377
Public: Municipal	0	2	2	6	2	7	2,519
Private	0	2	3	5	5	5	3,708
Public Golf Facilities by Price Point							
Premium (>$70)	0	0	0	0	0	0	1,428
Standard ($40-$70)	1	4	7	12	9	15	4,081
Value (<$40)	0	0	1	3	2	5	5,387
Golf Holes							
Total	18	117	198	342	288	441	247,815
Public	18	81	144	252	198	351	179,760
Public: Daily Fee	18	36	99	144	162	234	137,760
Public: Municipal	0	45	45	108	36	117	42,000
Private	0	36	54	90	90	90	68,055
Non-Regulation (Executive and Par-3)	0	27	36	36	36	45	19,872
Net Change*							
Net Change in Holes past 5 years	0	9	0	18	9	18	-14,346
Percentage Total Holes Past 5 Yrs	0.00%	8.30%	0.00%	5.60%	3.20%	4.30%	-5.50%
Net Change in Holes past 10 Years	0	-9	-18	0	0	27	-21,888
Percentage Total Holes Past 10 Yrs	0.00%	-7.10%	-8.30%	0.00%	0.00%	6.50%	-8.10%

*Numbers may include courses under construction and temporarily closed at the end of the year.

Lakeview Golf Club	2-mile ring	5-mile ring	10-mile ring	15-mile ring	Ada County	CBSA	U.S.
Supply-Demand Ratios							
Households per 18 Holes							
Total	7,608	6,606	14,960	12,663	11,461	11,220	9,119
Public	7,608	9,542	20,570	17,185	16,670	14,098	12,571
Public: Daily Fee	7,608	21,471	29,920	30,074	20,375	21,146	16,404
Public: Municipal	0	17,176	65,823	40,099	91,688	42,293	53,804
Private	0	21,471	54,853	48,119	36,675	54,980	33,205
Premium (>$70)	0	0	0	0	0	0	72,630
Standard ($40-$70)	7,608	9,542	21,941	19,248	18,338	16,661	28,779
Value (<$40)	0	0	0	160,396	183,375	91,634	32,225
Golfing Households per 18 Holes							
Total	1,036	934	2,027	1,666	1,628	1,487	1,270
Public	1,036	1,348	2,787	2,261	2,367	1,868	1,751
Public: Daily Fee	1,036	3,034	4,054	3,957	2,893	2,803	2,285
Public: Municipal	0	2,427	8,919	5,277	13,021	5,605	7,493
Private	0	3,034	7,432	6,332	5,208	7,287	4,625
Premium (>$70)	0	0	0	0	0	0	10,115
Standard ($40-$70)	1,036	1,348	2,973	2,533	2,604	2,208	4,008
Value (<$40)	0	0	0	21,106	26,041	12,145	4,488
Household Indices							
Total	82	71	162	137	124	121	100
Public	60	75	161	135	131	111	100
Private	0	64	163	143	109	163	100
Premium (>$70)	0	0	0	0	0	0	100
Standard ($40-$70)	26	32	74	65	62	56	100
Value (<$40)	0	0	1,035	504	576	288	100
Golfing Household Indices							
Total	82	74	161	132	129	118	100
Public	60	78	161	130	137	108	100
Private	0	66	162	138	114	159	100
Premium (>$70)	0	0	0	0	0	0	100
Standard ($40-$70)	26	34	74	63	65	55	100
Value (<$40)	0	0	1,030	488	602	281	100
Rounds per 18 Holes							
Rounds Potential (resident golfers)	25,559	23,741	51,487	41,701	40,262	37,871	31,530
Estimated Course Rounds (in-market supply)	25,263	26,823	26,257	26,951	25,616	26,889	31,530

APPENDIX C – LAKEVIEW GOLF CLUB PRIMARY COMPETITORS INFORMATION

Lakeview GC Golf Course Primary Competitors Daily Fee Rates									
Facility	**18H Peak Season Green Fees (Mon-Th/Fri-Su)**	**9H Peak Season Green Fees (Mon-Th/Fri-Su)**	**18H Senior Green Fees (Mon-Th/Fri-Su)**	**9H Senior Green Fees (Mon-Th/Fri-Su)**	**18H Junior Green Fees (Mon-Th/Fri-Su)**	**9H Junior Green Fee (Mon-Th/Fri-Su)**	**Twilight Green Fee (Mon-Th/Fri-Su)**	**Cart Fees (18H/9H/Trail)**	**Range Fees (Sm, Md, Lg)**
Lakeview GC	$34/$39	$24/$29	$29/n/a	$21/n/a	$14/$16	$9/$11	18H $29 daily 9H $21 daily	$15/$10/$13	$4/$7/$9
Banbury GC	Mon-Thurs $46/ Fri- Sun $56	Mon-Thurs $30/ Fir-Sun $36	$4 off/$4 off	$2 off/$2 off	50% off/n/a	50% off/n/a	$35/$41	$18 / $12/ $17 10-18-Hole rides: $155	$6/-/$12 13 Lg $125
Boise Ranch GC	Mon-Th $35/ Fri $39/$44	Mon-Th $26/ Fri $27/$29	$30/n/a	n/a	$25/n/a	n/a	$29 daily	n/a	not advertised
Centennial GC	$27/$33	$22/$22	n/a	n/a	$17/$17	n/a	$22 daily	$16/$10/$15 $20 spectator	$3.50/$7/$14
Falcon Crest (Championship Course)	Mon-Tues $35 Wed-Thurs $40 Fri-Sun $50	n/a	n/a	n/a	n/a	n/a	$35 daily	$17 / -/ -	not advertised
Redhawk GC	Mon-Thurs $30 Fri-Sun $36	Mon-Thurs $20 Fri-Sun $23	n/a	n/a	n/a	n/a	Mon-Thurs $26 Fri-Sun $29	$21/ $10 / $20.15 $132: 10-round pass	$6/-/$12
Ridgecrest GC	Mon-Thurs $34 Fri-Sun - $41	$17/$17 (Exec. 9)	Mon-Thurs $31 Fri-Sun - $41	n/a	$24/24	n/a	$26/$26	$16/$10/$15	$6/$8/$10
River Birch GC	Mon-Thurs $30 Fri-Sun $37	Mon-Thurs $21 Fri-Sun $25	Mon-Thurs $28 Fri-Sun $35	Mon-Thurs $21 Fri-Sun $25	Mon-Thurs $15 Fri-Sun $18.50	Mon-Thurs $10.50 Fri-Sun $12.50	Mon-Thurs $23 Fri-Sun $29	$18/$12/n/a	$6/-/$12

Lakeview GC Golf Course Primary Competitors Annual Pass Rates

Property	Single	Couple	Family	1/2 Price	Junior	Trail (cart)	Senior Single	Senior Couple	Range
Lakeview GC	$1,449	$2,249	$2,349	$499	$299	$549	n/a	n/a	n/a
Banbury*	Limited/Unlimited $2,499/$2,999	Limited/Unlimited $3,299/$3,899	Limited/Unlimited $3,399/$4,099	$699 (1/2 green fees, no restrictions)	n/a	$625	Limited/Unlimited $2,499/$2,999	Limited/Unlimited $3,099/$3,699	13 Lg buckets $125
Boise Ranch	WD only/7-days $1,000/$1,600	WD only/7-days $1,700/$2,550	WD only/7-days $1,950/$2,800	WD $10 GF/WE 1/2 off GF $425	WD only $250	$350 (trail) / $700 (cart pass)	available but not advertised	n/a	$350
Centennial	$985/$1,450[1]	$555 (spouse +)/$950[1]	n/a	$500 (1/2 green fees)[1]	$265	n/a	n/a	n/a	$370
Falcon Crest	All 36H/Champions only $2,900/$1,399	All 36H/Champions only $1,900 spouse +/ $700 +	All 36H/Champions only $1,100 child +/$200+	$475 (1/2 green fee, $10 Twi fee)	Championship only $499	n/a	Champions Only $1,199	n/a	Range included in 36H membership
Redhawk*	Mon-Th/ 7-days $1,450/ $1,850	Mon-Th/ 7-days $2,100/$2,500	Mon-Th/ 7-days n/a/$3,100	$550 (1/2 green fees, no restrictions)	n/a	$550	Mon-Th/ 7-days $1,400/$1,750	Mon-Th/ 7-days $2,000/$2,400	Range Punch Card $125
Ridgecrest	$1,300 / $1,450[1]	$800 (spouse+) / $950[1]	n/a	$425 (9 pass) / $500*	$100 (9 pass) / $300	$400	n/a	n/a	$400
River Birch*	WD only/7-days $1,450/$1,825	WD only/7-days $1,975/$2,475	n/a	$450 (1/2 green fees, no restrictions)	n/a	$625 (single) / $925 (couple) / $600 (trail)	WD only/7-days $1,350/$1,725	WD only/7-days $1,875/ $2,275	Range Card $125 (26 tokens)

* Tax not included

1. Includes Centennial GC and Ridgecrest GC access

APPENDIX D – COMMUNITY ONLINE SURVEY

Following is the Word version of the online community survey fielded for this study. Please note that this version does not convey the programmed survey "logic" and that not all respondents were directed to every question.

"The National Golf Foundation is conducting a review of Lakeview Golf Club ("Lakeview GC") for the City of Meridian. One of the key objectives the City has is to increase patronage of the golf course and restaurant among residents of the subdivisions located around the golf course. We value your input and ask you to please take a few minutes to answer this survey related to Lakeview GC, regardless of whether you have ever patronized the golf course or the restaurant. For completing the survey, you will receive a coupon for one free appetizer at the Lakeview GC restaurant (valid with purchase of a full price entrée) and be entered into a drawing for (1) foursome of golf (valid M-F, green fees only, cart not included). Thank you for your participation".

Q1 Thank you for participating! Let's begin. Which homeowners' association do you belong to?

- o Ashford Greens
- o Brenda Estates
- o Cherry Lane
- o Dakota Ridge
- o Englewood Creek Estates
- o Golf View Estates
- o Lakes at Cherry Lane
- o Snake River
- o Wilkens Ranch
- o Other (please specify) ____
- o I don't live in any of these neighborhoods

Q1B What is your home ZIP code?

____

Q2 Do you, or does anyone in your household, play golf?

- o Yes
- o No

Q3 Have you, or has anyone in your household, played golf at Lakeview Golf Club in the past 24 months?

- o Yes
- o No

Q4 About how many times have you or your other household member played golf at Lakeview GC in the past 24 months?

- o 1-7 times
- o 8-24 times
- o 25-49 times
- o 50-99 times
- o 100 times or more

Q5 Where do you, or your golfing family member, play most often?

▼ BanBury Golf Course (Eagle) (Drop-down menu choices)

Q6 Are you, or is anyone in your household, an annual passholder at Lakeview Golf Club?

- o Yes
- o No

Q7 What would prompt you or your golfing family member to play at Lakeview GC more frequently? (Check all that apply)

- ▢ Improved course conditions
- ▢ Improved customer service
- ▢ Improved amenities / services (e.g., on-course restrooms, restaurant, clubhouse restrooms)
- ▢ Specials targeted to residents of my subdivision
- ▢ More golf events / programs
- ▢ More non-golf events/programs
- ▢ Not sure
- ▢ Other (please explain) ____

Q8 Are you aware that Lakeview GC has a bar / restaurant that is open to the general public?

- o Yes
- o No

Q9 Please choose the phrase below that best describes how you or someone in your household has patronized the Lakeview Golf Club restaurant?

- o I / we have dined there
- o I / we have gone there only for beverages or cocktails
- o I / we have attended an event / theme night (e.g., Taco Tuesday, Prime Rib Night)

- o I / we have had food and beverages and also attended an event(s) there
- o I / we have not patronized the restaurant

Q10 About how many times have you or your household member patronized the restaurant at Lakeview GC in the last 12 months?

- o None (0 times)
- o 1-2 times
- o 3-5 times
- o 6-10 times
- o 11-20 times
- o 21 times or more

Q11 What would prompt you or a family member to patronize the restaurant at Lakeview GC more frequently? (Choose all that apply)?

- ▢ Better overall menu
- ▢ Availability of healthier choices
- ▢ Improved customer service
- ▢ Improved ambience (e.g., décor, restrooms, etc.)
- ▢ Not sure
- ▢ Other ____

Q12 Why haven't you or a family member patronized the restaurant at Lakeview GC? (Choose all that apply)

- ▢ Generally, eat at home and/or have food delivered
- ▢ Have other favorite restaurants nearby
- ▢ Haven't heard good things about it
- ▢ Prefer more upscale (fine) dining
- ▢ Need healthier choices
- ▢ Don't like the ambience / atmosphere
- ▢ Not interested
- ▢ Not sure
- ▢ Other (please explain) ____

Q14 How interested would you be in participating in specialized programming at Lakeview GC for community residents (for example, discounted golf lessons for beginners, free clinics, '9 and Wine' socials, closest to the pin contests, etc.)?

- o Very interested
- o Interested
- o Moderately interested
- o Slightly interested
- o Not interested

Q15 Please briefly share any concerns you have about Lakeview Golf Club that you believe the City needs to address/prioritize as part of its stewardship of the facility.

____

Q16 Whether you're a golfer or not, we'd like to know your thoughts about any programs, events, activities, etc. that you think will promote patronage of Lakeview GC among the broader Meridian community (i.e., non-golfers and people that reside beyond the immediate neighborhoods around the course). Please check all that apply.

▢ Golf events / programs, such as discounted golf lessons for beginners, free clinics, '9 and Wine' socials, closest to the pin contests

▢ Non-golf events and activities, such as movie nights, social gatherings, etc.

▢ Not sure

▢ Other (please explain) ____

Q17 Final few questions. In what year were you born?

▼ 2010 ... (Drop-down menu choices)

Q18 Please indicate your gender.

- o Male
- o Female
- o Other/prefer not to say

Q19 Which category best represents your total annual household income before taxes?

▼ Less than $50,000 ... (Drop-down menu choices)

Thank you. As a small token of our appreciation, we're going to... 1) provide you a coupon for one free appetizer at the Lakeview GC restaurant (valid with purchase of a full price entrée); and 2) enter you into a drawing for (1) foursome of golf (valid M-F, green fees only, cart not included)

EMAIL Please provide your name and email so that we can contact you about the coupon, drawing and/or any follow-up communication...

o First Name (3) ____

o Email Address (4) ____

Interested in staying up-to-date on news, events/programs, specials at Lakeview GC, then please click the button below.

▢ Yes, I'm interested in more information from Lakeview GC (1)

Drawing winners will be notified in approximately 2-3 weeks.

CLICK HERE to be re-directed to the special restaurant offer from Lakeview GC. The offer will open in a separate tab/window. You can save the image or print. And be sure to click the 'Submit Survey' button below!

APPENDIX E – GOLF COURSE EXHIBITS

Exhibit 1 - Original 9 Holes

MERIDIAN IDAHO

LAKEVIEW GOLF COURSE

Original 9-holes
"Cherry Lane Golf Club"
(c.1992 image)

North

NGF CONSULTING

For preliminary planning and feasibility purposes only.
All dimensions are approximate. Based on provided aerial data.
Prepared 2-3-21 / Not for distribution without City approval.

Exhibit 2 - Existing Course Layout and Conditions

Exhibit 3 - Practice Range and Lake Conceptual Study

MERIDIAN IDAHO

LAKEVIEW
GOLF
COURSE

Practice Range
& Lake
Conceptual Study

North

0 50 100 150 200 feet

NGF CONSULTING
NATIONAL GOLF FOUNDATION

FORREST RICHARDSON & ASSOC.
GOLF COURSE ARCHITECTS

For preliminary planning and feasibility purposes only. All dimensions are approximate. Based on provided aerial data (aerial data 7-2018). Prepared 3-5-21 / Not for distribution without City approval.

Exhibit 4 - Recommended Safety Mitigation Measures (preliminary)

Exhibit 5 - Zenger 9H Practice Course Concept and Associated Changes

Exhibit 6 - Zenger 9H Practice Course Concept

The Zenger Practice Course

HOLE	PAR	BACK	FWD
1	3	100	75
2	2	35	30
3	3	80	65
4	3	90	80
5	3	70	60
6	3	60	45
7	2	40	25
8	3	75	55
9	3	95	80
	25	645	515

APPENDIX F – ASGCA LIFE CYCLE CHART

GOLF COURSE ITEMS
EXPECTED LIFE CYCLE

HOW LONG SHOULD PARTS OF THE GOLF COURSE LAST?

No two golf courses are alike except for one thing: deferring replacement of key items can lead to greater expense in the future, as well as a drop in conditioning and player enjoyment. The following information represents a realistic timeline for each item's longevity.

Component life spans can vary depending upon location of the golf course, quality of materials, original installation and past maintenance practices. The American Society of Golf Course Architects (ASGCA) encourages golf course leaders to work with an ASGCA member, superintendents and others to assess their course's components.

ITEM	YEARS
Greens (1)	15 – 30 years
Bunker Sand	5 – 7 years
Irrigation System	10 – 30 years
Irrigation Control System	*10 – 15 years*
Pump Station	*15 – 20 years*
Cart Paths – asphalt (2)	5 – 10 years (or longer)
Cart Paths – concrete	15 – 30 years (or longer)
Practice Range Tees	5 – 10 years
Tees	15 – 20 years
Corrugated Metal Pipes	15 – 30 years
Bunker Drainage Pipes (3)	5 – 10 years
Mulch	1 – 3 years
Grass (4)	Varies

NOTES:* *(1) *Several factors can weigh into the decision to replace greens: accumulation of layers on the surface of the original construction, the desire to convert to new grasses and response to changes in the game from an architectural standpoint (like the interaction between green speed and hole locations).* ***(2)*** *Assumes on-going maintenance beginning 1 - 2 years after installation.* ***(3)*** *Typically replaced because the sand is being changed – while the machinery is there to change sand, it's often a good time to replace the drainage pipes as well.* ***(4)*** *As new grasses enter the marketplace – for example, those that are more drought and disease tolerant — replanting may be appropriate, depending upon the site.*

ASGCA thanks those at the USGA Green Section, Golf Course Builders Association of America, Golf Course Superintendents Association of America and various suppliers for their assistance in compiling this information.

The materials presented on this chart have been reviewed by the following Allied Associations of Golf:

GCSAA NGF GCBAA USGA

For more information, contact ASGCA at (262) 786-5960 or visit www.ASGCA.org

DATA COMPILED BY ASGCA, 125 NORTH EXECUTIVE DRIVE, SUITE 302, BROOKFIELD, WI 53005

APPENDIX G – CLUBHOUSE – SHORT-TERM REPAIR / REPLACE COST ESTIMATES

Bent Nail Inspections Executive Summary

Property Condition Report
Lakeview Golf Course Main Facility
Bent Nail Inspections Project # 1201
Tuesday, February 23, 2021

1.0 Executive Summary

Page 1

General Property Identification Summery

Item	Description
Property Name	Lakeview Golf Course
Property Address	4200 W Talamore Blvd. Meridian Idaho 83646
Type of Facility	Club House, light office, restaurant, cart storage underground
Site Area	
Number of Buildings	1
Number of Stories	1 with cart barn under in the basement/garage
Building Area Approx SF	5,500 Sq/ft est. + garage area
Year Constructed	2000 Est.
General Construction	
Date of Site Visit	Monday, February 22, 2021

Summary of Recommended Expenditures

1.1 Immediate Repairs Summary

	Total Cost
Time Period for Repair	0 To 1 Year
Total Immediate Repair Cost	$ 6,250.00

2.0 Future Repair Summary

	Total Cost
Time Period for Repair	3 to 10 Years
Total Future Repair Cost	$ 40,500.00

Immediate Repairs Summary

Bent Nail Inspections

1.1 Immediate Repairs Cost Table

Bent Nail Inspections Project # 1201

Page 2

Tuesday, February 23, 2021

Project:	lakeview Golf Course Main Facility	Building(s) Area	5,500 Square Foot
Location:	4200 W Talamore Blvd., Meridian, Idaho 83646	No. of Bldgs:	1
Type of Facility:	Clubhouse, light office, restaurant, cart storage underground	Property Age	2000 Year
No. Stories	1 with cart barn under in the basement/garage		

	Item Description	Quantity	U	Cost	Totals	Comments
1-1	Electrical Issues	1		$ 500.00	$ 500.00	GFCI outlets, open junction boxes
1-2	Roof	1		$ 250.00	$ 250.00	Couple of immediate roof repairs.
1-3	Drainage - Ground on the west side of the building slopes toward the foundation and periodic water entry is noted into the SW corner storage room and basement utility room	1		$ 2,000.00	$ 2,000.00	
1-4	Sheetrock Repairs	1		$ 2,000.00	$ 2,000.00	Misc throughout the building and garage
1-5	Misc. Items	1		$ 1,500.00	$ 1,500.00	Inspection report misc. items
	Total Immediate Repairs				$ 6,250.00	
	Cost per SF				$ 1.14	

Footnotes	Costs above are estimates only. Costs can change due to which vendor is hired, time or material costs. Bent Nail Inspections is not responsible of cost of repairs or the difference between estimates and actual cost.

Future Repairs Summary

Bent Nail Inspections | Bent Nail Inspections Project # 1201 | Tuesday, February 23, 2021

2.1 Future Repairs Cost Table | Page 3

Project:	Lakeview Golf Course Main Facility		Building(s) Area	5,500 Square Foot		
Location:	4200 W Talamore Blvd., Meridian, Idaho 83646		No. of Bldgs:	1		
Type of Facility:	Clubhouse, light office, restaurant, cart storage underground		Property Age	2000 Year		
No. Stories	1 with cart barn under in the basement/garage					

	Item Description	Quantity	U	Cost	Totals	Comments
2-1	Roof	1	Total	$ 23,000.00	$ 23,000.00	Roof replacement in 2 to 4 years, roof size is 7,100 sq/ft due to eve overhangs
2-2	AC Units	3	Each	$ 5,000.00	$ 15,000.00	AC unit need replacing in the next 2 to 4 years Manager indicates that the AC does not currently work properly
2-3	Cart Entry Sump Pump	1	Each	$ 2,500.00	$ 2,500.00	Employee indicated an undersized pump and lines were installed and the pump plugs constantly. This may not need to be completed
2-4						
2-5						
	Total Immediate Repairs				$ 40,500.00	
	Cost Per SF				$ 7.36	

Footnotes	Costs above are estimates only. Costs can change due to which vendor is hired, time or material costs. Bent Nail Inspections is not responsible for cost of repairs or the difference between estimates and actual cost.

Replacement Reserve Summary

Bent Nail Inspections

Bent Nail Inspections Project # 1201

3.1 Replacement Reserve Cost Table

Page 4

Project	Lakeview Golf Course Main Facility	Building(s) Area	5,500 Square Feet
Location	4200 W Talamore Blvd Meridian Idaho 83646	No. of Bldgs	1
Type of Facility	Clubhouse, light office, restaurant, cart storage underground	Property Age	2000 Year
No. Stories	1 with cart barn under in the basement/garage		

	Item Description	Quantity	U	Cost	Totals	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
2.1	Roof replacement in the next 2 to 4 years AC	1	Total	$ 23,000 00	$ 23000 00			$ 23,000 00								$ 23,000 00
2.2	Unit replacement in the next 2 to 4 years	3	Each	$ 5,000 00	$ 15000 00		$ 15,000 00									$ 15,000 00
2.3	Immediate repairs	1	Total	$ 6,250 00	$ 6250 00	$6,250 00										$ 6,250 00
2.4	Cart entry sump pump	1	Total	$ 2,500 00	$ 2500 00		$2,500 00									$ 2,500 00
																$ -
																$ -
																$ -
	Subtotal				$ 46750 00	$ 6,250 00	$ 17,500 00	$ 23,000 00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 46,750 00
	Escalated factor per year			3 00%			$ 525 00	$ 1,380 00								$ 1,905 00
	Total with Escalation Cost					$ 6,250 00	$ 18,025 00	$ 24,380 00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 48,655 00
	Per square foot	$ 8 50			$ 8 50	$ 1 14	$ 3 18	$ 4 18	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8 50
	Cost per sq/ft inflated	$ 8 85														

Foot notes	Costs above are estimates only. Costs can change due to which vendor is hired, time or material costs. Bent Nail Inspections is not responsible for cost of repairs or the difference between estimates and actual cost. Year the work is implemented is up to customer. Some items have a range of life expectancy left. ACs, sump pump and roof could be replaced anywhere from now to 5 years.