Section 3

Condition of Property Report

General Findings on Condition

- BVGC is not in its most ideal condition.
- Most golf course features are well passed their expected lifecycle.
- The golf course suffers from severe drainage issues.
- The irrigation system is +/-50 years old and not efficient.
- Most corridors are more compressed than ideal, and safety is a concern.

General Findings on Condition

- Irrigation system and Pump Station location needs review.
- Water usage and distribution not ideal.
- Maintenance budget is not well tracked or understood.
- Maintenance facility and equipment are due for improvements.

Capital Investment (High Priority)

Projects	Description of Work	Estimated Cost
Irrigation	Complete system and pump station replacement.	$3,250,000
Drainage	Subsurface conveyance pipe, catch basins.	$1,103,000
Turf Reduction (by 30%)	Convert excessive maintained turf to native.	$243,750
Lake Construction	Liner Installation.	$88,500
Bioswale Creation	Convert low areas to bioswales for conveyance.	$174,240
Grading	Lake Excavation, Earthwork, Fine Shaping	$297,500
Trees	Remove 50-100 dead trees/stumps.	$50,000
Maintenance Facility	In-house clean up only.	$50,000
Cart Paths & Bridges	Basic path repairs + Review structural integrity of bridges + repair.	$750,000
New Turf Requirements	For tees, bunkers, drainage and Irrigation Disturbance only.	$237,250
Professional Services	Engineering, Golf Course Architecture, Agronomy	$305,000
Total	**All items listed above.**	**$6,549,240**

Capital Investment (optional items)

Projects	Description of Work	Estimated Cost
Greens	Renovate greens profiles and drainage.	$638,000
Tees	Renovate tees, enlarge and add forward tees.	$271,000
Bunkers	Renovate bunkers with minimal additions.	$370,000
Range	Netting, poles, shaping, grassing.	$1,326,500
Maintenance Facility	New facility	$1,200,000
New Turf Requirements	New turfgrass for golf course.	$2,831,400
Professional Services	Engineering, golf course architecture, agronomy	$410,000
Total	**All items listed above.**	**$7,046,900**

Notes: Probable Construction Cost prepared by the Golf Course Architect shall represent the Golf Course Architect's best judgment as a design professional of the probable construction cost for the golf course work. It is recognized, however, that neither the Golf Course Architect nor the Owner has control over the cost of labor, materials, equipment or course accessories, over any contractor's methods of determining bid prices, or over competitive bidding, market or negotiating conditions. Accordingly, the Golf Course Architect does not warrant or represent that bids or negotiated prices will not vary from any project budget which may have been proposed, established or approved by the Owner or from any Statement of Probable Construction Cost or other cost estimate or evaluation prepared by the Golf Course Architect.

Property Upgrade Considerations

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- A Comprehensive Master Plan with phasing and community engagement, by an ASGCA Golf Course Architect is strongly recommended.
- At minimum, safety, irrigation and drainage issues should be rectified as soon as possible.
- All items are passed their expected lifecycle and will only continue to decline.
- Phasing is possible & will require more detailed investigation and study.

City of Santa Rosa

Section 4

External Factors

External Factors Affecting Golf Ops

- Recent trends support increased golf participation.
- Golf experiencing "mini boom" in wake of Covid-19.
- Lot of new participants both young and old will sustain demand into the future.
- Golf offers positive outdoor experience and promotes healthy lifestyle.
- Sonoma County demographics consistent with strong golf demand + 10MM annual visitors will boost demand for golf activity.

External Factors Affecting Golf Ops

- Local Santa Rosa area golf supply/demand balance generally favorable for golf courses + visitor support helps support operations.
- BVGC compares well to its most immediate competition – especially with improved drainage and irrigation.
- BVGC is clear market leader in providing good quality public golf in Santa Rosa.
- There has been a real reduction in golf courses in the local area that has helped BVGC.

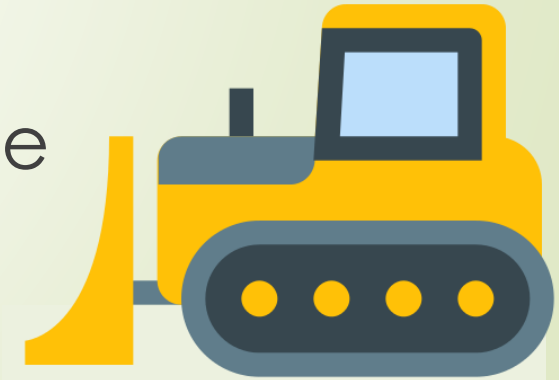
Section 5

Summary of Recommendations

NGF Recommendations

Physical Enhancements & Planning

- Prepare LT master plan of physical improvements.
- Commit to high priority physical improvements:
  - Irrigation (new system + turf reductions)
  - Drainage (including new grading, lake/creek & Bioswale improvements)
  - Ancillary facilities (new maintenance facility, cart paths, bridges)



NGF Recommendations

New Operations Plan

- Put new plan in place by July 1, 2022
- Use a **single operator** for pro shop, maintenance and restaurant
- Two Options Considered:
  - **Full Site Lease** – lease in exchange for capital investment (if a partner can be found)
  - **Management Contract** – Hire expertise to manage the property to City-established specifications

NGF Recommendations

Modify Event Center / Restaurant

- Create a true "golf clubhouse" environment
- Modify space to incorporate a snack bar or "19th hole" concept
- Include a casual ("sports bar") atmosphere
- Improve outside seating and service spaces (preferred by golfers, especially younger golfers)
- Changes are more operational and should be completed with minimal investment

NGF Recommendations

Marketing and Promotions

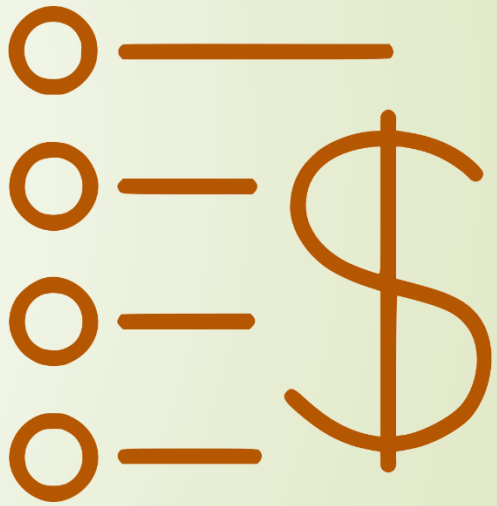
- Increase marketing focus on daily fee play, tourists, tournaments and coordination with Sonoma hotels
- Enhance social media presence
- Maximize use of the GolfLinks POS system to better utilize existing modules for marketing and customer tracking
- Improve the BVGC website



NGF Recommendations

Pricing – After Upgrade

- Pricing
  - Continue current greens fee policy
  - Be ready to increase peak green + cart fee to around $70-$75
  - Implement a dynamic pricing model subject to policy limits



NGF Recommendations

Other Operations Issues

- Enhance beginner programming
- Seek greater participation from "non-traditional" segments
- Provide a good supply of better-quality rental clubs and make this availability known to potential customers



Section 6

Structure Considerations

Structure Considerations

- Funding facility improvements is key determinant:

City Funding

Management Contract

Private Funding

BVGC Lease

Operational Consideration #1

- City Funded Improvements
- Hire professional golf management contractor

Pros:

- Easy to implement
- Allows time for City to plan properly
- Professional operation
- Retain private-sector labor

Cons:

- City must fund enhancements
- Fixed management fee
- Ongoing capital requirements
- Match City goals?

Operational Consideration #2

- Private sector funding of improvements
- Lease BVGC to private operator

Pros:

- Full privatization
- Private funding of improvements
- Reduce City risk in BVGC
- Professional operation

Cons:

- Hard to find willing partner
- Lease payment unlikely to cover golf bond payments
- Lengthy process to implement

Section 7

Financial Projections

Financial Projections

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BVGC Ad Hoc Committee recommend Option 1:

- Total gross BVGC revenue from all sources (golf + restaurant) can reach **$4.5 million per year** with course improvements.
- Total facility operating expenses should stay between **$3.5 to $4.0 million**, and include all aspects of golf facility operation (labor, materials, carts, equipment, maintenance and a management fee)
- Thus BVGC should be able to **contribute at least $500,000 or (bond repayment)**per year towards capital cost reduction.
- Golf facility business performance is not certain – unforeseen weather or economic circumstances add risk to this cash flow.

NGF Summary Conclusions

- Great amenity to the City and its residents – **what do you want it to be?**
- BVGC needs new investment in property condition
- City needs to be ready with new operating plan by July 1, 2022
- Recognize golf participation is aging and more needs to be done to attract younger golfers to BVGC
- There is opportunity for economic growth in the daily fee market through attraction of tourists and visitors
- With enhancements, BVGC can compete at highest level of market

BENNETT VALLEY GOLF COURSE RFP AND OPERATIONAL SCHEDULE

- Time is of the Essence
- Release of RFP - March 1, 2022
- Proposals Due - March 24, 2022
- Council Review and Approval - June 7, 2022
- Management Plan implemented - June 27, 2022
- Offering Golf Tee times - July 1, 2022, (or within 3 - 5 days)
- Food and beverage service to follow pending permits
- Maintenance to begin July 1, 2022

FUNDING NEXT STEPS

Option 1 for Management Operation: Fundamental change in operation of the BVGC Enterprise

- Current Review of BVGC Enterprise Funds available at Council – Spring 2022
- Full analysis and options for funding necessary to support transition to management agreement at Council – Spring 2022
- Review of capital improvements needed and funding options at Council – Spring 2022
- Request to fund exact annual amount necessary to support the City's Financial obligations under the Management Agreement including the Management Fee at Council – June 7, 2022

RECOMMENDATION

It is recommended by the Bennett Valley Golf Course Ad Hoc Committee, and the Transportation and Public Works Department that the Council, by motion: 1) approve a scope of work for management of Bennett Valley Golf Course; and 2) authorize release of a Request for Proposals (RFP) to solicit for a single operator management organization to operate and maintain the Bennett Valley Golf Course and restaurant; and 3) approve the review committee composition; and 4) delegate authority to the City Manager or designee to further modify the scope of work and/or RFP process and composition of the review committee provided such changes are consistent with or do not otherwise conflict with Council direction.