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CLOSED  
FOR THE SEASON

*Welcome to Duluth Golf - Enger Park & Lester Park*

# Lessons to Be Learned

1. Learn the Results of a 7-Month Study Considering 11 Options for Enger and Lester Park
2. Understand the Components to a Financially Successful Golf Operation
3. Grasp the Challenges of the Local Market
4. Hear the Findings of an Extensive Consumer Survey

# J. J. KEEGAN: MY PASSION

## CREATE VALUE FOR GOLFERS

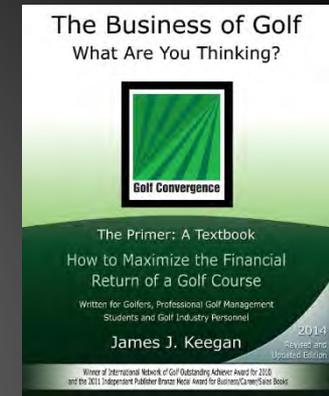
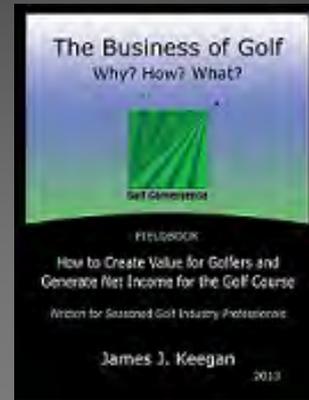
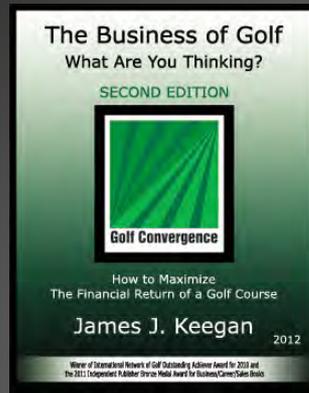
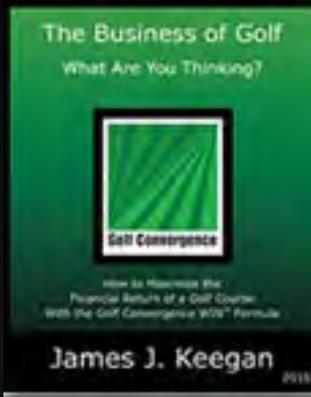
### ON A FOUNDATION THAT ENHANCES THE FINANCIAL PERFORMANCE OF A GOLF COURSE.



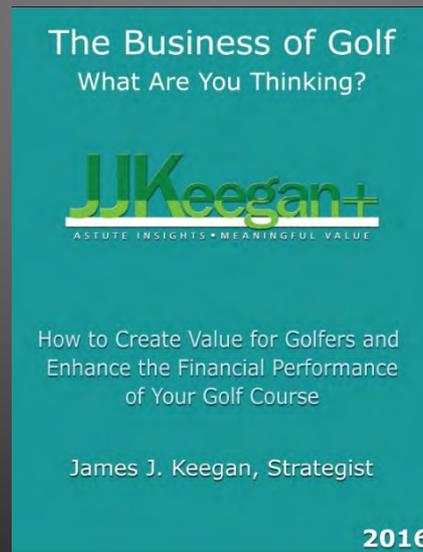
- ◆ Golf Strategist – 13 years including 7 months as GM operating golf course for client
  - 2016/17/18 Client Engagements:
    - Municipalities - Cities of Albuquerque, Arlington, Baltimore, Brookings, Chalk Mountain, Duluth, Enid, Gardner, Kent, Killeen, Lancaster, Lexington, Louisville, Mecklenburg County, Minneapolis Park Board, Round Rock, New Braunfels, Odessa, Palo Alto, Salt Lake City, South Bend, South Jordan, Spokane, Stansbury Park, Superior, Yarmouth
    - Daily Fee – Arroyo Trabuco, Cutter Creek, Cypresswood, Plum Creek, Oconee Country Club, Silver Creek, San Vicente, Sun City, Summerlin, Timberline, Thornberry Creek
    - Private Clubs – Canyon Lake, Cold Springs, Craigowan, Eagle’s Bluff, Green Meadow, Ravenna
    - Resorts – Kokanee Springs, Prairie Club
  - Webinar Series: 20 golf course management teams operating 60 golf courses through a strategic planning process including: Baltimore, Bloomington, Brooklyn Park, Charlotte, Cedar Rapids, Columbus, Crystal Mountain Resort, Fort Worth, Oak Creek/Pelican Hills, Pine Meadow, San Antonio, Virginia Beach, participated.
- ◆ CEO - Fairway Systems: Golf Management Software – 1989 to 2005 (450 golf courses, 7 countries)
- ◆ Memberships: GCSAA. Formerly member of NGF, NGCOA and CMAA.
- ◆ Speaker: NGCOA, NGCOA – Canada, Michigan Golf Course Owners, New England Golf Course Owners, Golf Course Superintendents Association, NRPA, Golf Course Builders, PGA Sections including Wisconsin
- ◆ Professor: Clemson University, Keiser University – College of Golf, College, Holland College, Golf Academy, Professional Golfers Career College, University of Incarnate Word
- ◆ Golf Magazine Panelist: Visited 4,750+ golf courses in 49 of the 203 countries, played 1,750+ of the world’s 34,011 courses
- ◆ Education & Licensing: BBA – TCU, MBA – University of Michigan, CPA – Inactive, Caddie Scholar

# The Business of Golf – Series

## 6,722 Copies Sold – 16 Countries – 15 Colleges' PGM Programs



Published August 17, 2016: 1,140 Copies Sold



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Kevin Norby, ASGCA

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Public Golf  
Operations and Customer Service

Architecture  
Playability, Safety, Experience

Water Expert  
Conditioning, Equipment, Irrigation

**ZENITH RESEARCH GROUP, INC.**  
**3736 East 3<sup>rd</sup> Street**  
**Duluth Minnesota 55804**  
**T: 218.728.6525**  
**E: [zenith@zenithgroup.com](mailto:zenith@zenithgroup.com)**  
**[www.zenithgroup.com](http://www.zenithgroup.com)**

## INFORMATION IS KNOWLEDGE

### Our Business

Located on the shore of Lake Superior in Duluth, Minnesota, Zenith Research Group was founded in 1983 by Duke Skorich. Patty McNulty joined the ownership team in 1997. With their combined talents and previous business backgrounds, the Zenith Research Group has moved into the top echelon of market research companies in the Upper Midwest, providing market research information, data analysis, and action plans for businesses and government units nationwide.

Our success over the span of more than three decades has established our position as one of the industry's most qualified and respected firms; our staff is experienced, educated and extremely professional.

In addition to our expansive tele-center capabilities and expertise, our firm has extensive experience in market/marketing research, brand audit/awareness, online research, qualitative (focus group) research, data analysis and media relations, including the critical element of crisis management.



### WHAT CAN ZENITH RESEARCH DO FOR YOU?

MARKET RESEARCH	STATISTICAL ANALYSIS	STRATEGIC COMMUNICATIONS
<small>SURVEYS, FOCUS GROUPS, CUSTOMER TRACKING AND MORE.</small>	<small>QUALITATIVE AND QUANTITATIVE ANALYSIS. INSIGHTFUL DATA.</small>	<small>BROADCAST YOUR MESSAGE LOUD AND CLEAR.</small>

### Exceeding Expectations

In finding a capable, experienced and results-oriented market research firm to meet your expectations, you also need a company you can trust. Our savvy management team and experienced representatives join forces to develop and then implement comprehensive market research and customer-centered programs that not only generate results, but also add a face and personality to your brand.

### Why Does Experience Matter?

Zenith Research Group is uniquely qualified to assist you in conducting your survey and market research programs. Through our experience gathering market research, we have the ability to conduct in-depth interviews, manage highly detailed survey and market research projects, and coordinate marketing efforts with our varied professional and governmental client base throughout the country. Simply, there is not another research company in this region capable to act as a dedicated partner committed to ongoing service and brand improvement, exceeding your goal expectations.

*In the past 35 years, we've built solid relationships with industry, business, government, non-profit and advocacy organizations at all levels throughout America. Our work has shaped legislation to better the lives of all Americans. Our brand research has improved the bottom line of businesses across the country. At the conclusion of every study, we've been proud to add our names to the final document.*

## OUTSIDE INSIGHT



# The Assets

Category	Enger Park	Lester Park
Year Opened	1992	1934
Green Fee	26	26
Predictive Index (Ranking out of 15,204 golf courses)	8,362	8,946
Slope Rating	140	132
MOSAIC Attitudinal Behavior Index	-6.77%	-0.18%

# The Options: Financial Model Created

Option	Description	Holes Open	Clubhouse	Equipment	Total Investment - Net (Millions)
N/A	Historical - 2017	54	N/A	N/A	N/A
FOD	Friends of Duluth	34	750,000	750,000	\$5,040,000
A	Continue As Is, Purchase Maintenance Equipment for Both Courses	54	0	750,000	750,000
B	Critical Improvements Only at Both Courses + Maintenance Equipment	54	1,500,000	750,000	9,802,000
1A	Sell 9 Holes at Each Golf Course Netting \$1.6 million + Maintenance Eq.	36	1,500,000	750,000	5,919,560
1B	Critical Improvements + \$5 Million Enger Clubhouse Investment	36	5,750,000	750,000	10,169,560
2A	Close Lester Completely Realizing \$1.8 million in sales proceeds	27	750,000	500,000	3,890,000
2B	City Ceases Operation at Lester With Outside Entity Operating 9 Holes	27	750,000	500,000	3,890,000
2C	Critical Improvements at Enger + \$2.5 Million Clubhouse	27	2,500,000	500,000	5,640,000
2D	Critical Improvements at Enger + \$5.0 Million Clubhouse	27	5,000,000	500,000	8,140,000
2E	Minimal Improvements at Enger – Pre- Fab Clubhouse	18	500,000	500,000	1,600,000
2F	Minimal Improvements at Enger – Pre-Fab Clubhouse	27	500,000	500,000	1,550,000

# None of the Options Will Cash Flow Creating an Economic Sustainability Golf Operation

Option	Description	Revenues	Cost of Goods	Net Operating Income	Total Expenses	EBITDA	Debt Service	Management Fees	Cash Flow	5 Year Cash Flow
N/A	Historical - 2017	1,730,448	251,988	1,478,460	1,460,421	18,039	0	124,848	106,809	534,046
N/A	Friends of Duluth	1,832,897	285,029	1,547,869	1,521,080	26,789	378,658	125,000	476,869	2,611,355
A	Continue As Is, Purchase Maintenance Equipment for Both Courses	1,477,908	224,466	1,253,442	1,478,444	225,002	48,381	125,000	398,383	2,276,741
B	Critical Improvements Only at Both Courses	1,862,969	294,298	1,568,672	1,554,978	13,693	736,430	125,000	847,737	4,349,852
1A	Sell 9 Holes at Each Golf Course Netting \$1.6 million	1,555,847	258,720	1,297,127	1,471,444	174,318	444,740	125,000	744,058	3,540,953
1B	Critical Improvements + \$5 Million Enger Clubhouse Investment	2,173,089	516,600	1,656,489	1,578,195	78,294	764,045	125,000	810,751	3,968,181
2A	Close Lester Completely	1,473,911	199,080	1,274,831	1,332,465	57,633	292,258	90,000	439,891	1,810,574
2B	City Ceases Operation at Lester With Outside Entity Operating 9 Holes	1,302,806	180,120	1,122,686	1,307,465	184,779	292,258	90,000	567,037	2,301,350
2C	Critical Improvements at Enger + \$2.5 Million Clubhouse	1,966,307	403,040	1,563,267	1,619,426	56,159	423,737	90,000	569,895	2,655,375
2D	Critical Improvements at Enger + \$5.0 Million Clubhouse	2,458,093	620,680	1,837,413	1,718,224	119,188	611,563	90,000	582,375	3,174,721
2E	Minimal Improvements at Enger – Pre- Fab Clubhouse	1,046,566	142,200	904,366	1,145,828	241,462	255,444	90,000	586,906	2,978,716
2F	Minimal Improvements at Enger – Pre-Fab Clubhouse	1,471,550	199,080	1,272,470	1,257,465	15,005	116,452	90,000	191,447	939,961
N/A	Enger 2017	1,046,257	162,452	883,805	1,043,872	160,067	0	Included	160,067	800,335

# Critical Assumptions in 2F Forecast

- Green Fees: \$33 – a 26.9% increased from current rates
- Season Passes: \$1,000
- Senior Passes Eliminated
- Skyline Cards: \$99
- Rounds: 42,000 (52.11% of capacity and a 24.6% increase from 2018). A huge assumption is made that the drop-in rounds at Enger from 38,405 in 2017 to 33,719 in 2018 is an anomaly and not part of a trend mirroring the decline in golf.
- REVPAR %: 55%
- REVPAR for Merchandise, Food and Beverage and Range Consistent With Historical Benchmarks at \$3.00, \$6.00 and \$1.50, respectively.
- Maintenance Expenses Increased from \$397,000 to \$495,789 which is \$347,398 less than the median expended by a 27-hole municipal golf course according to PGA PerformanceTrak

# The Challenges of Financial Forecasts: The Uncertainties

1. **The Economy** – when will we enter a recession?
2. **The Duluth marketplace** has a “negative” altitudinal behavior towards golf in the MOSAIC Profile.
3. **The Golf Industry** – projected to decline through 2030 before demand/supply are in balance.
4. **The Competitive Set of Courses in Duluth – Nemadji** is the buoy on which rates float.
5. **Capital costs**- rates, maturity and underwriting costs to be incurred in a market of increasing rates?
6. **Lester Golf Course Sales Proceeds** - proceeds to be realized are unknown and speculative.
7. **The Enger Renovation** – will it be professionally completed enhancing the golf experience?
8. **Enger Critical Model** – will one row irrigation with 700 heads for 27 holes create proper conditions?
9. **Enger Golf Course** – will the slope rating be reduced to widen the golf audience?
10. **The Skyline Project** – what impact will have on construction and access to the course?
11. **The Clubhouse** – size, type of construction, ambience, location

# The Challenges of Financial Forecasts: The Uncertainties

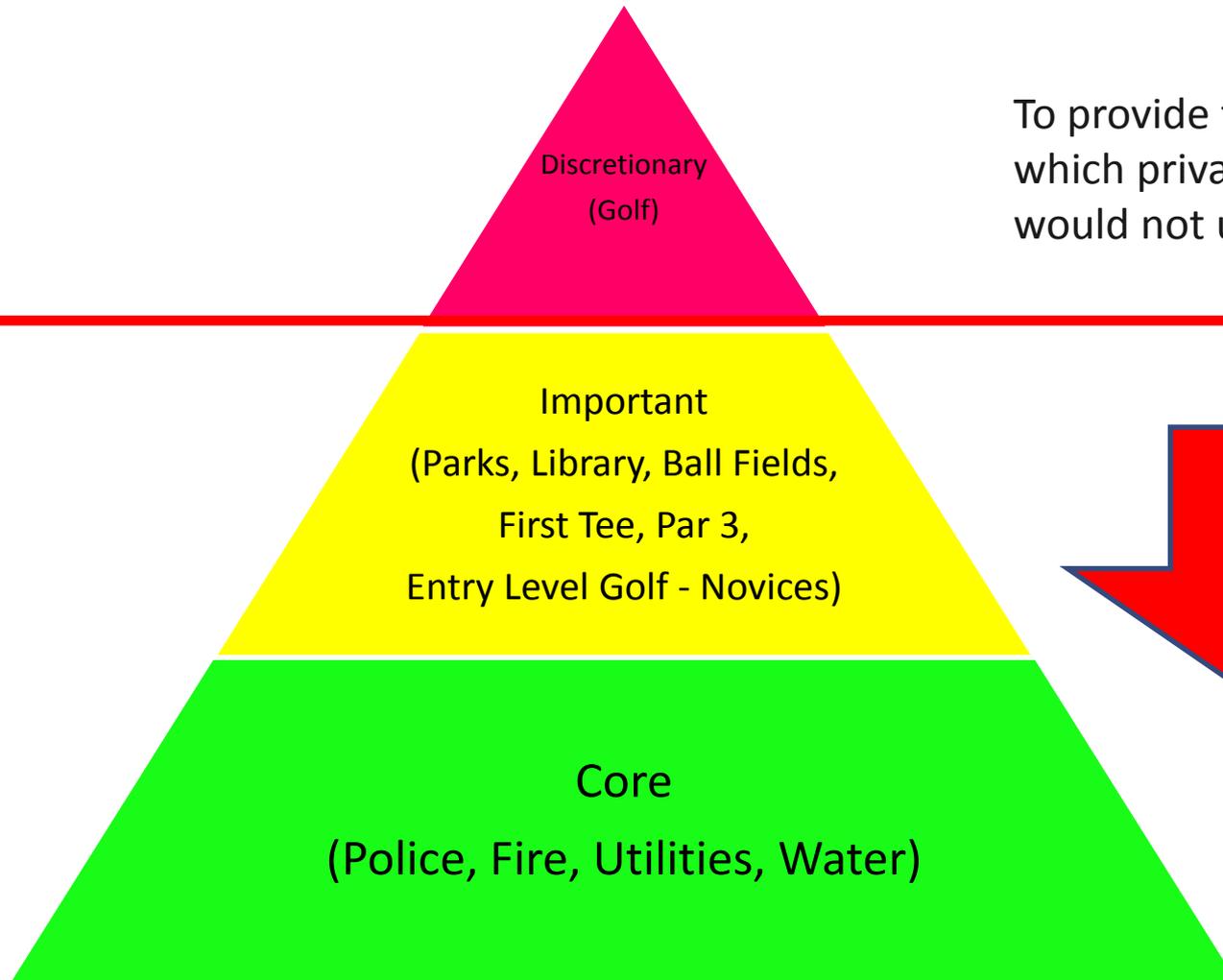
12. **Driving range** – projected to be sub-optimal
13. **Management Contract** – renewed: what terms? The impact of General Manager salary on one course?
14. **Yield Per Round** - Can it be effectively increased from 49.84% to 55%?
15. **Green Fees** - Can it be effectively raised from \$26 to \$33 after renovation?
16. **Season Passes** - 36.3% of all rounds are season pass based. No impact on rounds or revenue is forecast from the following changes:
  - Senior pass prices increased from \$575 to \$1,000?
  - Regular season pass prices increased from \$800 to \$1,000 be accepted?
17. **Skyline Cards** - 24.78% of all rounds are card based. Will a rate increase from \$49 to \$99 have an impact of play? No impact is forecast.
18. **BCG** has managed the courses extremely cost effectively. Will they able to continue that management in a diminished employment pool of skilled labor?
19. **3<sup>rd</sup> Party Management Fees** Will a reduction from \$125,000 to \$90,000 be accepted?

# Furthermore

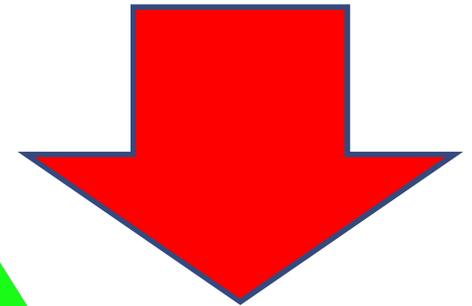
- ✓ Limited Playing Season of 186 Days
- ✓ Duluth is Not a Destination for Golf Tourists
- ✓ Inability to Raise Rates to FMV Based on Golfer Study
- ✓ No Future Capital Reserves in Projections
- ✓ No Satisfaction of General Fund Debt
- ✓ 2A – 2F Projections Presume 26% Increase in Rates
- ✓ 2A – 2F Eliminates All Senior Discounts

General Fund Subsidy  
Will Be Required Annually  
Estimated at \$200,000 Per Year  
To Support 10.7% of the Population  
Whose Income is 64.5% Greater  
than the Typical Duluth Resident

# The Role of Government



To provide for citizens that  
which private enterprise  
would not undertake.



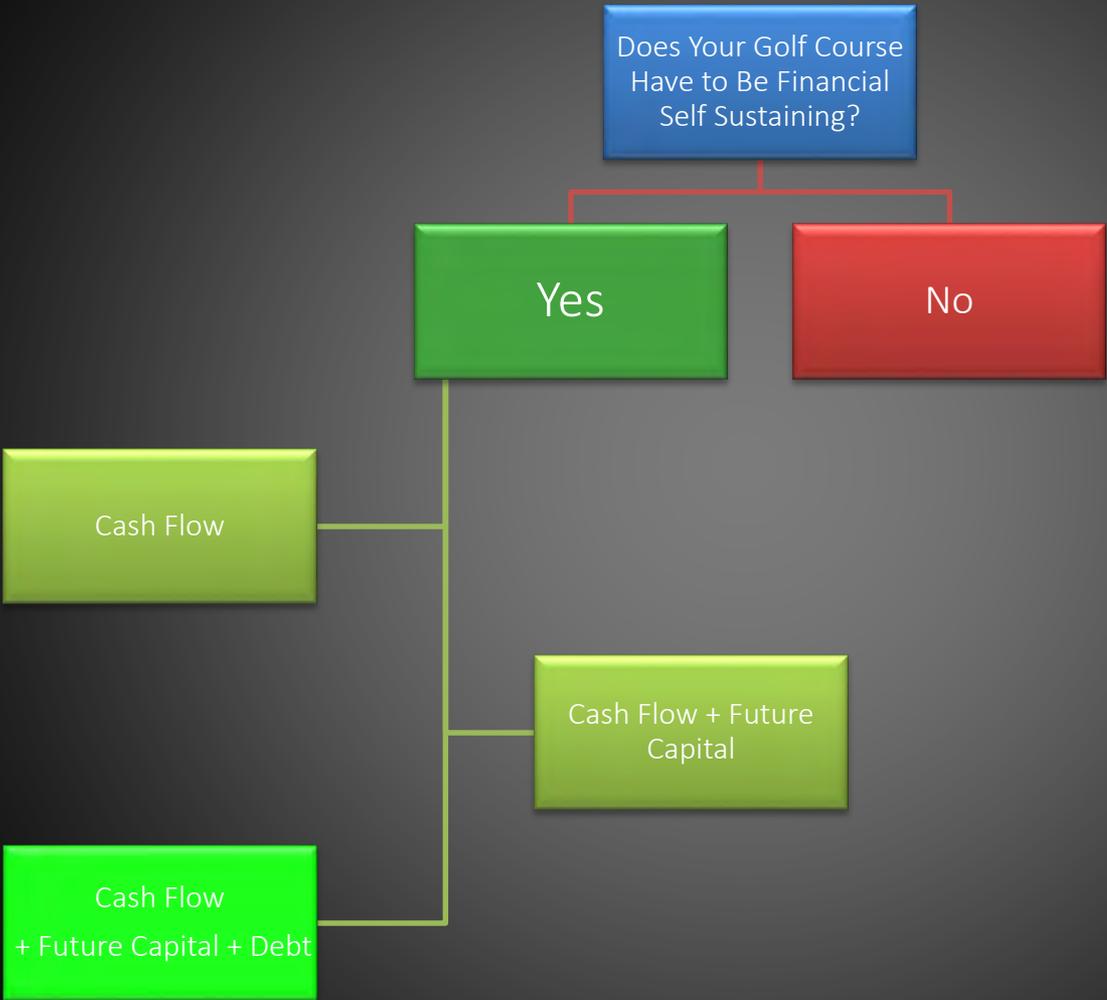
# A Community Asset or a Business Enterprise?



# Qualitative Importance: The Benefits of a Golf Course

- A healthy recreational outlet for residents and enhancement to the overall quality of life.
- Promoting a game which inculcates in its participants life skills: courtesy, judgment, honesty, integrity, sportsmanship, respect, confidence, responsibility, and perseverance.
- A venue to attract visitors and prospective residents.
- A good reflection on the image/brand of the city and community.
- Enhancement to local property values.
- Golf-related jobs and income to the community through purchases, wages, and taxes.
- An exceptional venue for scholastic use in practice rounds and tournaments.
- A venue for hosting charity tournaments and other fundraising activities.
- A positive use for storm water retention and city effluent water.
- An office for those retired

# The Path to Satisfactory Results Has Many Forks





**Datatech**

# National Golf Rounds Played Report

U.S. TOTAL	
OCTOBER '18	YTD '18
-10.3%	-3.9%

**Mountain**  
 ROUNDS -7.1%  
 TEMP -1.1%  
 PRECIP +250%

**West North Central**  
 ROUNDS -15.4%  
 TEMP -4.1°  
 PRECIP +22%

**East North Central**  
 ROUNDS -19.1%  
 TEMP -4.6°  
 PRECIP -14%

**New England**  
 ROUNDS -17.1%  
 TEMP -8.8°  
 PRECIP -25%

**Pacific**  
 ROUNDS +0.7%  
 TEMP +0.5°  
 PRECIP -18%

**Mid Atlantic**  
 ROUNDS -21.0%  
 TEMP -5.2°  
 PRECIP -15%

**South Atlantic**  
 ROUNDS -1.7%  
 TEMP +0.1°  
 PRECIP -17%

**South Central**  
 ROUNDS -13.9%  
 TEMP 0.0°  
 PRECIP +64%

**LEGEND:**  
 Outline colors represent regions. Round percentages compares October 2018 to October 2017

1° WARMER Temp YOY = 0.76% Increase in Rounds Played\*  
 1" RAIN increase YOY = 2.2% Decrease in Rounds Played\*  
 \*Based on WTI's historical analysis of weather conditions for all US markets. Results may vary by region

Red	+ 2.0% and higher
Green	between -1.9% and + 1.9%
Blue	- 2.0% and lower

weathertrends360

**NGF**

# We Create Walls to Protect our Vulnerability

Supply

Nationally - Supply Exceeds Demand. Competitive Forces control the prices

Weather

Rain, Snow, Sleet, Wind: Unpredictable Variability

Technology

Internet & Social Media of endless improvements and update mandates have changed in a marketplace of endless choices in an experience based economy

Time Crunched Culture

Lifestyle integration of home, work, commuting and a child centered focus on the wants, needs and desires have transferred to millennials seeking high intensity activities of short duration.

Expenses

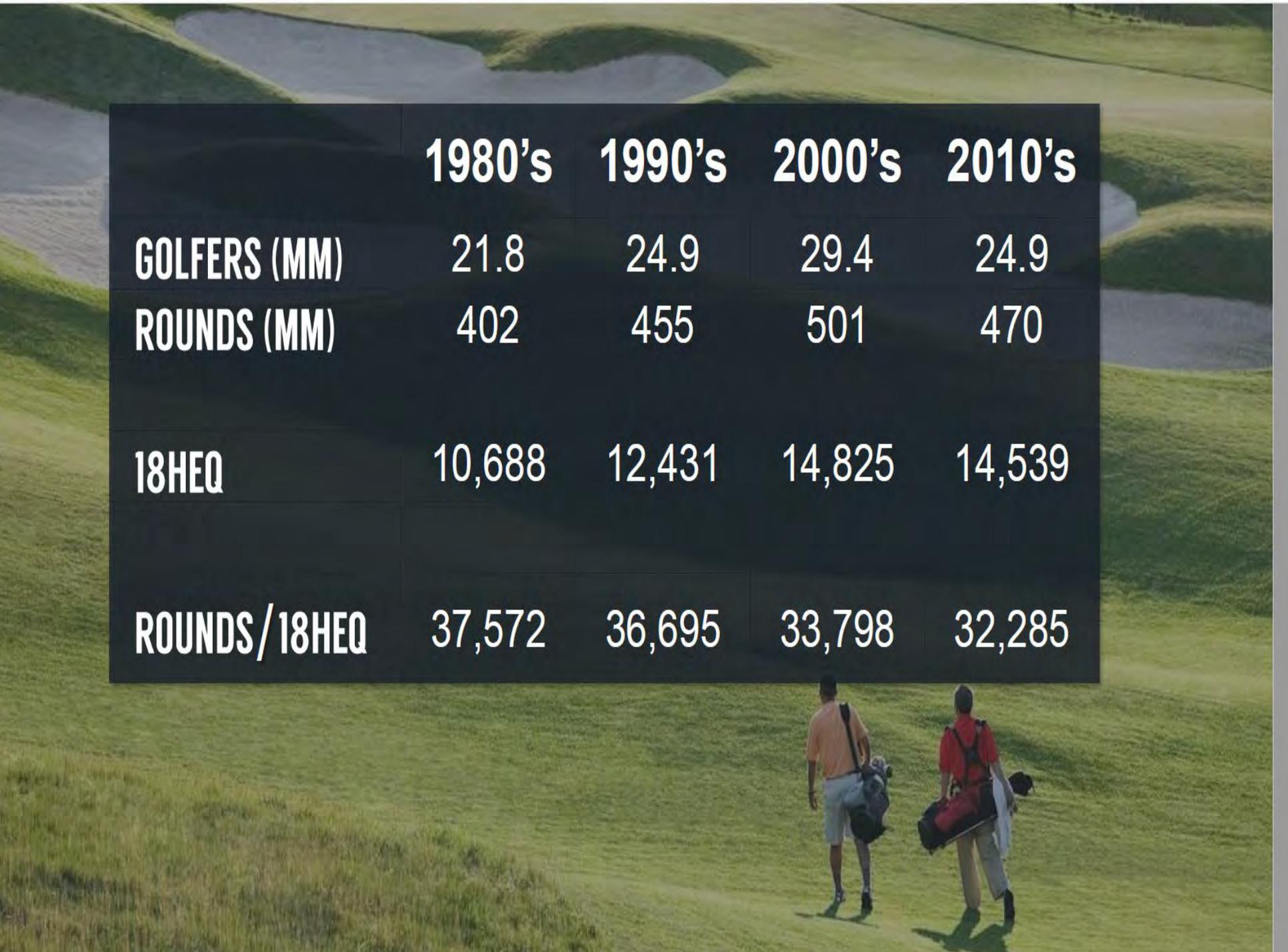
Water, Electricity, Fertilizer, Labor, Benefits

	<b>AVID</b>	<b>CASUAL</b>	<b>FRINGE</b>
Household income	<b>\$96K</b>	<b>\$92K</b>	<b>\$94K</b>
Average age	<b>43</b>	<b>45</b>	<b>40</b>
% Female	<b>15%</b>	<b>24%</b>	<b>36%</b>
Bought clubs	<b>58%</b>	<b>30%</b>	<b>16%</b>
Took a golf trip	<b>46%</b>	<b>18%</b>	<b>9%</b>
Took a golf lesson	<b>28%</b>	<b>11%</b>	<b>6%</b>

# GOLFERS **-7.5%**

# ROUNDS **+1.3%**





	<b>1980's</b>	<b>1990's</b>	<b>2000's</b>	<b>2010's</b>
<b>GOLFERS (MM)</b>	21.8	24.9	29.4	24.9
<b>ROUNDS (MM)</b>	402	455	501	470
<b>18HEQ</b>	10,688	12,431	14,825	14,539
<b>ROUNDS/18HEQ</b>	37,572	36,695	33,798	32,285



	<b>RACK RATE</b>		<b>AVG. PAID</b>
<b>18-HOLE</b>	<b>\$45</b>	<b>➔</b>	<b>\$34</b>
<hr/>			
<b>9-HOLE</b>	<b>\$25</b>	<b>➔</b>	<b>\$19</b>

**30  
YEARS  
AGO:  
1,882**

**GOLFERS PER 18HEQ**

**TODAY:  
1,687**



## Rule of Thumb – General Benchmarks for a Municipal Golf Course

	Benchmark – 27 Holes	Enger 27 Holes	Lester 27 Holes
Rounds	44,536	39,299	29,409
Revenue	\$1,387,514	1,046,257	689,109
Cost of Goods Sold	138,716	162,453	89,335
Administration	N/A	267,548	108,337
Food and Beverage	42,386	82,042	54,363
Golf Shop	487,500	187,609	173,138
Maintenance	843,187	392,046	195,337
Earnings Before Interest, Depreciation, Amortization	450,000	(45,440)	63,479
Management Fee	0	62,424	62,424
Capital Reserves	175,000	0	0
Cash Flow	275,000	(107,864)	1,055

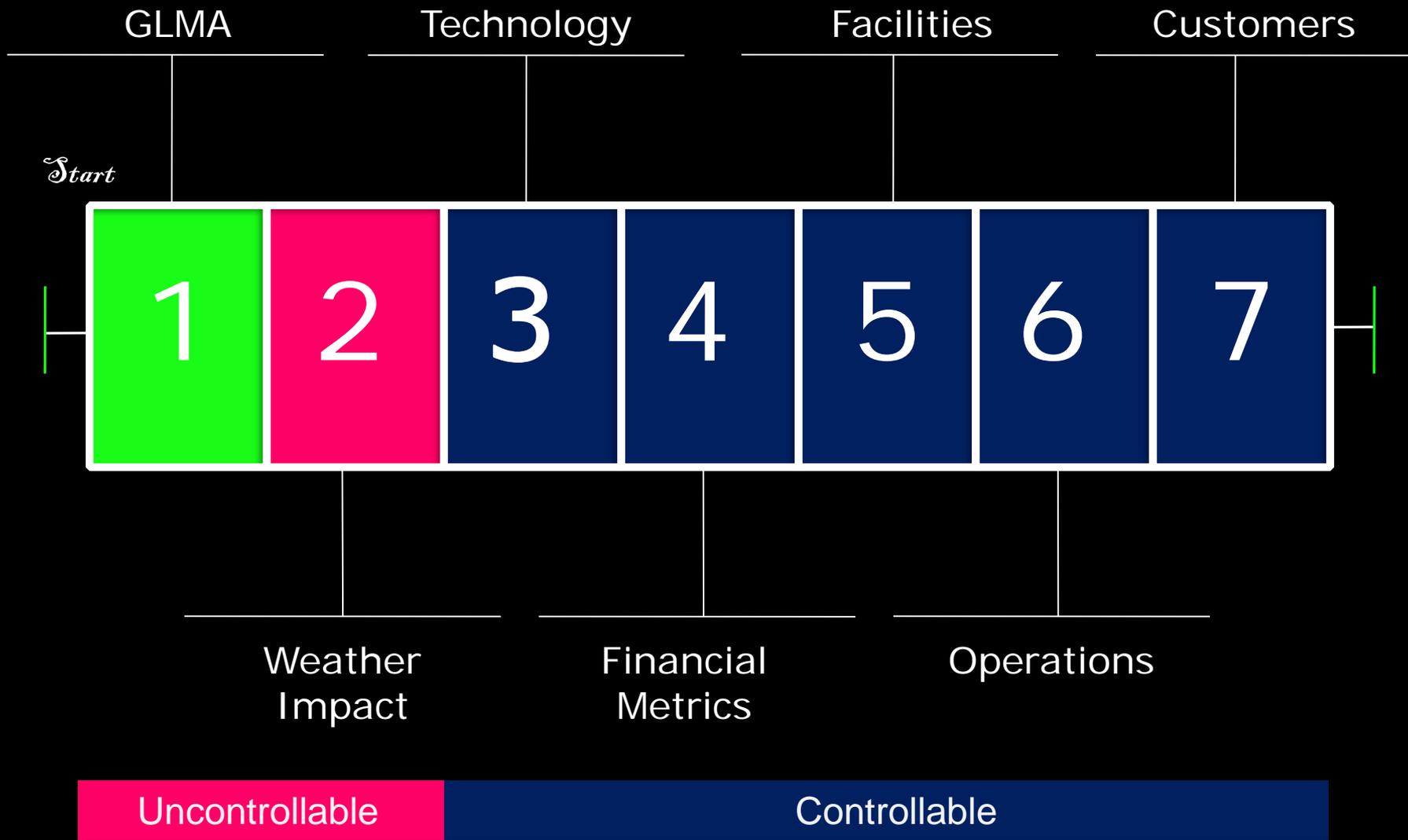
Source: PGA Performance Trak 2016

Note: Maintenance Expenses for 27 Hole Course are \$843,187

# Rule of Thumb – General Benchmarks for a Municipal Golf Course

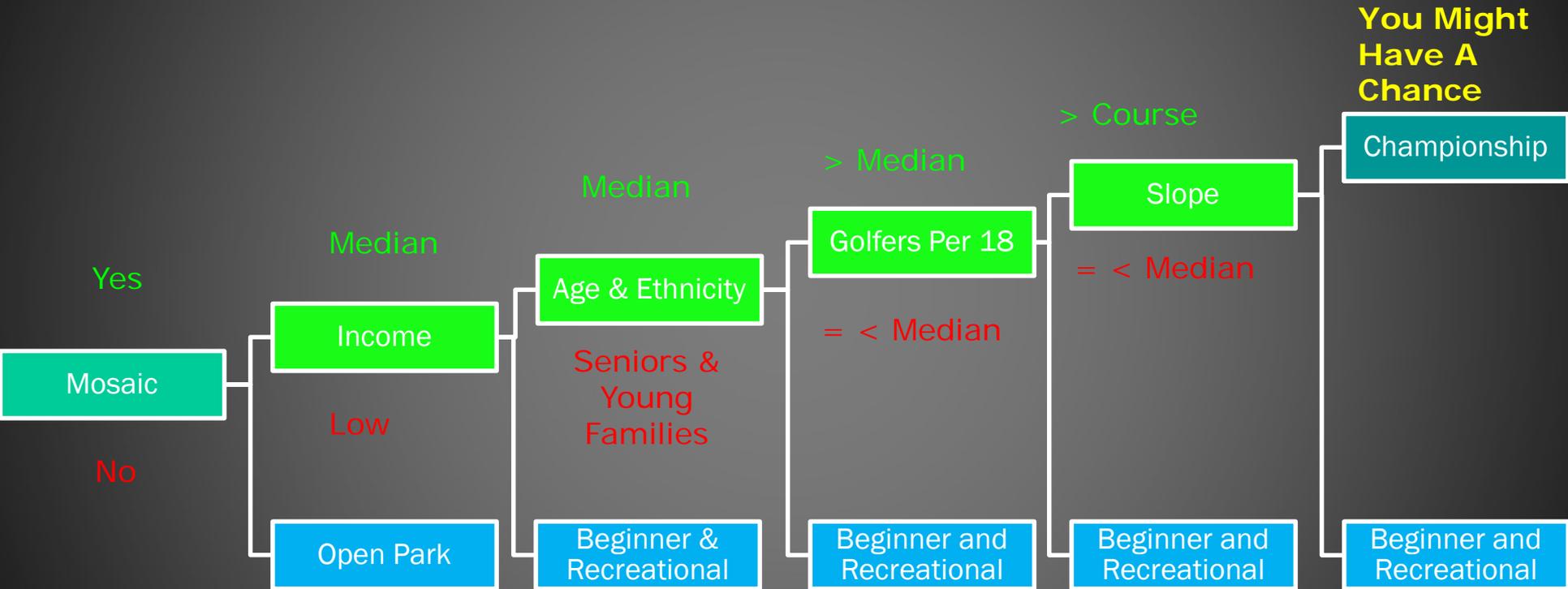
	Benchmark 27 Holes	Enger	Lester
Revenue	\$1,387,517	\$1,046,257	\$689,190
Green Fees, Season Passes	\$850,000	485,818	318,350
Carts	257,064	190,814	127,582
Merchandise	110,000	101,335	67,212
Food and Beverage	132,000	204,352	147,937
Range, Lessons and Other	73,900	63,938	28,109

Source: PGA PerformanceTrak 2016: 20 Courses Reporting



# The Critical Path

## The Barriers to A Fiscally Sustainable Championship Golf Course



You Might Have A Chance

Championship

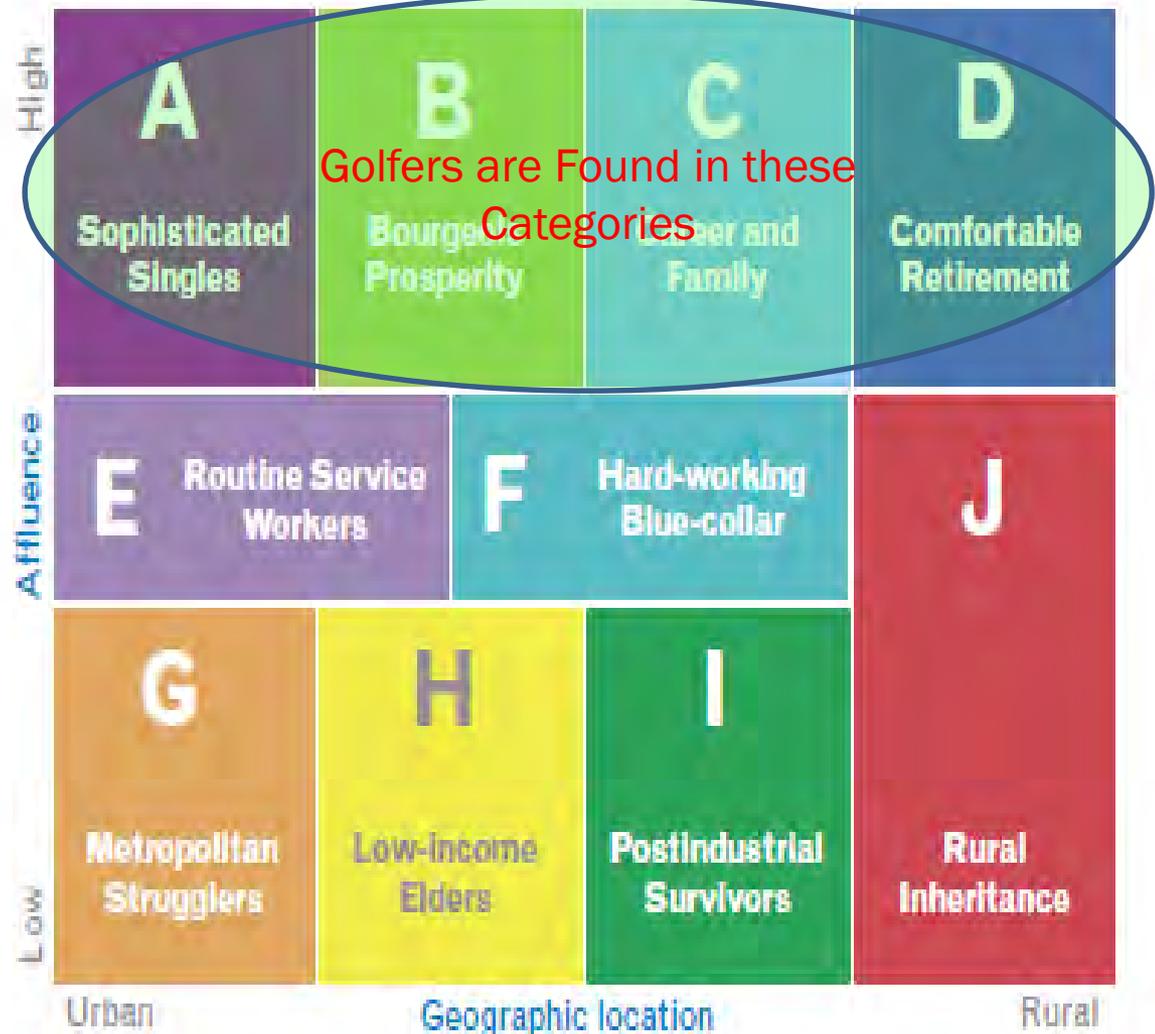
Beginner and Recreational

## Mosaic Global

Mosaic USA is part of a global segmentation network that classifies more than 1 billion people worldwide. Organizations leverage the Mosaic Global network of more than 30 countries to unify consumer definitions around a common customer language.

Experian Marketing Services enables marketers to tap into Mosaic Global's 10 distinct groups, which share common characteristics, motivations and consumer preferences. Using highly localized statistics and the simple proposition that the world's cities share common patterns of residential segregation, the 10 Mosaic Global groups are consistent across countries.

The Mosaic Global groups are mapped against two dimensions: affluence and geographic location.



# Enger Park Mosaic Profile

Radial Trade Area, 10 miles				
	Number	Enger Park	United States	
Sophisticated Singles	586	0.44%	2.70%	-6.77%
Bourgeois Prosperity	12,719	9.54%	15.70%	-2.26%
Career and Family	12,732	9.55%	13.40%	-6.16%
Comfortable Retirement	18,248	13.69%	8.20%	-3.85%
Routine Service Workers	15,621	11.72%	17.20%	5.49%
Hard Working Blue Collar	28,061	21.06%	10.40%	-5.48%
Metropolitan Strugglers	24,991	18.75%	17.10%	10.66%
Low Income Elders	7,088	5.32%	2.70%	1.65%
Post Industrial Survivors	11,087	8.32%	6.60%	2.62%
Rural Inheritance	2,135	1.60%	5.90%	1.72%
<b>Total</b>	<b>133,266</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-4.30%</b>

# Lester Park Mosaic Profile

Radial Trade Area, 10 miles				
	Number	Lester Park	United States	
				-0.18%
Sophisticated Singles	574	0.74%	2.70%	-1.96%
Bourgeois Prosperity	10,157	13.07%	15.70%	-2.63%
Career and Family	8,420	10.83%	13.40%	-2.57%
Comfortable Retirement	11,798	15.18%	8.20%	6.98%
Routine Service Workers	10,381	13.36%	17.20%	-3.84%
Hard Working Blue Collar	6,326	8.14%	10.40%	-2.26%
Metropolitan Strugglers	19,546	25.15%	17.10%	8.05%
Low Income Elders	5,354	6.89%	2.70%	4.19%
Post Industrial Survivors	4,563	5.87%	6.60%	-0.73%
Rural Inheritance	610	0.78%	5.90%	-5.12%
<b>Total</b>	<b>77,728</b>	<b>100.00%</b>	<b>100.00%</b>	

# Correlation Between MOSAIC PROFILE and Slope Rating

## Predictor of Potential

MOSAIC Profile	110	115	120	125	130	135	140	145	150
>40	0	0	1	3	4	5	5	5	5
40	0	0	1	3	4	5	5	5	5
35	0	0	2	4	5	5	4	4	4
30	0	0	2	4	5	4	4	3	3
25	0	1	3	5	4	3	3	3	2
20	0	2	4	5	3	3	2	2	1
15	0	3	5	4	3	2	2	1	0
10	1	4	5	3	2	2	1	0	0
5	2	5	4	3	1	1	0	0	0
0	3	5	Lester: Front Back	2	Lester: Back Lake/Lake Front	0	0	0	0
-5	4	4	3	2	Enger: Middle Back/Back Front	0	Enger - Front Middle	0	0
-10	5	4	2	1	0	0	0	0	0
-15	5	3	2	1	0	0	0	0	0
-20	5	3	1	0	0	0	0	0	0
-25	5	4	1	0	0	0	0	0	0
-30	5	4	0	0	0	0	0	0	0
< -30	5	4	0	0	0	0	0	0	0

Probability of Financial Success for Golf Course Based on Residents with 10 Mile Radius

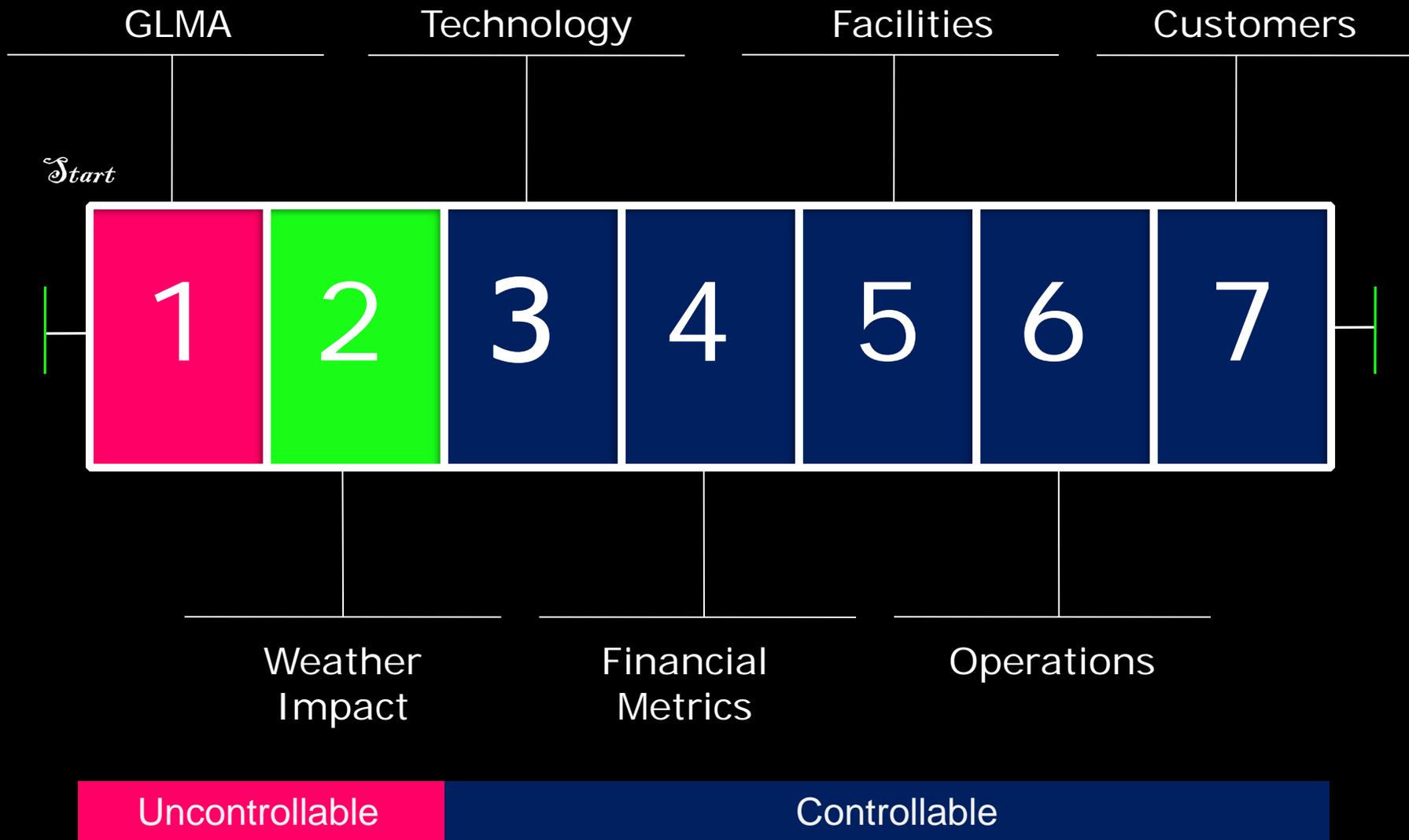
- 5 Excellent
- 4 Good
- 3 Fair
- 2 Below Average
- 1 Very Challenged
- 0 Little Chance

# The Market Demographics

	Enger Park	Lester Park	100 CBSA	U.S.	Data Source
Age (Median)	35.90	34.20	37.30	36.90	<i>Demographic Trend Report</i>
Age (Median)	97	93	101	100	Calculated
Income (Med Hhld)	\$45,587	\$46,076	\$57,264	\$53,657	<i>Demographic Trend Report</i>
Income (Median)	85	86	107	100	Calculated
Likely Golfer Household Income	\$81,601	\$82,476	\$102,503	\$96,046	<i>JJ Keegan+ Estimate</i>
Income (Index)	85	86	107	100	Calculated
Income (Average Hhld)	\$61,137	\$63,562	\$80,080	\$73,343	<i>Demographic Trend Report</i>
Income (Median)	83	87	109	100	Calculated
Ethnicity (% Cauc.)	90.59%	89.50%	66.50%	71.10%	<i>Demographic Trend Report</i>
Ethnicity Index	127	126	94	100	Calculated
Hispanic	1.77%	1.85%	20.10%	17.00%	<i>Demographic Trend Report</i>
Hispanic Index	10	11	118	100	Calculated
African American	2.26%	2.89%	15.00%	13.30%	<i>Demographic Trend Report</i>
Black Index	17	22	113	100	Calculated
Asian American	1.48%	1.82%	7.10%	5.40%	<i>Demographic Trend Report</i>
Asian Index	27	34	131	100	Calculated

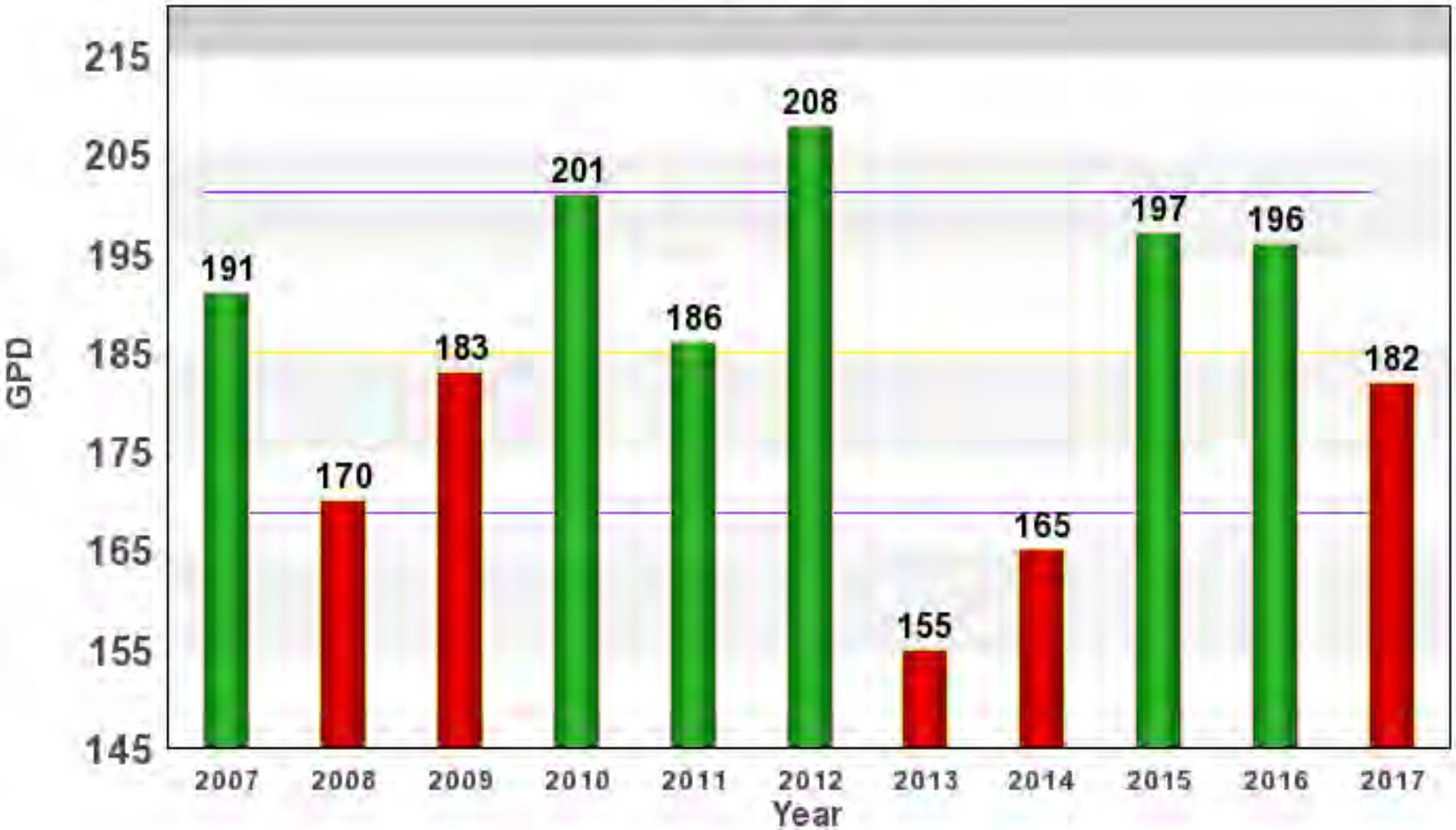
# Demand vs. Supply

<b>Demand</b>	<b>Enger Park</b>	<b>Lester Park</b>	<b>100 CBSA</b>	<b>U.S.</b>	
Avid Golfers	3,820	2,132	4,420,367	6,543,657	Calculated by 26.8% of Golfers
Total Golfers	14,253	7,957	16,493,905	24,416,632	Calculated by 1.415 Golfing Households
Rounds Played	262,882	142,891	288,126,400	451,577,900	<b><i>NGF Demand Report</i></b>
Market Supply	286,214	148,706	236,397,100	450,778,300	<b><i>NGF Demand Report</i></b>
Demand Index	91.85%	96.09%	121.88%	100.18%	Calculated
Rounds Per Course	32,860	35,723	39,968	30,065	Calculated
Rounds Played Per Golfer	18.44	17.96	17.47	18.49	Calculated
Golf Participation	10.70%	10.24%	8.12%	7.65%	Calculated
Population	133,266	77,728	203,040,187	319,293,362	<b><i>Demographic Trend Report</i></b>
Golfers per 18 Holes	1,673	1,641	2,283	1,733	Calculated
Green Fee Carts/18	1,154,829	1,160,957	N/A	1,416,063	<b><i>Predictive Index Data</i></b>
Annual Spending	650	566	N/A	870	Calculated
Cost Per Round	35.14	32.50	N/A	47.10	Calculated
Avid per 18 holes	449	426	607	464	Calculated
Avid Household Index	97	92	131	100	Calculated



# Golf Playable Days

Duluth, MN

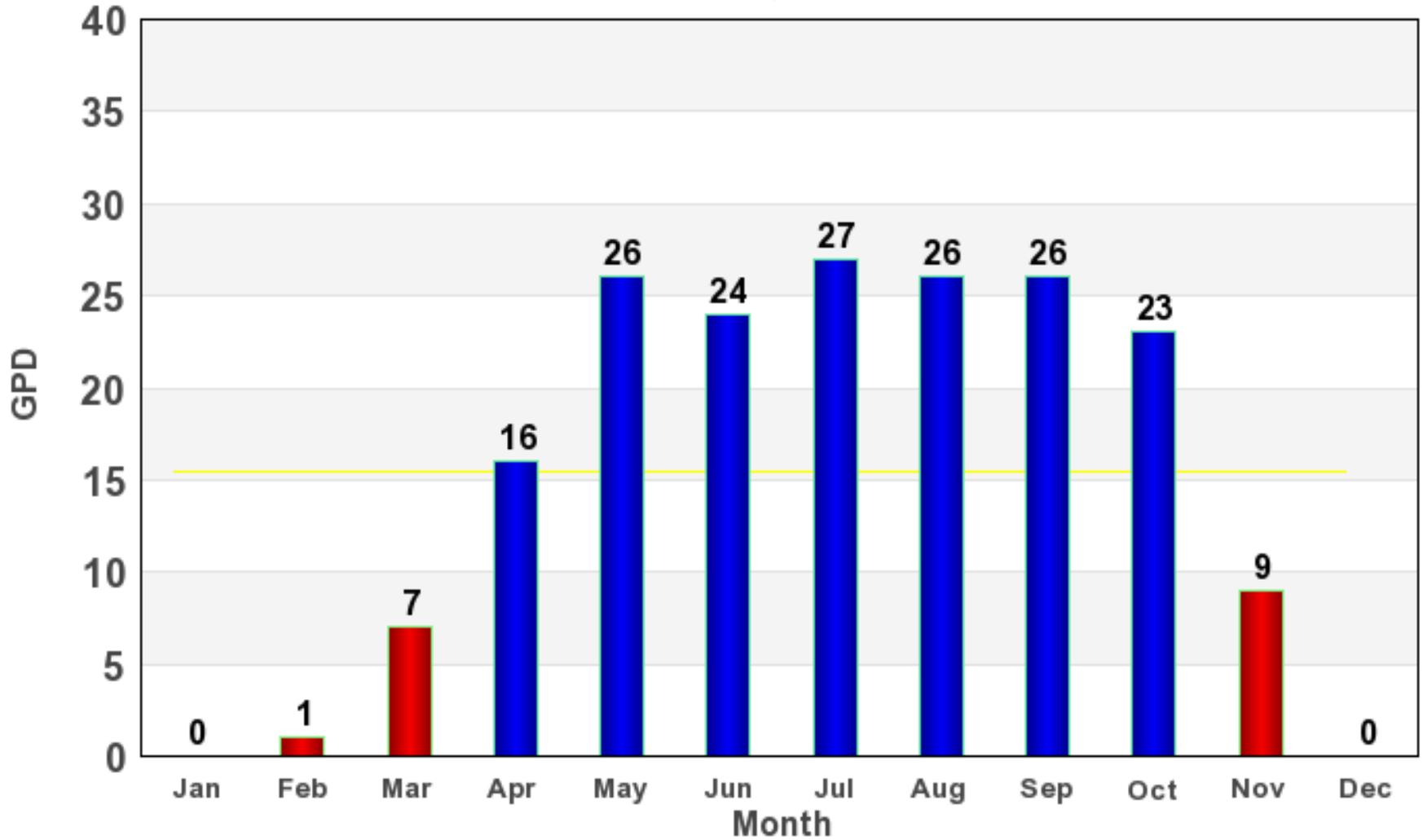


# Definition

A Golf Playable Day (GPD) is defined as a day where the maximum temperature is above 45 degrees Fahrenheit and below 95 degrees Fahrenheit, precipitation is less than 0.25 inches of rainfall, and wind speed is less than 19 miles per hour. These numbers can be used to compare “good” years with “not good” years. Monthly values can help the owner determine when to have the most staff and plan for the most rounds. The purple lines represent what to expect in a typical year, if the value is above or below these lines it shows it is an abnormal year.

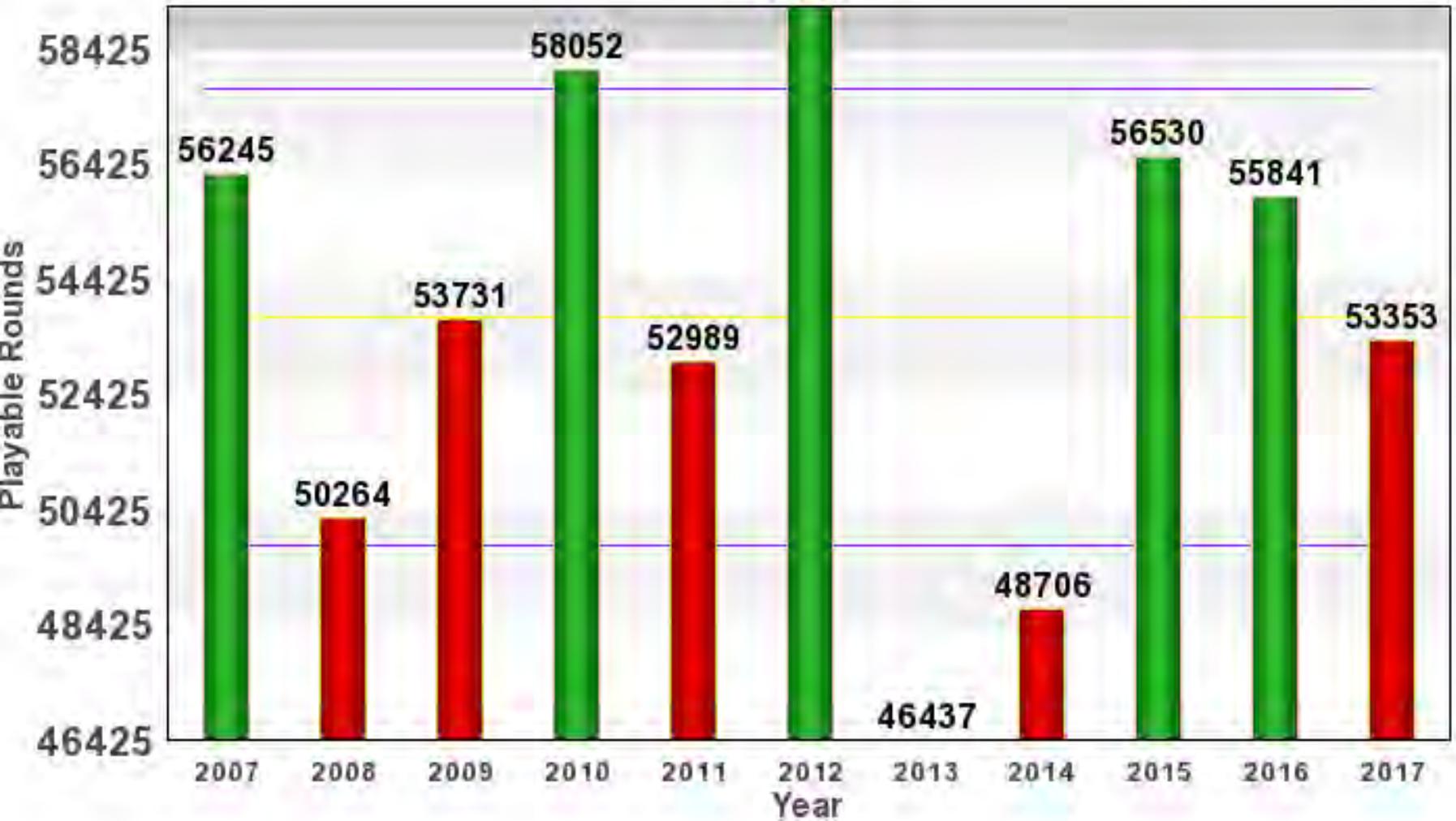
# Average Golf Playable Days by Month

Duluth, MN



# Yearly Playable Rounds

Duluth MN



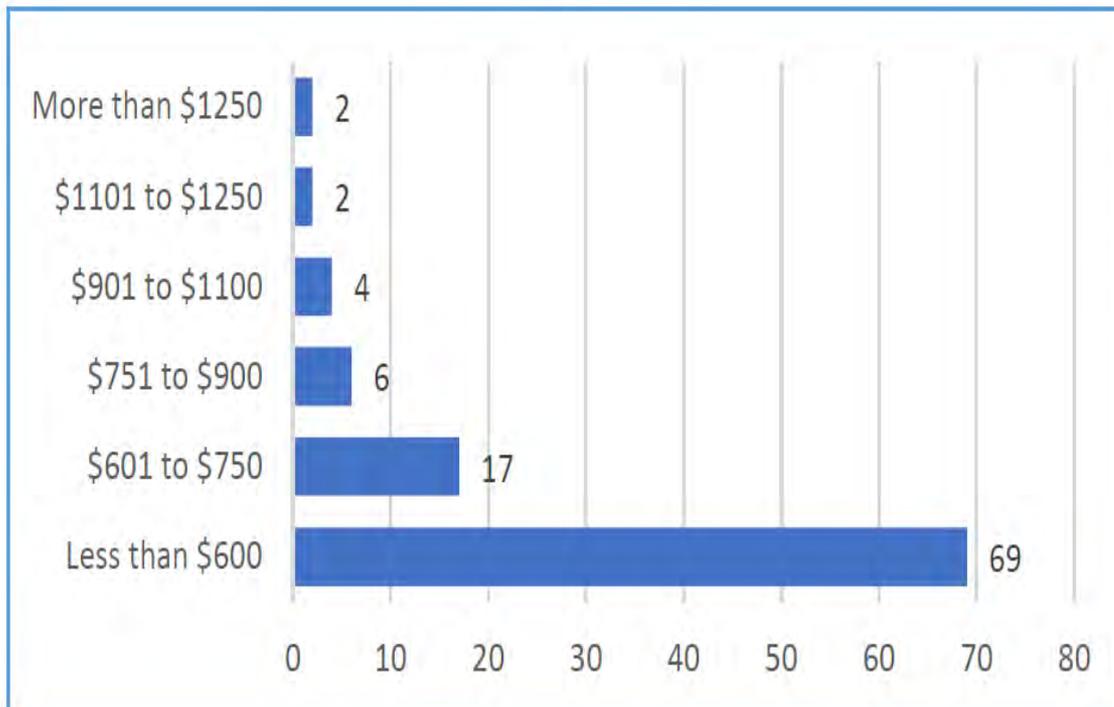
# Season Passes Underpriced

	Unlimited Pass - Walking: Nationally	Unlimited Pass Walking – Duluth Golf
Transferable	No	Yes
Holes	18	18
Playable Days	260	186
Playing Frequency	<b>32%</b>	<b>30%</b>
Rounds Played	83	56
Rate Rack	\$ 45.00	\$ 26.00
Frequency Discount	<b>30%</b>	<b>30%</b>
Proper Annual Fee	2,621	1,016
Current Annual Fee		750
Variance		266

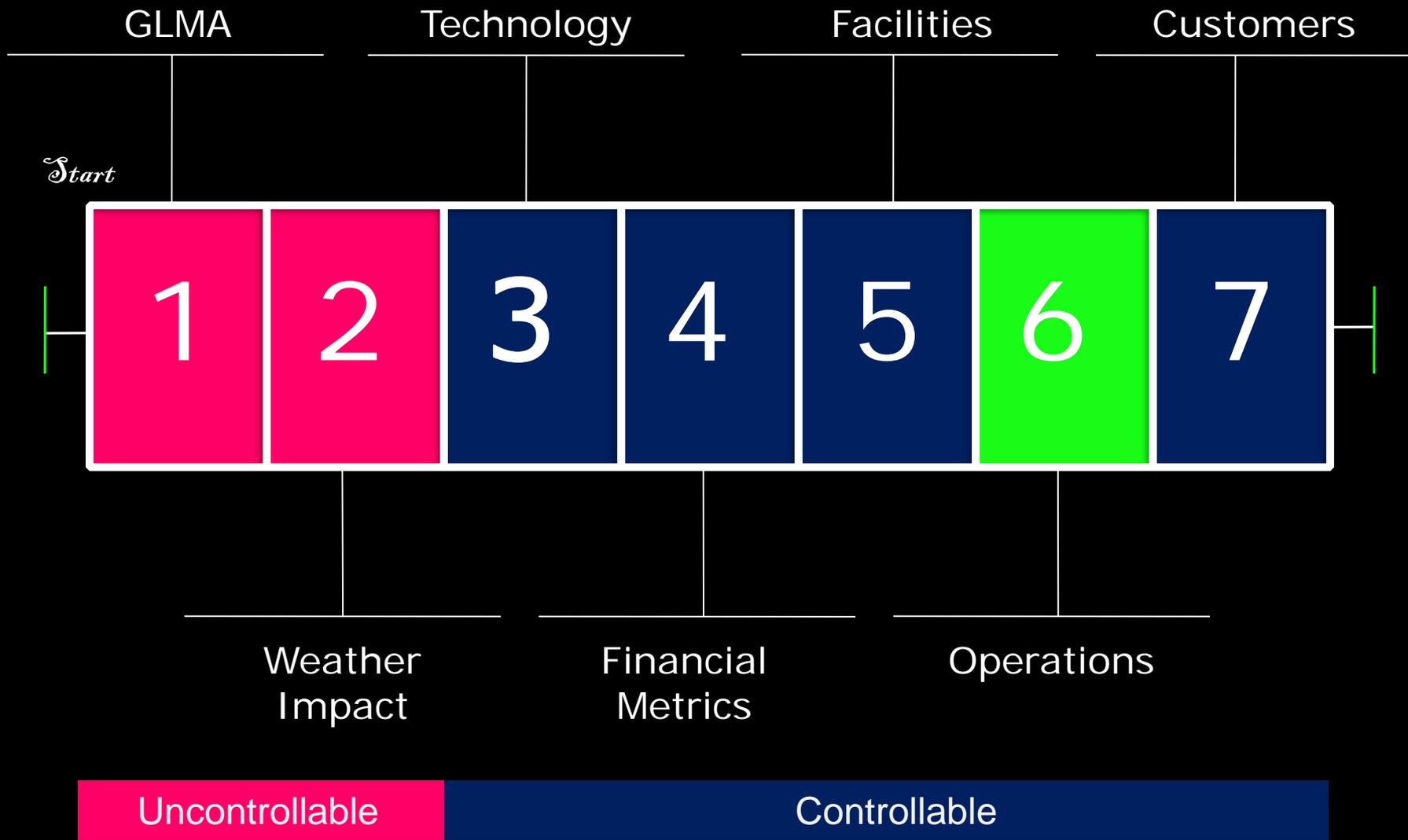
# Season Passes Underpriced

Q20: What do you believe is an acceptable price for a Season Pass (without cart) to play both Lester Park and Enger Park golf courses?

N = 122



69 percent of the respondents believe some amount less than \$600 is an acceptable price for a season pass without cart privileges to play both of the City operated golf courses.





# EXECUTIVE GOLF MANAGEMENT SYSTEM

ASTUTE INSIGHTS • MEANINGFUL VALUE

**\$48.96**

FAIR MARKET VALUE FOR GREEN FEE, BASED ON CUSTOMER EXPERIENCE DERIVED.

Select  Course Type

ASSEMBLY LINE	Description	Weight	Raw Score	Weighted Score
Step 1	Slope	60%	101.50	60.90
Step 2	Strategy	5%	-14.50	-0.73
Step 3	Conditioning	5%	-29.00	-1.45
Step 4	Turf Texture	5%	14.50	0.73
Step 5	Ambience	20%	5.00	1.00
Step 6	Amenities	5%	0.00	0.00
	<b>Subtotal Green Fee Experience</b>		<b>60.45</b>	
Step 7	Demand Adjustment		90%	
	<b>Recommended Demand Based Green Fee</b>		<b>\$54.41</b>	
Step 8	MOSAIC Profile		90%	
	<b>Calculated Green Fee based on MOSAIC Locale</b>		<b>\$48.96</b>	
	Course' Current Green Fee	Prime Time With Cart	\$28.00	
	Variance		\$20.96	



# EXECUTIVE GOLF MANAGEMENT SYSTEM

ASTUTE INSIGHTS • MEANINGFUL VALUE

	<b>\$27.82</b>	FAIR MARKET VALUE FOR GREEN FEE, BASED ON CUSTOMER EXPERIENCE DERIVED.	Select	Course Type Resort <input type="button" value="v"/>
ASSEMBLY LINE	Description	Weight	Raw Score	Weighted Score
Step 1	Slope	60%	58.00	34.80
Step 2	Strategy	5%	-14.50	-0.73
Step 3	Conditioning	5%	-29.00	-1.45
Step 4	Turf Texture	5%	14.50	0.73
Step 5	Ambience	20%	5.00	1.00
Step 6	Amenities	5%	0.00	0.00
	<b>Subtotal Green Fee Experience</b>		<b>34.35</b>	
Step 7	Demand Adjustment		90%	
	<b>Recommended Demand Based Green Fee</b>		<b>\$30.92</b>	
Step 8	MOSAIC Profile		90%	
	<b>Calculated Green Fee based on MOSAIC Locale</b>		<b>\$27.82</b>	
	Course' Current Green Fee	Prime Time With Cart	<b>\$28.00</b>	
	Variance		<b>\$0.18</b>	



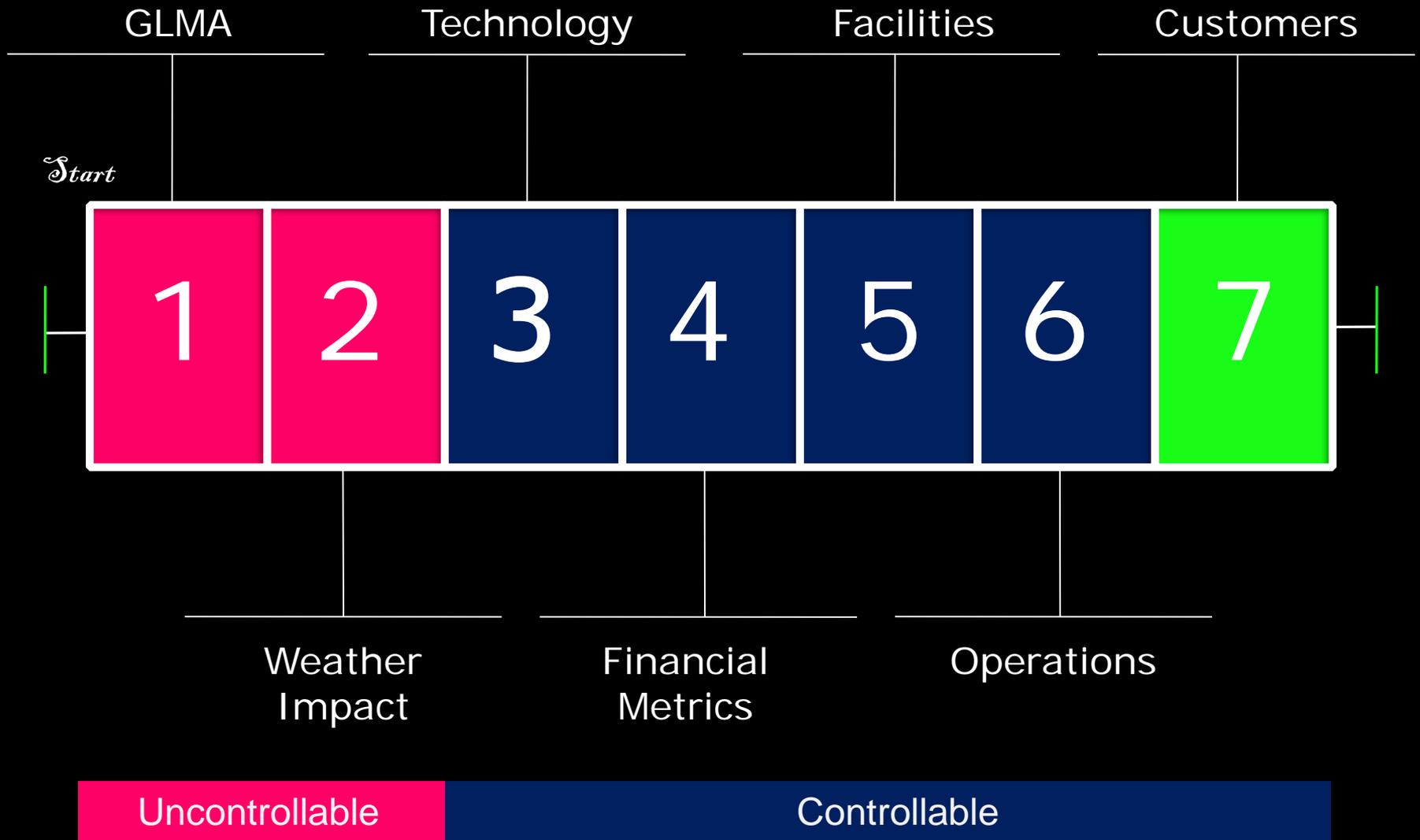
Additionally, both courses also offer snack bars. Ice cold soft drinks and beer compliment a menu built on time-honored staples and new favorites: burgers & dogs, grilled chicken and more. Breakfast is served every day, bright and early, and always with a smile.



## 2018 Golf Rates

EARLY BIRD (MON-FRI)	\$21
TWILIGHT	\$21
18 HOLE	\$26
9 HOLE	\$20
SENIOR 18 HOLES	\$21
SENIOR 9 HOLES	\$19
JUNIOR 18 HOLES	\$12
JUNIOR 9 HOLES	\$6
SKYLINE CARD 18 HOLES	\$21
SKYLINE CARD 9 HOLES	\$18
SKYLINE CARD 18 HOLES - SENIOR	\$17
SKYLINE CARD 9 HOLES - SENIOR	\$14
SKYLINE CARD EARLY BIRD & TWILIGHT	\$18

**Kids Play Free:** Everyday any time after 3 PM with paid adult green fee. One junior 17 years old or younger per adult; no other discounts maybe used with this promotion. Junior's rates above for 17 years old or younger.



Thank you



J. J. Keegan, Managing Principal  
4406 Orofino Place  
Castle Rock, CO 80108  
t 303-283-8880  
c 303-596-4015  
[jjkeegan@jjkeegan.com](mailto:jjkeegan@jjkeegan.com)