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Operational Review and Recommendations For City of Gainesville Golf Operations Ironwood Golf Course

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For City of Gainesville Golf Operations
Ironwood Golf Course**

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Introduction

National Golf Foundation Consulting, Inc., a subsidiary of the National Golf Foundation, was retained by the City of Gainesville to perform a comprehensive review of the City's municipal golf facility, Ironwood Golf Course, and to address several specific issues the City had with respect to the proposed Capital Improvement Plan, management structure, fee schedules, and revenue enhancement / cost control opportunities. Throughout this report, we may refer to shortened names for: the City of Gainesville ("City"), Ironwood Golf Course ("Ironwood") and National Golf Foundation Consulting, Inc. ("NGF Consulting").

NGF Consulting reviewed the operations, management, marketing, and physical condition of Ironwood. Study findings and recommendations will be used by the City to formulate business and marketing plans for the facility, and to help determine the appropriate course of action for the future of this facility with regard to the proposed Capital Improvement Plan, management structure, and operations, including fee schedules. The ultimate objectives of the process are to increase market share and revenues, improve the golf course asset, and preserve Ironwood as a valuable amenity to the citizens of Gainesville.

Activities conducted in completion of this report included: field research; statistical analysis; a series of meetings with key City officials; meetings with golf operations and maintenance personnel at Ironwood; a series of tours and inspections of the City golf course; and interviews with City of Gainesville golfers. Further, NGF staff consultants visited the area's key competing public golf facilities to gain an understanding of the market dynamics that help shape operating results at Ironwood. The key consultants contributing to this study effort include Richard B. Singer, Director of Consulting Services and Ed Getherall, Senior Project Director at National Golf Foundation (NGF).

The following is the consultants' report on the City of Gainesville municipal golf operation and our recommendations for its future.

Summary of Significant Findings and Recommendations

The following is a summary of the significant findings and recommendations made by National Golf Foundation Consulting, Inc. (NGF Consulting). The supporting text and tables are found in the body of the attached report and appendices.

NGF Consulting's findings with respect to the operations review of Ironwood are detailed in the body of this report. As a result of our analysis and findings, NGF Consulting has prepared a series of key recommendations for the continued operations of Ironwood. These recommendations, which focus on several key issues as communicated to NGF by the City of Gainesville, have been organized into six main categories: 1.) Green Fees; 2.) Basic Operating Structure; 3.) Food and Beverage Service; 4.) Physical Improvements; 5.) Operational Recommendations; and 6.) Future Considerations. In the 'Financial Overview' section of this report, NGF Consulting will project the potential financial impact of enacting the proposed Ironwood renovation as well as other NGF recommendations.

GREEN FEES

The City of Gainesville requested that NGF Consulting analyze the current fee structure at Ironwood and make recommendations regarding the potential to sustain fee increases. Specifically, we were asked to make two sets of recommended fee schedules – one for current rates and one for after the proposed renovation. The City Commission approved pre-renovation increases in fees if NGF's analysis found that these increases would be accepted by the market and result in increased revenues. The initial fee increase is being implemented effective October 1, 2009.

Our analysis centered on the current competitive golf market dynamic, the price/value proposition that Ironwood currently offers the golfer, play patterns at Ironwood, and our expert opinion regarding current customers' tolerance for fee increases. As to the latter point, the goal is to subjectively assess the elasticity of demand for various categories of tee times at Ironwood. NGF Consulting's customer survey implemented at Ironwood during the course of this engagement contained custom questions relating directly to the question of potential green fee increases. The results of the responses were also used as a basis for our analysis and recommendations.

The following table summarizes NGF Consulting's recommendations regarding green fee changes at Ironwood, both before and after the proposed renovation. ***The detailed analysis of green fees at Ironwood, performed by NGF Consulting, is presented in a dedicated section of this report.***

Summary Table of Recommended Changes

Fee Category	Current Fee	Proposed Fee	Proposed Fee
		2009	Post-Renovation 2010
M-Th Walking 18	\$17	\$20	\$25
M-Th Walking 9	\$11	\$13	\$17
M-Th Riding 18 Morning	\$26	\$30	\$35
M-Th Riding 18 Midday	\$24	26**	\$31
M-Th Riding 18 Twilight	\$22	21**	\$26
M-Th Riding 18 Super Twilight	\$15		
F-Su Walking 18	\$20	\$23	\$28
F-Su Walking 9	\$15	\$17	\$21
F-Su Riding 18 Morning	\$29	\$34	\$39
F-Su Riding 18 Midday	\$26	29**	\$34
F-Su Riding 18 Twilight	\$22	24**	\$29
F-Su Riding 18 Super Twilight	\$15		
Seniors Riding (Anytime)	\$24	\$27	\$31
Students Riding*	\$23	\$26	\$30

* Students All day M-Th; after 11 am F-Su
 ** Current 11:00 am – 2:00 pm and 2:00 pm – 4:30 pm fee categories become one 12:00-4:00 Midday category; current Morning category now ends at noon; Twilight now begins at 4:00 (adjustable by season)
 All fees + tax

NGF Consulting must caution that the proposed fee increases for 2009, though based on thorough analysis, expertise, and experience, are essentially subjective and experimental. Golfer demand and play patterns must be monitored carefully by the Head Golf Professional and the City, especially in light of the golfer survey results.

Other NGF Consulting fee recommendations:

- Combine twilight/super twilight; Current 11:00 am – 2:00 pm and 2:00 pm – 4:30 pm fee categories become one 12:00-4:00 Midday category; current Morning category now ends at noon; Twilight now begins at 4:00 (adjustable by season).
- NGF Consulting does not think that raising Junior green fees from the current \$5 is advisable. Raising fees by a modest amount accomplishes little in terms of the bottom line (only about 1,000± rounds are Junior) and must be balanced with objective of cultivating golfers/customers (who will eventually pay full fee) for the future and providing a healthy outlet for children and teens. Also, the head pro indicates that Juniors are among the biggest spenders in the concession area.
- Tourney rate should be raised \$5 in 2009.
- Time restrictions should be placed on Junior and Senior rates Friday through Sunday, as is the case with Students currently.
- For University of Florida home football game Fridays, charge \$40 rates all day long; consider specials such as foursome for \$180, including hot dog and a beverage.
- Consider the seasonality factor illustrated previously in setting the fee structure. NGF Consulting recommends looking closely at instituting two yearly rates, reflective of

play patterns: peak season would run from February 1st through July 31, with August 1 through January 31 the off season. Off season rates would generally be \$2 to \$3 cheaper, depending on category, and set based on the experience of the Head Golf Professional.

RECOMMENDATIONS ON BASIC OPERATING STRUCTURE

One of the key issues that the City of Gainesville wanted NGF Consulting to offer its expert opinion on was the potential of the City issuing a Request for Proposals (RFP) for the purpose of either hiring a management company or leasing Ironwood property outright. A separate RFP is also being considered for the Food & Beverage operation at Ironwood. Before we present our findings and recommendations, we believe it will be useful to provide a summary of the various management options available to municipal golf systems. A matrix summarizing these options appears in **Appendix A**.

Management Options

Below are descriptions of the most typical management options for municipal golf courses, as well as advantages and disadvantages of each. In our experience, there is no ideal operating scenario that fits all situations, and each municipality must arrive at its own unique approach to operation and maintenance. The most common management options (these are not intended to be exhaustive, as there are hybrids and variations thereof) follow, presented in order from most direct City/County/State involvement to the least:

1. **Self Operation:** The subject municipality operates the golf facilities under direct control of the Parks & Recreation Department, Public Works Department, or specific Golf Division, retaining all employees.
2. **Full-Service Management Contract:** Municipality hires a management company to operate all aspects of golf facilities.
3. **Concession Agreements:** Similar to a lease agreement, but usually involves granting a license to operate a facility (or revenue center, such as pro shop or food & beverage) rather than the right to occupy the premises. These can come in several variations.
4. **Operating Lease(s):** Municipality leases the golf facility or facilities to a private operator in exchange for an annual (or monthly/quarterly) lease payment. The lease is typically established to include certain minimum lessee requirements, including capital investment in facility improvements. Maintenance standards and compliance policies would be included, and some restrictions regarding determination of green fees could be included.

Management contracts, operating leases, and concession agreements are the three most commonly used terms to describe a contract between a municipality and a private golf course operator. Each has significant differences, but also several common characteristics. A general discussion of each option, along with key advantages and disadvantages is presented in the following paragraphs.

Self-Operation by Municipality

Self-operation gives the municipality the greatest control over golf operations. The municipality retains control over all employees, course maintenance, policies and procedures, hours of

operation, fee schedules, and operating and capital budgets. All revenues would be available to pay for operating and maintaining the facility and making any required transfers and/or allocations to other departments and/or to the General Fund. Self-operation also means that the municipality must fund needed capital improvements.

Self-operation can have a downside. Some municipal golf operations have been determined by political considerations rather than best business practices. Invariably, these operations begin to suffer from a lack of resources due to low revenues and high expenses. Quite often, when revenues are inadequate to meet operating expenses, budgets are cut and the quality of the facility begins to deteriorate, resulting in a loss of customers and a further loss of revenues. The golf operation usually goes into a downward spiral, forcing the municipality to seek solutions.

Advantages of Self-Operation

- Simplest option
- Direct municipal control of the assets
- All workers are municipal employees

Disadvantages of Self-Operation

- Golf operation may require subsidies from the General Fund.
- Revenues may not cover rapidly increasing costs (particularly labor), especially when golf market is in decline.
- Municipality may lack necessary expertise in managing golf facilities.
- When revenues and/or operating/capital reserves are down, needed improvements may not be funded (or at least deferred).

Discussion

A municipality must consider how it views its golf facilities. If the golf facilities are seen primarily as amenities to residents like other park facilities with lower cost recovery, then the municipality should be prepared to realize lower economic return, and self-operation may make more sense. However, if the City desires a positive economic return from its golf course(s), then the course must be run more like businesses, free of political considerations that place constraints on revenues and operational efficiencies. In the later case, the self-operation option may not be tenable in the face of continued operational losses. If a municipality is unable to fund capital improvements, it will result in a less attractive product for golfers, leading to continued rounds and revenue decreases, and ultimately resulting in what NGF Consulting terms the “death spiral”.

Full Service Management Contract

The primary goal of a management contract is to provide a golf facility with experienced, professional managers who are responsible for the daily operations, thus relieving the owner (municipality) of this task. In a typical management contract, the municipality hires a firm that is charged with all management responsibility. The municipality funds all capital improvements, and the management firm hires all employees. Because employees work for the management firm and not the municipality, payroll cost may be less (depending on local labor laws), thus reducing operating expenses.

The management firm collects all revenue and provides accounting reports to the municipality. All revenues belong to the municipality, as well as the responsibility for all expenses. The municipality reimburses the management firm for all payroll expenses and pays the firm a

management fee. The management fee is often a fixed dollar amount, a predetermined percentage of operating revenues, or some combination of both. Sometimes, the management firm is paid an incentive that is predicated on percentages of gross receipts or net income, over and above the established minimum revenues. The operating expense budget must be maintained at the original projection for incentives to be earned. Management fees vary depending on the size of the facility and the level of responsibility of the management firm, but typical annual fees for an 18-hole regulation golf course can range from \$120,000 to \$200,000.

The management firm submits detailed budgets to the municipality prior to the operating year. The municipality monitors the firm's use of budgeted funds and is responsible for any unforeseen expenses beyond the control of the management firm. Because of the close working relationship between the municipality and the management firm, the changing golf economy, and capital requirements of golf courses, the typical management contract requires frequent revision. The length of the typical agreement is relatively short, two to five years, and may include option periods.

Advantages of Management Contracts

- Operating costs are likely to be significantly reduced because the management firm hires all employees at salaries that can be less than what the municipality would have to pay.
- It is assumed that the company or individual hired has experience and expertise in golf facility operations. Not only can this individual provide help in operations and maintenance, but also in other areas such as marketing and merchandising.
- The municipality is removed from day-to-day operation in exchange for a payment of a pre-determined fee plus a percentage of gross revenues, or some other formula, which is equitable to both parties. In addition, all net revenues are retained by the municipality.

Disadvantages of Management Contracts

- Though this option offers the municipality more control than with an operating lease, it offers less control than self-operation.
- The municipality would still need a person in the government structure with golf course expertise who could spend a significant amount of time overseeing operation and contract compliance.
- Unlike a lease, management contracts usually do not provide a guaranteed income for the owner (the municipality), but rather a guaranteed income for the management entity. The major concern with a management contract is the risk the municipality would be taking relative to shortfalls. The management firm's fee is guaranteed, as long as the contract provisions have been met. However, anything that negatively impacts revenue could leave the municipality with a shortfall (operating risk is with the municipality).
- The municipality would still be responsible for capital improvements.
- Management companies often will move their managers around, the best going to their most profitable facilities. Also, management entities often 'relax' in the last year of an agreement, unless the entity is strongly motivated to want to renew the contract.

Discussion

In conjunction with a well-constructed agreement, the management contract form of operation provides the controls necessary to protect a substantial asset. In a golf market on the upswing (which most have not been in many years), the management contract also provides the greatest amount of up-side revenue potential to the municipality, and allows the municipality to reinvest in operating and capital programs. This option also provides the most flexibility of any management style short of self-operation. Finally, often the management firm can affect changes that otherwise would be more difficult for the municipality because of political pressure in the community. In other words, the management firm is better prepared to take the heat that will result from changes in operation than the municipality's elected and appointed officials.

The large downside to the management company option for a municipality is the lack of any guarantees in terms of net revenues. ***In short, none of the operating risk inherent in the self-operation scenario is shifted away from the municipality by virtue of entering into a management agreement.***

Concession Agreements

This form of agreement is similar to a lease agreement. However, a concession agreement usually involves granting a license to operate a facility rather than the right to occupy the premises. It is very common, especially among municipalities, for the Food & Beverage revenue center to be in the form of concession agreement. The second most typical concession agreement would be for the Pro Shop, including one or more of the cart, merchandise, lesson, and driving range revenue centers. In this case, the municipality receives all green fees, plus an agreed upon percentage of the other revenue centers. The municipality typically is responsible for the maintenance. Concession agreements are thought to be easier to cancel than a lease agreement, are frequently for a shorter term, and contain more controls. Concessions agreements are usually granted for properties in "as is" condition and seldom require the concessionaire to make major physical improvements to the facility.

Concessionaires are frequently permitted to use course-owned equipment with only the obligation to maintain the equipment. Because of the short term of most concession agreements, there is little incentive for the concessionaire to make major investments. Payment to the municipality for a concession license is usually a flat fee plus a percentage of gross receipts.

Advantages of Concession Agreements

- The municipality would be removed from the day-to-day operation (if a pro shop or full facility concession) in exchange for green fees and a pre-determined percentage of other gross receipts.
- Concession agreements provide more control than an operating lease, but less than a management contract.
- The term of a concession agreement is typically shorter than an operating lease.

Disadvantages of Concession Agreements

- The municipality would be responsible for all major capital improvements.
- In most cases, the municipality would retain the very expensive course maintenance function.
- There are likely to be fewer highly qualified management firms interested in a short-term concession agreement. Management firms frequently prefer to put their

resources into projects that have longer terms and have the potential to be more financially rewarding.

Operating Lease

The primary goals of an operating lease are to relieve the municipality of all operating concerns, to ensure a minimum rent payment to the municipality, and to improve and/or protect the asset. An operating lease is similar to a management contract in that the lessee, like the management firm, hires and fires all employees and is responsible for the day-to-day operation of the facility. The difference between the two is that the lessee would be committed to pay the municipality a fixed rent, pay all operating expenses, supply equipment and, typically, provide some capital for investment in the golf facility.

In exchange for incurring all operating expenses and at least sharing capital upkeep, the private lessee would receive most (if not all) of the revenue and pay the municipality either a flat payment (flat lease) or a percentage of revenue (percentage lease), in conjunction with a guaranteed minimum base payment.

Advantages to Leasing

- **Burden of Risk:** Leasing the facility to a private entity shifts the burden of operational risk to the lessee. This includes the risk associated with rising labor costs and other expenses, as well as potential downturns in revenues and rounds played. Barring a breach of the contract, the municipality would have a guaranteed net revenue stream, as the only expenses will be those associated with administering the contract, oversight, and compliance.
- **Simplicity:** The municipality would be relieved of the day-to-day responsibility in maintaining and operating the facility. (As with all management options, the municipality should have a person who has golf course expertise monitoring the operation and enforcing contract compliance).
- **Capital Improvements:** Depending on the relative attractiveness of the business opportunity to the private entity, as well as the length of the term, the lease contract could require the lessee to make, or at least contribute significantly to, needed capital improvements.
- **Maintenance Equipment:** The lessee would be responsible for providing maintenance equipment and golf carts.

Disadvantages to Leasing

- **Control:** The lease option offers the municipality the least amount of control over the golf course operation, especially with regard to:
 - **Pricing:** Unless specified in the lease, the lessee may have free rein over golf fees, possibly making the golf course more expensive to the general public. If the lease has restrictions on raising fees, the lease option becomes less appealing to the private companies that may be bidding for the lease.
 - **Quality:** Unless the contract is carefully executed, the municipality would have little ability to regulate the quality of the operation, as long as the minimum lease terms are met. Even if the terms are not met, the legal and practical cost to “force” conformity with the lease can be expensive.
 - **Profit Motive:** This is closely tied to the control issue. If not carefully executed, a lease arrangement may directly conflict with the objective of providing an affordable,

enjoyable recreation activity for residents, since private business objectives (including maximizing return) can often be in opposition to public interests (such as providing a community service).

- **Revenue Constraint:** As would be expected when one party shares a disproportionately low share of the risk, the municipality would benefit less of the upside revenue potential than it would with a management contract. This is likely to be an issue only when the operator is very successful with growing revenues or creating new revenue centers (and generally only when a golf market is on the upswing).
- **Long Term:** Leases are typically for a long term, especially if capital improvements are included. This makes it difficult to get out of the lease, should the municipality become displeased with the lessee's operations of the facility.
- **Down Market:** The lessee may be forced to cut maintenance expenses and/or raise fees if revenues do not meet expectations. Unexpected golf market downturns often lead to the lessee seeking to renegotiate terms.

Discussion

While leasing municipal golf facilities was popular in previous decades, its popularity waned in the 1990s as golf revenues increased and municipalities began to see what they assumed were large sums in golf revenue going to an outside vendor and not being reinvested in the facility, or going as profit to the municipality. However, since the turn of the 21st century, leases are coming back into fashion for municipal golf facilities due to increased competition and, more recently, the downturn in the economy and its affect on municipal budgets. Leasing out the golf operations shifts the burden of operating risk to the private vendor, and provides a guaranteed revenue stream to the municipality. In most long-term lease cases, the vendor will also contribute to, or even completely fund, capital improvements.

Although the appeal of turning everything over to an outside agency does have merit, especially in terms of transferring operational risk, we should note some downsides of this option. First, the municipality would have much less control over operational issues such as pricing. Secondly, it may be difficult to attract an acceptable vendor with lease terms palatable to both the municipality and the vendor. The municipalities that find trouble in lease agreements often have entered into agreements where one party or the other is doing considerably better than the other. If the deal is too favorable to the municipality, the lessee may struggle and the facility could suffer. Likewise, if the deal is too favorable for the vendor, the municipality could experience lower returns than expected. If the deal is overly favorable to one side, the other side may find that net revenues are insufficient to fund their portion of annual capital improvements. It is clear the contract terms are key to any successful lease arrangement.

Recommendations

Golf Operations

NGF Consulting does not see any purpose in the City of Gainesville issuing an RFP for a management company or potential lessee for Ironwood. The primary reasons an **operating lease** is not recommended, or even feasible, at this time are:

- The City has already committed to a capital investment at Ironwood that NGF Consulting believes will lead to a significant increase in rounds and revenues. NGF believes that the increased net revenues resulting from the construction of modern, consistent greens, in conjunction with the alleviation of the severe drainage problem that has consistently constrained rounds and revenues at the facility over the years,

will easily pay for the annual debt service associated with the improvement. Though operating deficits may never completely go away, these deficits may shrink to an acceptable level with an improved, and marketable, golf facility.

- Even if the City were to decide it prefers shifting the burden of operating risk to a private entity, there is virtually no chance that the City would attract a reputable company to lease Ironwood given its operating history of large negative cash flows (please refer to Miami-Dade County discussion in **Appendix B**). And if the City were to somehow attract a reputable lessee that thought they could turn a profit, they would be reaping the rewards of the City's planned capital investment. It would be much more prudent for the City to make the improvements and demonstrate several years of improved performance before even considering the possibility of an operating lease.

The primary reasons a **management contract** is not recommended at this time are:

- Because the Ironwood operation is currently so lean, there would be no labor savings for the City and, in fact, a management company would likely insist on having more staff than are currently being employed at Ironwood). Also, the management fee would become an additional line item expense on the Ironwood budget. Therefore, the only compelling argument to be made for hiring a management company would be to significantly improve operational performance, and/or to remove any hint of political interference from day-to-day operations and policies.
- NGF Consulting's review to date has not revealed any notable operational deficiency that would lead to a conclusion that Ironwood is being mismanaged. The current management's hands are tied, from both marketing and day-to-day operations perspectives, due to the inherent deficiencies of the golf course, which should be partially, if not fully, remedied with the proposed renovation.
- The large downside to the management company option for a municipality is the lack of any guarantees in terms of net revenues. ***In short, none of the operating risk inherent in the self-operation scenario is shifted away from the municipality by virtue of entering into a management agreement.***

FOOD & BEVERAGE

There are arguments on both sides for either leasing or self-operating the food & beverage operation at Ironwood. Primary concerns of current golf course management revolve around issues such as loss of control, loss of revenue, potential liability issues related to alcohol, and the potential for the golfers' needs taking a back seat to non-golf customers. These are all valid concerns. However, the food & beverage operation currently generates minimal, if any, profit, and a lease arrangement would guarantee a minimum rent plus a percentage of gross to the City, at a facility that is in dire need of increasing revenues.

Also, the Ironwood dining room/meeting space needs to be updated in terms of furniture, fixtures, carpeting, etc. An outside vendor responding to an RFP may propose to do these improvements as part of a concession/lease agreement. The timing would be optimal if these interior upgrades could be done in conjunction with golf course improvements.

The most compelling argument for *considering* an outside vendor is the upside revenue potential in terms of banquets, other meetings, non-golf lunch, etc. This is especially enticing for

a facility that requires subsidy from the City. If proposals (to include business plan) are carefully reviewed, respondents vetted financially, and the ultimate contract fair to both sides (and containing sufficient protections to the City regarding liability, service to golfers first, etc.), we believe there is no inherent reason why a food & beverage lease would not work at Ironwood, *if there is sufficient demand*. NGF Consulting has seen food & beverage concessions work successfully at many municipalities, where golfers do not take a back seat to non-golf customers. Finally, though a chain “sports bar” or casual eatery may not fit Ironwood, we have often seen where a local restaurateur, who has other existing operations in an area and has a finger on the pulse of what works in that particular market, builds a successful operation at a golf course.

In either case, we feel that there is no harm done in simply issuing the RFP and reviewing responses. The City can still choose to retain self-operation, and simply open up the kitchen and add staff should demand from golfers increase after the renovation.

SPECIFIC PHYSICAL RECOMMENDATIONS

NGF Consulting has noted that Ironwood is not in ideal operating condition, and that the physical deficiencies in the Ironwood facility are central to limitations in growing revenue. The physical upgrades recommended by NGF Consulting, and detailed in this section, are designed to provide a significant physical enhancement to the facility that will create the best opportunity to drive demand and enhance revenues at the facility by improving the overall product offering and maximizing the volume of rounds that can be accommodated at the facility. The most significant of the upgrades are the ones that would lead directly to enhanced revenue and are related to:

- **Greens Complexes.** Despite heroic efforts by the Superintendent and grounds crew, the present Ironwood greens are often in very poor condition due to poor underlying soil and no internal drainage system. The existing turf on the greens is not in good condition, resulting in less-than-desirable playing conditions that are almost impossible to market.
- **Overall Golf Course Drainage.** The drainage at Ironwood is poor, resulting in fewer playable days per year, and thus fewer rounds and lower total revenue. A moderate to heavy rain event can affect play for days afterward, and golfers often do not know what to expect in terms of conditions. Much of the site is concave and retains water. Further, the underlying soil at Ironwood is clay-based, and thus holds water for longer periods of time than a more sand-based soil. The existing swale system also needs to be re-graded and cleaned of excess debris.

In addition to needed upgrades to greens and course drainage, NGF Consulting has noted several other improvements that could benefit the overall condition of Ironwood, but which are less critical in that they may not directly result in increased rounds and revenue. These secondary upgrades include improvements/enlargements to tee boxes, improving cart paths, upgrading on-course facilities (restrooms/shelters/drinking stations, etc.), and bunker enhancements.

Primary Golf Course Improvements

NGF Consulting has reviewed the enhancement plan submitted by Barbaron, Inc. in March of 2008. This plan includes both the primary and secondary improvements noted by NGF Consulting that will be required to improve the overall level of quality and create the physical

conditions needed to maximize the volume of play. A summary of the improvements and the NGF estimated cost for completion are as follows:

- **Greens Construction.** This would involve the re-construction and re-grassing of 19 greens (18 holes + practice green) to USGA specifications. The four most recent NGF Consulting projects in 2008 and 2009 that involved greens reconstruction to USGA specifications resulted in actual cost of about \$4.40 per square foot (sf). Assuming an average of approximately 5,500 sf per green at Ironwood, the resulting estimate would be $\$4.40 \times 5,500 \times 19 =$ a total estimated cost = \$460,000.
- **Fairway Drainage / Fill.** Improving the drainage at Ironwood involves two components: (1) Basic drainage structures such as catch basins, french drains, clearing debris, etc.; and (2) The importation of fill to raise the elevation of the site at key locations where drainage is most problematic. Item 1 has been estimated by Barbaron, Inc. at \$150,000, an estimate deemed appropriate by NGF Consulting. Item 2 involves the importation of fill using an industry accepted standard of roughly 160,000 cubic yards of fill needed to raise a 100-acre site an average of one foot. At an average of \$2.50 per cubic yard of fill, the total cost for item 2 is estimated at \$400,000. This is expected to produce the needed elevation increase AND improved soil that Ironwood will need to correct drainage problems and allow for more rounds of golf per year, even after heavy rains. Total estimated cost of fairway drainage and fill = \$550,000. ***This estimate assumes raising the entire site by an average of one foot; the fill estimate is reduced by 50% to \$200,000 (\$350,000 for drainage and fill) if only selected areas that are most prone to excessive flooding are raised up.***
- **Fairway Grassing / Shaping.** In addition to the drainage and fill enhancements noted in the above item, proper improvement of Ironwood should also include a re-shaping of holes in several locations to correct the concavity of the property and create better water flow on the golf course to enhance drainage away from the center-line of golf holes and greens. This involves costs for both shaping (\$190,000) and re-grassing of the fairways with a high-quality 419 Bermuda grass (\$260,000). Total estimated cost of fairway grassing and re-shaping = \$450,000. ***This estimate assumes a complete re-grassing of the entire golf course and may be reduced by approximately 50% if the fill/shaping is completed only on selected areas that are most prone to excessive flooding.***
- **Other Items.** In addition to the above noted specifics, the City may incur additional charges for such items as a golf course architect, environmental and civil engineers, and other consultants. These items have been estimated at \$125,000 by Barbaron, and this is deemed appropriate by NGF Consulting.

The NGF estimate for total cost to complete the highest priority improvements is \$1,585,000 in direct costs, if we assume the entire site is raised by an average of one foot. This total does not include any additional expense to complete secondary items, nor any lost revenues from when the course is closed (detailed below). We also note possible savings in some operating expense items as the golf course is closed for renovation. NGF recommends that the Ironwood physical upgrade be completed as soon as possible (preferably beginning April 2010 as opposed to April 2011), resulting in maximum economic benefit to the City.

Secondary Golf Course Improvements

In addition to the primary items detailed above, the Barbaron, Inc. plan also includes roughly \$630,000 in other items that could be included in the renovation, but that are less urgent and do not tie directly to increased revenue or reduced maintenance expenses. These items include (in order of priority importance):

- **Tree Removal.** There are a number of trees on the property that are impacting turf condition, and removal may help improve turf conditions. Estimated cost = \$50,000.
- **Irrigation.** The irrigation system at Ironwood is in good condition, and no major upgrade is recommended at this time. There are some locations on the course that would benefit from additional irrigation coverage (new heads), particularly in and around the green complexes. This project can be completed as part of the priority renovations noted above. Estimated cost = \$50,000.
- **Bunker Enhancements.** This involves renovation to sand bunkers to improve drainage, shaping and sand quality. Estimated cost = \$100,000.
- **Tee Boxes.** Several tee boxes would benefit from being enlarged to accommodate more tee positions. This will help save wear and tear on the tee areas. New tees can be added in some locations to increase the overall yardage of the golf course. Estimated cost = \$30,000.
- **Cart Path.** Cart paths are generally in good condition. Some locations would benefit from improvements. Estimated cost = \$110,000.
- **Hole Aesthetics (incl. Coquina area).** Barbaron is proposing enhancements to landscaping and texture that would improve the visual aesthetics of the course and add to the appeal. Estimated cost = \$230,000.
- **Silt Fence.** Additional fencing to protect the golf course from run-off from neighboring sites. Estimated cost = \$62,500.

Estimated Cost of Physical Improvements

The estimated cost to complete the above noted facility improvements is detailed in the table below. The \$1.585 million estimate assumes raising the entire golf course by an average of one foot. ***If, as discussed earlier, drainage/fill improvements are limited to just those areas most prone to excessive flooding, the Fairway Drainage/Fill line item reduces to an estimated \$350,000, and the Fairway Grassing/Shaping line item reduces to an estimated \$225,000, resulting in a total cost for the recommended highest priority improvements of \$1.16 million.***

Direct Improvement Cost

Ironwood Golf Course Recommended Improvements	
	Estimated Cost
Highest Priority Items	
Greens Construction	\$460,000
Fairway Drainage / Fill	550,000
Fairway Grassing / Shaping	450,000
Other (architects, engineers, consultants)	125,000
Total High Priority	\$1,585,000
Lower Priority Items	
Tree Removal	\$50,000
Irrigation	50,000
Bunker Enhancements	100,000
Tee Boxes	30,000
Cart Path	110,000
Hole Aesthetics	230,000
Silt Fence	62,500
Total Lower Priority	\$632,500
Total Facility Upgrades	\$2,217,500

Indirect Cost/Savings of Physical Improvements

In addition to the direct capital costs detailed above, Ironwood may have some other costs associated with this renovation project, the most significant of which will be the direct facility revenue lost during the renovation project. There may also be some possible savings in operating expenses when the golf course is closed during the renovation period. NGF Consulting has assumed that the Ironwood driving range and some level of food and beverage service will remain open during the renovation, with up to 15% of expected revenues being collected during that time.

The Barbaron, Inc. plan details a total of five months for completion of the identified project. It is NGF Consulting's experience is that these renovations rarely take fewer than six months to complete. Six months is the figure NGF Consulting recommends the City use for planning purposes. Assuming a start date of April 1, we expect the highest priority items listed above could be completed by the end of the fiscal year, or by September 30. Initial City planning was based on a commencement of April 1, 2011, or about halfway through the FY2011 fiscal year. The City Commission recently approved starting the project on April 1, 2010, or halfway through the FY2010 fiscal year that begins October 1, 2009.

Staff Issues

Ironwood staff will be required during the renovation process. It is expected that the Golf Course Manager will serve as the Project Manager for the renovation, providing daily oversight of the renovation project. The Golf Course Supervisor will continue to market, book and manage clubhouse room rentals. The part-time Golf Course Attendant will manage the bar, cover phones and provide support for promotional efforts.

The contract with OneSource, the City's grounds maintenance vendor for Ironwood, allows for termination with a 60-day notice. One possibility would be to terminate the OneSource contract

April 1, and then seek to re-hire a golf maintenance company for facility re-opening on October 1. This could save roughly \$43,400 per month or a total of \$278,400. However, the NGF consultants recommend against this course of action. There will be requirements of golf course maintenance during the renovation process and in preparation for re-opening, a service best provided by OneSource. Further, retaining a Head Superintendent during the renovation would be recommended to continue maintenance of the facility. It is not uncommon for maintenance contracts such as this to be revised slightly to reflect a slight reduction in required manpower and equipment needs during the renovation. A reduction of 15% to 25% may be in order as maintenance oversight will still be needed and support will be needed if the range and/or other areas of the golf course remain open during part of the renovation process.

The estimated additional costs to the City are detailed in the table below. The revenue estimates assume some continued recovery of driving range and food and beverage revenue.

Ironwood Golf Course Renovation Estimated Net Impact on Operating Revenues and Expenses	
	Estimated Cost to City
Lost Revenue (April through September)	\$440,000
Less: Expense Savings	
Operating expenses (util., supplies, etc.)	95,000
<i>Possible OneSource reduction (Optional)</i>	<i>\$50,000</i>
Total Potential Expense Savings	\$145,000
Ironwood Renovation - Total City Revenue / Expense Impact (Savings)	\$295,000

Proposed Driving Range Improvements

With an eye towards increasing revenue, the City is considering improving and lighting the driving range at Ironwood for an estimated cost of \$127,500, including installation and all the electrical hardware needed to power the system. The City has asked NGF Consulting to comment on the financial viability of lighting the range, based on our analysis of range use at Ironwood, as well as our experience and expertise with municipal golf operations.

Though not retained to do a dedicated feasibility study for the night lighting of the driving range, NGF Consulting has analyzed the information to develop our expert opinion on the viability of the City installing lights at Ironwood for night use of the range. In the following bullets, we summarize some of our observations regarding the potential pros and cons of lighting the range at Ironwood, and present our opinion as to the proposed project’s financial viability.

Background

- From a competitive standpoint, Ironwood’s driving range should thrive, since the nearest driving ranges open to general public are about 9 to 10 miles away (Meadowbrook GC and Gainesville Golf Practice Center).

- Based on NGF Consulting's demographic analysis, Ironwood, located in northeast Gainesville, is not proximate to the high golf participation populations of Gainesville,. Driving range use (excluding use associated with practice before/after a round of golf), much more so than an actual round of golf, is often an impulse decision. Golfers are generally reluctant to travel far to practice, and people might be especially reluctant to travel any distance at night time.
- Ironwood reported only \$27,000, or about \$0.73 per round, in driving range revenue in FY 2008. Even in its best year, Ironwood did only \$44,000, and has consistently generated about \$0.80 per round on the range. Based on NGF municipal golf operations experience, this level of per round range revenue is consistent with a golf course that gets little "range-only" use, but rather practice before a round of golf.

Revenue and Expense Implications

- If Ironwood increased its current range revenue as a result of lighting the range for night use, (assumed to include modest increases from concession sales) by 50% – from \$27,000 in FY 2008 to \$40,500 in the first year with lights – the payoff on the initial capital investment would take about 9.4 years, based on the incremental revenue of \$13,500 per year.
- However, in addition to capital costs, the City would incur variable costs, primarily associated with labor and utilities. Ironwood currently is staffed until dark. If we assume that the range would be lighted for an average of 280 days per year, and that two part-time employees working for a minimum wage of \$7.25 per hour would have to work an additional 2.5 hours each for these 280 days, we come up with an annual variable labor cost of \$10,150. Assuming a modest \$5,000 increase in the cost of utilities, we come up with an annual variable cost associated with lighting the range of ±\$15,000.

Conclusion

Based on our sample analysis - an annual boost in range use of 50% over current levels and variable costs of about \$15,000 – and our observations of range use at Ironwood presented previously, it becomes clear that lighting the driving range would likely be close to a break even proposition from an operational standpoint, and would lose money when the upfront capital investment is considered. Additionally, there may be potential safety, security, and liability issues associated with night use.

SPECIFIC OPERATIONAL RECOMMENDATIONS

After our thorough review of the Ironwood operation, NGF Consulting is not inclined to recommend that any significant changes be made to the day-to-day operation of the facility. As noted above, the management structure of the facility is sound, and the facility is being managed and maintained efficiently in the face of some physical constraints related to the golf course. NGF Consulting believes that the City is receiving excellent value for the money spent on golf management and maintenance positions and that these individuals are performing exemplary work despite small staffs and tight budgets. NGF Consulting has observed a very dedicated staff that is working hard to improve the physical and financial condition of this property for the City of Gainesville. Therefore, no fundamental changes in operation are recommended. Our operational recommendations are as follows:

Business / Marketing Recommendations

Marketing efforts for Ironwood have not been at their optimal effectiveness in the past due to the inconsistent playing conditions and the ingrained perceptions of the facility in the market. However, the planned renovations should address the two biggest deficiencies of the golf course, and marketing programs should gain much better traction after the facility has been improved.

Emphasis on marketing is critical to create awareness, correct misperceptions in the market, and increase daily fee and tournament play. Strategies include advertising to create a brand image and maintain awareness, developing a public relations campaign, and utilizing web, e-mail and print vehicles. An effective and comprehensive marketing plan must incorporate research, planning, strategy, market identification, budget, advertising, timetable, and follow-up. Advertising should be tracked adequately to gauge its effectiveness; first-time customers, to the extent that they can be identified, should be surveyed as to how their experience was and why they decided to try Ironwood. Offering a discount for return play to a foursome of first-time customers as they exit the 18th green is also a solid investment for the future.

The City's commitment to marketing the improved Ironwood must be evident as soon as the facility reopens, when building awareness and stimulating trial are critical. Successful golf operations in the private sector typically allocate about 3%-5% of their revenue to marketing. This would be appropriate for Ironwood once play has somewhat stabilized, but a higher initial budget is recommended.

Several of NGF Consulting's key marketing recommendations for Ironwood **after** the renovation are summarized below. Other specific recommendations regarding the Ironwood marketing plan are discussed in **Appendix C**.

Name Change / Re-Branding

NGF Consulting believes that an important component of the marketing program for Ironwood *after the renovation* will be to re-brand the facility. As has been discussed by the City, NGF Consulting recommends renaming Ironwood to reflect not only its connection to the city, but also the improved golf course. For too many golfers, "Ironwood" brings to mind images of flooded fairways or, more so in the old days, "Ironweed". A name change (e.g., Gainesville Woodlands Golf Club, Gainesville Golf Links, the Links at Gainesville), accompanied by a grand re-opening event and marketing campaign, should prove very effective.

Campaign Theme

Marketing themes should center on the facility improvements and the golf course's very strong value proposition, and should be directed at local golfers who may have given up on the City course. A campaign along the lines of "Try us again for the first time" should be very effective if communicated to golfers who have taken their play elsewhere.

Grand Re-Opening

A month-long "Grand Re-opening" event, featuring special promotions and tournaments, will build good will and awareness in the market and give the City golf course a leg up on recovering market share. NGF Consulting anticipates generous use of complimentary rounds (e.g., to local/regional golf writers) during this time in order to stimulate trial and generate awareness of the improved product. Staff should also attempt to get a local celebrity sponsor or spokesperson to help spearhead grand opening efforts (e.g., prominent Gator, past or present; Tim Tebow or Urban Meyer would obviously be ideal, but perhaps unrealistic).

Complimentary Rounds

NGF Consulting notes a rather high number of complimentary or 'comp' rounds at Ironwood, at about $\pm 5,000$ annually in recent years (the number had apparently ballooned in FY 2008 to more than 7,300, but we are told by the Head Golf Professional that 2,000+ discounted rounds were mistakenly categorized as free rounds. NGF Consulting understands that all golf course employees and volunteers (rangers/starters) may play free, cart included, Monday through Thursday anytime, and Friday through Sunday after 12:00 p.m. However, the Head Pro has reportedly instituted a "step aside" rule for employees when a round can be sold for a daily fee.

NGF Consulting has made the following observations about Comp rounds at Ironwood:

- The $\pm 5,000$ Comp rounds annually account for about 14% to 15% of total play.
- Of the $\pm 5,000$ Comp rounds annually, about 60% are accounted for by volunteer rangers/ starters, who are required to work at least one 7-hour shift per week.
- Golf course employee rounds and rounds provided via certificates to certain charities comprise the bulk of the rest of the free rounds at Ironwood.

There is simply no way to tell how much revenue is lost due to complimentary rounds at a golf course. Theoretically, every Comp round could have been sold, or none could have been sold, with the truth lying somewhere in the middle. One way to look at it is in terms of opportunity lost – the revenue that the round would have generated had it been sold. For instance, multiplying Ironwood's average green/cart fee per paid round in FY 2008 - \$18.65 - by 5,000 Comp rounds results in a figure of \$93,250 (not including the foregone surcharges of \$2 per round). This number would be theoretically even higher if golfers playing for free are not taking up all four slots of a tee time.

While it is impossible to gauge just how much revenue is actually lost on Comp rounds, the effect on revenue is undoubtedly significant, especially if it affects play during peak periods. The rounds offered for Comp play are also prime candidates to be offered as inventory when practicing yield management, such as offering discounted rounds via on-line wholesale companies. Of course, there are also benefits to providing free rounds. Ironwood management receives free marshaling and starter services, and golf course employees receive a perk that may improve their morale. Also, there is a public relations benefit to providing free rounds to charities.

Though the issue of complimentary rounds does not lend itself to a cut and dried analysis due to the vagaries of how many of the free rounds could have been sold, NGF Consulting does generally advise golf course management to consider eliminating tee times for Comp rounds, and making them available on a same-day basis only, based on availability. Finally, there should be a strong edict that the system is not to be abused.

Season / Annual Permits

The City stopped offering annual permits to Ironwood in 2009 because members were paying very low average green fees per round. NGF Consulting recommends that memberships not be made available at Ironwood after the renovation, unless they are priced at an appropriate multiple of the highest daily fee rate. Even if priced appropriately, passes/memberships should be restricted to the Monday through Thursday time period, when demand for daily fee play is lower than on the weekend. For a detailed discussion of season/annual passes/memberships, please refer to **Appendix D**.

Frequent Player Program

Management should institute a Frequent Player/Loyalty Program. There are many variations of these programs, but essentially they are a way to build loyalty in competitive markets by rewarding golfers for frequent play. An example would be a “Player’s Card,” which accrues points good toward future purchases, or which award every 11th round as free. Another variation is to offer, for a nominal annual fee (typically between \$50 and \$100), percentage discounts off of regular rack rates.

These programs, which can be free to join or come with a nominal annual fee, have become very popular. The main potential drawback is that this type of loyalty program essentially amounts to discounting play for regular golfers who otherwise would be paying full cost. However, there is a trade-off between Average Daily Rate (ADR) and volume of play. A rewards program would likely drive volume at Ironwood while maintaining more rate integrity than with unlimited play annual passes and/or frequent use of coupons and other methods of discounting.

Reciprocal Arrangement with UF

Because the Mark Bostick Golf Course at UF has restricted access to those people with ties to the University, a reciprocal arrangement between the UF Athletic Association and Ironwood, after it has been improved, would likely benefit both facilities.

Yield Management

Management should take full advantage of revenue management to sell un-booked tee times (unsold inventory is gone forever), especially during off-peak periods such as weekdays, afternoons, and summer; on-course management should continue to be given the flexibility to advertise specials, within a specified green fee framework, via e-mail blast, etc. on short notice.

Player Development

The Head Golf Professional manages an active programming component at Ironwood. NGF Consulting believes that maintaining and even enhancing these efforts is key to the long-term viability of Ironwood.

Increased Women’s Participation

Recently, *PGA Magazine* dedicated an issue to women and golf. Of the many conclusions drawn in the series of articles, two were unanimous. When women play golf they like to involve their families. Women view the social aspect of the game as very important. As a result, beginning women golfers will feel more comfortable when they can bring a friend or family member to golf-related events, such as free golf lessons and clinics, networking receptions, golf rules and etiquette seminars, and on-course playing opportunities and instruction. Offering a social time before or after women’s golf leagues is a great way to attract women to your facility. These types of events may also be more successful if current female customers of your golf course are involved in their planning and execution.

There are common characteristics that female-friendly golf facilities exhibit:

- On-course restrooms (cleaned several times a day) at least every six holes on the golf course.
- Ball washers on the forward tees.

- Female golf instructor who takes a consistent approach to all players regardless of gender.
- Women-only demo days.
- Women-only custom fitting days.
- Availability of women's club rental sets.

Cultivating Golf Participation among Minority Populations

As noted earlier, East Gainesville has a large African-American population, relative to the rest of the city and Alachua County. In 2003, the National Golf Foundation conducted a research study as part of *Golf 20/20's* Diversity Task Force, which is developing strategies for player development programs and other initiatives focused on women and minorities. The study found that the golf participation rate among African Americans aged 18 and older is 5.1%, and for Hispanic Americans 4.3% (subsequent studies have put the figure at about 5%). These numbers compare to the overall U.S. golf participation rate of 12.6%. The implication for the City of Gainesville is that, in order to maximize play at Ironwood, player development programs aimed at stimulating latent golf demand among minorities must continue to be cultivated.

To lure African-American and Hispanic youth to the game, the fun and entertainment aspects of the game should be stressed. One way to make the game fun is through events and tournaments. Free or nominal cost programs for lower-income children and juniors, hopefully subsidized by private donors, can be very effective. To lure adults, especially professional business people, the fact that learning and playing the game is fun, as well as invaluable in the modern business world, must be communicated.

FUTURE CONSIDERATIONS

In addition to the basic recommendations shown above, the City of Gainesville may have other options to consider with this overall property, specifically as it relates to the potential development of a surrounding residential neighborhood and ways that the developer and City can work together to their mutual benefit.

Hatchet Creek Development

Ironwood is surrounded by approximately 500 privately owned woodland acres. As of early Summer 2009, a development named "Hatchet Creek" was designed to fit the associated land around Ironwood. If developed, this subdivision could have several potential impacts on Ironwood for the City to consider:

- **Change of Golf Experience.** If developed the Hatchet Creek subdivision will change the very nature of Ironwood by adding a large number of homes directly adjacent to the golf course. The feel of a "core" golf course surrounded by woodlands would be gone or greatly diminished, especially if the development includes commercial or, especially, industrial uses.
- **Drainage.** Ironwood already has drainage problems due primarily to the hard clay soil and low-lying nature of the property. The addition of an adjacent subdivision could either add pressure to the drainage system, or help relieve the problems if the overall development drainage system is designed to accomplish this.

- **New Customers.** If developed, the new Hatchet Creek subdivision has the potential to add a significant number of golf customers in immediate proximity to Ironwood. These customers could provide a significant economic boost to the Ironwood facility.
- **Public/Private Partnership.** If Hatchet Creek’s residential component ultimately comes to fruition, the developer will undoubtedly benefit from the surrounding presence of the golf course, in terms of premiums on lot pricing and pace of sales, due to golf course views and/or frontage. Because of this, the opportunity may exist for the developer and the City to have a mutually beneficial arrangement; for example the developer could contribute some funds toward past or future golf facility improvements.

FINANCIAL PROJECTIONS SUMMARY

The results of the NGF Consulting financial analysis of Ironwood show that the proposed renovation of the golf course, which will rectify the two primary physical constraints to increasing revenue, will result in a substantially improved financial performance of the facility. **NGF Consulting is projecting that gross revenues will increase by more than \$400,000, and net operational losses will decrease by about ±\$270,000, once play stabilizes at about 37,500 paid rounds by FY 2013.**

However, even after the renovations and assuming greatly enhanced performance, NGF Consulting projects that Ironwood will still run at a moderate operational deficit of about \$100,000 to \$150,000 annually (before depreciation and other “below the line” or “non-operating” expenses), and thus will continue to require some support from the General Fund, albeit at a greatly reduced amount each year (**please refer to table on page 68**).

Several findings are clear from this review of financial projections for Ironwood:

1. The continued operation of Ironwood on an ‘as-is’ basis, without facility improvements, will likely result in ever-growing deficits, since revenue growth is not likely to keep up with rising operational expenses.
2. Even with a greatly enhanced net revenue position with the improvements, Ironwood will not likely earn enough revenue to completely cover either operational costs, ‘below-the-line’ expenses (e.g., depreciation, debt service), or the cost of upgrades. As a best-case scenario, we believe the City should set as a goal for the facility to cover its basic operational budget and set capital aside for future upgrades.
3. The renovation will pay for itself several times over, assuming our net revenue projections, the estimated cost of the improvements, and the debt service assumptions noted previously.

In summary, the NGF Consulting cash flow model for Ironwood, assuming the facility upgrades are successfully carried out, shows the improved golf facility generating significantly enhanced revenues that will easily pay for the amortized annual cost of debt associated with these improvements. However, even with an improved financial scenario, Ironwood is likely to continue to require some support from the General Fund to meet operating expenses and complete necessary future capital improvements.

SUMMARY CONCLUSION

In the course of our engagement with the City of Gainesville for the evaluation of the municipally-owned and managed Ironwood, NGF Consulting observed a good quality core golf course that has two primary physical deficiencies - outdated, inconsistent greens and severe fairway/green drainage problems - that relate directly to key business drivers for a golf course. These deficiencies have effectively reduced capacity and constrained revenues at Ironwood for decades. Operationally, NGF Consulting observed a knowledgeable, hard working (but lean) Head Golf Professional and staff, and made note of no evident management deficiencies. Similarly, the contracted maintenance Superintendent and crew appeared to be doing yeoman's work in spite of the physical constraints of the Ironwood property.

Other than the nature of the golf course itself, other factors that have constrained activity levels and revenues, and resulted in a decline in rounds played in recent years, tie to the nature of the Gainesville golf market itself. First, Gainesville is a notoriously price sensitive golf market, and golfers are known to chase bargains (which has led to fee discounting) and generally exhibit little facility loyalty. Also, we have noted the increased competitiveness of the Gainesville golf market, due primarily to the major renovation of the Mark Bostick GC at UF in the early 2000s, and the introduction of some new, affordable high quality daily fee golf courses in the greater Ocala area. As with any business in Gainesville, activity levels at Ironwood are highly sensitive to activities associated with the University of Florida.

At the City's request, NGF Consulting also analyzed the overall operating structure of Ironwood to see if outsourcing the facility – either via management contract or operating lease – was a viable alternative to continued self-operation. For reasons summarized in the executive summary above, and discussed in detail in the body of this report, NGF Consulting does not recommend a management contract or lease for golf course operations and, in fact, believes that attracting a lessee to take over the property would not be feasible even if recommended.

As the most critical element of this consulting engagement, NGF Consulting has reviewed the proposed renovation plan for Ironwood, including construction estimates, and offered our opinion as to not only the appropriateness of the planned improvements but also the cost estimates. We have concluded that these proposed improvements, though they have to be master planned more precisely to ensure that they result in the intended outcome, are absolutely the most cost effective improvements that the City could undertake at Ironwood. NGF Consulting comes to this conclusion because high quality, consistent greens, and effective drainage that increases tee time capacity and marketability, are directly related to the ability to increase rounds and revenues at Ironwood. NGF Consulting believes that the proposed improvements, if done effectively and on or close to budget, will result in significantly improved financial performance at Ironwood, and that the resulting decreased net operating losses – amounting to City savings of ±\$270,000 annually, will easily justify the annual amortized debt service tied to the renovation.

NGF Consulting has also concluded that, to maximize the economic return of this proposed renovation, the City should undertake the project this upcoming spring, rather than in 2011. Not only will the early start date result in an extra year of improved performance but, due to the nature of regional and national economies (contractors looking for work, construction materials relatively inexpensive), the City is likely to receive more highly competitive bids. Therefore, the City's next step should be to issue a Request for Proposals ('RFP') for the design/master plan/build aspect of the proposed renovation.

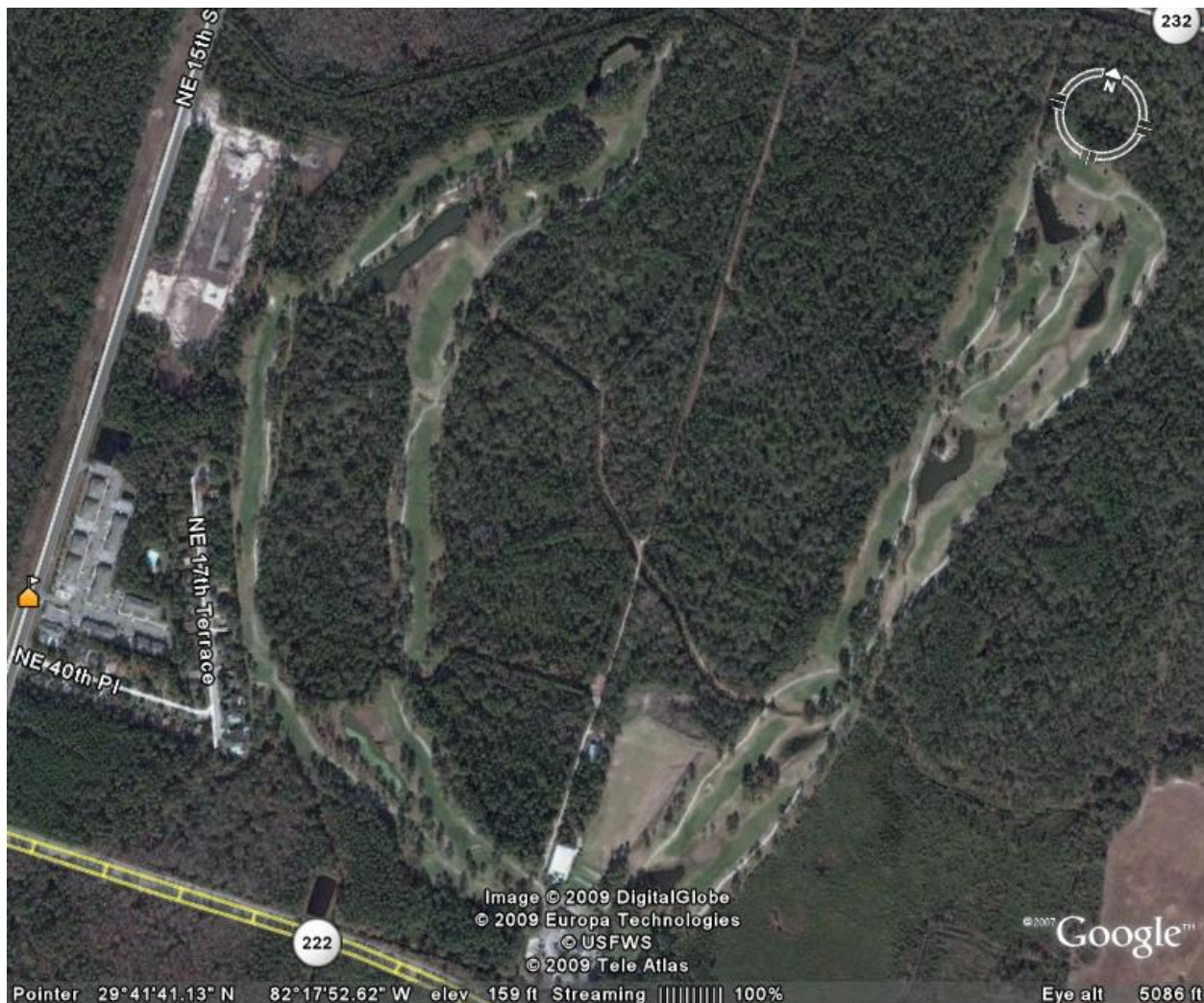
Subject Facility – Ironwood Golf Course

Ironwood is a municipally-owned 18-hole golf course located in Gainesville, Florida. The facility includes an 18-hole golf course, driving range and 8,000 square foot (sf) clubhouse on a park-like setting surrounded by several hundred acres of undeveloped property, all in immediate proximity to the Gainesville Regional Airport. The facility is widely viewed as a positive amenity for the City of Gainesville and its residents.

IRONWOOD GOLF COURSE LOCATION AND HISTORY

Location and Surroundings

Ironwood is located in the northeast quadrant of the City of Gainesville, just west of Highway 24 (Waldo Road), less than one mile from the Gainesville Regional Airport. The facility is accessed via NE 39th Avenue, a main east-west thoroughfare that runs approximately 10 miles on the north end of Gainesville between the Interstate 75 interchange (at the west end) and the Airport (east end). The location is also proximate to many of the north Gainesville residential neighborhoods, particularly those in the Northeast section of the City.



Google Earth image showing the 138-acre Ironwood and its immediate surroundings, including the surrounding open space that could be considered for possible re-development. We note the large footprint of the site and the limited piece that is Ironwood.

Overview of Ironwood History

The front nine holes of Ironwood were constructed in 1962, followed by the back nine in 1968. The course was acquired by the City of Gainesville in 1992 in an effort to preserve the golf course and its open space. The acquisition cost was \$1.2 million for the golf course, plus an additional \$1.0 million for improvements. The \$1.2 million acquisition cost was financed via municipal bonds. These bonds were refinanced in 1998 with approximately \$860,000 in remaining balance to be retired after 2012. A new irrigation system was added in 1994 and a new clubhouse was added in 2000.

Over the years, variations in facility quality, particularly relating to the greens and overall drainage, have resulted in lower capacity and fewer rounds played at the facility. As a result, the City has engaged NGF Consulting to assist in determining the best course of action for Ironwood, in terms of both management structure and capital improvements that will result in the greatest economic return to the City.

INVENTORY OF FACILITIES

In addition to the golf course, Ironwood includes a driving range, clubhouse and a maintenance facility. A summary of these elements follows:

Golf Course

The facility consists of one 18-hole, par 72 golf course measuring 6,465 yards from the back tees, 6,088 yards from the middle tees, and 5,259 yards from the forward tee. The scorecard below shows the moderate difficulty of the golf course, especially from its farthest tee where the USGA slope rating is 126, or above the standard USGA Slope Rating of 120.

Ironwood Golf Course				
Tee	Par	Yards	Slope	Rating
Blue	72	6,465	126	71.3
White (Men)	72	6,088	121	69.3
Red (Ladies)	72	5,259	119	71.3

The setting of the course is very pleasant with old-growth tree-lined holes, several water features, and little visual evidence of any surrounding structures. The layout is traditional with both nine-hole courses starting and returning to the clubhouse location, and the driving range in between. There are a total of 22 sand bunkers on the course and water hazards are in play on 15 of the 18 holes. A concrete cart path system reaches almost all of the playing area, and certainly all of the tee and green areas. There is one on-course restroom facility near the 3rd, 6th and 7th holes, and one covered shelter on the back nine. The overall condition of the golf course is not ideal at the present time and there are considerable problems with the condition of the greens and lack of adequate drainage (see discussion later in this section).

Driving Range / Practice Amenities

Practice amenities at Ironwood include a central driving range with 20 ± mat tee stations and several target signs with distances. The range is approximately 270 yards in length and is bounded on three sides by a line of trees and shrubbery. There is also a practice green and small practice chipping area.

Maintenance Facilities and Equipment

The maintenance facilities are divided into several smaller buildings, including a large shed for cart storage and equipment storage in a covered area outdoors. There is also a small machine shop and a small superintendent office and staff break-room. Pesticides are kept in a small room in this area. State code requires that all pesticides be stored in a separate fire and leak-proof building with proper ventilation and heating. Equipment used to care for the course appears adequate and is all owned and maintained by the maintenance vendor OneSource.

Ironwood Clubhouse

The Ironwood clubhouse was constructed in 2000 and replaced an older clubhouse dating back to the 1970's. The clubhouse features a single-level building with four separate functional areas including a bar and kitchen area, small pro shop, open meeting area with space for up to 200

patrons and administrative offices. The total clubhouse is approximately 8,000 sf in size and overlooks the driving range and first and ninth holes.

GOLF COURSE PHYSICAL REVIEW

NGF Consulting has noted that Ironwood is not in ideal operating condition, and that the physical deficiencies in the facility are central to limitations in increasing revenue. The physical upgrades recommended by NGF Consulting, detailed in this section, are designed to provide a significant physical enhancement to the facility that will create the best opportunity to drive demand and enhance revenues at the facility by improving the overall product offering and maximizing the volume of rounds that can be accommodated at the facility. The most significant of the upgrades are the ones that would lead directly to enhanced revenue and are related to:

- **Greens Complexes.** Despite heroic efforts by the Superintendent and grounds crew, the present Ironwood greens are in very poor condition due to poor underlying soil and no internal drainage system. The existing turf on the greens is not in good condition, resulting in less-than-desirable playing conditions that are almost impossible to market.
- **Overall Golf Course Drainage.** The drainage at Ironwood is poor, resulting in fewer playable days per year, and thus fewer rounds and lower total revenue. A moderate to heavy rain event can affect play for days afterward, and golfers often do not know what to expect in terms of conditions. Much of the site is concave and retains water. Further, the underlying soil at Ironwood is clay-based, and thus holds water for longer periods of time than a more sand-based soil. The existing swale system also needs to be re-graded and cleaned of debris.

In addition to needed upgrades to greens and course drainage, NGF Consulting has noted several other improvements that could benefit the overall condition of Ironwood, but which are less critical since they may not directly result in increased rounds and revenue. These secondary upgrades include improvements/enlargements to tee boxes, improving cart paths, upgrading on-course facilities (restrooms/shelters/drinking stations, etc.), and bunker enhancements.

Primary Golf Course Improvements

NGF Consulting has reviewed the enhancement plan submitted by Barbaron, Inc. in March of 2008. This plan includes both the primary and secondary improvements noted by NGF Consulting that will be required to improve the overall level of quality and create the physical conditions needed to maximize the volume of play. A summary of the improvements and the NGF Consulting estimated cost for completion are as follows:

- **Greens Construction.** This would involve the re-construction and re-grassing of 19 greens (18 holes + practice green) to USGA specifications. The four most recent NGF Consulting projects in 2008 and 2009 that involved greens reconstruction to USGA specifications resulted in actual cost of about \$4.40 per square foot (sf). Assuming an average of approximately 5,500 sf per green at Ironwood, the resulting estimate would be $\$4.40 \times 5,500 \times 19 =$ a total estimated cost = \$460,000.
- **Fairway Drainage / Fill.** Improving the drainage at Ironwood involves two components: (1) Basic drainage structures such as catch basins, French drains, and clearing debris, etc.; and (2) The importation of fill to raise the elevation of the site at key locations where drainage is most problematic. Item 1 has been estimated by

Barbaron, Inc. at \$150,000, an estimate deemed appropriate by NGF Consulting. Item 2 involves the importation of fill using an industry accepted standard of roughly 160,000 cubic yards of fill needed to raise a 100-acre site an average of one foot. At an average of \$2.50 per cubic yard of fill, the total cost for item 2 is estimated at \$400,000. This is expected to produce the needed elevation increase AND improved soil that Ironwood will need to correct drainage problems and allow more rounds of golf per year, even after heavy rains. Total estimated cost of fairway drainage and fill = \$550,000. ***This estimate assumes raising the entire site by an average of one foot; the fill estimate is reduced by 50% to \$200,000 (\$350,000 for drainage and fill) if only selected areas that are most prone to excessive flooding are raised up.***

- **Fairway Grassing / Shaping.** In addition to the drainage and fill enhancements noted in the above item, proper improvement of Ironwood should also include re-shaping of holes in several locations to correct the concavity of the property and create better water flow to enhance drainage away from the center-line of golf holes and greens. This involves costs for both shaping (\$190,000) and re-grassing of the fairways with a high-quality 419 Bermuda grass (\$260,000). Total estimated cost of fairway grassing and re-shaping = \$450,000. ***This estimate assumes a complete re-grassing of the entire golf course and may be reduced by approximately 50% if the fill/shaping is completed only on selected areas that are most prone to excessive flooding.***
- **Other Items.** In addition to the above noted specifics, the City may incur additional charges for such items as a golf course architect, environmental and civil engineers, and other consultants. These items have been estimated at \$125,000 by Barbaron, and this is deemed appropriate by NGF Consulting.

The NGF Consulting estimate for total cost to complete the highest priority improvements is \$1,585,000 in direct costs, if we assume the entire site is raised by an average of one foot. This total does not include any additional expense to complete secondary items, nor any lost revenues from when the course is closed (detailed below). We also note possible savings in some operating expense items as the golf course is closed for renovation. NGF Consulting recommends that the Ironwood physical upgrade be completed as soon as possible (preferably beginning April 2010 as opposed to April 2011), resulting in maximum economic benefit to the City.

Secondary Golf Course Improvements

In addition to the primary items detailed above, the Barbaron, Inc. plan also includes roughly \$630,000 in other items that could be included in the renovation, but that are less urgent and do not tie directly to increased revenue or reduced maintenance expenses. These items include (in order of priority importance):

- **Tree Removal.** There are a number of trees on the property that impact turf conditions, and removal of those trees may help the situation. Estimated cost = \$50,000.
- **Irrigation.** The irrigation system at Ironwood is in good condition, and no major upgrade is recommended at this time. There are some locations on the course that would benefit from additional irrigation coverage (new heads), particularly in and around the green complexes. This project can be completed as part of the priority renovations noted above. Estimated cost = \$50,000.

- **Bunker Enhancements.** This involves renovation to sand bunkers to improve drainage, shaping and sand quality. Estimated cost = \$100,000.
- **Tee Boxes.** Several tee boxes would benefit from being enlarged to accommodate more tee positions. This will help save wear and tear on the tee areas. New tees can be added in some locations to increase the overall yardage of the golf course. Estimated cost = \$30,000.
- **Cart Path.** Cart paths are generally in good condition. Some locations would benefit from improvements. Estimated cost = \$110,000.
- **Hole Aesthetics (incl. Coquina area).** Barbaron is proposing enhancements to landscaping and texture that would improve the visual aesthetics of the course and add to the appeal. Estimated cost = \$230,000.
- **Silt Fence.** Additional fencing to protect the golf course from run-off from neighboring sites. Estimated cost = \$62,500.

Estimated Cost of Physical Improvements

The estimated cost to complete the above noted facility improvements is detailed in the table below. The \$1.585 million estimate assumes raising the entire golf course by an average of one foot. *If drainage/fill improvements are limited to just those areas most prone to excessive flooding, the Fairway Drainage/Fill line item reduces to an estimated \$350,000, and the Fairway Grassing/Shaping line item reduces to an estimated \$225,000, resulting in a total cost for the recommended highest priority improvements of \$1.16 million.*

Direct Improvement Cost

Ironwood Golf Course Recommended Improvements	
	<u>Estimated Cost</u>
Highest Priority Items	
Greens Construction	\$460,000
Fairway Drainage / Fill	550,000
Fairway Grassing / Shaping	450,000
Other (architects, engineers, consultants)	125,000
Total High Priority	\$1,585,000
Lower Priority Items	
Tree Removal	\$50,000
Irrigation	50,000
Bunker Enhancements	100,000
Tee Boxes	30,000
Cart Path	110,000
Hole Aesthetics	230,000
Silt Fence	62,500
Total Lower Priority	\$632,500
Total Facility Upgrades	\$2,217,500

Indirect Cost/Savings of Physical Improvements

In addition to the direct capital costs, Ironwood may have some other expenses associated with the renovation, the most significant of which will be the direct facility revenue lost during the project. There may also be some possible savings in operating expenses when the golf course is closed during the renovation. NGF Consulting has assumed that the Ironwood driving range and some level of food and beverage service will remain open during the renovation, with up to 15% of expected revenues being collected during that time.

The Barbaron, Inc. plan details a total of five months for completion of the identified project. NGF Consulting's experience is that these renovations rarely take fewer than six months to complete and this is the figure NGF Consulting recommends the City use for planning purposes. Assuming a start date of April 1, 2010, we expect the highest priority items listed above could be completed by the end of the fiscal year, or by September 30, 2010.

Staff Issues

Ironwood staff will be required during the renovation process. It is expected that the Golf Course Manager will serve as the Project Manager for the renovation, providing daily oversight of the renovation project. The Golf Course Supervisor will continue to market, book and manage clubhouse room rentals. The part-time Golf Course Attendant will manage the bar, cover phones and provide support for promotional efforts.

The OneSource contract allows for termination with a 60-day notice. One possibility would be to terminate the OneSource contract April 1, 2010, and then seek to re-hire a golf maintenance company for facility re-opening on October 1, 2010. This could save roughly \$43,400 per month or a total of \$278,400. However, NGF Consulting recommends against this course of action.

Golf course maintenance will be required during the renovation process and in preparation for re-opening, a service best provided by OneSource. Further, retaining the current Head Superintendent during the renovation is recommended to continue quality maintenance of the facility. It is not uncommon for maintenance contracts such as this to be revised moderately to reflect a reduction in required manpower and equipment needs during the renovation. A reduction of 15% to 25% may be in order as maintenance oversight and support will still be needed if the range and/or other areas of the golf course remain open during part of the renovation process.

The estimated additional costs to the City are detailed in the table below. The revenue estimates assume some continued recovery of driving range and food and beverage revenue.

Ironwood Golf Course Renovation Estimated Net Impact on Operating Revenues and Expenses	
	Estimated Cost to City
Lost Revenue (April through September)	\$440,000
Less: Expense Savings	
Operating expenses (util., supplies, etc.)	95,000
<i>Possible OneSource reduction (Optional)</i>	<i>\$50,000</i>
Total Potential Expense Savings	\$145,000
Ironwood Renovation - Total City Revenue / Expense Impact (Savings)	\$295,000

Hatchet Creek Considerations

As noted, Ironwood is surrounded by undeveloped private woodland property, some of which is zoned for residential use. Some of the golf course – between holes #17 and #18, and alongside the cart path on #2 – actually encroaches on this private property. As of early summer 2009, a development application was filed for “Hatchet Creek”, designed to fit the associated land around Ironwood. If developed, this subdivision could have several potential impacts on Ironwood for the City to consider:

- **Change of Golf Experience.** If developed the Hatchet Creek subdivision will change the very nature of Ironwood by adding a large number of homes directly adjacent to the golf course. The feel of a “core” golf course surrounded by woodlands would be gone or greatly diminished, especially if the development includes commercial or, especially, industrial uses.
- **Drainage.** Ironwood already has drainage problems as noted above, due primarily to the hard clay soil and low-lying nature of the property. The addition of an adjacent subdivision could either add pressure to the drainage system, or help relieve the problems if the overall Hatchet Creek drainage system is designed to accomplish this.
- **New Customers.** If developed, the new Hatchet Creek subdivision has the potential to add a significant number of golf customers in immediate proximity to Ironwood. These customers could provide a significant economic boost to the Ironwood golf facility.
- **Public/Private Partnership.** If Hatchet Creek’s residential component ultimately comes to fruition, the developer will undoubtedly benefit from the surrounding presence of the golf course, in terms of premium lot pricing and pace of sales, due to golf course views and/or frontage. Because of this, the opportunity may exist for the developer and the City to have a mutually beneficial arrangement; for example the developer could contribute some funds toward past or future golf facility improvements.

OPERATIONS OVERVIEW

Ironwood is owned by the City of Gainesville and located within the City limits, with immediate access to NE 39th Avenue. Ironwood is operated directly through a separate City Enterprise Fund via City staff on site, under the supervision of the Parks, Recreation and Cultural Affairs Department. The City also has a contract with an outside vendor for the maintenance of the golf course playing area.

One of the City's primary goals with respect to the golf course is to provide challenging and accessible golfing experiences to residents of, and visitors to, Gainesville. As presently configured, there appears to be great cohesion and strong functionality of this golf operation. During the course of this consulting effort, NGF Consulting observed a very dedicated and hard working staff at the golf course, although the facility is presently operating under somewhat reduced staff due to budgetary reductions and limitations made in recent years.

In our review of the City of Gainesville's golf program, the NGF Consulting team found a potentially good quality golf facility in less-than-ideal conditions and in need of upgrades. Most golfers surveyed consider Ironwood to have an appealing layout; however, inconsistent and unpredictable conditions resulting from issues with the greens and course drainage lead to widely varying opinions about the course.

We have observed a relatively steady level of golf activity at Ironwood in recent years, with annual rain patterns and seasonality (driven by both weather and the fact that the local economy revolves around the University of Florida) having a strong influence on play patterns and demand. When not affected by standing water, Ironwood offers strong value and a good venue for golfers of all skill levels, including beginning golfers.

City of Gainesville Support

The City of Gainesville is organized as a City Commission / City Manager form of government with a total annual General Fund budget of approximately \$98 million in 2009. Ironwood is operated as a separate City Enterprise Fund with a \$1.45 million revenue budget and \$1.58 million expense budget. The projected revenues were intended to be used to fund needed upgrades at the golf course; however, the Ironwood fund has been running at an operating deficit for many years, and the accumulated negative unrestricted net assets are ±\$3 million due to these deficits and debt obligations tied to the purchase and improvement of the facility. The City of Gainesville assists in operation of the facility by:

- Providing administrative oversight
- Marketing the facility
- Subsidizing operations and debt service from General Fund

Ironwood Staffing

Ironwood has reported the following staff to NGF Consulting:

- Head Golf Professional
- Golf Course Supervisor
- Bar Manager

Under its current structure, the ultimate authority of club policy is the City Manager and the elected Gainesville City Commission, with the Pro Shop operational authority belonging to the

Head Golf Professional. The Head Professional manages the golf shop and the golf operations, including tee sheets, programming, tournaments, leagues, etc. This position is also responsible for marketing and promotions at the facility and for maintaining the Ironwood website (www.CityofGainesville.org/ironwood), with assistance from the Golf Course Supervisor. The OneSource Golf Superintendent manages the day-to-day maintenance of the golf course and grounds, and establishes all schedules for maintenance personnel.

Groundskeeping and Maintenance Contract Summary

The City entered into an agreement with OneSource Landscape and Golf Services, Inc. for full year-round groundskeeping and maintenance of Ironwood on November 30, 2007. The contract is for a period of three years, subject to funding in subsequent fiscal years, with the option (at the City's discretion) to negotiate and extend the term for up to two additional one-year periods.

Contractor Responsibilities

- Provide all equipment necessary for maintenance of the golf course, landscape areas, trees, lakes, ditches, bridges, and the irrigation system.
- Provide all labor, materials, tools, equipment, expertise, supplies, bonds, insurance, licenses, permits, and a performance bond.
- Provide the highest quality of maintenance possible in accordance with written specifications and nationally-recognized norms, and continually upgrade any areas that may not meet this level of quality.
- Assist in the development/revision of *Golf Course Maintenance Specifications*.
- Innovate improvements in turf management, use of materials, and maintenance techniques.
- Provide all parts, chemicals, materials, and supplies necessary for maintenance of the golf course. Repairs or expenditures over \$2,500 must have prior written approval of the Golf Course Manager.
- Repair or replace ball washers, tee markers, benches, signs, etc.
- Pay telephone charges.
- Maintain its own equipment in good operating order.
- Employ all necessary maintenance workers, and meet requirements of the City's "Living Wage" and "Drug-free Workplace" ordinances. Training and certifications are kept current. Workers must include:
 - A full-time, trained and experienced Golf Course Superintendent
 - A trained work force that may include full-time and part-time employees
- Maintain good communication with the City's representative.
- Provide a detailed invoice to the City monthly for all work done, including reimbursements for materials and supplies.

City Responsibilities

- City's representative is the Golf Course Manager.
- Pay for utilities used in conjunction with irrigation and other facilities.
- Provide structural repairs of fixed assets including building repair, pump and well repair (excluding irrigation system).
- Pay for capital additions/improvements over \$5,000.

- Supply storage areas and office space for the Contractor's use
- After review of monthly invoice, City will pay Contractor monthly. The yearly not-to-exceed amount is adjusted each year based on CPI:
 - October 1, 2007 through September 30, 2008 – \$505,800
 - October 1, 2008 through September 30, 2009 – \$520,974

Current Marketing Efforts

The overall Gainesville area golf market has become more competitive over the last five years, with the improvement of the Mark Bostick Golf Course at UF and the addition of several new quality public golf courses in the North-central Florida (Ocala) area. Market conditions have made it difficult for Ironwood to maintain rounds activity levels experienced in the 1990s, and the inconsistency of the product makes effective marketing difficult. The Head Golf Professional reports to NGF Consulting that the facility's marketing plan has been successful only under dry or "drought" conditions.

Despite declines in activity, NGF Consulting has observed a strong initiative by Ironwood management to enhance play at the golf course. We note that all marketing responsibilities fall to the Head Golf Professional, which is not uncommon at municipal facilities of this type and with this level of staffing. This position, with assistance from the Golf Course Supervisor, is also responsible for booking tournaments and outings. Ironwood's limited marketing budget includes website, print advertising, radio advertising (Golf Course Supervisor appears periodically on a local sports talk show and often plugs Ironwood), couponing, and an active programming component, especially for juniors.

The NGF Consulting team notes the difficulty in promoting Ironwood due to the low quality of the greens and the day-to-day uncertainty about conditions. Ultimately, NGF Consulting believes that no marketing initiative will be as effective as improving the product as proposed, and getting the word out about the new and improved Ironwood (or whatever the name eventually becomes).

More on Programming

Ironwood and its Head Golf Professional, with strong support from the City, are extremely active in terms of programming, especially in the junior/youth category. In addition to offering the everyday \$5 Junior rate, the facility provides a venue for Special Olympics Golf, high school golf programs, the Gainesville Junior Golf Tour, and the PGA First Swing Program. Please refer to **Appendix E** for more detail on programming at Ironwood.

CURRENT GOLF FEES

The table below summarizes Ironwood's rates at the time of this study in 2009. Not listed below are the \$5 junior rate (all you can play walking, no time restrictions) and the outing rate, which is \$43, including prize fund. In addition to posted rack rates, Ironwood offers various types of discounted green fees, including special coupon rates used to stimulate play during off peak periods, and partially discounted fees for the facility's 9-hole leagues. *Later in this report, we will present an analysis of these fees, in the context of the local competitive golf market.*

Beginning in 2006, each green fee charged at Ironwood includes a \$2 capital improvement surcharge dedicated to helping to fund the proposed improvements to the greens and golf course drainage. As of June 30, 2009, the fund balance was reported at \$174,674.

Golf Rates (2009 Current)		
Monday – Thursday (cart included)		Walking
7am – 11am	\$26 + Tax	18 Holes - All Day - \$17 + Tax
11am – 2pm	\$24 + Tax	9 Holes - All Day - \$11 + Tax
2pm – 4:30pm	\$22 + Tax	
4:30pm – Close	\$15 + Tax	
Friday – Sunday (cart included)		Walking
7am – 11am	\$29 + Tax	18 Holes - All Day - \$20 + Tax
11am – 2pm	\$26 + Tax	9 Holes - All Day - \$15 + Tax
2pm – 4:30pm	\$22 + Tax	
4:30pm – Close	\$15 + Tax	
Special Rates		
Seniors (cart included)		
Anytime	\$24 + Tax	
Students (cart included)		
(Mon – Thur)	\$23 + Tax	
After 11am (Fri-Sun)	\$23 + Tax	

GOLFER SURVEY

NGF's Golfer Survey Program was distributed on the Internet and by on-site access to Ironwood golfers and others in the Gainesville community. A total of **440 surveys** were collected by NGF Consulting, with 52% completed by City of Gainesville residents, 20% by students (UF/Santa Fe) who are also City residents, 18% by non-residents and 9% by non-resident students. Only one percent (1%) identified themselves as being an Ironwood permit holder. This total number of surveys is adequate to provide in-depth understanding of the user groups at Ironwood, and the results are viewed with a high level of confidence to aid in knowledge of how some users feel about the facility and its place in the market. The general findings and a table showing the ratings follow:

Ironwood Municipal Golf Course 436 Responses (5/29/2009 – 6/25/2009)		
Factor	Average Score (Scale 1-5)	Benchmark Grade – Value
Friendliness/Service of Staff	4.6	A-
Tee Time Availability	4.5	B+
Affordability	4.3	B-
Food and Beverage Service	4.2	A-
Scenery and Aesthetics of Course	4.2	B
Golf Course Design	4.1	B
Overall Value of Course	4.1	B-
Condition of Golf Carts	4.1	B-
Amenities (clubhouse, pro shop, locker room)	4.0	B+
On-course Services (restrooms, drinking water)	3.9	B+
Pace of Play	3.9	B
Overall Quality of Golf Shop	3.8	C+
Overall Quality of Golf Shop Merchandise	3.8	N/A
Overall Quality of Golf Shop Apparel	3.8	B-
Condition of Fairways	3.7	C+
Quality of Practice Facility	3.5	B-
Overall Course Conditions	3.5	C-
Condition of Tees	3.4	C
Condition of Bunkers	3.4	C+
Condition of Greens	2.9	D
Average Score: 1 = very dissatisfied; 2 = somewhat dissatisfied; 3 = neither satisfied nor dissatisfied; 4 = somewhat satisfied; 5 = very satisfied. Benchmark Grade is how Ironwood compares to other "Value" courses in total U.S.		

1. Ironwood golfers that responded to the survey show a great deal of loyalty to the facility, playing most (average of 53%) of their golf there. Still, the survey group recognized deficiencies in the condition of the course and rate improving these conditions as most

important. Further, we note that the survey group was highly concerned that these deficient areas be improved.

2. Our surveys show that other golf facilities utilized by this survey group include (in order of importance): Meadowbrook GC, Turkey Creek G & CC, Mark Bostick Course at UF, West End GC and Haile Plantation G & CC.
3. The profile of the Ironwood golfer is predominantly male (91%) and much younger (75% under 50) than the national benchmark. Only 27% of respondents indicated household incomes in excess of \$75,000 annually. The survey group is also very local in nature with the vast majority (75%) originating in nine Zip Codes: 32605, 32608, 32606, 32601, 32607, 32609, 32653, 32603, 32615. The map displaying the origin of customers is displayed in **Appendix F** to this report.
4. The survey indicated that Ironwood golfers are most disappointed with the condition of the golf course, specifically citing the condition of greens as the lowest ranked item. It is clear that this is a conditioning issue as “scenery and aesthetics” of the course rate much higher with this group. The survey group also seems pleased with the service and friendliness of the staff at Ironwood, and had positive ratings for the clubhouse and food and beverage operation. Nearly 87 percent of the survey group indicated they would either play more or the same amount at Ironwood if the City were to improve the greens and drainage at Ironwood and add up to \$5 to green fees. However, we note that 45% of the survey respondents indicated that they would play less frequently if the fees were raised between \$6 and \$10 after renovation (55% indicated no change or more frequent use).
5. Of the 440 survey respondents, 60 percent (264 respondents) indicated their playing habits would not change if the City were to raise fees by up to \$5 without renovation, while 40% (176 respondents) indicated that they would play less (36%) or not at all (4%).
6. When asked if they knew any friends or colleagues who stopped golfing at Ironwood due to course maintenance conditions, 32% indicated yes, 45% indicated no and 23% indicated that they were not sure. When asked if they thought these former patrons might return after a renovation 60% indicated yes, 4% indicated no and 36% indicated that they were not sure.
7. Survey respondents were also asked to voice their opinions in an open-ended comments section. Among the most common items identified as being important to increasing frequency of play at Ironwood were: (1) improving greens; (2) improving fairways / drainage; and (3) improving the driving range / practice area. Other items noted with less frequency included cheaper late afternoon rates, more programs for minority golfers, improvement to the restaurant, improvements to on-course beverage cart service, cheaper beer and eliminating insects.
8. The survey group indicated a general satisfaction with the food and beverage operation at Ironwood, with 85% of those willing to offer an opinion indicating a positive opinion of the F & B service. As for responses to the open-ended question about how F & B service could be improved, the most common answers from the 117 respondents (27% of survey) related to increasing variety of offerings (larger menu), lower prices, more frequent on-course beverage cart service, and better quality food.

9. The survey group indicated a general willingness to use Ironwood if they were hosting an organized golf event or tournament. Of the 364 respondents willing to offer an opinion, 92% indicated they would consider using Ironwood for such events. Among those indicating they would not consider Ironwood for this purpose, the most common responses as to why included the poor quality of the course (especially greens) and the lack of a good food/beverage menu. When asked if they have used, or would consider using, the Ironwood clubhouse for a banquet or other event, 26% indicated they would use the facility while 74% indicated that they either have not used, or would not consider using, the facility.
10. Survey respondents were asked if they purchase golf equipment at Ironwood. Only 10 of the 423 respondents to this question (2.4%) indicated they “always” buy their equipment at Ironwood, while 233 respondents (55%) indicated they “never” purchase equipment at the course. The remaining 180 respondents (42.6%) indicated they sometimes or occasionally purchase equipment at Ironwood. Among the reasons cited for not answering “always” to this question included a general belief that there are cheaper alternatives out there such as the internet or EBay, but there were also a number of comments noting that the shop often does not appear to be open. Some respondents also noted limited inventory and a limited selection of goods.
11. If the Ironwood driving range facility were improved and lighted for use up until 10:00 pm, the survey respondents indicated the following expectation of additional use:
 - 5 or more times per week (26 responses – 6.4%)
 - 3 - 4 times per week (59 responses – 14.5%)
 - 1 - 2 times per week (231 responses – 56.6%)
 - 0 times per week (92 responses – 22.5%)
12. In addition to the 440 surveys analyzed, the consultants reviewed another 25 surveys completed by respondents indicating they had not played at Ironwood in more than a year, or had never played the course. These respondents generally echoed the broader survey group by indicating problems with the greens and drainage and noting that they do play golf in Gainesville, but not at Ironwood until it is improved. There were also similar comments about improving the food and beverage service and the pro shop, while also noting positive comments about the staff and the overall level of service.
13. Survey respondents were requested to voice their opinions in open ended questions about likes and dislikes at Ironwood. The comments reviewed were varied, but a few central themes did come through. Respondents overwhelmingly believe that the greens need to be improved at this facility and that drainage and fairway improvements are needed. The group is also generally satisfied with the service at Ironwood, but relay that the physical product definitely needs improvement.

FACILITY PERFORMANCE AND DATA ANALYSIS

Ironwood has supplied the consultants with a variety of documents and reports on the activity and economic performance of the facility. The performance data for the golf operation has been analyzed and findings are presented in the following paragraphs.

Activity Levels

Ironwood has seen a relatively stable level of rounds this last decade after a significant drop from the late 1990's when the facility was exceeding 40,000 rounds per year. In general, the weather (days closed) has been a key component in determining rounds activity, particularly in the wet summer season. Overall, about one-third of all play at the facility will occur in the March through May spring period, while August – October tend to be the slowest months. We also note that roughly 15% of total play has been without green fee, or “complimentary” rounds provided to employees and/or scholastic programs. The rounds totals by month for the last five years are displayed in the table below:

Ironwood Golf Course Rounds Report for FY 2004-2008							
	FY2004	FY2005	FY2006	FY2007	FY2008	Total 04-08	% Play by Month
October	2,419	2,721	2,033	2,905	2,186	12,264	6.72%
November	2,989	2,690	2,609	2,704	2,640	13,632	7.47%
December	2,752	2,517	2,394	2,978	3,120	13,761	7.54%
January	3,247	3,147	2,814	2,628	2,263	14,099	7.73%
February	2,669	3,241	2,612	3,021	3,254	14,797	8.11%
March	4,286	3,745	3,921	3,817	3,618	19,387	10.63%
First Six Months	18,362	18,061	16,383	18,053	17,081	0	0.00%
April	4,637	4,203	3,971	3,869	4,026	20,706	11.35%
May	4,393	3,334	3,570	4,044	3,957	19,298	10.58%
June	3,423	2,783	2,738	3,040	3,459	15,443	8.47%
July	3,498	2,616	2,946	2,740	3,023	14,823	8.13%
August	2,481	2,516	2,760	2,712	2,192	12,661	6.94%
September	1,441	2,157	2,617	2,626	2,691	11,532	6.32%
Last Six Months	19,873	17,609	18,602	19,031	19,348	182,403	100.00%
Total Paid Rounds	33,241	30,719	29,860	31,643	29,087	154,550	84.7%
Total Comp Rounds	4,994	4,949	5,125	5,441	7,342	27,851	15.3%
Annual Rounds	38,235	35,668	34,985	37,084	36,429	182,403	100.0%
Source: City of Gainesville							

Capacity Issues

A golf course's *theoretical capacity* can be determined mathematically by multiplying the number of available tee times (utilizing only the first tee as the starting hole) in an hour by the number of hours of daylight, minus two hours, multiplied by the maximum number of players in a group, usually a foursome. A more realistic measure, a golf course's *actual capacity* takes into account the loss of tee times for weather, unplayable conditions, cancellations, no-shows, groups of less than four players, and other reasons a golf course would never actually play the *theoretical capacity* such as a desire to maintain conditions. We also note that not all tee-times

are exactly equal in value and there are a limited number of “prime” tee times that can be available and sold on the open market.

The *actual capacity* for a given course is difficult, if not impossible, to calculate because most courses differ in physical characteristics, management procedures and climate. At Ironwood, the poor drainage characteristics do not allow quick resumption of play after a heavy rain, whereas a course that drains better may not have to suspend play for several hours or the entire day. In the north-central Florida area, 18-hole municipal golf courses have demonstrated rounds activity up to 60,000 rounds per year on 18 holes (theoretical capacity), but the actual capacity of Gainesville’s 18-hole golf courses is probably lower due to the nature of the area climate (summer rain) and student-oriented inflow patterns (fall/spring semester). NGF Consulting has estimated a realistic *actual capacity* of Ironwood for the coming years at 45,000 to 50,000 rounds per year, considering drainage improvements at the facility and current demand levels.

Revenue Analysis

NGF Consulting has reviewed the financial statements in detail and made comparisons to the rounds activity reports. The following tables summarize Ironwood revenue detail for the past five years, with the first six months of FY2009. In terms of total revenue, the data shows relatively stable performance from 2005 to 2007, with a 4.6% decline in 2008. Ironwood total revenue declined 14% between 2004 and 2008. All categories of revenue have declined in this period, although ‘concessions’ (food/beverage) revenue has declined the most at 33%.

Ironwood Golf Course Total Golf Revenue (2004-08)						
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009*
Operating Revenue						
Green Fees	\$392,444	\$392,344	\$410,422	\$379,844	\$382,070	\$238,933
Membership Permits	0	0	0	22,314	19,949	22,248
Cart Rentals	245,823	225,496	205,796	218,025	200,628	118,890
Pro Shop	74,280	63,036	61,047	58,779	49,409	30,603
Driving Range	25,176	27,932	31,577	29,557	26,728	15,787
Concessions	234,687	173,961	178,144	167,116	157,024	99,089
Golf Lessons	1,122	1,498	450	620	282	0
Other	1,356	2,047	1,472	972	974	446
Total Operating Revenue	\$974,888	\$886,314	\$888,908	\$877,227	\$837,064	\$525,996

Source: City of Gainesville. *Through April 30, 2009

Average Revenues

In addition to paid rounds decreasing in the last ten years, average green fee revenue per round has also declined. This is an indication of how important reductions in price have become to the operation in order to maintain a viable level of activity. Other revenue centers (concessions, merchandise, range and cart rentals) have also declined in average revenue per round indicating declining sales in these areas. Revenue per round estimates are displayed below:

Ironwood Golf Course Average Revenue (2004-08)						
Ratios	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009*
Total Rounds	38,235	35,670	34,985	37,084	36,429	22,834
Revenue/Round						
Total Facility Rev. (per Round)	\$25.50	\$24.85	\$25.41	\$23.66	\$22.98	\$23.04
Merchandise Sales (per Round)	\$1.94	\$1.77	\$1.74	\$1.59	\$1.36	\$1.34
Cart Rentals (per Round)	\$6.43	\$6.32	\$5.88	\$5.88	\$5.51	\$5.21
Total Range (per Round)	\$0.66	\$0.78	\$0.90	\$0.80	\$0.73	\$0.69
Greens Fees (per Round)	\$11.81	\$12.77	\$13.74	\$12.00	\$13.14	\$13.20
Concessions (per Round)	\$6.14	\$4.88	\$5.09	\$4.51	\$4.31	\$4.34
Source: City of Gainesville. Through April 30, 2009						

Expense Analysis

The City has provided the consultants with actual expenditures for the operation of Ironwood for the last several years. Ironwood expense performance appears in the table below. The figures show that the total to operate Ironwood is just over \$1.25 million in FY2008, representing an increase of 3.0% over FY2007 and 5.9% over FY2006. We note that these figures all represent a decrease from FY2004 when total expenses were over \$1.315 million.

Ironwood Golf Course Total Golf Expenses (2004-2008)						
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009*
Operating Expenses						
Administration						
Personnel Services	\$114,734	\$123,898	\$118,692	\$138,540	\$153,327	\$84,230
Operating Expenses	\$187,270	\$126,445	\$145,418	\$162,287	\$156,125	\$71,184
Indirect Cost	\$125,209	\$132,872	\$135,530	\$138,241	\$145,153	\$86,885
Pro Shop						
Personnel Services	\$124,631	\$8,889	\$6,654	\$4,816	\$2,637	\$1,693
Operating Expense	\$73,767	\$58,005	\$32,267	\$38,060	\$73,692	\$18,167
Concessions						
Personnel Services	\$101,058	\$25,944	\$26,611	\$19,261	\$11,154	\$7,037
Operating Expenses	\$156,300	\$86,930	\$103,647	\$103,091	\$108,152	\$29,599
Maintenance						
Operating Expenses	\$432,136	\$440,051	\$486,341	\$505,795	\$505,795	\$260,487
Golf Course Operations						
Personnel Services	\$0	\$95,311	\$99,782	\$72,233	\$41,383	\$29,853
Operating Expenses	\$0	\$19,775	\$31,239	\$39,558	\$58,188	\$15,846
Total Operating Expenses	\$1,315,105	\$1,118,120	\$1,186,181	\$1,221,882	\$1,255,606	\$604,981
Source: City of Gainesville. Through April 30, 2009.						

Cost of Production

Golf facilities are like any other business enterprise in that the facilities operate under the restrictions of “production costs,” i.e., costs associated with “producing” a round of golf. In the golf facility industry, most of the production costs are fixed regardless of how many rounds are played or how many members there are. In reviewing the Ironwood financial statements, NGF Consulting has determined that the total to operate the facility was \$1,255,606 in 2008, excluding depreciation and capital outlays. Given this amount and the 2008 rounds total, the cost of production ratios are as follows:

Ironwood Golf Course Total Cost of Production (2004-2008)						
Expenses	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009*
Administration	\$11.17	\$10.74	\$11.42	\$11.84	\$12.48	\$10.61
Pro Shop	\$5.19	\$1.88	\$1.11	\$1.16	\$2.10	\$0.87
Concessions	\$6.73	\$3.16	\$3.72	\$3.30	\$3.28	\$1.60
Maintenance	\$11.30	\$12.34	\$13.90	\$13.64	\$13.88	\$11.41
Golf Course Operations	\$0.00	\$3.23	\$3.75	\$3.01	\$2.73	\$2.00
Total Operating Exp.	\$34.40	\$31.35	\$33.91	\$32.95	\$34.47	\$26.49
Transfer to Debt Service/POB	\$5.84	\$6.28	\$6.55	\$6.21	\$6.33	\$7.77
Source: City of Gainesville. Through April 30, 2009.						

In 2008, it cost Ironwood about \$34.50 to produce each round of golf on the course. There is no industry standard for an appropriate cost of production. NGF Consulting notes a general consistency in cost of production between 2004 and 2008, with a slight decline for 2005.

Food and Beverage Operation

As a cost saving measure, Ironwood closed down its grill several years ago due to lack of demand. Current services provided include operation of the bar area, serving basic food and beverages (pizza, hot dogs, snacks, etc.), serving liquor and beer, and the facilitation of banquets and other events. The maximum capacity for the clubhouse meeting room is 200 without dance floor. Ironwood reportedly accommodates about 100 City meetings each year, in addition to private weddings and other events, which are catered by outside vendors. The City owns a full liquor State liquor license for the Ironwood property.

A more detailed review of the food and beverage operation at Ironwood shows that this segment of revenues is contributing positively to the bottom line of the operation, when direct building costs and other facility overhead costs are not factored in to the analysis. A summary of the Food and Beverage operation from FY 04 to FY 08 is presented in the following table.

Ironwood Golf Course Concessions Operation (2004-2008)						
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009*
Total Gross Concessions Revenue	\$234,687	\$173,961	\$178,144	\$167,116	\$157,024	\$99,089
Concessions Expense						
Personnel Services	\$101,058	\$25,944	\$26,611	\$19,261	\$11,154	\$7,037
Operating Expenses	\$156,300	\$86,930	\$103,647	\$103,091	\$108,152	\$29,599
Net Concession	(\$22,671)	\$61,087	\$47,886	\$44,764	\$37,718	\$62,453

Source: City of Gainesville. Through April 30, 2009.

Summary Financial Performance – Ironwood Golf Course

A review of the operating data for Ironwood shows that the facility has not been earning a positive net income on operations, even before capital outlays. The operating loss of more than \$418,000 before depreciation in FY2008 was the worst year on record for this facility. In the face of rapidly rising operating expenses and slightly declining revenues, the operating deficit has grown by more than \$121,000 since FY 2006, an increase of 80.6%. Of course, operating losses are compounded by annual debt service payments, which totaled ± \$220,000 in 2008. It is clear that without direct transfer from the City of Gainesville, Ironwood has not been able to meet its basic operating obligations, let alone the debt requirement.

These mounting deficits have necessitated increasing transfers from the City’s General Fund to the Golf Enterprise Fund beginning in FY 2010. This includes a plan to forgive the accumulated cash deficit for the enterprise fund through increased transfers over the next ten years. As of April 30, 2009, the accumulated cash deficit for the Golf Course Enterprise Fund is approximately \$3.0 million.

The summary financial position of Ironwood is shown in the table below:

**Ironwood Golf Course
Summary Financial Performance (2004-2008)**

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009*
Total Operating Revenue	\$974,888	\$886,314	\$888,908	\$877,227	\$837,064	\$525,996
Total Operating Expenses	\$1,315,105	\$1,118,120	\$1,186,181	\$1,221,882	\$1,255,606	\$604,981
Operating Income (Loss) Before Depreciation	(\$340,217)	(\$231,806)	(\$297,273)	(\$344,655)	(\$418,542)	(\$78,985)
Depreciation	\$124,829	\$129,664	\$132,677	\$128,010	\$85,710	\$41,444
Operating Income (Loss)	(\$465,046)	(\$361,470)	(\$429,950)	(\$472,665)	(\$504,252)	(\$120,429)
Non-operating Revenues (Expenses)						
Interest Income/(Expense)	(\$39,801)	(\$53,387)	(\$77,651)	(\$106,642)	(\$121,328)	(\$62,561)
Unrealized Gain on Investments	-	-	-	-	-	-
Transfer from General Fund	\$220,000	\$223,969	\$220,000	\$360,000	\$360,225	\$210,000
Capital Contributions	\$5,324	\$113,433	\$2,806	\$41,113	\$58,174	\$31,708
Miscellaneous	-	-	-	-	-	-
Gain/(Loss) on Disposal of Fixed Assets	-	-	-	-	-	-
Transfer to Debt Service/POB	(\$223,258)	(\$223,961)	(\$229,193)	(\$230,144)	(\$230,637)	(\$177,412)
Total Non-operating Revenues (Expenses)	(\$37,735)	\$60,054	(\$84,038)	\$64,327	\$66,434	\$1,735
Net Income (Loss)	(\$502,781)	(\$301,416)	(\$513,988)	(\$408,338)	(\$437,818)	(\$118,694)

Source: City of Gainesville. *Through April 30, 2009

Factors That May Affect Activity Levels

The objective of this section is to identify and assess those local factors that may affect the volume of rounds played at Ironwood. Obviously, there are variables that have the potential to affect golf demand and facility economic performance, including regional weather and unforeseen occurrences such as a severe downturn in the economy or an act of terrorism. In this section, we focus on those factors that are most likely to affect play levels at Ironwood in the near-term future.

OVERALL SITE ATTRACTIVENESS

Ironwood features a strong layout and a very attractive setting, with old-growth tree-lined fairways, gently rolling terrain, and several ponds. Ironwood is a “core” golf course, offering a desirable golfing experience, without the intrusive presence of homes. NGF Consulting believes that the City has the potential to increase Ironwood’s appeal further with the reconstruction of the greens and the rectification of the drainage problem.

SITE LOCATION AND ACCESSIBILITY

Ironwood is located in far eastern Gainesville, a good distance from most of the more densely populated residential areas of the city, about ±4 miles driving distance from the University of Florida, and slightly closer to downtown Gainesville. Ironwood is also nine miles east of the 39th Avenue exit on Interstate 75. Though Ironwood is not easily accessible from southern and western portions of Gainesville, it is still within a 20 - 30 minute drive time for most residents – a travel time most golfers would endure for the greatly improved product we would expect after the renovation.

MARKET DEFINITION

The Golf Consumer Profile, a research document developed by the National Golf Foundation (NGF) in cooperation with Market Facts, Inc., determined that “on the average nationally, golfers travel about 12 miles one way to play their most frequently played golf course. That translates into a 19-minute trip to the average golfer’s most often played course.” The survey also determined that golfers travel a considerable distance farther to regularly play a good course. (Average golfers report a willingness to travel just over 26 miles, estimated to be a trip of 36 minutes). And further, it was determined in the national survey that golfers are willing to travel as far as 48 miles or 60 minutes to occasionally play a good quality golf course.

Based on results of the Ironwood customer survey, as well as factors such as price point, quality, competition, and type of facility, NGF Consulting has determined that an area that comprises a 10-mile radius around Ironwood is the *primary* market area for the facility. We recognize that Ironwood also draws some play from outlying areas such as Hawthorne, Keystone Heights, Starke, Alachua, and Newberry, but the customer survey indicates a very local market.

DEMOGRAPHICS SUMMARY

Utilizing research materials provided by Applied Geographic Solutions, Inc. (a supplier of demographic research based on U.S. Census results), NGF Consulting has examined relevant characteristics of the local population. In the following table, NGF Consulting indicates the population, median age, and median household income trends for four Ironwood submarkets (3-, 10-, 20- & 30-mile radii), as well as Alachua County, the State of Florida and the total United States. More detailed demographics are provided in the tables of **Appendix G**.

SITE: Ironwood Golf Course	3-mi	5-mi	10-mi	20-mi	Alachua County	Florida	U.S.
Summary Demographics							
Population 1990 Census	26,617	76,331	140,840	197,455	181,595	12,937,941	248,709,429
Population 2000 Census	27,522	78,987	164,426	237,207	217,955	15,982,378	281,421,211
CAGR 1990-2000	0.33%	0.34%	1.56%	1.85%	1.84%	2.14%	1.24%
Population 2008 Estimate	25,437	76,455	166,918	249,172	227,495	18,774,652	301,824,859
CAGR 2000-2008	-0.98%	-0.41%	0.19%	0.62%	0.54%	2.03%	1.41%
Population 2013 Projected	24,753	75,647	169,074	256,624	233,250	20,477,987	316,053,445
CAGR 2008-2013	-0.54%	-0.21%	0.26%	0.59%	0.50%	1.75%	0.93%
Median HH Inc	\$31,720	\$32,657	\$35,213	\$40,751	\$40,302	48,981	\$51,813
Median Age	32.7	28.6	29.0	32.3	31.5	40.2	36.7
CAGR = Compound Annual Growth Rate							

From the data presented above, NGF Consulting has made the following observations regarding market area demographics:

- There were approximately 167,000 permanent residents within ten miles of Ironwood in 2008, about 233,000 in Alachua County. During the 1990s, population growth rates were vigorous in the Gainesville / Alachua County market area. However, the immediate 3-mile and 5-mile areas around Ironwood experienced slower growth during the 1990s and have actually lost population since 2000. Overall, the 10-mile primary market area is projected to add about 2,000 net new residents by 2013, while the county will grow by just under 6,000. The implication for continued operation of Ironwood is that there is not likely to be any significant growth in the number of golfers in the local market; therefore, the City must strive to gain more play from current customers, while cultivating new players and tapping latent demand through player development programs.
- The Median Household Incomes of the subject markets are much lower than the corresponding state and national median incomes of \$48,981 and \$51,813. The immediate 3-mile submarket around Ironwood shows the lowest incomes, at 35.2% lower than the state of Florida and 38.8% lower than the nation. For the primary 10-mile trade area, incomes are 28.1% and 32% lower than the state and nation, respectively, while Alachua County incomes lag 17.7% behind the state and 22.2% behind the overall U.S. In general, higher income residents are more likely to participate in golf, and they play more frequently than lower income golfers.

- The Median Age in the 10-mile primary market area is very low compared to the national median age of 36.7 years, a situation not uncommon in college towns. In general, golf participation rates and frequency of play increase with age (though both decline among the elderly), making relatively older markets more attractive to golf facility operators.

KEY ECONOMIC FACTORS

In addition to identifying demographic trends and characteristics of the area, we have examined pertinent economic factors that have the potential to affect the performance of Ironwood and other area golf courses. This discussion is divided into issues related to the overall North Central Florida market, as well as the local City of Gainesville / Alachua County area.

Gainesville/Alachua County

Economic Overview

- The economic landscape in Gainesville continues to be dominated by the government sector. Statistics compiled by the Bureau of Economic and Business Research (BEBR) at the University of Florida indicate that one of every three jobs in Gainesville is provided by federal, state or local government.
- This reliance on jobs from outside the private sector tends to modify Gainesville's reaction to external economic stimuli, such that the local economy grows less rapidly than others during boom periods but also suffers less during economic declines. As an example, Gainesville's unemployment rate in May 2009 was 6.7%, compared to 10.2% for the state of Florida and 9.4% for the U.S.
- Dr. David Denslow, research economist for BEBR, believes it will take another year or two for Florida's economy to revive. "Gainesville, sadly, probably a little bit longer," Denslow said. "The long-run prospects for Gainesville look really good. We have the medical care, which continues to be strong, and then there is higher education. The fundamental demand for that continues to be strong".
- Enterprise Rent-A-Car has opened a customer claims call center with about 200 full-time jobs in Gainesville. The call center will process physical damage and property claims for Enterprise, Alamo Rent a Car and National Car Rental under the name EAN Services, a subsidiary of Enterprise. Of the 200 jobs, 160 will be filled from the local workforce.

Bioscience

- Gainesville/Alachua County is the bioscience epicenter for Florida and, to a large degree, the southeastern United States. Alachua County has been designated as a "Biotechnology Hot Spot" by Ernst & Young, the only Florida city with such a distinction; by the end of 2007, 44 companies and 1700 employees called Gainesville/Alachua County their home. More than 75% of Alachua County bioscience companies have stemmed from the incubator efforts of UF. The county is also home to the award-winning UF Sid Martin Biotechnology Incubator which was ranked number two by the National Business Incubation Association in 2007.

Higher Education

- The University of Florida is a major public, state-supported, land-grant research university with a wide range of academic and research programs on campus. UF is the state's oldest and largest university and is a member of the prestigious Association of American Universities, which comprises the top 63 public and private

institutions in the country. UF has more than 100 research, service, and education centers, bureaus, and institutes. With more than 49,000 students, 4,000 faculty, and 18,000 staff, UF is among the five largest universities in the nation, and is Gainesville's largest employer.

Healthcare

- Healthcare is a major industry in Alachua County, which is home to three major hospitals: North Florida Regional Medical Center, Shands Hospital at UF, and the Malcom Randall VA Medical Center. It is also home to the UF Health Science Center, the most comprehensive academic medical center in the Southeast.
- With more than 1,500 beds between two academic medical centers and three community hospitals, Shands HealthCare is one of the premier health systems in the Southeast. Shands HealthCare is a pioneer in the provision of sophisticated treatments that draw patients nationally for highly specialized care.

Transportation

- Gainesville is situated on the I-75 corridor, 85 miles south of the Georgia border, 50 miles east of the Gulf of Mexico, and 67 miles west of the Atlantic Ocean. Alachua County contains four major highways, and Orlando, Tampa, and Jacksonville can all be reached within a two-hour drive, while Ocala and Lake City are within an hour drive.
- Air service is provided by the Gainesville Regional Airport, five miles from downtown and just east of Ironwood. The 2,000-acre airport provides daily round-trip services from various commercial carriers, and includes general aviation facilities (University Air Center), private and corporate aircraft, and air taxi services.
- The Airport could serve as the anchor for industry, commerce, hotels and restaurants on the northern side of East Gainesville. As a transportation hub, it could attract industry with shipping needs as well as passenger traffic that would utilize hotels and restaurants.

East Gainesville

Overview

- East Gainesville has experienced declining population and limited economic investment since the 1960s, when I-75 was developed to the west of Gainesville.
- Unlike West Gainesville, which has experienced substantial economic growth, East Gainesville has retained much of its natural character and a low-density development pattern. Recent public and private investment has resulted in projects such as a new sheriff's office, a technology incubator, an affordable residential development, and a community park.
- In 2008, a 24-hour Wal-Mart Supercenter opened on Northeast 12th Avenue, creating about 440 new jobs. As Gainesville grows, the natural resources, convenient location and lack of congestion on the east side are likely to attract renewed interest from developers and others.
- Both East Gainesville and Alachua County are growing in population, as reported in population counts from the 2000 Census and growth projections from BEBR. Alachua County's population is projected to reach 280,139 by 2020, an addition of 62,184 residents over 20 years. East Gainesville, with close to 34,000 people, is projected to grow to about 52,000 people by 2020.

- According to the 2000 Census, the racial profile of the study area differs from the County's racial distribution. There are 15,362 African American residents in East Gainesville, making up 43 percent of the area. Forty-four percent of the population is white. As a comparison, Alachua County overall is about 19 percent African American and 70 percent white. NGF research has shown much higher golf participations among whites than among minority populations.

“Plan East Gainesville”

- Plan East Gainesville, a partnership between multiple public agencies, private organizations and nonprofit community groups, is coordinated by the Metropolitan Transportation Planning Organization (MTPO) for the Gainesville Urbanized Area. Plan East Gainesville is a coordinated study process involving community residents, stakeholders, City and County government and the Florida Department of Transportation to define specific actions and responsibilities for implementing the plan.
- In recent years, East Gainesville has predominantly served as a location for large institutional uses and government buildings. Through the Plan East Gainesville process, the community will help identify suitable locations for encouraging diverse types of development, including walkable, mixed-use projects, employment centers and higher end housing options.

University of Florida Eastside Campus

- The University of Florida Eastside Campus was transferred from the Florida DOT to UF in 2003, and opened in 2004 with more than 200 staff members. The property comprises nearly fifteen acres with facilities that house both administrative and academic functions. UF views this campus as an important opportunity to expand its presence in east Gainesville, contribute to economic revitalization of the area, and relocate employees from the main campus, where parking and building space are at a premium.
- Groundbreaking recently occurred on a planned 82,000 square-foot, three-story campus office building on Waldo Road (approximately one to two miles from Ironwood), which will house 300 or more employees. In coming months, UF will also launch a \$12 million data center, and ultimately hopes to spend nearly \$35 million at the eastside campus, with more than 550 full-time employees based there.
- Overall, the University is in the midst of an aggressive building program that will result in the investment of hundreds of millions of dollars and job creation in Gainesville and the North Central Florida region. The program includes new construction along Archer Road, such as the Biomedical Sciences Building, the Emerging Pathogens Facility, and the Shands at UF Cancer Hospital, as well as the VA Medical Center's expansion. These and other projects may total as much as \$1 billion in new construction and be a major source of new jobs.

GOLF MARKET DEMAND AND SUPPLY INDICATORS

The basic measures of golf demand and supply that may affect the performance of Ironwood are outlined below. The methodology for determining the relative strength of the subject market is based on ongoing NGF Consulting research of American golf participation habits. The NGF Golf Demand Model includes the critical combination of age and income, regional seasonality, and available golf course supply, as well as existing and emerging demographic trends in a particular market area. This model can be used as a benchmark for estimating potential market strength in a particular area.

National Trends in Golf Participation

Golf participation in the U.S. has grown from 3.5% of the population in the early 1960s to about 10.5% of the population today. NGF estimates that about 29 million golfers ages 6 and above reside in the U.S. Other surveys completed outside the golf industry show the number of people who “identify themselves as golfers” is as high as 45 million, indicating a large potential “latent” demand from inactive golfers.

Over the past 50 years, golf demand grew at about 4% per year while facility supply grew at about 2% per year. However, since 1990, the situation has reversed – demand has grown at only 0.5% per year while facility supply has grown at 1.4% per year. With the increase in supply, we are seeing a marked increase in competition, and the supply is greater than the demand in some markets.

In addition to increased competition, four other factors have contributed to a decline in the number of rounds per course nationally during the 2002 to 2008 period. These include: 1) an uneven national economy; 2) the aftereffects of 9-11, which greatly reduced the traveling golfer market; and 3) the increasing time pressure on individuals and families. The combination of these factors has caused many golf facilities to become distressed, particularly those that have a high debt load because of higher construction costs and the perceived need to build high-end courses.

The number of golf course closings quadrupled from an annual average of 24 courses per year in the 1993 – 2001 time period to more than 100 courses in 2005. *In 2006, there was negative net growth in golf facilities for the first time in six decades, with 146 18-hole equivalents closing and 119.5 opening.* In 2007, there were 113 openings and 121.5 closures, and in 2008, 72 golf course openings and 106 closures. In the four full years since 2005, there were 38 net closures of 18-hole equivalent golf courses in the U.S. Closures continue to be disproportionately public, stand-alone 9-hole facilities or short courses (executive or par-3 length) with a value price point.

In terms of the total number of rounds produced, NGF Consulting estimates that rounds fell about 1.5% in 2003, after a 3% drop in 2002. NGF Consulting research indicated a rebound of about 0.7% in 2004, a very slight decline of 0.1% in 2005, an increase of 0.8% in 2006, a decrease of 0.5% in 2007, and a decrease of 1.8% in 2008. **The South Atlantic Region, which includes Florida, saw rounds decrease by 3.5% compared to the same period last year. However, the State of Florida’s decrease for 2008 was only 2.3%.**

On the positive side, the growth in golf course development has slowed considerably nationally and in the majority of local markets, a trend that should help ease some of the competitive pressure. Another positive trend is the aging of America. Baby boomers are rapidly approaching retirement age when golf activity flourishes. The baby boomers represent not only the largest

single demographic in the U.S., but they also approach retirement age with more disposable income than any previous generation.

Local Golf Demand

Gainesville lies within the Gainesville Designated Market Area (DMA). The table below illustrates how this DMA ranks in relation to the other 209 DMAs nationwide on some key golf demand and supply measures. The Gainesville market ranks low on all golf demand measures, coming in at 157 of 210 DMAs on the measure of golf participation rate, 166th for predicted number of golfing households, and 147th for rounds demanded. On the supply side, Gainesville is also at or near the bottom nationally for the number of total, public, and private golf facilities.

DMA Rankings

Gainesville Florida DMA	
Characteristic	Rank (of 210 DMAs)
Total Number of Facilities	T201
Public Facilities	T199
Private Facilities	T175
Premium Facilities	T134
Standard Facilities	T204
Value Facilities	T185
Predicted Household Participation Rate	15%
<i>Rank (of 210 DMAs)</i>	157
Predicted Number of Golfing Households	18,515
<i>Rank (of 210 DMAs)</i>	166
Predicted Number of Rounds Demanded - 2008	580,265
<i>Rank (of 210 DMAs)</i>	148
'T' indicates tied with at least one other DMA for this rank	

Predicted Local Golf Demand

The **Golfing Household Index** is based on Predicted Number of Golfing Households, and compares golfing household participation in a particular geography to the national base index of 100. The **Rounds Index** is based on Predicted Number of Rounds, and compares the propensity of rounds played per household in a particular geography to the national average rounds index of 100.

The predictive indices for golfing households and rounds demanded were developed in order to determine the relative strength of a particular golf market area in comparison to other golf markets and the nation as a whole. These predictive demand indices help identify where golfing households and rounds activity are concentrated by comparing various geographies with one another and the national average, which is 100. For example, if a DMA has a Golfing Household Index of 120, that area is estimated to have 20 percent higher golf participation rate as compared to the U.S. average. And, if a DMA has a Rounds Index of 120, that area is estimated to have 20 percent higher average rounds per household as compared to the U.S. average.

Although both the *golfing household index* and the *rounds index* help to predict golf demand in a particular market, each index is derived independently and does not necessarily relate to the

other. ***It is possible for an area with a low golfing household demand index to have a high rounds demand index and vice versa. In other words, some markets may have fewer golfing households, but those households play more rounds of golf; other markets may contain a large number of golfing households but the households play less frequently.*** A market area with a higher than average golfing household index in conjunction with a higher than average rounds index would be considered a prime area in terms of overall predicted golf demand.

Local Golf Demand Indices

The golf demand indices for the local sub-markets around Ironwood indicate golf participation rates that are about 21% to 23% lower than that of the U.S. overall. The rounds played indices indicate that predicted rounds activity per household is about 7% lower than the U.S. average in the 10-mile primary market area, but right at the national benchmark index for Alachua County overall.

SITE: Ironwood Golf Course	3-mi	5-mi	10-mi	20-mi	Alachua County	Florida	U.S.
Golf Demand Indicators							
# of Golfing Households	1,777	4,346	10,245	15,857	14,266	1,190,760	21,249,204
Number of Rounds Played	53,555	122,672	291,724	493,951	431,413	42,513,208	499,088,704
Golfing Household Index	79	79	77	79	78	87	100
Rounds Played Index	101	95	93	105	100	132	100

Current Golf Course Supply

There are four total golf facilities (Ironwood included), totaling 72 holes, in the defined 10-mile primary market area for Ironwood. Of these, two facilities are public access (Mark Bostick at UF is considered private), totaling 36 holes. The 20-mile market is home to nine facilities (six public), totaling 153 holes (99 public). The ratio analysis that follows puts these numbers in context, compared to national benchmarks.

SITE: Ironwood Golf Course	3-mi	5-mi	10-mi	20-mi	Alachua County	Florida	U.S.
Golf Supply Summary							
Total Golf Facilities	1	2	4	9	7	1,061	15,967
Public Golf Facilities	1	1	2	6	4	626	11,567
Private Golf Facilities	0	1	2	3	3	435	4,400
Total Golf Holes	18	36	72	153	126	21,879	269,793
Public Golf Holes	18	18	36	99	72	12,204	190,161
Private Golf Holes	0	18	36	54	54	9,675	79,632

Household/Supply Ratios and Indices

Household/Supply Ratios are derived by dividing the total number of households by the number of 18-hole equivalent golf courses. This measure is used as a benchmark to establish the level of support (households) that is available for each 18 holes of golf in the market. A Household /Supply index is derived from these ratios and compared with the national index of 100.

As the table indicates, the 10-mile market has about 135% more homes per total 18-hole golf course, and 232% more homes per *public* course, than the national average. With such a low per capita supply of golf courses, we would expect the Gainesville area to be a net-exporter of golf demand and rounds to other markets, such as Ocala.

Household/Supply Ratios

SITE: Ironwood Golf Course	3-mi	5-mi	10-mi	20-mi	Alachua County	Florida	U.S.
Household/Golf Supply Indicators							
Households per 18 Holes: Total	12,041	14,689	17,839	12,854	14,032	6,048	7,548
Households per 18 Holes: Public	12,041	29,378	35,679	19,448	24,556	10,843	10,709
Households per 18 Holes: Private	NA	29,378	35,679	35,654	32,741	13,678	25,573
Households Supply Index: Total	159	194	235	166	185	80	100
Households Supply Index: Public	112	273	332	181	228	101	100
Households Supply Index: Private	0	114	139	139	127	53	100

Recent Construction Activity / New Facilities in Planning or Under Construction

Only nine new holes of golf have been added to the Gainesville market since 1998. The NGF Consulting database indicates no golf courses either in planning or under construction within 20 miles of Ironwood, or within Alachua County.

SITE: Ironwood Golf Course	3-mi	5-mi	10-mi	20-mi	Alachua County	Florida	U.S.
Golf Course Construction Activity 1998-2008*							
Total holes added past 10 years	0	0	9	9	9	3,825	41,112
Public holes added past 10 years	0	0	9	9	9	2,295	32,094
Private holes added past 10 years	0	0	0	0	0	1,530	9,018
Percent Total Holes Added	0.00%	0.00%	12.50%	5.90%	7.10%	17.50%	15.20%
Percent Public Holes Added	0.00%	0.00%	25.00%	9.10%	12.50%	18.80%	16.90%
Percent Private Holes Added	0.00%	0.00%	0.00%	0.00%	0.00%	15.80%	11.30%
*Through September 2008							

Supply / Demand Interaction

Using the most basic measures of golf demand and supply, NGF Consulting would consider the overall Gainesville golf market to be “inactive” – characterized by relatively low golf participation rates and a very low per capita supply of golf courses. Also, as noted, Gainesville area public golfers are likely playing a significant amount of golf in nearby markets such as Ocala, due to the relative lack of quality playing choices in Gainesville.

Though the predictive demand model and supply ratio analysis is very useful in evaluating the relative strength of golf markets, it cannot stand on its own in determining the status or health of a golf market. Rather, these analyses must be considered in the context of what is actually happening “on the ground” in the market, in terms of price point and activity level trends at existing golf courses. In the next section we will analyze rounds played trends and other dynamics that are shaping the local and regional public golf market.

SOURCES OF GOLF MARKET DEMAND

As with most municipal golf courses, Ironwood draws the majority of its regular play from local residents, with some supplemental play from visitors (e.g., during football season). Local organizations, including businesses, civic groups, churches, and charities supplement daily fee play via tournaments, which account for 1,400+ rounds annually at the facility. It is likely that Ironwood could become even more competitive in terms of drawing events with the planned improvements to the golf course, and enhancements to its food and beverage operation.

Increasing rounds played at Ironwood would potentially entail several strategies: gaining market share away from existing golf courses; tapping latent demand in the market (through marketing and player development and loyalty programs, etc.); building tournament play; regaining lapsed customers; and, of course, increasing the frequency of play from current customers. The quality of Ironwood's layout, its aesthetically pleasing setting, and the planned renovation should make implementing these strategies achievable and result in Ironwood being easily the best public golf value in the area.

Competitive Golf Market

NGF Consulting has analyzed the primary public access golf market in the greater Gainesville area. The primary goals of the analysis were to determine Ironwood's current market position, and identify opportunities for the City course to increase fees, and grow rounds and revenues.

Ironwood's fees must be considered in context of the competitive public golf market. The tables on the following pages provide summary information regarding rounds played and green fees at Ironwood and its chief competitors. The facilities listed were chosen based on quality, location, price points, the input of Ironwood golf staff, and the results of the Golfer Survey Program. The relative location of Ironwood and these facilities is illustrated on the map below. At the end of this section, we provide our significant findings regarding the competitive market.

In addition to those facilities identified below as primary competitors to Ironwood, Gainesville is also home to West End Golf Course, and two private clubs – Gainesville Country Club and Haile Plantation Golf & Country Club. West End is an 18-hole par 60 executive length golf course measuring 3,940 yards. The facility, which is lighted for night use, caters heavily to students with its \$11 to \$13 walking green fees (\$23 to ride all the time). West End is the busiest golf course in Gainesville, with a reported 40,000+ rounds annually.

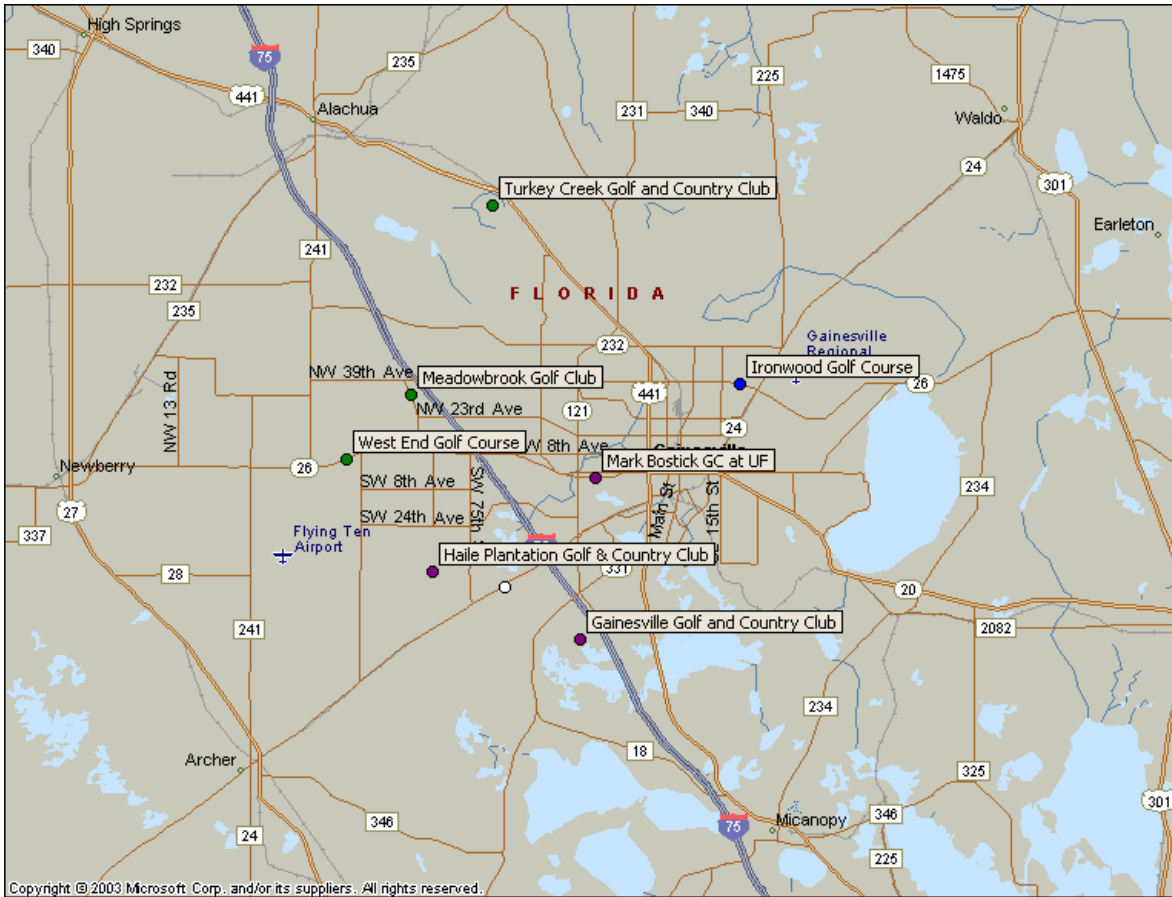
Gainesville Country Club, which was established in 1921 and moved to its present location in 1964, offers its regular membership for an initiation fee of \$3,000 and annual dues of \$3,964. The club also offers non-resident (those living outside a 50-mile radius) memberships for an initiation fee of \$250 and annual dues of \$768. Non-resident members then pay a fixed green fee of \$30, plus \$18 cart fee, for each round of golf. Guest fees at Gainesville CC range from \$30 to \$65 (walking), depending on the day of the week.

Haile Plantation is an 18-hole Gary Player design that opened in 1993. Haile, which counts Urban Meyer and Billy Donovan among its members, is currently waiving the initiation fee on its "Full Privilege" membership, and annual family dues are \$3,516. The club also offers "Orange & Blue" non-resident (outside 50 miles) memberships; annual dues are \$648. Non-resident members can play up to 12 rounds per year at the accompanied guest fee rate, which is currently \$55. Unaccompanied guest fees are \$70; there is a limit of six rounds per year for guest play per individual.

Though these facilities present Gainesville golfers with another golfing alternative, NGF Consulting does not consider them to be primary competitors to Ironwood. However, West End, which is convenient to golfers living in the west part of Gainesville, likely takes market share in the student / senior / price sensitive public golf market segments. Also, with no initiation fee, Haile Plantation becomes part of the occasion for a segment of public golfers, especially those that are seeking activities (e.g., tennis, swimming, fitness, dining) for the entire family.

COMPETITIVE ASSESSMENT REVIEW – PRIMARY COMPETITORS

Gainesville Golf Facility Map



Primary Competitors – Summary Information

The following tables illustrate summary information for Ironwood and those 18-hole or greater public facilities that NGF Consulting has identified as the facility's primary competitors.

Primary Competitive Golf Courses – Summary Information							
Golf Facility	Location	Type	Annual Rounds Played	Year Open	Par / Slope	Back Tee / Forward Tee	Location Relative to Ironwood
Ironwood Golf Course	Gainesville	18H-MU	35,000-38,000	1962	72 / 126	6,465 / 5,259	---
Meadowbrook Golf Club	Gainesville	18H-DF	20,000-22,000	1986	72 / 126	6,276 / 4,519	9.5 mi W
Mark Bostick GC @ UF	Gainesville	27H-PN	32,000-35,000	1930	70 / 128	6,701 / 4,869	5 mi SW
Turkey Creek G&CC	Alachua	18H-DF	28,000-30,000	1978	72 / 124	6,688 / 5,528	8.5 mi NW
*Air Miles from subject site, rounded to half-mile; actual driving distances will likely be greater KEY: MU – Municipal; DF – Daily Fee; PN – Private Non-Equity							

Ironwood and Primary Competitive Golf Courses – 18-Hole Riding Fees								
Golf Facility	WD/WE 18-Hole Prime Time Green Fee	WD/WE 18-Hole Midday Green Fee	WD/WE 18-Hole Twilight Green Fee	WD/WE 18-Hole Senior Green Fee	WD/WE 18-Hole Student Green Fee	WD/WE 18-Hole Junior Green Fee	Base Tourney Fee	Annual Single Member Fee
Primary Competitive Golf Facilities (18-Hole or Greater Regulation Length)								
Ironwood Golf Course	\$26/\$29	\$24/\$26	\$15/\$15	\$24/\$24	\$23/\$23	\$5/\$5 ¹	\$43	DNA
Meadowbrook Golf Club	\$24/\$29	DNA	\$19/\$24	DNA	\$21/\$25	\$10/\$10	N/A	\$950
Mark Bostick GC @ UF	\$52/\$63 ³	DNA	\$28/\$28 ³	DNA	\$39/\$41	DNA	\$50	See Appendix H
Turkey Creek G&CC	\$29/\$29	DNA	\$18/\$20	DNA	DNA	DNA	\$35-\$45	\$1,260 ⁴
KEY 1 Walking “all you can play” rate; no restrictions 2 “All you can play” after 5:00 p.m. 3 Represents guest rate; students= \$39/\$41; faculty/staff = \$42/\$51; alumni = \$45/\$55 4 Initiation fee is \$150					Note: For Ironwood and UF, weekend includes Friday WD – Weekday; WE - Weekend N/A – Information Not Available; DNA – Does Not Apply			

Ironwood and Primary Competitive Golf Courses 9-Hole and Walking Green Fees			
Golf Facility	WD/WE 9-Hole Green Fee	WD/WE 18-Hole Green Fee	WD/WE 9-Hole Riding Green Fee
Ironwood Golf Course	\$11/\$15	\$17/\$20	N/A
Meadowbrook Golf Club	\$12/\$15	\$17/\$20	\$19/\$22
Mark Bostick GC @ UF	DNA	\$36/\$47 ¹	\$46/\$57 ²
Turkey Creek G&CC	DNA	DNA	DNA
<p>KEY 1 Mark Bostick students= \$23/\$25; faculty/staff = \$26/\$35; alumni = \$29/\$39 2 Green fee is same as 18-hole rate, but cart fee is reduced by \$6 N/A – Information Not Available; DNA – Does Not Apply</p>			

Significant Findings – Public Access Golf Market

Below are NGF Consulting’s findings regarding the competitive public access golf market for the Gainesville area.

Green Fees

- Low fees at area public courses are reflective not only of a price sensitive public golf market, but also of the relatively low quality of the choices for the public golfer in Gainesville.
- Coupons and specials are prevalent in this market, effectively driving down the average daily rate earned by golf operators and making it more difficult to raise prices or achieve rack rates. At this writing, Meadowbrook was advertising “4 for \$100” riding green fees on weekends, and “4 for \$80” on weekdays. Turkey Creek was advertising foursomes for \$100, including lunch.
- NGF Consulting believes that Meadowbrook GC offers an inferior product to Ironwood despite similar fees (higher in some categories), and reported to NGF Consulting that it considers Ironwood to be the price leader in the market. In addition to its daily rates and specials, Meadowbrook also offers reduced Advantage Membership rates – a \$100 annual fee entitles the member to \$5 off regular green fees – as well as discount specials on its website. Meadowbrook publishes one rack rate year round, but will adjust published fees marginally based on seasonal demand.

Competitive Market

- Meadowbrook GC, which originally opened as a 9-hole par 35 golf course and expanded to a par 72 18-hole golf course in the late 1990s, sets up as Ironwood’s chief competitor for market share. Unlike Ironwood, Meadowbrook has numerous homes on the perimeter of the golf course, though the back nine offers a fairly hilly, more natural setting. Meadowbrook underwent a series of ownership and management changes over the years, and the current owner has been there for about two and a half years. Playing conditions reportedly went downhill in 2008, but are improving as the owner has put work into the bunkers and is working to improve

the greens. The course is closed one morning a week for maintenance (cart path only in the afternoon).

- Rounds played at Meadowbrook reportedly peaked in the upper 20,000s in the late 1990s and are currently at about 20,000 to 22,000 annually. Play is bolstered at Meadowbrook by its approximately 250 Advantage Members, and 50 annual golf members, about 80% of whom live in the Meadowbrook community. Meadowbrook reports a significant amount of walk-in play, and a lot of student play in the afternoons.
- Turkey Creek (formerly Plantation Oaks) is an 18-hole semi-private club that draws about 65% of its total play from its 300 members, about 70% of which come from the surrounding Turkey Creek community. The owner has renovated many greens and tees, improved some fairways and redone some of the holes on both nines.
- Turkey Creek, which opened in 1977, reportedly does not draw a lot of play from Gainesville due to lack of convenience, but some players are likely drawn to its “foursome (riding) for \$100, including lunch” special. This special, which runs during slow times of the year, is valid Monday, Tuesday, and Thursday all day, and Saturdays after 1:00 p.m.
- Turkey Creek does not charge golfers to use its range. The facility’s food & beverage operation - Mulligan's Sports Bar & Grille - is leased out to a local caterer, who pays for 40% of utilities for the 26,000 square foot clubhouse, as well as a percentage of gross revenues to the owner.
- Excluding the University of Florida course, which has higher fees and restricted access, NGF Consulting believes that Ironwood is the highest quality public golf course in Gainesville. The caveat to this conclusion is that Ironwood’s playing conditions, during the rainy season in particular, are highly unpredictable.
- Mark Bostick GC at UF’s total rounds break down as follows:
 - 56.3% Members
 - 15% Students
 - 9.2% Guests
 - 8.5% University Athletic Association
 - 4.5% Alumni
 - 4.2% Faculty/Staff
 - 2.3% Other

General

- Ironwood, Meadowbrook, and Turkey Creek are operating well below their desired capacity (Mark Bostick at UF is reportedly operating at desired capacity in terms of annual rounds played), though operators generally have little trouble filling tee times during peak demand times. Both Meadowbrook and Turkey Creek report a drop-off in rounds played of about 25% to 30% since peaking in the late 1990s. This is consistent with a nationwide trend caused primarily by an increasing number of golf courses fighting for shares of stagnant markets.
- Though seasonality of demand for golf in Gainesville is not as pronounced as in other areas of Florida with more tourists, mid- winter through springtime (students in session, driest and best weather) appears to be the period of heaviest demand, while August (heat/rain, students still gone, beginning of football season) through December is the slowest.

- Ocala, though it can be considered a golf destination, is a 45-minute or more drive from most parts of Gainesville. Because of the distance, Ocala golf courses are not considered direct competitors to Ironwood, though there is certainly a net outflow of golf rounds from Gainesville to Ocala, and serious daily fee golfers will continue to play there. Even price sensitive golfers will travel occasionally to Ocala to take advantage of advertised specials, particularly at new daily fee clubs such as Stone Creek and Candler Hills. When Ironwood is improved, it is likely to recapture some of the rounds currently being exported to Ocala.
- The City of Ocala has two 18-hole regulation municipal golf courses – Pine Oaks and Ocala Golf Club – that are at similar price points to Ironwood. The latter club is currently undergoing a major renovation. NGF Consulting does not think that there is a significant outflow of rounds from Gainesville to these two lower end facilities.
- Gainesville “core” golfers also reportedly travel as far as Dunnellon to play the highly regarded Juliette Falls, a visually stunning and impeccably maintained John Sanford design that opened for play in late 2007 and offers daily riding rates of \$55. Juliette Falls is likely taking some outing play from the Gainesville market, as its group rate for 16 or more players is only \$40.

Ironwood Fee Analysis and Recommendations

The City of Gainesville requested that NGF Consulting analyze the current fee structure at Ironwood and make recommendations regarding the potential to sustain fee increases. Specifically, we were asked to make two sets of recommended fee schedules – one for current rates and one for after the proposed renovation. The City Commission approved pre-renovation increases in fees if NGF Consulting’s analysis found that these increases would be accepted by the market and result in increased revenues. This initial fee increase is being implemented effective October 1, 2009.

Our analysis centered on the present competitive golf market dynamic, the price/value proposition that Ironwood currently offers to the golfer, play patterns at Ironwood, and our expert opinion regarding current customers’ tolerance for fee increases. As to the latter point, the goal is to subjectively assess the elasticity of demand for various categories of tee times at Ironwood. NGF Consulting’s customer survey, implemented at Ironwood over the last several weeks, contained custom questions relating directly to the question of potential green fee increases. The results of the responses were also used as a basis for our analysis and recommendations.

The following table summarizes Ironwood’s rates at the time of this study in 2009. Not listed below are the \$5 Junior rate (all you can play walking, no time restrictions) and the outing rate, which is \$43, including prize fund.

Ironwood Current 2009 Green Fees

Golf Rates (2009 Current)		
Monday – Thursday (cart included)		Walking
7am – 11am	\$26 + Tax	18 Holes - All Day - \$17 + Tax
11am – 2pm	\$24 + Tax	9 Holes - All Day - \$11 + Tax
2pm – 4:30pm	\$22 + Tax	
4:30pm – Close	\$15 + Tax	
Friday – Sunday (cart included)		Walking
7am – 11am	\$29 + Tax	18 Holes - All Day - \$20 + Tax
11am – 2pm	\$26 + Tax	9 Holes - All Day - \$15 + Tax
2pm – 4:30pm	\$22 + Tax	
4:30pm – Close	\$15 + Tax	
Special Rates		
Seniors (cart included)		
Anytime	\$24 + Tax	
Students (cart included)		
(Mon – Thur)	\$23 + Tax	
After 11am (Fri-Sun)	\$23 + Tax	

Ironwood’s fees must be considered in context of the competitive public golf market analysis presented in the previous section, and in consideration of golf demand and play patterns at the facility, which are discussed in the paragraphs below.

Ironwood Rounds Played Patterns

Though Gainesville is generally not thought to be a seasonal golf market like south Florida, where about 65% to 70% of annual rounds are realized January through mid-May, rounds played patterns at Ironwood reflect a seasonality factor. The table below shows rounds played at Ironwood for the time period of FY 2004 through FY 2008.

Ironwood Golf Course Rounds Played							
	FY2004	FY2005	FY2006	FY2007	FY2008	Total 04-08	% Play by Month
October	2,419	2,721	2,033	2,905	2,186	12,264	6.72%
November	2,989	2,690	2,609	2,704	2,640	13,632	7.47%
December	2,752	2,517	2,394	2,978	3,120	13,761	7.54%
January	3,247	3,147	2,814	2,628	2,263	14,099	7.73%
February	2,669	3,241	2,612	3,021	3,254	14,797	8.11%
March	4,286	3,745	3,921	3,817	3,618	19,387	10.63%
First Six Months	18,362	18,061	16,383	18,053	17,081	0	0.00%
April	4,637	4,203	3,971	3,869	4,026	20,706	11.35%
May	4,393	3,334	3,570	4,044	3,957	19,298	10.58%
June	3,423	2,783	2,738	3,040	3,459	15,443	8.47%
July	3,498	2,616	2,946	2,740	3,023	14,823	8.13%
August	2,481	2,516	2,760	2,712	2,192	12,661	6.94%
September	1,441	2,157	2,617	2,626	2,691	11,532	6.32%
Last Six Months	19,873	17,609	18,602	19,031	19,348	182,403	100.00%
Annual Rounds	38,235	35,670	34,985	37,084	36,429	N/A	N/A
*Through March 31, 2009							

As the table illustrates, March, April, and May – which coincide with cool, dry weather and better, more predictable playing conditions - are clearly the most active months at Ironwood. Conversely, despite longer days, August, September, and October have had the least play over the last five years, likely due to the twin effects of hotter, wetter weather (compounded by the drainage problems at Ironwood) and the competing interest of football season.

Conclusions

Ironwood's uneven, unpredictable playing conditions are probably the biggest factor that must be considered when attempting to increase green fees. Golfers are already paying full price on those frequent occasions when the course is cart-path only and/or has standing water on both fairways and greens. In previous consultations with a USGA agronomist, the city was informed that smooth, predictable putting surfaces, which are generally not the case at Ironwood despite yeoman's efforts by the Superintendent and grounds crew, are critical to golfers in choosing where to play.

In the golf industry, cookie cutter (across all fee categories) fee increases are extremely rare and impractical. In Ironwood's case, raising the \$5 Junior rate by \$5 equates to 100% rate hike, while raising the peak weekend riding rate from \$29 to \$34 is a 17% hike. More important, elasticity of demand differs by fee category and time of day/ week/ month/ year. The reason that

golf operators do not simply raise fees during revenue shortfalls is because of the risk of a decrease in rounds. Finally, Ironwood had more than 8,000 rounds in FY 2008 that were categorized outside the fee categories noted on the City's rate sheet, due to couponing, leagues, specials, etc; raising these discounted fees by \$5 is impractical.

Finally, NGF Consulting asked the following question as part of the Golfer Survey undertaken at Ironwood:

How would your frequency of play at Ironwood change if the City of Gainesville were to increase current green fees by up to \$5 (depending on fee category) per round in order to reduce operating losses and allow the City to continue to operate the course:

- Playing habits would not change
- I would play Ironwood less frequently
- I would no longer play at Ironwood

The results were as follows:

- 60% of the 440 respondents indicated that their playing habits would not change with the fee increase.
- 36% indicated that they would play less frequently at Ironwood with the fee increase.
- 4% indicated that they would no longer play golf at Ironwood after the proposed fee increase.

Recommendations

Based on our previous analysis and discussion, as well as the results of the Golfer Survey, NGF Consulting has concluded that \$5 increases are not practical across the board at Ironwood. However, due to the lack of public golf choices in Gainesville, moderate fee increases are likely sustainable without losing market share. NGF Consulting has prepared the following recommended fee structures for Ironwood. The first chart lists fees that could be enacted immediately, while the second chart applies to the first year post-renovation. ***These tables also reflect the elimination of one of Ironwood's daily time slots, in order to simplify the fee structure.*** A summary table of recommended changes follows the first two tables. The tables illustrate peak season green fees.

Other NGF Consulting fee recommendations:

- Combine twilight/super twilight; Current 11:00 am – 2:00 pm and 2:00 pm – 4:30 pm fee categories become one 12:00-4:00 Midday category; current Morning category now ends at noon; Twilight now begins at 4:00 (adjustable by season)
- NGF Consulting does not think that raising Junior green fees from the current \$5 is advisable. Raising fees by a modest amount accomplishes little in terms of the bottom line (only about 1,000± rounds are Junior) and must be balanced with objective of cultivating golfers/customers (who will eventually pay full fee) for the future and providing a healthy outlet for children and teens. Also, the head pro indicates that Juniors are among the biggest spenders in the concession area.
- Tourney rate should be raised \$5 in 2009.
- Time restrictions should be placed on Junior and Senior rates Friday through Sunday, as is the case with Students currently.
- For University of Florida home football game Fridays, charge \$40 rates all day long; consider specials such as foursome for \$180, including hot dog and a beverage.
- Consider the seasonality factor illustrated previously in setting the fee structure. One consideration that NGF Consulting recommends looking closely at is instituting two yearly rates, reflective of play patterns: peak season would run from February 1st through July 31, with August 1 through January 31 the off season. Off season rates would generally be \$2 to \$3 cheaper, depending on category, and set based on the experience of the Head Golf Professional.

Golf Rates (2009 Recommended)		
Monday – Thursday (cart included)		Walking
7am – 12pm	\$30 + Tax	18 Holes – All Day - \$20 + Tax
12pm – 4pm	\$26 + Tax	9 Holes – All Day - \$13 + Tax
4:00pm – Close	\$21 + Tax	
Friday – Sunday (cart included)		Walking
7am – 12pm	\$34 + Tax	18 Holes – All Day - \$23 + Tax
12pm – 4pm	\$29 + Tax	9 Holes – All Day - \$17 + Tax
4:00pm – Close	\$24 + Tax	
Special Rates		
Seniors (cart included)		
Anytime	\$27 + Tax	
Students (cart included)		
(Mon – Thur)	\$26 + Tax	
After 11am (Fri-Sun)	\$26 + Tax	

Golf Rates (First Year Post-Renovation)		
Monday – Thursday (cart included)		Walking
7am – 12pm	\$35 + Tax	18 Holes – All Day - \$25 + Tax
12pm – 4pm	\$31 + Tax	9 Holes – All Day - \$18 + Tax
4:00pm – Close	\$26 + Tax	
Friday – Sunday (cart included)		Walking
7am – 12pm	\$39 + Tax	18 Holes – All Day - \$28 + Tax
12pm – 4pm	\$34 + Tax	9 Holes – All Day - \$21 + Tax
4:00pm – Close	\$29 + Tax	
Special Rates		
Seniors (cart included)		
Anytime	\$31 + Tax	
Students (cart included)		
(Mon – Thur)	\$30 + Tax	
After 11am (Fri-Sun)	\$30 + Tax	

Summary Table of Changes			
Fee Category	Current Fee	Proposed Fee	Proposed Fee
		2009	Post-Renovation 2010
M-Th Walking 18	\$17	\$20	\$25
M-Th Walking 9	\$11	\$13	\$17
M-Th Riding 18 Morning	\$26	\$30	\$35
M-Th Riding 18 Midday	\$24	26**	\$31
M-Th Riding 18 Twilight	\$22	21**	\$26
M-Th Riding 18 Super Twilight	\$15		
F-Su Walking 18	\$20	\$23	\$28
F-Su Walking 9	\$15	\$17	\$21
F-Su Riding 18 Morning	\$29	\$34	\$39
F-Su Riding 18 Midday	\$26	29**	\$34
F-Su Riding 18 Twilight	\$22	24**	\$29
F-Su Riding 18 Super Twilight	\$15		
Seniors Riding (Anytime)	\$24	\$27	\$31
Students Riding*	\$23	\$26	\$30
<p>* Students All day M-Th; after 11 am F-Su ** Current 11:00 am – 2:00 pm and 2:00 pm – 4:30 pm fee categories become one 12:00-4:00 Midday category; current Morning category now ends at noon; Twilight now begins at 4:00 (adjustable by season) All fees + tax</p>			

NGF Consulting must caution that the proposed fee increases for 2009, though based on thorough analysis, expertise, and experience, are essentially subjective and experimental. Golfer demand and play patterns must be monitored carefully by the Head Golf Professional and the City, especially in light of the golfer survey results

Other Fee Issues

Use of Coupons

Ironwood rang up about 6,000 “coupon” rounds in FY 2008. In a perfect world, a golf course manager would not discount a round that it could sell for full fee. However, as every business can attest, demand for a product is not equal across times of the day, days of the week, and months of the year. The reason Ironwood management utilizes some coupon rates is to help encourage more play during the slow days (e.g., Monday – Wednesday), at off peak times, and/or during the slowest months. This occasional discounting is especially necessary due to Ironwood’s unpredictable playing conditions and its reputation in the market relative to conditions during the rainy season. Also, coupons are a form of advertising and management is trying to initiate trial among golfers that have not previously played at Ironwood in order to create new customers.

Nationwide, discounting of fees in various ways (coupons, internet wholesalers, yield management) has become ubiquitous. It has become more difficult fill off-peak tee times in most markets due to oversupply of golf courses, uneven demand, and economic issues. In Gainesville, which is already a price sensitive market, green fee specials offered by Meadowbrook and Turkey Creek put pressure on Ironwood to also offer specials, at least during low demand times.

NGF Consulting believes that discounting of fees is a necessary evil, but that it should kept to minimum. When possible, fee reductions should take the form of combination deals that may boost sales in the merchandise, food & beverage, or driving range revenue centers. NGF Consulting much prefers discounting via frequent player cards and other loyalty programs, which tend to boost overall facility revenue. When Ironwood’s renovation is complete, discounts should prove less necessary, and when specials are offered they will be at a higher fee due to the increased rack rates at Ironwood.

Special Rates for Wet Conditions

The City asked NGF Consulting its opinion on the practicality of offering special discounted green fees during times when wet course conditions exist at Ironwood. We believe, and the Head Golf Professional concurs, that it would be impossible to manage a special rate during excessively wet times and/or on the "cart path only" days. The situation could become contentious between staff and customers, as some golfers would always deem the course to be too wet and challenge staff/management on their decision.

Projected Future Economic Performance for Ironwood Golf Course

As part of this study effort, NGF Consulting has prepared an evaluation to show what the potential economic performance of Ironwood could be considering the recommendations made in this report, particularly the physical upgrade to Ironwood golf facility's greens and drainage. In this section of our report, the facility's economic potential is evaluated with estimates of performance based on a set of assumptions that may or may not become reality. We feel that these estimates represent the best effort to create a "fair estimate of performance" for this facility based on our complete review of the operation.

IRONWOOD GOLF COURSE – PROJECTIONS ASSUMING RECOMMENDED PRIMARY UPGRADES

NGF Consulting has created a cash flow model for the continued operation of Ironwood under the same operational structure, and with recommended **primary** physical improvements as detailed earlier in this report, undertaken in the second half of FY2010 (completion by September 30, 2010). The tables show the projected cash flows for the full operation through FY2014, or the next five years that NGF Consulting can project with confidence. Each category of revenue has been listed separately, and an estimate of the projected average revenue per round has been provided. Base assumptions in preparing financial performance estimates include:

- The Ironwood facility is closed from April 1, 2010 through September 30, 2010, with re-opening on October 1, 2010 or the first day of FY2011. The course will re-open with new greens and improved drainage characteristics as detailed earlier in this report.
- Ironwood is able to maintain total rounds played of 21,500 (18,000 paid rounds) for the six months it is open in FY2010, and then stabilize at about 37,500 paid rounds by FY2013. The same general mix of play is assumed, although a higher proportion of "comp" rounds are assumed in FY2011 and FY2012 due to the need to promote the facility after re-opening.
- The historical combined average green/cart fee is maintained through the remainder of FY2009, with a 7.5% increase expected for the first half of FY2010 to reflect recommended fee increases. Upon re-opening, the City will institute additional fee increases that will equate to approximately a 20% increase (over actual FY 2008 figures) in the average green/cart fee per round in FY2011. After FY2011, the City will be able to maintain an annual increase of 2.5% on average green fees through the end of FY2014.
- The facility can maintain 2.5% growth in average revenues per round across all other categories through 2014.
- The food and beverage (concession) expense remains at the historical average rate of 72.5% of concession revenue through FY2014.

- All expenses remain 'as-is' with the historical 3.5% annual increases in all categories (except cost of sales) through 2014. As per the current 5-year agreement with OneSource (expiring after FY 2012), NGF Consulting has assumed a 3% CPI increase for FY 2009, FY 2011, and FY 2013.

Inputs

Utilizing the above assumptions and activity/revenue estimates, NGF Consulting has prepared a preliminary sketch pro forma for the next five years of operation. The inputs for the pro forma are summarized in the following table:

Ironwood – 'Primary Improvement' Scenario Basic Activity and Average fee / Revenue Inputs						
	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Paid Rounds	30,000	18,000	32,500	35,000	37,500	37,500
"Comp" Rounds	6,000	3,500	7,000	6,000	5,000	5,000
Total Rounds	36,000	21,500	39,500	41,000	42,500	42,500
Average Fees						
Green Fees (per Paid Round)	\$13.20	\$14.19	\$15.84	\$15.89	\$16.28	\$16.69
Cart Rentals (per Total Round)	\$5.50	\$5.91	\$6.60	\$6.66	\$6.83	\$7.00
Pro Shop (per Total Round)	\$1.35	\$1.35	\$1.38	\$1.42	\$1.45	\$1.49
Driving Range (per Total Round)	\$0.70	\$0.70	\$0.72	\$0.74	\$0.75	\$0.77
Concessions (per Total Round)	\$4.35	\$4.35	\$4.46	\$4.57	\$4.68	\$4.80
Lessons / Other	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02

Pro Forma Estimate for 'Primary Improvement' Scenario - Ironwood 2010 – 2014

Utilizing the above assumptions and activity/revenue estimates, NGF Consulting has prepared a pro forma for the next five years of operation after FY2009. The tables show that the renovated Ironwood, as a result of both higher activity levels and higher average green fees, will be able to create revenue growth and significantly **reduce the operating loss before depreciation by approximately \$250,000 to \$300,000 (amount will vary based on annual OneSource contract amount) over actual FY 2008 results by FY2014.**

The 5-year cash flow pro forma is presented on the following page. **The pro forma is presented to show net cash flows before such "below the line" items as debt service and "non-operating revenues/expenses" to give the City a clear picture of how the proposed renovation will affect Ironwood from a purely operational standpoint.**

**Ironwood – ‘Primary Improvement’ Scenario
Projected Revenue and Expense Analysis**

	FY09	FY10	FY11	FY12	FY13	FY14
Operating Revenue						
Green Fees	\$396,000	\$255,420	\$514,800	\$568,260	\$624,071	\$639,673
Cart Rentals	198,000	127,065	260,700	277,365	298,167	305,622
Pro Shop	48,600	29,025	54,658	58,152	62,514	64,076
Driving Range	25,200	15,050	28,341	30,153	32,414	33,225
Concessions Revenue	156,600	93,525	176,121	187,379	201,432	206,468
Golf Lessons	600	615	630	646	662	679
Other	600	615	630	646	662	679
Total Operating Revenue	\$825,600	\$521,315	\$1,035,881	\$1,122,601	\$1,219,924	\$1,250,422
Operating Expenses Before Depreciation						
Administration	\$450,000	\$465,750	\$482,051	\$498,923	\$516,385	\$534,459
Pro Shop	80,000	82,800	85,698	88,697	91,802	95,015
Concessions Expense	113,535	67,806	127,687	135,850	146,038	149,689
Maintenance	520,974	520,974	536,603	536,603	552,701	552,701
Golf Course Operations	50,000	52,500	55,125	57,881	60,775	63,814
Total Operating Expenses Bef. Depr.	\$1,214,509	\$1,189,830	\$1,287,165	\$1,317,955	\$1,367,702	\$1,395,679
Operating Income (Loss) Bef. Depr.	(\$388,909)	(\$668,515)	(\$251,284)	(\$195,353)	(\$147,779)	(\$145,257)
Depreciation Expense	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000
Operating Income (Loss)	(\$430,909)	(\$710,515)	(\$293,284)	(\$237,353)	(\$189,779)	(\$187,257)

Justifications for Projections

NGF Consulting believes the “primary improvement” financial projections created for Ironwood, under the assumptions noted above, are achievable after a successful renovation. We base this assertion on the potential high quality of the facility after the recommended changes, and the available capacity to grow rounds and return the facility to rounds totals approaching those achieved six years ago (FY2002).

NGF Consulting believes the financial projections created for Ironwood, under the assumption of recommended changes being enacted, are achievable for the following reasons:

- Potential high quality of Ironwood after improvements.
- Ironwood is operating at rounds levels that are lower than actual capacity, and the facility has achieved rounds played levels close to what NGF Consulting is projecting as recently as the early 2000s.
- Increased marketing emphasis to emphasize improvements made at the facility will result in a change in the perception of Ironwood in the marketplace.
- Ability to regain market share as “lost” golfers return; stemming some of the outflow of rounds from Gainesville to Ocala.

- More proactive direct selling of larger tournaments and events; better golf experience to offer large group events.
- Improved food & beverage operation and facilities, which will also enhance tournaments if RFP process succeeds.
- Addition of a loyalty program that should increase frequency of play among regular customers.
- Increasing population of the Gainesville area.
- The potential Hatchet Creek development, though a wildcard at this point, would likely add a significant boost to demand if it comes to fruition.

DEBT SERVICE ASSUMPTIONS

NGF Consulting has estimated the annual debt service tied to the proposed facility renovation at Ironwood, based on the financing assumption of a 20-year debt instrument, 5% interest rate, and construction cost estimates ranging from \$1.1 million to \$1.6 million. The results are summarized in the table below:

Estimated Annual Debt Service On Renovation Costs	
Capital Investment	Annual Debt Service Payment @ 5% Interest
\$1,100,000	\$88,270
\$1,200,000	\$96,290
\$1,300,000	\$104,320
\$1,400,000	\$112,340
\$1,500,000	\$120,360
\$1,600,000	\$128,390

As we can see, even at the highest projected cost of renovation, the annual amortized debt service on the proposed improvements is only \$128,000. This compares to a projected stabilized annual improvement in net revenues of about \$250,000 to \$300,000, resulting from the Ironwood facility upgrades.

FINANCIAL PROJECTIONS SUMMARY

The results of the NGF Consulting financial analysis of Ironwood show that the proposed renovation of the golf course, which will rectify the two primary physical constraints to increasing revenue, will result in a substantially improved financial performance of the facility. **NGF Consulting is projecting that gross revenues will increase by more than \$400,000, and net operational losses will decrease by about ±\$270,000, once play stabilizes at about 37,500 paid rounds by FY 2013.**

However, even after the renovations and assuming greatly enhanced performance, NGF Consulting projects that Ironwood will still run at a moderate operational deficit (before depreciation and other “below the line” or “non-operating” expenses), and thus will continue to require some support from the General Fund, albeit at a greatly reduced amount each year.

Several findings are clear from this review of financial projections for Ironwood:

1. The continued operation of Ironwood on an ‘as-is’ basis, without facility improvements, will likely result in ever-growing deficits, as revenue growth is not likely to keep up with rising operational expenses.
2. Even with a greatly enhanced net revenue position due to facility improvements, Ironwood will likely not earn enough revenue to completely cover either operational costs, ‘below-the-line’ expenses (e.g., depreciation, debt service), or the cost of upgrades. As a best-case scenario, we believe the City should set as a goal for the facility to cover its basic operational budget and set capital aside for future upgrades.
3. The renovation will pay for itself several times over, assuming our net revenue projections, the estimate cost of the improvements, and the debt service assumptions noted previously.

In summary, the NGF Consulting cash flow model for Ironwood, assuming the facility upgrades are successfully carried out, shows the improved golf facility generating significantly enhanced revenues that will easily pay for the amortized annual cost of debt associated with these improvements. However, even with an improved financial scenario, Ironwood is likely to continue to require some support from the General Fund to meet operating expenses and complete necessary future capital improvements.

Other Benefits of Municipal Golf

NGF Consulting has long noted and advocated the many benefits that a golf facility brings to a community. Among them:

- Provides a healthy recreational outlet for its residents
- Provides an outlet for at-risk youth
- Enhances the overall quality of life in the City
- Reflects well on the image/brand of the City
- Creates golf-related jobs and income to the community through purchases, wages, and taxes

Additionally, a golf facility can elevate the quality of life, improve the business climate, and induce tourist traffic.

Other Economic Benefits

Aside from the direct net cash flows resulting from daily operations, there are two main direct economic impacts from a golf course (**the first, construction impacts, applies only to major renovation or new course construction**):

- Construction impacts (job creation, direct and indirect spending, sales tax revenue)
- Operations impacts (job creation, direct and indirect spending, sales tax revenue)

Construction Impacts

The three primary economic impacts likely to be felt by Gainesville if it should undertake a significant renovation of Ironwood are:

1. Job creation
2. Sales tax revenue generation from the purchase of construction and other materials in Gainesville (direct spending)
3. The multiplier effect of indirect and induced spending throughout the local economy

As a general rule, up to half of the construction cost is estimated to be invested in the local community. This capital will be invested in local construction beneficiaries, including landscape materials industries, grading contractors, etc.

The “multiplier” effect addresses the economic impact of successive rounds of indirect and induced spending throughout the economy. For example, if materials for the renovation were purchased from a supplier located in Gainesville, indirect and induced spending results as employees of the supplier undertake local purchases with the money earned. The multiplier effect attempts to quantify the economic impact of successive rounds of spending throughout the local economy.

Operations Impacts

The four primary economic impacts likely to result from the operation of a municipal golf course are:

1. Job creation
2. Sales tax revenue generation from purchases at the clubhouse (direct on-site spending)
3. Direct spending by visitors at off-site establishments such as gas stations, grocery stores, restaurants, and hotels
4. The multiplier effect of indirect and induced spending throughout the local economy

In addition to off-site spending from visiting golfers, and the corresponding multiplier effect, other difficult to quantify economic benefits likely to result from the enhancement of Ironwood are enhanced land values in the local area (especially if Hatchet Creek comes to fruition).

At-Risk Youth

In addition to offering organized junior golf programs and discounts for local high schools, many municipalities, including Gainesville, offer highly discounted, or even free, programs for lower-income and/or at-risk youth. Though there may be no short-term financial benefit in doing this, the intangible benefits are obvious, as programs such as this have proven to help troubled kids by providing them with a healthy outlet that can become a lifelong interest or even passion. Golf has proven to be a diversion for lower-income and/or at-risk youth, as it has the potential to help troubled kids by providing them with a healthy outlet that can become a lifelong interest or even passion. Finally, there is likely to be long-term financial benefit to the City, as players are being cultivated as potential future customers.

Junior Programs

One example of a formally organized youth golf program is The First Tee, whose main goal is to offer a venue for introducing people - primarily children - to the game of golf in an affordable, non-intimidating setting. The First Tee, an initiative of the World Golf Foundation, states as its mission: *“To impact the lives of young people by providing learning facilities and educational programs that promote character-development and life-enhancing values through the game of golf”*.

The First Tee has several different types of programs. A “Program Affiliate” is a green grass golf facility (9 or 18-hole course, driving range or other golf complex) located in the Chapter’s program service area that has agreed with the Chapter to provide access for delivery of the Life Skills Experience lessons to participants. By contrast, an “Access Affiliate” is a green grass golf facility that allows Chapter participants to play golf holes and use the driving range and practice areas at a reduced cost, but no Chapter programs are delivered at these affiliate locations.

Depending on the type of affiliate, a First Tee program might consist of two curricula designed primarily for 8 to 18 year olds - one focused on golf, the other on life skills. To make progress, participants must show proficiency in both golf and life. The Golf Curriculum starts by teaching participants the fundamentals of the game. As players become more skilled, they have the opportunity to progress into competitive, tournament play with their mentors as constant guides. The Life Skills Curriculum is used to further enhance and instill the inherent values of the game of golf, and show participants how these values transfer into other aspects of their lives. Students are taught about core values such as responsibility, trust, how to set goals, the importance of maintaining a positive attitude, and the importance of showing respect for others.

These lessons for life are taught through a variety of golf-related exercises designed with the primary goal of having fun.

Minority Golf Participation

As noted earlier, East Gainesville has a high percentage of African Americans, relative to the rest of Gainesville and the national average. In 2003, the National Golf Foundation conducted a research study as part of *Golf 20/20's* Diversity Task Force, which is developing strategies for player development programs and other initiatives focused on women and minorities. The study found that the golf participation rate among minority population was significantly lower than the overall U.S. golf participation rate of 12.6%.

The implications for Gallup and continuing golf operations is that it is imperative that the City initiate player development programs aimed at stimulating latent golf demand among all groups. This is not an easy task, as golf operators are fighting ingrained cultural perceptions and habits regarding entertainment / sporting choices. As a result, golf participation rates in these communities remain flat. Therefore, it will take a dedicated and concerted effort by the City of Gainesville to grow the game in these communities.

To lure youths to the game, the fun and entertainment aspects of the game should be stressed, and one way to make the game fun is through events and tournaments. Free or nominal-cost programs should be initiated for lower-income children and juniors, hopefully subsidized by private donors.

Appendices

APPENDIX A - MANAGEMENT OPTIONS

Management Options				
Contractual Obligations	Management Contract	Operating Lease	Concession Agreement	Self Operation
Term of Contract	Initial contract may be for two to five years with two-year options.	Initial contract may be ten or more years with options depending on amount of capital improvements.	Initial contract may be for three years with two, one-year options.	Not Applicable.
Payment	The City pays management firm a fixed fee for its services, plus incentives.	Lessee pays the City a fixed fee or a percentage of gross receipts whichever is higher.	Concessionaire pays the City a flat fee, plus a percentage of gross receipts.	Not Applicable.
Capital Improvements	The City pays for all improvements.	Lessee is required to pay for all improvements. The City may give lessee relief from rent schedule in consideration for cost of improvements.	Concessionaire may pay for minor items; the City pays for all major projects.	The City is responsible for all capital improvements.
Operation and Maintenance Budgets	City has total responsibility for the budget managed by the firm.	Lessee has budget responsibility. The City should have authorization to review expenditures for maintenance and capital improvements.	Concessionaire has budget responsibility. The City should require authorization to review expenditures to verify contract compliance.	The City has complete control over golf budget.
Revenues	All revenues belong to the City.	All revenues belong to the lessee.	All revenues belong to the concessionaire.	All revenues belong to the City.
Fees and Charges	Recommended by the management firm and approved by the City.	Set by the lessee, approved by the City. Approval should not be denied if fees are competitive with market.	Recommended by the concessionaire, approved by the City.	Established by the City.
Hours of Operation	Recommended by the management firm and approved by the City.	Recommended by the lessee, approved by the City.	Recommended by the concessionaire, approved by the City.	Established by the City.
Staffing	The City must have approval over management firm's staff. All employees belong to the firm. The City reimburses firm for payroll expenses.	The City can demand that key staff be replaced if lessee fails to comply with contract requirements.	The City has approval over key staff.	The City is responsible for all employees.
Equipment	The City retains ownership of equipment and pays for the cost of repairs.	Lessee is required to provide all equipment. The City may elect to sell lessee its equipment or use it elsewhere.	The City may include the use of its equipment in the agreement; concessionaire is obligated to maintain and replace equipment as needed.	The City purchases, maintains, and replaces all equipment.

APPENDIX B - MIAMI-DADE COUNTY CASE STUDY

NGF Consulting was retained in 2008 by Miami-Dade County to help them determine if they could draw interest from a prominent company in leasing their 36-hole municipal golf course, Country Club of Miami. *This facility's situation is similar to Ironwood's in that it had drainage issues and was generating annual operating deficits of \$500,000+.*

NGF Consulting interviewed the top ten management companies in the country to gauge potential interest. All ten responding companies expressed great concern with entering into **any** lease agreement at this time, given the current difficulties with both the regional/national economy and golf markets. These executives expressed particular hesitation with CCM, specifically, after full disclosure of the club's recent operating history and market was given to them. Most telling, though respondents indicated that they might entertain discussion with Miami-Dade relating to a lease arrangement, all said that it was highly unlikely that they could make the deal work for them **even if they were required to make no lease payment to the County.**

Other findings from this study process included:

- Each company expressed concerns about taking on financial risk for a golf course experiencing such significant debt and operational losses, especially given the current golf environment and economy.
- In order to even explore further discussion with the County regarding a lease, every company levied a series of conditions under which they would possibly consider such an arrangement for a property in such poor financial condition. Conditions included the following:
 - Miami-Dade would have to subsidize operational losses for three years, rather than receive a lease payment. Renewal after three-year period would be at lessee's option.
 - Lessee would not be prepared to fund CCM's debt payments.
 - Capital Expenditures would have to be funded by the County, at 3% of gross revenues to properly maintain the properties amenities.
- Lessee would be hesitant to take on long-term operational leases for equipment, services, (maintenance equipment, carts, etc.) that were negatively impacting the operational cash flow.
- Management companies were concerned with Living Wage requirements and their impact on overall profitability.
- Responding companies concerned with potential limited control as it relates to operational variables such as labor and pricing; such constraints would make it more difficult to turn financial situation around.
- In general, management companies find that Municipal Requests for Proposal (RFP's) are too laborious and often contain very restrictive requirements that make many deals unattractive.

NGF Consulting's interview process with leading national and regional management companies led us to conclude that it was not feasible for Miami-Dade County to lease out the operation of Country Club of Miami. A combination of factors, including these companies' current general aversion to lease contracts due to excessive operating risk, the specifics of the CCM financial situation, County labor laws, and the market in which the club is located, would preclude a top company from leasing CCM.

APPENDIX C – RECOMMENDED MARKETING PLAN COMPONENTS

Ironwood's marketing plan should be revised annually and address:

- Market conditions
- Competition – including pricing and any changes in policies, facilities or apparent market strategy.
- Target markets
- Overall Strategy
- Pricing
- Implementation strategy
- Media sources
- Budget
- Specials / Promotions
- Customer feedback and research
- Follow-up
- Measurement (a mechanism to gauge the effectiveness of the marketing plan).

Key Components

Customer Service – The results of NGF Consulting's Golfer Survey showed that Ironwood rated very strongly on this key business driver. Quality customer service is the best marketing tool, as it is easier to retain current customers than it is to create new ones. This is especially critical for a municipal facility as the image it projects reflects back on the municipality. The old axiom - a person having a poor experience will tell ten friends about it – is largely true, making proper training of personnel essential. A golf club cannot give a customer a reason not to return – there are simply too many other choices out there. Periodic customer surveys are an excellent way to measure the pulse of the facility's patrons.

Public Relations – Efforts should be made to capitalize on any favorable free publicity opportunities, especially after improvements are made to Ironwood. A posting in the local newspaper of upcoming events at the facility should also be sought. Any area reporters who write articles about golf should be invited to try the improved golf facility gratis. Initiatives such as identifying and greeting first time customers, perhaps with a small token of appreciation (free beverage or range token) as they exit the 18th green, are invaluable public relations tools.

Advertising – An important part of any successful business plan is advertising. Relying on word-of-mouth or your known presence in the community is not the basis on which to promote a business. Obviously, free publicity will be limited so paid newspaper and radio advertising will be an important component of the marketing plan. The primary goals/themes will be stimulating trial of the golf course and making sure potential patrons know how to find the facility.

Signage – To the extent possible, there should be signs directing golfers to the golf course from major local arteries.

Hotels –The Head Golf Professional or Golf Supervisor should visit major hotels in the area to tell them about improvements at Ironwood and to distribute rack brochures. We recognize that the immediate East Gainesville area does not have a large share of Gainesville's lodging properties, but having information about Ironwood on hand at area hotels could result ins some

supplemental visitor play, especially during home football weekends, freshman orientation weeks (when parents are looking for something to do), etc. Many hotels maintain an information book at the registration desk so that the concierge or hotel clerks can access area information. An 8 ½ x 11 single-page information sheet should be developed for these hotels. The information must include maps on how to get to the course, as well as scorecard information.

Rack Brochure – A quality, professionally done rack brochure for the golf course needs to be developed and distributed to area visitor centers, hotels, tourist attractions with information racks, restaurants with tourist racks, Chambers of Commerce, etc. NGF research (NGF publication *The U.S. Golf Travel Market*) reveals that 44% of all golfers play golf when they travel. The brochure should, at a minimum:

- Have four-color pictures.
- Be designed to fit on the tourist racks seen at various visitor centers.
- Have the word “GOLF” written on the top 1 ½” so that it is clearly visible in a rack.
- Have facility descriptions (features, amenities, etc.)
- Have a map and directions.
- NOT have pricing, as pricing changes too frequently.

E-mail – E-mail marketing, with the exception of word-of-mouth and free advertising, is the most cost-effective advertising possible. Ironwood’s marketing plan currently does not include provisions for direct marketing via e-mail broadcasts. E-mail databases are essential in today’s golf market place, as a means of staying in touch with the club’s customer base. It allows the facility to build loyalty and to practice yield management with unsold tee times by advertising special deals. Management should develop ways to capture customer e-mail addresses. Something as simple as putting a slip or business card on the pro shop counter with a “Win a free round of golf” message and a place for name and e-mail address can be effective.

Website and Internet – The Internet is having a larger and larger impact on golf as time goes on. Golfers, especially when traveling, are using the web more and more to find places to play. The web has several key advantages over other forms of advertising:

- **Cost:** A website is relatively inexpensive to setup and maintain.
- **Reach:** As the name “world wide web” indicates, the Internet is international in scope. Today, almost every household that contains a golfer will have access to the Internet.
- **Information:** The amount of information that can be put on the web is virtually unlimited. At the very least, clear directions and contact information can be used to dramatically increase impact.

Of course, for a website to be effective, people have to be able to find it. It has to be designed such that today’s web search engines will find it based on key terms people are likely to use. It is essential that the website be kept current for rates, hours, etc. The best sites are the ones that are constantly being updated with new promotions and news items, so that customers get in the habit of checking them regularly. The website (or page) should be professionally designed and include:

- Pictures of the facility
- Verbal descriptions
- A full scorecard
- Map/directions to the course
- Email signup: There should be a way to sign up for the email program.
- Information about group and individual lessons
- Current rates and operating hours
- Amenities
- A calendar or news of promotions and upcoming events

Outings/Tournaments

Management reports that Ironwood hosts a significant number of tournament rounds annually – 2,000+ - and has correctly identified direct selling of tournaments/ outings as critical to building play levels and revenues at the facility. Advertising and public relations are certainly useful, but direct selling and networking are essential to successfully drawing large events. Enhancements in the food and beverage area should help with this cause. Sales tactics should include:

- Cold calling to hotels and other organizations
- Networking via chambers of commerce, businesses, and clubs
- Business to business direct marketing
- Direct mail and E-mail campaigns
- Producing a print sales kit and multimedia (CD-ROM) brochure
- Newspaper ads and public relations
- Familiarization tours and events for local, media, and organizations

Of course, the second critical element to positioning the club as the place to hold events is following through by providing a good experience. More so than daily fee play, large tournaments and outings are very much about entertainment and camaraderie, rather than golf. Also, large outings are generally at the highest green fee and expose many golfers to the club for the first time. By providing a top flight experience, annual events can often be re-booked immediately after an outing, thus reducing uncertainty. The planned facility improvements are likely necessary before Ironwood can truly offer a top flight golf experience for large groups.

Direct selling and networking are essential to successfully drawing large events. This takes a strong commitment, as cold calling and direct selling are not everyone's "cup of tea". An effective strategy may involve creating a sales team that will aggressively target local groups and event planners, and promote Ironwood as the best Gainesville facility for a golf outing.

APPENDIX D – SEASON / ANNUAL MEMBERSHIPS

NGF Consulting has done many municipal operational reviews since 2000 and has reviewed countless financial statements of individual municipal golf courses. During the course of these studies, we have also spoken to hundreds of municipal golf operators when doing competitive analyses. A decisive majority of the municipal operators we have spoken to either have never offered unlimited play passes/memberships, or have discontinued passes entirely or stopped selling new ones (typically “grandfathering” in current passholders). Many municipalities have taken the stance that offering residents discounts on daily fee play is sufficient.

Our experience has also shown that, of those facilities that continue to offer these pre-paid green fee arrangements, a majority has put restrictions on when passholders can play (e.g., Monday through Thursday or Friday only), and/or on who is eligible to buy them (residents only, or resident seniors only being the most typical). Increasingly, municipal operators, as well as daily fee golf courses, appear to be gravitating more toward pre-paid green fee cards to drive volume and increase loyalty. These cards, which offer moderate discounts off of daily fee play (for example, pay for 35 rounds, get 40; or, get every 10th round free), have a much more predictable affect on both the tee sheets and the bottom line.

Unlimited play annual memberships/passes, while boosting play levels, invariably act to lower the average daily green fee revenue per round. During peak demand times, these arrangements are generally not needed (and can actually interfere with selling the highest priced rounds on a daily fee basis), and during the off peak times, green fees are already very cheap in many markets due to discounting, charity cards, loyalty programs and yield management.

The primary reason that many municipalities find unlimited play passes untenable is that those golfers that purchase them tend to be the most active players; the more frequently they play, the lower the average green revenue per round to the club is, and the greater the value is to the member. For example, assuming a 12-month golf season, if the average daily fee resident round of golf costs \$25, and the annual pass is priced at \$1,000:

- Average green fee per round is \$19.23 if the passholder plays just once per week, an effective discount of 23% per round.
- Average green fee per round is \$9.62 if passholder plays twice per week, an effective discount of 61.5% per round.
- Average green fee per round is \$6.40 if pass holder plays three times per week (not unusual, especially among retirees), an effective discount of 74.4% per round.

The situation that results is the opposite of the so-called “heavy half”. For instance, in a 2004 operational review performed by NGF Consulting for the Town of Groton Connecticut, member rounds accounted for about 50% of total annual rounds, but only 30% of green fee revenues. This scenario is certainly the norm, and not the exception.

Frequent play by passholders would be much less of an issue if municipal annual/season passes were priced based on market forces of supply and demand, and thus at a reasonable multiple of the applicable daily green fee. However, because golf is viewed as an amenity to the citizenry, municipal golf unlimited play passes are typically priced at 50% or less of what a comparable daily fee in the same market would charge for a membership.

Another issue NGF Consulting has observed with respect to annual passes – and one of the primary reasons many municipalities are eliminating them – is that passholders often take the most expensive inventory. There is a considerable opportunity cost involved if passholder rounds are displacing rounds that could be charged at the highest non-resident rates – for instance, on a peak season Saturday morning. In theory, the golf course is making a profit on any round that is covering the variable cost of producing the round; however, this is a simplistic view, as lost revenues due to opportunity cost are not taken into account.

There are certainly some positives to consider with respect to unlimited play passes. For new municipal golf courses, these arrangements may drive activity levels as the course matures and before play stabilizes. Additionally, passes/memberships can function as an important yield management tool for off peak periods – weekdays in most markets, off season in seasonal markets. Finally, golfers, no matter how inexpensively they are playing, have the potential to spend money at the driving range, on food & beverage, or in the pro shop.

The bottom line is that, if a municipal golf course enjoys General Fund support and golf is treated as true “amenity” or recreational offering, the issue of selling rounds at a loss is not as important. However, if a municipality has set up its golf offerings as a self-sustaining Enterprise Fund, it is effectively saying that it should be run as a business. Offering unlimited play passes at very inexpensive prices is an impediment to implementing best business practices, and is illustrative of a fundamental dichotomy that has evolved with respect to municipal golf. That is, municipal governments are increasingly unwilling or unable to support their golf divisions from the general fund, but they often force policies on their golf courses that effectively constrain revenues.

APPENDIX E – IRONWOOD PROGRAMMING

PGA First Swing - This program is designed to train Physical Education teachers and volunteers how to teach golf in a limited space setting. Ironwood staff gives an annual 3 hour inservice to PE teachers in conjunction with the Alachua Co. School Board. They also provide teacher and student manuals, show a video of other successful first swing programs and give a hands on training session on the driving range. Many teachers have started teaching golf in their curriculum after taking this inservice.

Clubs for Kids – Ironwood is the clearinghouse for all used golf equipment in Alachua Co. and beyond, and accepts donations of golf equipment with the goal of providing free golf equipment for children who otherwise would not be able to afford to purchase them. The clubs are refurbished by a dedicated volunteer, Leroy St. Onge, who was recognized by the Gainesville Sun with a Community Service Award for his efforts. This program has grown so large that the Villages in Ocala provide Ironwood with several truckloads of bags, clubs and ball each year. Bill Iwinski, Head Golf Professional, estimates that Ironwood gives away more than 500 clubs each year to children, including those in high school or middle school golf programs. SunState Federal Credit Union also uses their billboards to advertise this program and encourages their customers to bring their used golf equipment to any branch during the promotion. Ironwood currently has more than 2,000 clubs in its storage and gives them away to anyone requesting clubs.

Special Olympics Golf - Ironwood is the home course for Special Olympics Golf in Alachua Co. The program began in 1993 with a few athletes and has grown to host the Training Schools for Athletes and Coaches which serves a five county area. Ironwood also hosts the Area Games, Golf Skills Challenge, and the County Games, and provides any athlete and coach with golf equipment. Ironwood allows any athlete and companion/coach to access the golf course at no charge. In 1999, 2000 and 2001 the facility hosted the Statewide Special Olympics Golf Tournament and Skills Challenge, bringing more than 200 athletes and their coaches to Gainesville for 2 days of golf competition. Head Golf Professional Bill Iwinski serves as the Director of Special Olympics Golf in Alachua County.

High School Golf Programs – Ironwood is currently the host course for the Eastside Lady Rams, Buchholz Bobcats, St. Patrick's Inter-Parish School and Queen of Peace Golf Programs. For \$50/season, Ironwood provides these students with a place to practice, play and host their competitions. Ironwood has also hosted the County and District Championships for both Boys and Girls and continues to offer the facility each year as a venue.

Summer Camps - In conjunction with the Department of Parks, Recreation and Cultural Affairs, Ironwood provides instruction and equipment for the staff and children in the summer camps. The facility also hosts field trips, exposing many children, who would otherwise not have had the opportunity, to the game.

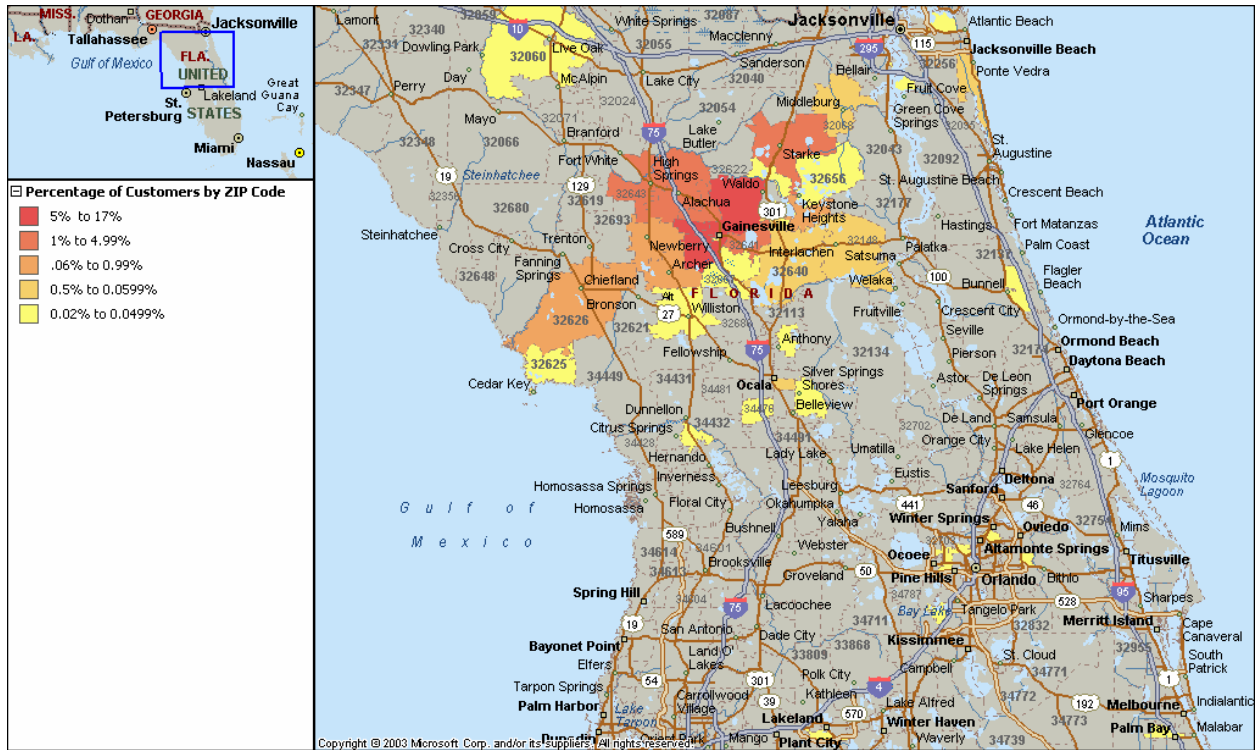
\$5 Junior Rate - Ironwood allows any junior golfer (ages 17 and under) to play all day long for this greatly reduced rate. More than 1,000 of the course's greens fees were sold to this age group last year.

Gainesville Junior Golf Tour - Started in 1994, this tour gives local youth ages 8-18 an opportunity to compete. Many of the Tour's golfers have received scholarships to universities and colleges all over the country. Approximately 100 junior golfers compete in 8 to 10

tournaments a year at the local golf courses. Ironwood has an annual awards banquet and gives a \$1,000 scholarship to the top boy and girl seniors.

Finally, Ironwood has hosted the Golf Channel's "Drive, Chip and Putt" competition for boys and girls ages 7-14, and more than 3,000 hours of community service were completed through the Alachua County Court Services program, providing janitorial and debris pickup.

APPENDIX F – CUSTOMER ORIGIN MAP



APPENDIX G – DEMOGRAPHIC DETAIL

Summary Demographic

Ironwood GC

	Population Change											
	3 miles		5 miles		10 miles		20 miles		Alachua County		Florida	
	Number	Percent Change	Number	Percent Change	Number	Percent Change	Number	Percent Change	Number	Percent Change	Number	Percent Change
1980 Census	28,332		72,925		119,965		164,085		151,355		9,536,863	
1990 Census	26,617	-6.10%	76,331	4.70%	140,840	17.40%	197,455	20.30%	181,595	20.00%	12,937,941	35.70%
2000 Census	27,522	3.40%	78,987	3.50%	164,426	16.70%	237,207	20.10%	217,955	20.00%	15,982,378	23.50%
2008 Projection	25,437	-7.60%	76,455	-3.20%	166,918	1.50%	249,172	5.00%	227,495	4.40%	18,774,652	17.50%
2013 Projection	24,753	-2.70%	75,647	-1.10%	169,074	1.30%	256,624	3.00%	233,250	2.50%	20,477,987	9.10%

	Households Change											
	3 miles		5 miles		10 miles		20 miles		Alachua County		Florida	
	Number	Percent Change	Number	Percent Change	Number	Percent Change	Number	Percent Change	Number	Percent Change	Number	Percent Change
1980 Census	10,509		25,868		43,885		59,214		54,611		3,667,994	
1990 Census	10,635	1.20%	28,253	9.20%	56,054	27.70%	77,346	30.60%	71,259	30.50%	5,134,906	40.00%
2000 Census	10,920	2.70%	29,751	5.30%	66,839	19.20%	95,004	22.80%	87,509	22.80%	6,337,929	23.40%
2008 Projection	10,792	-1.20%	30,725	3.30%	72,921	9.10%	106,088	11.70%	98,222	12.20%	7,351,838	16.00%
2013 Projection	10,885	0.90%	31,446	2.30%	76,726	5.20%	112,811	6.30%	104,638	6.50%	7,966,329	8.40%

	Families (2008)											
	3 miles		5 miles		10 miles		20 miles		Alachua County		Florida	
Families		5,325		14,667		34,530		57,849		52,342		4,764,187
Average Household Size		2.11		2.12		2.1		2.21		2.18		2.5

Population by Race (2008)												
	3 miles		5 miles		10 miles		20 miles		Alachua County		Florida	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	12,579	49.50%	46,415	60.70%	115,032	68.90%	182,549	73.30%	163,235	71.80%	14,181,006	75.50%
Black	11,725	46.10%	23,762	31.10%	37,141	22.30%	48,728	19.60%	47,003	20.70%	2,922,396	15.60%
Asian	482	1.90%	4,121	5.40%	9,854	5.90%	11,378	4.60%	11,313	5.00%	435,370	2.30%
Native American	42	0.20%	103	0.10%	216	0.10%	388	0.20%	288	0.10%	54,266	0.30%
Hawaiian / Pacific Islander	8	0.00%	51	0.10%	97	0.10%	143	0.10%	128	0.10%	17,645	0.10%
Two or More	403	1.60%	1,210	1.60%	2,651	1.60%	3,528	1.40%	3,273	1.40%	521,646	2.80%
Other Race	198	0.80%	791	1.00%	1,927	1.20%	2,458	1.00%	2,255	1.00%	642,323	3.40%
Total	25,437	100.00%	76,453	100.00%	166,918	100.00%	249,172	100.00%	227,495	100.00%	18,774,652	100.00%

Hispanic Population (2008)												
	3 miles		5 miles		10 miles		20 miles		Alachua County		Florida	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Hispanic	1,304	5.10%	5,560	7.30%	13,167	7.90%	16,662	6.70%	15,900	7.00%	3,967,760	21.10%
Not Hispanic	24,133	94.90%	70,895	92.70%	153,752	92.10%	232,510	93.30%	211,595	93.00%	14,806,892	78.90%
Total	25,437	100.00%	76,455	100.00%	166,919	100.00%	249,172	100.00%	227,495	100.00%	18,774,652	100.00%

Income (2008)												
	3 miles		5 miles		10 miles		20 miles		Alachua County		Florida	
Median Household Income		\$31,720		\$32,657		\$35,213		\$40,751		\$40,302		\$48,981
Average Household Income		\$45,275		\$51,528		\$55,066		\$59,120		\$58,952		\$67,986
Average Family Income		\$50,473		\$66,061		\$75,683		\$76,800		\$77,811		\$77,907

Households by Income (2008)												
	3 miles		5 miles		10 miles		20 miles		Alachua County		Florida	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	1,759	16.30%	5,615	18.30%	13,007	17.80%	15,573	14.70%	14,724	15.00%	547,654	7.40%
\$10,000-\$14,999	792	7.30%	2,196	7.10%	4,762	6.50%	6,019	5.70%	5,724	5.80%	322,826	4.40%
\$15,000-\$19,999	855	7.90%	2,297	7.50%	4,847	6.60%	6,452	6.10%	6,084	6.20%	401,368	5.50%
\$20,000-\$24,999	792	7.30%	2,187	7.10%	4,633	6.40%	6,415	6.00%	5,908	6.00%	423,143	5.80%
\$25,000-\$29,999	907	8.40%	1,956	6.40%	4,507	6.20%	6,188	5.80%	5,840	5.90%	420,087	5.70%
\$30,000-\$34,999	843	7.80%	2,091	6.80%	4,553	6.20%	6,402	6.00%	5,859	6.00%	454,707	6.20%
\$35,000-\$39,999	695	6.40%	1,635	5.30%	3,572	4.90%	5,271	5.00%	4,711	4.80%	401,891	5.50%
\$40,000-\$49,999	1,074	10.00%	2,647	8.60%	6,147	8.40%	9,646	9.10%	8,654	8.80%	784,148	10.70%
\$50,000-\$59,999	850	7.90%	2,084	6.80%	5,089	7.00%	8,182	7.70%	7,369	7.50%	663,447	9.00%
\$60,000-\$74,999	868	8.00%	2,415	7.90%	5,942	8.10%	9,620	9.10%	8,782	8.90%	779,975	10.60%
\$75,000-\$99,999	716	6.60%	2,252	7.30%	5,704	7.80%	9,974	9.40%	9,201	9.40%	833,307	11.30%
\$100,000-\$124,999	341	3.20%	1,324	4.30%	3,866	5.30%	6,255	5.90%	5,819	5.90%	495,740	6.70%
\$125,000-\$149,999	117	1.10%	704	2.30%	2,194	3.00%	3,545	3.30%	3,324	3.40%	278,847	3.80%
\$150,000-\$199,999	65	0.60%	649	2.10%	2,088	2.90%	3,282	3.10%	3,134	3.20%	243,602	3.30%
\$200,000-\$249,999	17	0.20%	215	0.70%	718	1.00%	1,153	1.10%	1,112	1.10%	89,327	1.20%
\$250,000-\$499,999	24	0.20%	243	0.80%	765	1.00%	1,219	1.10%	1,180	1.20%	111,757	1.50%
\$500,000+	76	0.70%	215	0.70%	529	0.70%	890	0.80%	797	0.80%	100,012	1.40%
Total	10,791	100.00%	30,725	100.00%	72,923	100.00%	106,086	100.00%	98,222	100.00%	7,351,838	100.00%

Households by Tenure (2008)												
	3 miles		5 miles		10 miles		20 miles		Alachua County		Florida	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	4,995	40.10%	13,902	40.30%	32,576	39.70%	59,261	49.40%	52,804	47.80%	5,170,838	57.90%
Renter Occupied	5,798	46.50%	16,823	48.80%	40,345	49.10%	46,827	39.00%	45,418	41.10%	2,181,000	24.40%
Vacant	1,673	13.40%	3,742	10.90%	9,175	11.20%	13,963	11.60%	12,174	11.00%	1,573,287	17.60%
Total	12,466	100.00%	34,467	100.00%	82,096	100.00%	120,051	100.00%	110,396	100.00%	8,925,125	100.00%

Daytime Population (2008)												
	3 miles		5 miles		10 miles		20 miles		Alachua County		Florida	
Establishments		2,075		4,098		7,689		10,210		9,640		788,845
Employees		24,105		53,997		100,199		121,589		117,189		8,719,951

Demographic Trend

3 miles

Summary Demographic			
	2000 CENSUS	2008 ESTIMATE	2013 FORECAST
Population	27,522	25,437	24,753
Households	10,920	10,792	10,885
Families	5,647	5,325	5,227
Median Age	31.7	32.7	32.9
Median Household Income	\$25,903	\$31,720	\$34,719
Average Household Income	\$33,139	\$45,275	\$48,432
Average Household Size	2.52	2.36	2.27

Households by Income						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	2,093	19.20%	1,759	16.30%	1,656	15.20%
\$10,000 - \$14,999	1,109	10.20%	792	7.30%	738	6.80%
\$15,000 - \$19,999	920	8.40%	855	7.90%	827	7.60%
\$20,000 - \$24,999	1,165	10.70%	792	7.30%	630	5.80%
\$25,000 - \$29,999	958	8.80%	907	8.40%	797	7.30%
\$30,000 - \$34,999	828	7.60%	843	7.80%	842	7.70%
\$35,000 - \$39,999	629	5.80%	695	6.40%	721	6.60%
\$40,000 - \$49,999	1,067	9.80%	1,074	10.00%	1,157	10.60%
\$50,000 - \$59,999	744	6.80%	850	7.90%	870	8.00%
\$60,000 - \$74,999	603	5.50%	868	8.00%	969	8.90%
\$75,000 - \$99,999	523	4.80%	716	6.60%	789	7.20%
\$100,000 - \$124,999	122	1.10%	341	3.20%	459	4.20%
\$125,000 - \$149,999	38	0.30%	117	1.10%	191	1.80%
\$150,000 - \$199,999	76	0.70%	65	0.60%	104	1.00%
\$200,000+	44	0.40%	117	1.10%	136	1.30%
Total	10,920	100.00%	10,792	100.00%	10,885	100.00%

Population by Age						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Age 0-4	1,605	5.80%	1,360	5.30%	2,266	9.20%
Age 5-9	1,828	6.60%	1,529	6.00%	1,226	5.00%
Age 10-14	1,920	7.00%	1,442	5.70%	1,350	5.50%
Age 15-19	2,165	7.90%	1,622	6.40%	884	3.60%
Age 20-24	3,009	10.90%	2,424	9.50%	1,298	5.20%
Age 25-29	2,512	9.10%	3,229	12.70%	3,576	14.40%
Age 30-34	2,164	7.90%	2,040	8.00%	3,062	12.40%
Age 35-39	2,206	8.00%	1,769	7.00%	1,773	7.20%
Age 40-44	2,140	7.80%	1,686	6.60%	1,452	5.90%
Age 45-49	1,968	7.20%	1,663	6.50%	1,380	5.60%
Age 50-54	1,546	5.60%	1,521	6.00%	1,321	5.30%
Age 55-59	990	3.60%	1,254	4.90%	1,204	4.90%
Age 60-64	757	2.80%	1,064	4.20%	1,085	4.40%
Age 65-69	693	2.50%	857	3.40%	956	3.90%
Age 70-74	715	2.60%	674	2.60%	743	3.00%
Age 75-79	587	2.10%	521	2.00%	484	2.00%
Age 80-84	417	1.50%	444	1.70%	372	1.50%
Age 85+	302	1.10%	337	1.30%	319	1.30%
Total	27,522	100.00%	25,437	100.00%	24,753	100.00%
Median	31.7		32.7		32.9	

Population by Race Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
White	14,030	51.00%	12,579	49.50%	12,039	48.60%
Black	12,134	44.10%	11,725	46.10%	11,734	47.40%
Native American	93	0.30%	42	0.20%	23	0.10%
Asian	341	1.20%	482	1.90%	564	2.30%
Hawaiian / Pacific Islander	3	0.00%	8	0.00%	9	0.00%
Two or More	621	2.30%	403	1.60%	248	1.00%
Other Race	299	1.10%	198	0.80%	135	0.50%
Total	27,522	100.00%	25,437	100.00%	24,753	100.00%

Hispanic Population Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Hispanic	1,160	4.20%	1,304	5.10%	1,404	5.70%
Not Hispanic	26,362	95.80%	24,133	94.90%	23,349	94.30%
Total	27,522	100.00%	25,437	100.00%	24,753	100.00%

Households by Occupancy Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	5,346	44.00%	4,995	40.10%	4,887	38.20%
Renter Occupied	5,574	45.90%	5,798	46.50%	5,998	46.90%
Vacant	1,232	10.10%	1,673	13.40%	1,913	15.00%
Total	12,151	100.00%	12,465	100.00%	12,799	100.00%

Daytime Population			
	2000 CENSUS	2008 ESTIMATE	2013 FORECAST
Establishments	0	2,075	0
Employees	0	24,105	0

5 miles

Summary Demographic			
	2000 CENSUS	2008 ESTIMATE	2013 FORECAST
Population	78,987	76,455	75,647
Households	29,751	30,725	31,446
Families	14,869	14,667	14,645
Median Age	26.4	28.6	31.1
Median Household Income	\$26,830	\$32,657	\$35,908
Average Household Income	\$39,081	\$51,528	\$55,561
Average Household Size	2.65	2.49	2.41

Households by Income						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	6,218	20.90%	5,615	18.30%	5,397	17.20%
\$10,000 - \$14,999	2,821	9.50%	2,196	7.10%	2,089	6.60%
\$15,000 - \$19,999	2,547	8.60%	2,297	7.50%	2,178	6.90%
\$20,000 - \$24,999	2,447	8.20%	2,187	7.10%	1,865	5.90%
\$25,000 - \$29,999	2,302	7.70%	1,956	6.40%	1,952	6.20%
\$30,000 - \$34,999	1,897	6.40%	2,091	6.80%	1,910	6.10%
\$35,000 - \$39,999	1,479	5.00%	1,635	5.30%	1,824	5.80%
\$40,000 - \$49,999	2,511	8.40%	2,647	8.60%	2,773	8.80%
\$50,000 - \$59,999	2,003	6.70%	2,084	6.80%	2,255	7.20%
\$60,000 - \$74,999	1,843	6.20%	2,415	7.90%	2,478	7.90%
\$75,000 - \$99,999	1,771	6.00%	2,252	7.30%	2,491	7.90%
\$100,000 - \$124,999	795	2.70%	1,324	4.30%	1,559	5.00%
\$125,000 - \$149,999	413	1.40%	704	2.30%	926	2.90%
\$150,000 - \$199,999	311	1.00%	649	2.10%	853	2.70%
\$200,000+	392	1.30%	674	2.20%	894	2.80%
Total	29,751	100.00%	30,725	100.00%	31,446	100.00%

Population by Age						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Age 0-4	3,735	4.70%	3,456	4.50%	6,278	8.30%
Age 5-9	4,106	5.20%	3,742	4.90%	3,275	4.30%
Age 10-14	4,394	5.60%	3,557	4.70%	3,618	4.80%
Age 15-19	10,711	13.60%	8,498	11.10%	4,966	6.60%
Age 20-24	14,700	18.60%	12,405	16.20%	7,129	9.40%
Age 25-29	6,668	8.40%	9,094	11.90%	10,815	14.30%
Age 30-34	4,977	6.30%	5,031	6.60%	8,174	10.80%
Age 35-39	4,792	6.10%	4,099	5.40%	4,429	5.90%
Age 40-44	4,743	6.00%	3,985	5.20%	3,739	4.90%
Age 45-49	4,515	5.70%	4,096	5.40%	3,689	4.90%
Age 50-54	3,970	5.00%	4,168	5.50%	3,940	5.20%
Age 55-59	2,637	3.30%	3,542	4.60%	3,690	4.90%
Age 60-64	2,015	2.60%	3,012	3.90%	3,337	4.40%
Age 65-69	1,807	2.30%	2,348	3.10%	2,868	3.80%
Age 70-74	1,751	2.20%	1,752	2.30%	2,103	2.80%
Age 75-79	1,535	1.90%	1,436	1.90%	1,455	1.90%
Age 80-84	1,063	1.30%	1,194	1.60%	1,090	1.40%
Age 85+	868	1.10%	1,041	1.40%	1,051	1.40%
Total	78,987	100.00%	76,455	100.00%	75,647	100.00%
Median	26.4		28.6		31.1	

Population by Race Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
White	49,794	63.00%	46,415	60.70%	44,939	59.40%
Black	22,955	29.10%	23,762	31.10%	24,329	32.20%
Native American	210	0.30%	103	0.10%	61	0.10%
Asian	3,104	3.90%	4,121	5.40%	4,714	6.20%
Hawaiian / Pacific Islander	26	0.00%	51	0.10%	61	0.10%
Two or More	1,761	2.20%	1,210	1.60%	880	1.20%
Other Race	1,137	1.40%	791	1.00%	663	0.90%
Total	78,987	100.00%	76,455	100.00%	75,647	100.00%

Hispanic Population Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Hispanic	4,635	5.90%	5,560	7.30%	6,107	8.10%
Not Hispanic	74,352	94.10%	70,895	92.70%	69,539	91.90%
Total	78,987	100.00%	76,455	100.00%	75,647	100.00%

Households by Occupancy Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	14,272	44.30%	13,902	40.30%	13,844	38.60%
Renter Occupied	15,479	48.10%	16,823	48.80%	17,602	49.00%
Vacant	2,450	7.60%	3,742	10.90%	4,448	12.40%
Total	32,202	100.00%	34,467	100.00%	35,893	100.00%

Daytime Population			
	2000 CENSUS	2008 ESTIMATE	2013 FORECAST
Establishments	0	4,098	0
Employees	0	53,997	0

10 miles

Summary Demographic			
	2000 CENSUS	2008 ESTIMATE	2013 FORECAST
Population	164,426	166,918	169,074
Households	66,839	72,921	76,726
Families	32,714	34,530	35,650
Median Age	26.8	29	31.4
Median Household Income	\$28,370	\$35,213	\$39,298
Average Household Income	\$41,462	\$55,066	\$60,053
Average Household Size	2.46	2.29	2.2

Households by Income						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	13,821	20.70%	13,007	17.80%	12,744	16.60%
\$10,000 - \$14,999	5,825	8.70%	4,762	6.50%	4,643	6.10%
\$15,000 - \$19,999	5,178	7.70%	4,847	6.60%	4,690	6.10%
\$20,000 - \$24,999	5,394	8.10%	4,633	6.40%	3,962	5.20%
\$25,000 - \$29,999	4,752	7.10%	4,507	6.20%	4,423	5.80%
\$30,000 - \$34,999	4,037	6.00%	4,553	6.20%	4,403	5.70%
\$35,000 - \$39,999	3,271	4.90%	3,572	4.90%	4,070	5.30%
\$40,000 - \$49,999	5,763	8.60%	6,147	8.40%	6,300	8.20%
\$50,000 - \$59,999	4,622	6.90%	5,089	7.00%	5,748	7.50%
\$60,000 - \$74,999	4,329	6.50%	5,942	8.10%	6,083	7.90%
\$75,000 - \$99,999	4,556	6.80%	5,704	7.80%	6,487	8.50%
\$100,000 - \$124,999	2,234	3.30%	3,866	5.30%	4,407	5.70%
\$125,000 - \$149,999	1,166	1.70%	2,194	3.00%	2,981	3.90%
\$150,000 - \$199,999	829	1.20%	2,088	2.90%	2,902	3.80%
\$200,000+	1,064	1.60%	2,012	2.80%	2,884	3.80%
Total	66,839	100.00%	72,921	100.00%	76,726	100.00%

Population by Age						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Age 0-4	7,877	4.80%	7,538	4.50%	13,903	8.20%
Age 5-9	8,214	5.00%	7,852	4.70%	7,023	4.20%
Age 10-14	8,694	5.30%	7,415	4.40%	7,714	4.60%
Age 15-19	18,548	11.30%	15,114	9.10%	8,982	5.30%
Age 20-24	33,623	20.40%	28,833	17.30%	16,657	9.90%
Age 25-29	14,845	9.00%	20,790	12.50%	25,047	14.80%
Age 30-34	10,434	6.30%	10,992	6.60%	18,161	10.70%
Age 35-39	9,912	6.00%	8,911	5.30%	9,788	5.80%
Age 40-44	9,828	6.00%	8,762	5.20%	8,410	5.00%
Age 45-49	9,555	5.80%	9,257	5.50%	8,521	5.00%
Age 50-54	8,267	5.00%	9,256	5.50%	8,964	5.30%
Age 55-59	5,702	3.50%	8,147	4.90%	8,693	5.10%
Age 60-64	4,255	2.60%	6,740	4.00%	7,616	4.50%
Age 65-69	3,788	2.30%	5,209	3.10%	6,497	3.80%
Age 70-74	3,566	2.20%	3,811	2.30%	4,713	2.80%
Age 75-79	3,146	1.90%	3,136	1.90%	3,291	1.90%
Age 80-84	2,220	1.40%	2,663	1.60%	2,499	1.50%
Age 85+	1,953	1.20%	2,491	1.50%	2,592	1.50%
Total	164,426	100.00%	166,918	100.00%	169,074	100.00%
Median	26.8		29		31.4	

Population by Race Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
White	116,388	70.80%	115,032	68.90%	114,504	67.70%
Black	34,126	20.80%	37,141	22.30%	38,949	23.00%
Native American	415	0.30%	216	0.10%	135	0.10%
Asian	7,034	4.30%	9,854	5.90%	11,539	6.80%
Hawaiian / Pacific Islander	49	0.00%	97	0.10%	122	0.10%
Two or More	3,719	2.30%	2,651	1.60%	2,099	1.20%
Other Race	2,694	1.60%	1,927	1.20%	1,727	1.00%
Total	164,426	100.00%	166,918	100.00%	169,074	100.00%

Hispanic Population Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Hispanic	10,594	6.40%	13,167	7.90%	14,712	8.70%
Not Hispanic	153,832	93.60%	153,752	92.10%	154,361	91.30%
Total	164,426	100.00%	166,918	100.00%	169,074	100.00%

Households by Occupancy Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	30,842	42.40%	32,576	39.70%	33,738	38.40%
Renter Occupied	35,998	49.50%	40,345	49.10%	42,987	48.90%
Vacant	5,902	8.10%	9,175	11.20%	11,122	12.70%
Total	72,742	100.00%	82,097	100.00%	87,847	100.00%

Daytime Population			
	2000 CENSUS	2008 ESTIMATE	2013 FORECAST
Establishments	0	7,689	0
Employees	0	100,199	0

20 miles

Summary Demographic			
	2000 CENSUS	2008 ESTIMATE	2013 FORECAST
Population	237,207	249,172	256,624
Households	95,004	106,088	112,811
Families	53,216	57,849	60,521
Median Age	29.9	32.3	33.6
Median Household Income	\$32,145	\$40,751	\$45,734
Average Household Income	\$45,045	\$59,120	\$64,914
Average Household Size	2.5	2.35	2.27

Households by Income						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	16,537	17.40%	15,573	14.70%	15,241	13.50%
\$10,000 - \$14,999	7,456	7.80%	6,019	5.70%	5,861	5.20%
\$15,000 - \$19,999	7,062	7.40%	6,452	6.10%	6,204	5.50%
\$20,000 - \$24,999	7,275	7.70%	6,415	6.00%	5,436	4.80%
\$25,000 - \$29,999	6,616	7.00%	6,188	5.80%	6,113	5.40%
\$30,000 - \$34,999	5,957	6.30%	6,402	6.00%	6,158	5.50%
\$35,000 - \$39,999	5,066	5.30%	5,271	5.00%	5,851	5.20%
\$40,000 - \$49,999	9,021	9.50%	9,646	9.10%	9,663	8.60%
\$50,000 - \$59,999	7,254	7.60%	8,182	7.70%	9,214	8.20%
\$60,000 - \$74,999	7,469	7.90%	9,620	9.10%	9,977	8.80%
\$75,000 - \$99,999	7,150	7.50%	9,974	9.40%	11,404	10.10%
\$100,000 - \$124,999	3,484	3.70%	6,255	5.90%	7,341	6.50%
\$125,000 - \$149,999	1,738	1.80%	3,545	3.30%	4,906	4.30%
\$150,000 - \$199,999	1,223	1.30%	3,282	3.10%	4,702	4.20%
\$200,000+	1,697	1.80%	3,262	3.10%	4,739	4.20%
Total	95,004	100.00%	106,088	100.00%	112,811	100.00%

Population by Age						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Age 0-4	12,259	5.20%	12,383	5.00%	21,221	8.30%
Age 5-9	13,324	5.60%	13,125	5.30%	12,076	4.70%
Age 10-14	14,302	6.00%	12,491	5.00%	12,943	5.00%
Age 15-19	23,646	10.00%	19,899	8.00%	12,417	4.80%
Age 20-24	37,003	15.60%	32,717	13.10%	19,537	7.60%
Age 25-29	18,590	7.80%	26,547	10.70%	31,535	12.30%
Age 30-34	14,844	6.30%	16,105	6.50%	25,738	10.00%
Age 35-39	15,672	6.60%	14,473	5.80%	15,703	6.10%
Age 40-44	16,214	6.80%	14,885	6.00%	14,245	5.60%
Age 45-49	15,735	6.60%	15,811	6.30%	14,670	5.70%
Age 50-54	13,731	5.80%	15,683	6.30%	15,312	6.00%
Age 55-59	9,965	4.20%	14,209	5.70%	15,107	5.90%
Age 60-64	7,726	3.30%	11,947	4.80%	13,435	5.20%
Age 65-69	6,650	2.80%	8,993	3.60%	11,109	4.30%
Age 70-74	6,103	2.60%	6,616	2.70%	8,057	3.10%
Age 75-79	5,176	2.20%	5,262	2.10%	5,566	2.20%
Age 80-84	3,446	1.50%	4,246	1.70%	4,047	1.60%
Age 85+	2,819	1.20%	3,779	1.50%	3,906	1.50%
Total	237,207	100.00%	249,172	100.00%	256,624	100.00%
Median	29.9		32.3		33.6	

Population by Race Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
White	177,387	74.80%	182,549	73.30%	185,636	72.30%
Black	43,528	18.40%	48,728	19.60%	51,845	20.20%
Native American	631	0.30%	388	0.20%	284	0.10%
Asian	7,771	3.30%	11,378	4.60%	13,584	5.30%
Hawaiian / Pacific Islander	71	0.00%	143	0.10%	190	0.10%
Two or More	4,605	1.90%	3,528	1.40%	2,812	1.10%
Other Race	3,214	1.40%	2,458	1.00%	2,274	0.90%
Total	237,207	100.00%	249,172	100.00%	256,624	100.00%

Hispanic Population Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Hispanic	12,952	5.50%	16,662	6.70%	18,904	7.40%
Not Hispanic	224,255	94.50%	232,510	93.30%	237,720	92.60%
Total	237,207	100.00%	249,172	100.00%	256,624	100.00%

Households by Occupancy Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	54,301	52.10%	59,261	49.40%	62,299	48.00%
Renter Occupied	40,703	39.10%	46,827	39.00%	50,512	38.90%
Vacant	9,156	8.80%	13,963	11.60%	16,890	13.00%
Total	104,160	100.00%	120,051	100.00%	129,701	100.00%

Daytime Population			
	2000 CENSUS	2008 ESTIMATE	2013 FORECAST
Establishments	0	10,210	0
Employees	0	121,589	0

Alachua County

Summary Demographic			
	2000 CENSUS	2008 ESTIMATE	2013 FORECAST
Population	217,955	227,495	233,250
Households	87,509	98,222	104,638
Families	47,819	52,342	54,892
Median Age	29.1	31.5	33.1
Median Household Income	\$31,667	\$40,302	\$45,342
Average Household Income	\$44,804	\$58,952	\$64,614
Average Household Size	2.49	2.32	2.23

Households by Income						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	15,606	17.80%	14,724	15.00%	14,420	13.80%
\$10,000 - \$14,999	7,081	8.10%	5,724	5.80%	5,571	5.30%
\$15,000 - \$19,999	6,463	7.40%	6,084	6.20%	5,904	5.60%
\$20,000 - \$24,999	6,854	7.80%	5,908	6.00%	5,014	4.80%
\$25,000 - \$29,999	5,995	6.90%	5,840	5.90%	5,709	5.50%
\$30,000 - \$34,999	5,266	6.00%	5,859	6.00%	5,771	5.50%
\$35,000 - \$39,999	4,551	5.20%	4,711	4.80%	5,318	5.10%
\$40,000 - \$49,999	8,068	9.20%	8,654	8.80%	8,633	8.30%
\$50,000 - \$59,999	6,575	7.50%	7,369	7.50%	8,322	8.00%
\$60,000 - \$74,999	6,832	7.80%	8,782	8.90%	9,069	8.70%
\$75,000 - \$99,999	6,578	7.50%	9,201	9.40%	10,512	10.00%
\$100,000 - \$124,999	3,237	3.70%	5,819	5.90%	6,819	6.50%
\$125,000 - \$149,999	1,653	1.90%	3,324	3.40%	4,597	4.40%
\$150,000 - \$199,999	1,153	1.30%	3,134	3.20%	4,458	4.30%
\$200,000+	1,597	1.80%	3,089	3.10%	4,521	4.30%
Total	87,509	100.00%	98,222	100.00%	104,638	100.00%

Population by Age						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Age 0-4	11,161	5.10%	11,002	4.80%	20,138	8.60%
Age 5-9	12,089	5.50%	11,898	5.20%	10,565	4.50%
Age 10-14	12,937	5.90%	11,260	4.90%	11,589	5.00%
Age 15-19	22,354	10.30%	18,520	8.10%	10,954	4.70%
Age 20-24	36,011	16.50%	31,260	13.70%	17,999	7.70%
Age 25-29	17,651	8.10%	25,255	11.10%	30,403	13.00%
Age 30-34	13,756	6.30%	14,846	6.50%	24,449	10.50%
Age 35-39	14,299	6.60%	13,179	5.80%	14,344	6.10%
Age 40-44	14,704	6.70%	13,409	5.90%	12,735	5.50%
Age 45-49	14,297	6.60%	14,154	6.20%	12,897	5.50%
Age 50-54	12,384	5.70%	14,145	6.20%	13,531	5.80%
Age 55-59	8,749	4.00%	12,735	5.60%	13,408	5.70%
Age 60-64	6,645	3.00%	10,694	4.70%	11,928	5.10%
Age 65-69	5,646	2.60%	7,904	3.50%	9,778	4.20%
Age 70-74	5,223	2.40%	5,696	2.50%	6,975	3.00%
Age 75-79	4,490	2.10%	4,562	2.00%	4,745	2.00%
Age 80-84	3,059	1.40%	3,724	1.60%	3,471	1.50%
Age 85+	2,500	1.10%	3,252	1.40%	3,341	1.40%
Total	217,955	100.00%	227,495	100.00%	233,250	100.00%
Median	29.1		31.5		33.1	

Population by Race Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
White	160,128	73.50%	163,235	71.80%	164,842	70.70%
Black	42,062	19.30%	47,003	20.70%	49,958	21.40%
Native American	538	0.20%	288	0.10%	188	0.10%
Asian	7,709	3.50%	11,313	5.00%	13,512	5.80%
Hawaiian / Pacific Islander	64	0.00%	128	0.10%	168	0.10%
Two or More	4,409	2.00%	3,273	1.40%	2,558	1.10%
Other Race	3,045	1.40%	2,255	1.00%	2,024	0.90%
Total	217,955	100.00%	227,495	100.00%	233,250	100.00%

Hispanic Population Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Hispanic	12,493	5.70%	15,900	7.00%	17,955	7.70%
Not Hispanic	205,462	94.30%	211,595	93.00%	215,295	92.30%
Total	217,955	100.00%	227,495	100.00%	233,250	100.00%

Households by Occupancy Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	48,085	50.60%	52,804	47.80%	55,626	46.50%
Renter Occupied	39,424	41.40%	45,418	41.10%	49,012	41.00%
Vacant	7,604	8.00%	12,174	11.00%	14,951	12.50%
Total	95,113	100.00%	110,396	100.00%	119,589	100.00%

Daytime Population			
	2000 CENSUS	2008 ESTIMATE	2013 FORECAST
Establishments	0	9,640	0
Employees	0	117,189	0

Florida

Summary Demographic			
	2000 CENSUS	2008 ESTIMATE	2013 FORECAST
Population	15,982,378	18,774,652	20,477,987
Households	6,337,929	7,351,838	7,966,329
Families	4,210,760	4,764,187	5,084,032
Median Age	38.7	40.2	40.8
Median Household Income	\$38,953	\$48,981	\$54,476
Average Household Income	\$53,531	\$67,986	\$76,747
Average Household Size	2.52	2.55	2.57

Households by Income						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	606,763	9.60%	547,654	7.40%	525,838	6.60%
\$10,000 - \$14,999	426,864	6.70%	322,826	4.40%	307,637	3.90%
\$15,000 - \$19,999	442,772	7.00%	401,368	5.50%	390,174	4.90%
\$20,000 - \$24,999	475,197	7.50%	423,143	5.80%	347,278	4.40%
\$25,000 - \$29,999	460,143	7.30%	420,087	5.70%	413,592	5.20%
\$30,000 - \$34,999	440,805	7.00%	454,707	6.20%	438,319	5.50%
\$35,000 - \$39,999	400,228	6.30%	401,891	5.50%	432,771	5.40%
\$40,000 - \$49,999	702,720	11.10%	784,148	10.70%	771,411	9.70%
\$50,000 - \$59,999	563,927	8.90%	663,447	9.00%	795,753	10.00%
\$60,000 - \$74,999	606,052	9.60%	779,975	10.60%	799,393	10.00%
\$75,000 - \$99,999	552,086	8.70%	833,307	11.30%	976,921	12.30%
\$100,000 - \$124,999	271,388	4.30%	495,740	6.70%	598,938	7.50%
\$125,000 - \$149,999	127,289	2.00%	278,847	3.80%	391,801	4.90%
\$150,000 - \$199,999	114,388	1.80%	243,602	3.30%	358,955	4.50%
\$200,000+	147,307	2.30%	301,096	4.10%	417,548	5.20%
Total	6,337,929	100.00%	7,351,838	100.00%	7,966,329	100.00%

Population by Age						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Age 0-4	945,823	5.90%	1,144,378	6.10%	1,223,198	6.00%
Age 5-9	1,031,718	6.50%	1,116,424	5.90%	1,232,183	6.00%
Age 10-14	1,057,024	6.60%	1,136,547	6.10%	1,210,880	5.90%
Age 15-19	1,014,067	6.30%	1,194,767	6.40%	1,232,504	6.00%
Age 20-24	928,310	5.80%	1,200,680	6.40%	1,292,596	6.30%
Age 25-29	995,358	6.20%	1,187,890	6.30%	1,296,886	6.30%
Age 30-34	1,088,742	6.80%	1,155,195	6.20%	1,283,051	6.30%
Age 35-39	1,261,040	7.90%	1,207,795	6.40%	1,246,838	6.10%
Age 40-44	1,224,207	7.70%	1,358,456	7.20%	1,301,072	6.40%
Age 45-49	1,085,400	6.80%	1,397,755	7.40%	1,457,137	7.10%
Age 50-54	984,079	6.20%	1,284,184	6.80%	1,490,160	7.30%
Age 55-59	821,517	5.10%	1,166,123	6.20%	1,357,382	6.60%
Age 60-64	737,496	4.60%	1,018,484	5.40%	1,219,108	6.00%
Age 65-69	727,495	4.60%	848,254	4.50%	1,042,477	5.10%
Age 70-74	724,681	4.50%	705,947	3.80%	842,237	4.10%
Age 75-79	616,693	3.90%	641,021	3.40%	663,920	3.20%
Age 80-84	407,441	2.50%	523,585	2.80%	549,946	2.70%
Age 85+	331,287	2.10%	487,167	2.60%	536,412	2.60%
Total	15,982,378	100.00%	18,774,652	100.00%	20,477,987	100.00%
Median	38.7		40.2		40.8	

Population by Race Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
White	12,465,029	78.00%	14,181,006	75.50%	15,220,771	74.30%
Black	2,335,505	14.60%	2,922,396	15.60%	3,283,124	16.00%
Native American	53,541	0.30%	54,266	0.30%	54,578	0.30%
Asian	266,256	1.70%	435,370	2.30%	540,394	2.60%
Hawaiian / Pacific Islander	8,625	0.10%	17,645	0.10%	23,262	0.10%
Two or More	376,315	2.40%	521,646	2.80%	572,697	2.80%
Other Race	477,107	3.00%	642,323	3.40%	783,161	3.80%
Total	15,982,378	100.00%	18,774,652	100.00%	20,477,987	100.00%

Hispanic Population Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Hispanic	2,682,715	16.80%	3,967,760	21.10%	4,770,914	23.30%
Not Hispanic	13,299,663	83.20%	14,806,892	78.90%	15,707,073	76.70%
Total	15,982,378	100.00%	18,774,652	100.00%	20,477,987	100.00%

Households by Occupancy Trends						
	2000 CENSUS		2008 ESTIMATE		2013 FORECAST	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	4,441,799	60.80%	5,170,838	57.90%	5,612,680	56.60%
Renter Occupied	1,896,130	26.00%	2,181,000	24.40%	2,353,649	23.80%
Vacant	965,018	13.20%	1,573,287	17.60%	1,942,072	19.60%
Total	7,302,947	100.00%	8,925,125	100.00%	9,908,401	100.00%

Daytime Population			
	2000 CENSUS	2008 ESTIMATE	2013 FORECAST
Establishments	0	788,845	0
Employees	0	8,719,951	0

APPENDIX H – MARK BOSTICK GC AT UF MEMBERSHIP FEES

Mark Bostick Golf Course at the University of Florida Yearly Membership 2008	
Students	
Single	\$1,000
Youth (17 & under)	\$480
Senior (60+, Monday-Friday)	\$850
Husband/Wife	\$1,650
Family	\$1,650 + an extra \$150 per child
Faculty & Staff	
Single	\$1,550
Youth (17 & under)	\$750
Senior (60+, Monday-Friday)	\$1,200
Husband/Wife	\$2,550
Family	\$2,550 + an extra \$200 per child
Alumni	
Single	\$1,750
Youth (17 & under)	\$850
Senior (60+, Monday-Friday)	\$1,300
Husband/Wife	\$2,900
Family	\$2,900 + an extra \$200 per child
Semester (4-month) Memberships*	
Student	\$375
Faculty & Staff	\$575
Alumni	\$625
Summer (2-month) Memberships**	
Student	\$200
Faculty & Staff	\$315
Alumni	\$340
* 4-month Memberships: January 1 - April 30; May 1 - August 31; September 1 - December 31	
** 2-month Memberships: May 1 - June 30; July 1 - August 31	