

RECREATION, LIBRARIES, & AUTHORITIES COMMITTEE

11-0214R

RESOLUTION AUTHORIZING AN AGREEMENT WITH NATIONAL GOLF FOUNDATION CONSULTING, INC., FOR THE COMPREHENSIVE REVIEW OF OPERATIONS AT ENGER PARK AND LESTER PARK GOLF COURSES, BOTH OWNED BY THE CITY OF DULUTH, FOR AN AMOUNT NOT TO EXCEED \$28,500.

CITY PROPOSAL:

RESOLVED, that city officials are hereby authorized to enter into an agreement with National Golf Foundation Consulting, Inc., substantially in the form of that on file in the office of the city clerk as Public Document No.

_____ for the review and assessment of operations of city-owned Enger Park and Lester Park golf courses for an amount not to exceed \$28,500, payable from the General Fund 110, Dept./Agency 121 (Public Administration), Org. 1219 (Parks and Recreation), Obj. 5441 (Other Services and Charges).

Approved:

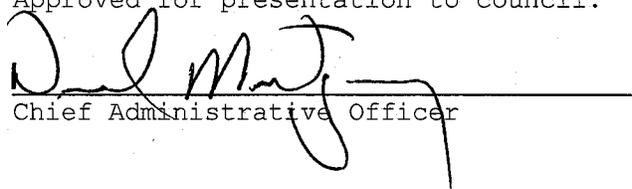


Department Director

Purchasing Agent

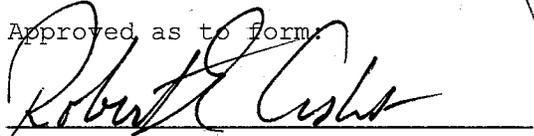
DS

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

PA/P&R/PRCH DS:1e 04/27/2011

STATEMENT OF PURPOSE: This resolution authorizes a consultant agreement with National Golf Foundation Consulting, Inc., for the review and assessment of operations of city-owned Enger Park and Lester Park golf courses for an amount not to exceed \$28,500, payable from the general fund.

The primary goal of this comprehensive operations review will be to formulate recommendations that will result in increased rounds played and net revenue

performance of each facility so that the city meets its financial objectives for the golf enterprise fund. The study will also look at various ownership and management alternatives for each golf course.

National Golf Foundation Consulting, Inc., located in Jupiter, Florida, was also involved in a previous review of golf operations for the city of Duluth in 1995.

Requisition No. 11-0330

AGREEMENT FOR PROFESSIONAL SERVICES

NATIONAL GOLF FOUNDATION CONSULTING, INC.

AND

CITY OF DULUTH

THIS AGREEMENT, entered into this _____ (day) of _____ (month/year), by and between the CITY OF DULUTH, a municipal corporation, hereinafter referred to as "City," and NATIONAL GOLF FOUNDATION CONSULTING, INC., located at 1150 South U.S. Highway One, Suite 401, Jupiter, Florida 33477, hereinafter referred to as "Consultant," for the purpose of rendering services to the City.

WHEREAS, the City desires to utilize Consultant's **professional services for a comprehensive review and assessment of operations at the Enger Park and Lester Park Golf Courses, both owned by the City of Duluth;**

WHEREAS, Consultant has represented that it is qualified and willing to perform services set forth in its proposal;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the parties hereto agree as follows:

I. Services to be Performed.

Consultant will provide the services identified in its proposal and scope of services dated **April 13, 2011**, attached hereto as **Exhibit "A."** In the event of any conflict between the terms of the Proposal and this Agreement, the terms and conditions of this Agreement shall be deemed to be controlling.

II. Fees.

It is agreed between the parties that Consultant's maximum fee for the term of this Agreement shall not exceed the sum of **\$28,500 (Twenty-Eight Thousand, Five-Hundred and xx/100) dollars** payable from the General Fund 110, Dept./Agency 121 (Public Administration), Org. 1219 (Parks and Recreation), Obj. 5441 (Other Services and Charges), Requisition No. 11-0330, Vendor Code No. 6585. All bills for services rendered shall be submitted monthly to the Parks and Recreation Division, Public Administration Department.

III. General Terms and Conditions.

1. Qualifications. Consultant represents that it is qualified and willing to perform the services set forth herein.
2. Amendments. Any alterations, variations, modifications or waivers of terms of this Agreement including contract price shall be binding upon the City and Consultant

only upon being reduced to writing and signed by a duly authorized representative of each party.

3. Assignment. Consultant represents that it will utilize only its own personnel in the performance of the services set forth herein; and further agrees that it will neither assign, transfer or subcontract any rights or obligations under this Agreement without prior written consent of the City.
4. Data and Confidentiality.
 - a. The City agrees that it will make available all pertinent information, data and records under its control for Consultant to use in the performance of this Agreement, or to assist Consultant wherever possible to obtain such records, data and information.
 - b. All reports, data, information, documentation and material given to or prepared by Consultant pursuant to this Agreement will be confidential and will not be released by Consultant without prior authorization from the City.
 - c. All notes, reports, records and other data prepared under this Agreement shall become the property of the City upon completion or termination of the services of Consultant. Any reuse of notes, reports, records or other data for anything other than its intended purpose will be at the City's sole risk and without liability or legal exposure to Consultant (Service Provider).
5. Standard of Performance.

Consultant agrees that all services to be provided to the City pursuant to this Agreement shall be in accordance with the generally accepted standards of the profession for the provisions of services of this type.
6. Contract Period.

Consultant shall commence performance of this Agreement upon the execution thereof and performance shall be completed by **December 31, 2011**.
7. Independent Contractor.
 - a. It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of copartners between the parties hereto or as constituting Consultant as an agent, representative or employee of the City for any purpose or in any manner whatsoever. Consultant and its employees shall not be considered employees of the City, and any and all claims that may or might arise under the Worker's Compensation Act of the State of Minnesota on behalf of Consultant's employees while so engaged, and any and all claims whatsoever on behalf of Consultant's employees arising out of employment shall in no way be the responsibility of City. Except for compensation provided in Section II of this Agreement, Consultant's employees shall not be entitled to any compensation

or rights or benefits of any kind whatsoever from City, including without limitation, tenure rights, medical and hospital care, sick and vacation leave, Worker's Compensation, Unemployment Insurance, disability or severance pay and P.E.R.A. Further, City shall in no way be responsible to defend, indemnify or save harmless Consultant from liability or judgments arising out of Consultant's intentional or negligent acts or omissions of Consultant or its employees while performing the work specified by this Agreement.

- b. The parties do not intend by this Agreement to create a joint venture or joint enterprise, and expressly waive any right to claim such status in any dispute arising out of this Agreement.
- c. Contractor expressly waives any right to claim any immunity provided for in Minnesota Statutes Chapter 466 or pursuant to the official immunity doctrine.

8. Indemnity.

Consultant agrees to defend, save harmless, and indemnify the City of Duluth, its agents, and employees from any loss, cost, or damage by reason of Personal Injury or property damage of whatsoever nature or kind arising out of, or as a result of, the performance of the work by the Consultant, its employees, agents, or subcontractors.

9. Insurance.

- a. Consultant shall provide the following minimum amounts of insurance from insurance companies authorized to do business in the state of Minnesota.
 - (1) Workers' compensation insurance in accordance with the laws of the State of Minnesota.
 - (2) Public Liability and Automobile Liability Insurance with limits not less than **\$1,500,000** Single Limit, and twice the limits provided when a claim arises out of the release or threatened release of a hazardous substance; shall be in a company approved by the city of Duluth; and shall provide for the following: Liability for Premises, Operations, Completed Operations, Independent Contractors, and Contractual Liability.
 - (3) Professional Liability Insurance in an amount not less than **\$1,500,000** Single Limit; provided further that in the event the professional malpractice insurance is in the form of "claims made," insurance, 60 days notice prior to any cancellation or modification shall be required; and in such event, Consultant agrees to provide the City with either evidence of new insurance coverage conforming to the provisions of this paragraph which will provide unbroken protection to the City, or, in the alternative, to purchase at its cost, extended coverage under the old policy for the period the state of repose runs; the protection to be provided by said "claims made"

insurance shall remain in place until the running of the statute of repose for claims related to this Agreement.

- (4) **City of Duluth shall be named as Additional Insured** under the Public Liability and Automobile Liability, or as an alternate, Contractor may provide Owners-Contractors Protective policy, naming himself and City of Duluth. Consultant shall also provide evidence of Statutory Minnesota Workers' Compensation Insurance. Consultant to provide Certificate of Insurance evidencing such coverage with 30-days notice of cancellation, non-renewal or material change provisions included. The City of Duluth does not represent or guarantee that these types or limits of coverage are adequate to protect the Contractor's interests and liabilities.
- (5) If a certificate of insurance is provided, the form of the certificate shall contain an unconditional requirement that the insurer notify the City without fail not less than 30 days prior to any cancellation, non-renewal or modification of the policy or coverages evidenced by said certificate and shall further provide that failure to give such notice to City will render any such change or changes in said policy or coverages ineffective as against the City.
- (6) **The use of an "Accord" form as a certificate of insurance shall be accompanied by two forms - 1) ISO Additional Insured Endorsement (CG-2010 pre-2004) and 2) Notice of Cancellation Endorsement (IL 7002) or equivalent, as approved by the Duluth City Attorney's Office.**
 - b. The insurance required herein shall be maintained in full force and effect during the life of this Agreement and shall protect Consultant, its employees, agents and representatives from claims and damages including but not limited to personal injury and death and any act or failure to act by Consultant, its employees, agents and representatives in the negligent performance of work covered by this Agreement.
 - c. Certificates showing that Consultant is carrying the above described insurance in the specified amounts shall be furnished to the City prior to the execution of this Agreement and a certificate showing continued maintenance of such insurance shall be on file with the City during the term of this Agreement.
 - d. The City shall be named as an additional insured on each liability policy other than the professional liability and the workers' compensation policies of the Consultant.
 - e. The certificates shall provide that the policies shall not be changed or

canceled during the life of this Agreement without at least 30 days advanced notice being given to the City.

10. Laws, Rules and Regulations.

Consultant agrees to observe and comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota and the City with respect to their respective agencies which are applicable to its activities under this Agreement.

11. Applicable Law.

This Agreement, together with all of its paragraphs, terms and provisions is made in the state of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and date first above shown.

Countersigned:

CITY OF DULUTH-Client

City Auditor
Approved this _____ day of _____
20__.

By _____
Mayor

Department Director
Approved this _____ day of _____
20__.

Attest:
City Clerk
Date Attested: _____

**NATIONAL GOLF FOUNDATION
CONSULTING, INC.-Consultant**

Purchasing Agent
Approved this _____ day of _____
20__.

By _____
Company Representative

Assistant City Attorney
Date:

Its _____
Title of Representative
Date:



Tel: (218) 730-5003
dsears@duluthmn.gov

April 13, 2011

Dennis Sears
Purchasing Agent, City of Duluth, MN
Purchasing Room 100, City Hall
411 W. First Street
Duluth, MN 55802

Re: NGF Consulting Services – Golf Operations Review

Proposal #211018

Dear Dennis:

National Golf Foundation Consulting, Inc. ("NGF Consulting" or "NGFC") is pleased to submit this proposal and statement of qualifications for consulting services concerning the 27-hole Enger Park and Lester Park Golf Courses, which are owned and operated by City of Duluth ("City"), Minnesota. We understand that the City is seeking an independent golf industry expert to review and assess its overall golf operations. The primary goal of this comprehensive operations review will be to formulate recommendations that will result in increased rounds played and net revenue performance for each facility, so that City meets its financial objectives for the golf Enterprise Fund. The study will also look at various ownership and management alternatives for each golf course, some of which may involve sale or closure of one of the facilities, or a reduction in total golf holes.

NGF Consulting is uniquely qualified to conduct this study for the City. The NGF has more experience than any other organization (qualifications enclosed) in helping municipalities optimize their golf facility operations. We are the recognized industry leader in golf facility consulting and boast an extensive client list. Recent similar NGFC municipal engagements include the cities of Dearborn, MI; Omaha, NE; Redmond, OR; Brookline, MA; and the State of Georgia. The Director of NGF Consulting was also involved in a previous review of operations for the City of Duluth conducted by NGF Consulting in 1995.

The team of consultants the NGF will bring to this project possesses comprehensive and relevant experience in golf and economic consulting, golf facility operations, golf facility design, and financing. Because the NGF does not solicit business for the design, financing, construction, or operation of golf courses, we offer our clients the highest level of objectivity in all consulting assignments.

This proposal includes a profile of NGF Consulting and its staff, our approach to the proposed project, a cost proposal, and references. Thank you for the opportunity to submit this proposal. Please call if you have any questions or if we need to refine the scope of services to more accurately reflect the City's requirements.

Exhibit A

APPROACH TO THE PROJECT AND PROPOSED SCOPE OF SERVICES

Overall, the engagement is envisioned to be organized to accomplish the basic project objectives as identified by the City of Duluth:

- **Community Input** – The NGF team will collect input from various golf course constituents to gauge opinions about the operation of the golf courses from key stakeholders.
- **Operations Analysis** - The NGF team will review the overall operating structure of the City of Duluth golf system, as well as each subject golf course, with an emphasis on the overall organizational structure and efficiency of operations. This analysis will include: operating structure, pricing / market positioning, revenue generation, future growth potential, and expense management.
- **Golf Course Physical Review / Prioritized Capital Improvement Plan** – Conduct a thorough review of the physical condition of the Lester Park and Enger Park Golf Courses to identify key physical areas that could be enhanced to either (1) improve revenue performance; or (2) reduce expenses in the operation. NGF will prepare short- and long-term capital improvement plans, including preliminary cost estimates and phasing, for each golf course.
- **Ownership and Management Alternatives** – NGF will evaluate relevant options available to the City of Duluth for the continued operation of the two subject golf courses, including (but not limited to) continuing on an as-is basis, outsourcing one or more operations to a private company, creating a new public / private partnership, or even selling or downsizing one or more of the golf facilities. Viable options will be identified, and the costs/benefits and financial implication of each option will be presented.
- **Competitive Market Analysis** - The NGF team will develop a detailed analysis of the defined golf market area to gain a thorough understanding of the supply/demand dynamic that is driving the competitive golf market for both Lester and Enger Park.
- **Operational Recommendations** - Based on our review, the NGF team will determine the unique business prospective for both Enger and Lester Park GC's and make recommendations that the City may use to develop a business and marketing plan for the continued operations of the golf courses (assuming City maintains ownership of both). The goal of this phase of the study is to maximize rounds and net revenues for Enger and Lester Park Golf Courses, while maintaining or enhancing the golfer experience.
- **Golf Course Financial Analysis** - NGF will perform a detailed analysis of recent historical operating data for both golf courses, including rounds, revenues, and expenses. Based on our entire operations review, we will also craft pro forma projections for future economic performance for each golf course and the Duluth golf system overall, assuming the key NGF recommendations are implemented.

Exhibit A

To address the above noted project objectives, NGF Consulting proposes to complete the scope of services set forth in this proposal in the following sequence:

- Task One: Project Coordination and Site Visit
- Task Two: Facilities and Operations Reviews
- Task Three: Market Analysis
- Task Four: Evaluation of Management and Ownership Alternatives
- Task Five: Recommendations
- Task Six: Financial Analysis
- Task Seven: Report Delivery

Task One: Project Coordination and Site Visit

Upon receiving your authorization to proceed, NGF Consulting will arrange for the consultant(s) to travel to City of Duluth to attend meetings and coordinate the field research phase of the engagement. During this time the consultant(s) will:

- Commence the study with meetings with the Director of Parks and Recreation and other key City staff / officials to review the scope of work for this project and gain a broad understanding of the overall City of Duluth golf system. The kick-off meeting will include an initial presentation by NGF Consulting that will outline the scope of services and project approach. This process will be repeated as needed throughout the project in order to discuss any necessary refinements, additions, or deletions to the scope of work.
- Meet with key golf course operations and maintenance staff at each course, including the Golf Professional, Superintendent, and General Manager to obtain information on current golf operations. These meetings will provide NGF Consulting with the necessary background and will aid in assessing how operations have evolved into their present status.
- At City request, conduct interviews with key stakeholders of each golf course, including any clubs (Men's, Ladies', Senior's, etc.), advisory committees, etc. at each facility. The objective of the meetings will be to capture the opinions, suggestions, and comments of these constituencies regarding the future direction of Enger Park and Lester Park Golf Courses.
- Collect from the City relevant data, documents, and contracts that pertain to the golf operations. This material will include recent historical financial records, budgets, activity reports, contracts, marketing plans and materials, and policies and procedures.
- Visit and inspect the Enger Park and Lester Park golf courses, support amenities (including clubhouses), and other structures.
- Visit competitive golf facilities in the local market area to gain an understanding of the demand/supply dynamic that is shaping the competitive golf market, and to determine the market positioning of Enger and Lester Park GC.

Exhibit A

Task Two: Facilities and Operations Reviews

NGF Consulting will perform a comprehensive review of the operations and maintenance of the Enger and Lester Park Golf Course. NGF Consulting will examine the operational parameters of the Enger and Lester Park GC, including a thorough review of recent operating results and the overall administration and oversight of the facility. Our analysis will include: pricing, revenue generation, future growth potential, programming, rules and policies, operating expenses, and an identification of capital improvement needs.

The review will comprise the components described below for Enger Park and Lester Park.

Physical Review

NGF Consulting will review the present physical condition of each golf course and identify key areas that are deficient and/or in need of improvement. This review will include both the golf course playing areas, equipment and all support amenities (clubhouses, maintenance facilities, etc.). The focus of the NGF Consulting review will be to identify key physical areas that could be enhanced to either (1) improve revenue performance; or (2) reduce expenses in the operation.

The NGF Consulting team will review key components of the physical condition of each facility, including:

- Golf layout and playability
- Standards of quality
- Maintenance practices and appropriate budget
- Condition of greens, tees, fairways, roughs, bunkers, ponds and cart paths
- Irrigation system
- Driving range + practice green
- Food and beverage operation
- Clubhouse / pro shop
- Budget review: relevant records and reports for last five years

Based on the NGF Consulting reviews of the Duluth golf courses, we will prepare prioritized short-term (to be completed this fall) and long-term capital improvement plans, including recommendations for future facilities expansions and layout modifications, with cost estimates and phasing.

Management and Operations

Prior to the site visit, we will request from the City relevant data and documents that pertain to golf operations. This material will include financial records, budgets, activity reports, and policies and procedures. Our analysis will include a review of:

- Organizational structure
- Management and oversight
- Green/cart/membership fees
- Golf operations policies
- Marketing activities
- Outside services
- Rounds played trends
- Financial statements (revenue and expense analysis)

Exhibit A

- Staffing levels
- Customer service
- Tournament/outing policy
- Clubhouse operations and staffing
- Profit center evaluation
 - Golf revenue
 - Food and beverage
 - Driving range
 - Merchandise
 - Other concessions, if any
- Player development programs (including Junior Golf)

NGF Consulting will draw comparisons of Enger Park and Lester Park operating results to norms within the municipal golf industry. We are uniquely qualified to perform this comparison to benchmark municipal golf data due to our vast experience in performing municipal golf system reviews. We are also able to gain valuable insight from the NGF's research publication, *18-hole Golf Facility Operations Profile*, published in 2010. Our analysis of management and operations will allow us to make recommendations that will result in improvements in efficiency, increased activity levels, and potential cost savings.

Customer Survey

To hear the voice of Enger Park and Lester Park customers and measure their satisfaction, the NGF Consulting team will implement NGF's GolfSat Survey over a defined period of time (approximately 3-4 weeks) at each course. The survey will be administered online, available as an e-mail link sent to customers and by a link on the City's and or each golf course's website. NGF Consulting will analyze the results and provide the City with an understanding of its golf operation in relation to customers and competition.

The survey is intended to measure, among other things:

- Customer perceptions of each facility
- Where the facilities rate on various key business drivers, benchmarked against the competition
- Customer loyalty and perceptions of relevant competition
- The subject facilities' "wallet share" of its customers' golf dollars spent
- Customer profiles and origin
- Verbatim comments

Task Three: Market Analysis

NGF Consulting will develop a detailed analysis to gain a thorough understanding of the supply/demand dynamic that is driving the competitive public access golf market in the City of Duluth area. This will include a comparison of operating results from Enger Park and Lester Park to similar competing golf facilities, both municipal and daily fee, in the local and regional trade area. Trends with respect to fees and activity levels will be carefully examined so that we can identify the appropriate price value proposition for Enger and Lester Park GC. Finally, NGF Consulting will review any planned new golf facilities that may impact the continued operation of the subject golf facility.

Exhibit A

The second component of the market analysis will be an overview of demographic and socio-economic trends in the local market, and their potential to affect the demand for golf at various price points. Considered in context with the competitive analysis, this will allow us to form a realistic picture of the present and projected future status of the public golf market, and to identify any potential market opportunities for Enger and Lester Park GC.

Task Four: Evaluation of Management and Ownership Alternatives

NGF Consulting will present an analysis of the various management and maintenance structures that municipalities typically utilize for their golf systems. In the case of City of Duluth, we will consider several alternatives for Enger Park and Lester Park Golf Courses (with current and projected costs under the City-run option used as a baseline for evaluating alternatives), including the following:

- Continued self-operation and maintenance by the City
- Self-operation w/ outsourced maintenance
- Self-operation of golf course, w/ outsourced (e.g., franchise/lease) food & beverage
- Full service management contract
- Long-term lease of one or both golf courses
- Concession agreements with independent contractor(s)
- Outright sale of either Enger Park GC or Lester Park GC
- Downsizing the number of holes at Enger Park, Lester Park, or both

NGF Consulting will present an analysis of the relative cost effectiveness of continuing the current operating structure versus employing one of the other alternatives listed above. Each alternative will be discussed in detail, including the short-term and long-term advantages and disadvantages, potential risks, and financial implications associated with each option.

Task Five: Recommendations

Based on the operational and management analysis of Enger and Lester Park Golf Courses, interviews with stakeholders and customers, the results of our comprehensive market analysis, and the City's objectives for ongoing operations of Enger and Lester Park Golf Course, NGF Consulting will prepare a set of recommendations that the City can utilize to enhance its business / marketing plan for each facility (assuming it maintains ownership of one or both).

The objective of the recommendations will be maximize market share and net revenues so that the City can meet its financial objectives with respect to golf, while also allowing the Enterprise Fund sufficient reserves to fund needed capital improvements.

The recommendations and topics covered will include, but not be limited to:

- Overall operating structure of the Golf System
- Management structure of individual golf courses
- Revenue center enhancement
- Fee structures that would result in revenue optimization
- Golf operations policies
- Budgets

Exhibit A

- Expense Management
- Staffing levels
- Customer service
- Marketing / advertising programs
- Membership / loyalty programs
- Player development programs

Task Six: Financial Performance Analysis

NGF Consulting will analyze all revenue and expense categories to estimate potential financial performance of Enger and Lester Park Golf Course after implementation of NGF recommendations. This phase of the study process will involve integrating market findings, historical financial performance, and expected use levels into a five-year cash flow pro forma for each golf facility, as well as for the Duluth golf system as a whole.

In consideration of market conditions and proposed quality of services, attainable fee levels will be estimated and detailed revenue and expense estimates developed for each facet of the golf operations. The financial pro forma statement will also provide a projection for the accumulated Enterprise Fund balance over the five-year period. NGF Consulting's financial pro formas are prepared for feasibility purposes and therefore will be conservative and unbiased.

Task Seven: Project Deliverables

NGF Consulting anticipates frequent communication with appropriate City and golf course staff during this engagement. Deliverables to the client for this project include:

- Consultant activities on-site at Enger and Lester Park Golf Courses, including meetings and presentations with City staff, golf course operations staff, and key stakeholder groups.
- A detailed written report that will contain all findings, recommendations, and documentation, as well as a concise executive summary. A draft version of the document will be made available to the City for review and comments. Upon authorization, bound copies and an electronic version of the final report will be delivered.
- At the conclusion of the study process, NGF Consulting will develop. At City request, the lead NGF consultant will also be available to make a formal presentation of findings to City officials, and be available to answer any questions from other groups the client may deem appropriate.

Exhibit A

STUDY COST AND DELIVERY DATE SUMMARY

NGF Consulting will perform the scope of services, as outlined above, for the professional fee of **\$25,000**. This fee does not include reimbursement of direct project expenses associated with the initial field visit to Duluth, purchase of demographic data, etc. These expenses will be billed at cost and will not exceed **\$3,500** without the client's permission. (If an additional site visit is required for a presentation of findings, no additional professional fees will be charged, but direct travel-related expenses may exceed \$3,500 and will be billed to the City). The billing procedure for NGF will comply with City of Duluth regulations and assumes billing for services as completed on a monthly basis.

Depending on the time that NGF Consulting is engaged, we anticipate a field visit to Duluth within fifteen business days of being retained by the City, and delivery of the draft report within six to eight weeks of completion of the field research.

The total not-to-exceed cost for this proposed engagement is \$28,500, including direct project expenses associated with initial field visit to Duluth.

ACCEPTANCE

Acceptance of this proposal may be indicated by signing one copy and returning it to NGF Consulting's Jupiter office. A City of Duluth purchase order or contract may be used as the engagement agreement.

Dennis, thank you for the opportunity to submit this proposal. Our goal is to serve our clients and the industry, and to contribute to the success of municipal golf courses. Please call me directly if you have any questions or if we need to refine the scope of services to better reflect the City's due diligence needs with respect to the Enger and Lester Park Golf Courses.

Sincerely,



Ed Getherall
Senior Project Director
egetherall@ngf.org
(561) 354-1650

Acceptance _____ Date _____

Exhibit A

NGF QUALIFICATIONS

The NGF's work is supported by a base of approximately 4,000 members representing every facet of the industry: public and private golf facilities; golf course architects; developers and builders; companies offering specialized services to the golf industry; national, regional, state, and local golf associations; instructors; schools, and individuals.

The NGF's board of directors includes senior executives from the leading companies in each major segment in the golf industry including officers from Callaway Golf Company, FootJoy, TORO, Textron Financial, Eaton Golf Pride, Billy Casper Golf, Edwin Watts Golf, World Golf, Adams Golf, Myrtle Beach Golf Holiday, and GOLF Magazine.

The NGF's database of U.S. golf facilities is the industry's gold standard and is licensed by the USGA, PGA of America, Club Managers Association of America and the Golf Course Superintendents Association of America as well as private enterprise such as Weather.com and NAVTEQ.

There is no greater authority than the NGF on the economics of supply and demand in the business of golf. The NGF's exclusive Golf Demand Model provides best-in-class data on every U.S. market and is utilized by many clients to improve both forecasting and customer targeting.

The NGF's annual surveys are designed to ascertain golfing habits and trends of golfers, golf facilities and golf manufacturers nationwide. From this research, the NGF publishes upwards of 60 research documents that provide dependable information on the number, nature, and habits of golfers in each state, as well as golf facility operational issues, golf travel issues, alternative golf facility operations, and an annual directory of golf facilities.

Our most important research is published and distributed to NGF members and non-members and is widely quoted in local, national, and international press and are used by numerous other golf-oriented consulting and information firms. NGF publications include: *Golf Facilities in the U.S.*, 2011 edition; *The Future of Public Golf in America*, 2010; *Golf Participation in the U.S.*, 2009; *Golf Industry Overview 2009*; *Golf Industry Report* newsletter published periodically; *Golfer Technology Profile*, 2009; *Golf Consumer Buying Profiles*, 2009; *Golf Travel in the U.S.*, 2009; *The Future of Private Golf Clubs in America*, 2008; *National Rounds Report 2008*; *A Strategic Perspective on the Future of Golf*, 2007; *Operating & Financial Performance Profiles of 18-hole Golf Facilities in the U.S.*, 2006.

Since the National Golf Foundation is not involved in the design, construction, or operation of golf facilities, our staff will not hesitate to advise clients against proceeding with a golf project or to identify operational deficiencies that affect the performance of an existing facility.

Since 1987, NGF Consulting has conducted more than 900 assignments throughout the United States, plus Europe, Asia, the Caribbean, and South America, covering a broad spectrum of services. This experience is the cornerstone of NGF Consulting, from which all our clients benefit.

All consulting work is conducted under the direction of **Richard B. Singer**, Director of Consulting Services at the National Golf Foundation. Other staff members work as part of the study team in providing professional insight, gathering additional data, applying participation models, conducting financial analyses, and reviewing the written report. Resumes of key professional staff appear on the following pages.

Exhibit A

Richard B. Singer, Director of Consulting Services

Richard B. Singer has been the Director of Consulting Services for the National Golf Foundation (NGF) since 1997, and now has a total of 21 years of golf facility consulting experience. Mr. Singer first joined the NGF consulting staff in 1989 as a project analyst after completing his Finance MBA at the University of Florida. Mr. Singer has successfully managed the NGF's well-known golf consulting practice with an industry-respected track record of success and a reputation for delivering projects on time and on budget.

Experience

Mr. Singer's background includes hands-on experience in the following functional areas:

- | | | |
|-------------------------------------|----------------------------|--------------------------|
| -Golf Facility Feasibility Analysis | -Financial Analysis | -Golf Business Valuation |
| -Golf Operations Consulting | -Business Plan Preparation | -Golf Market Analysis |
| -Account Management | -Budgeting/Planning | - Staffing/HR |
| -Real Estate Master Planning | -Public Presentations | - Proposal Writing |
| -Expert Witness | -Due Diligence | -Credit Evaluation |

National Golf Foundation Consulting Experience – During his tenure with NGF Consulting, Mr. Singer has been responsible for preparing over 300 research studies for specific projects including: public and private sector feasibility studies for golf facility development and expansion; public and private sector golf facility operational reviews; due diligence studies for golf facility acquisition and/or refinancing; public sector Request For Proposal preparation; private club membership development plans; and public and private golf facility marketing plans. In his 19 years as a golf consultant, Mr. Singer has visited and/or profiled more than 2,500 public and private golf facility operations in the United States and internationally. Mr. Singer also has extensive experience as an expert witness in matters related to golf facility operation, and he has demonstrated considerable poise while under public attack in defense of highly controversial local projects.

Golf Facility Operations Consulting – Mr. Singer's golf facility operations consulting assignments have included golf course inspections, operational/accounting audits, management/operations contract preparation, clubhouse design/needs assessments, public sector outsource assistance, golf marketing strategies, green fee/member pricing, and business plan preparation. Mr. Singer has also provided litigation assistance to golf facilities in the form of expert testimony in estimating economic damages to golf courses from various external influences.

Golf Facility Development/Acquisition Consulting – In his 21 years with NGF Consulting, Richard Singer has become one of the most experienced golf facility development and acquisition consultants available today. His extensive experience includes feasibility studies, acquisition due diligence, appraisal and brokerage support, golf master plan development, and golf facility business plan preparation. Through the last two decades, Mr. Singer has completed several consulting engagements involving the conversion of "sensitive" sites into golf facilities (i.e. landfills).

Alternative Golf Facility Consulting – Mr. Singer's consulting services for alternative golf facilities have included both new development and operational reviews for driving ranges, putting courses, miniature golf courses, golf learning centers, executive/par-3 courses, and various combinations with other facilities. He co-authored the NGF publication *How to Plan, Build and Operate a Successful Golf Range*.

Regional Market and Economic Impact Analyses – During his tenure with NGF Consulting Mr. Singer has completed several statewide or regional golf market and economic impact

Exhibit A

studies. These studies typically involve preparing estimates of golf supply and demand in large geographies, as well as estimating the hard dollar impact of golf facilities on a local economy.

Key Accounts Managed (2004-2009)

Representative public sector clients in 2004-2009 include: City of San Diego, CA (Operations review – 3 courses); Nassau County, NY (5-course operations review); City of Victorville, CA (2-course operations review); City of Palm Springs, CA (2-course operations review); City of Alameda, CA (golf facility operations review and master plan preparation); State of Georgia (7-course outsource assistance); City of Portland, OR (5-course operations review); City of Phoenix, AZ (6-course operations review); City of Winter Springs, FL (GC acquisition); City of Gresham, OR (GC acquisition); City of Houston, TX (8-course operations review); City of Plano, TX (2) (GC Acquisition and GC operations review); the City of Dunedin, FL (golf facility review of operations and lease preparation); the City of San Francisco, CA (5-course operations review). These public sector projects include extensive participation in public meetings and a full defense of all project work.

Representative private sector clients in 2004-2009 include: Pulte Homes; The Trump Organization; Arnold Palmer Golf Management; Greg Norman Golf Course Design Company; PGA Tour; Waterlefe CDD; Western Golf Properties; Heritage Isles CDD; Howard Hughes Corporation; Verdict Ridge CC; Olympia Group, Inc.; Meridian Venture Partners; General Motors Corp.; Watermark Communities Inc.; Oaktree Capital Management; Evergreen Investments; Mohegan Sun Casino, Inc.; Palmer Investments; Marriott Golf Management; Walt Disney Imagineering; Coral Creek Partners; Bonita Bay Properties; Fortune Bay Casino; Poxabogue in the Hamptons GC; Fuzzy Zoeller Productions; US Naval Academy Golf Club; and Mahogany Run GC (St. Thomas, USVI).

Representative alternative facility clients in 2000-2009 include: Greens of Las Vegas, Inc. (new facility feasibility); Golden Bear International (new facility feasibility); Palm Beach County, Florida; County of Ft. Lauderdale, FL (new facility on landfill feasibility); City of Plantation, FL (litigation support); Gambrell & Stoltz (Macon, GA – expert testimony) Development Consulting Co. (three ranges in CA & FL); Brevard Golf Driving Range (Melbourne, FL); and Collier Golf Enterprises (Orlando, FL).

Representative regional market and economic impact clients in 1999-2009 include: the State of West Virginia (Statewide 'Golf Trail' study); State of Oklahoma (Statewide Economic Impact Study); Bonita Bay Properties; *Golf 20/20* – Raleigh-Durham MSA Study; Reliance National Insurance Company; GATX Capital Golf Group; C. Cabot Incorporated; Gunster, Yoakley, Valdes-Fauli & Stewart, P.A.; Public Finance Consultants Inc.; and Morgan Stanley – Dean Witter.

International Experience

Mr. Singer's professional resume includes golf facility consulting on projects located in the countries of Sweden, Korea, Egypt, Anguilla (BWI), US Virgin Islands, St. Marten, Brazil, Bahamas, and Chile.

Background/Education

Mr. Singer is a long-time resident of Palm Beach County, Florida and grew up around the North Palm Beach Country Club. He earned his Bachelor's degree in marketing and Insurance from the University of Florida in 1985, and worked as a financial consultant for Northwestern Mutual Life and Baird Securities before earning an MBA in Finance from the University of Florida in 1989. Mr. Singer is a Licensed Real Estate Broker in Florida (Lic. #BK3077126).

Exhibit A

Edward Getherall, Senior Project Director – NGF Consulting

Ed Getherall joined the NGF Consulting staff as Project Analyst in 2000 after several years of sub-contracting consulting services to the NGF. Mr. Getherall, who was promoted to Senior Project Director in 2001, has been instrumental in coordinating NGF Consulting's golf facility databases since 1997, with a particular focus on key golf course revenue center activity and fee research. Since joining NGF Consulting, Mr. Getherall has become a respected industry authority on issues pertaining to clubhouse operations, including the issue facing every facility at one time or another – whether to renovate or replace an aging or obsolete clubhouse.

NGF Consulting Projects Experience

Mr. Getherall's extensive business and marketing background has enhanced NGF Consulting's ability to provide marketing expertise to the facility segment of the golf industry. Since joining NGF Consulting, Mr. Getherall has been responsible for processing golf facility data for use in all of our market, financial, and operational consulting projects. Additionally, in the eight years since joining NGF's Consulting division, Ed has been the lead project director for more than 60 consulting assignments, covering a broad range of services, including public and private golf course feasibility studies, operational audits, golf-related real estate absorption analyses, and clubhouse renovation/replacement studies.

Public Sector Clients

- City of Houston, TX
- City of Melbourne, FL
- City of Alameda, CA
- City of Antioch, CA
- Miami-Dade County, FL
- City of Concord, CA
- City of Lake Havasu, AZ
- City of San Antonio, TX
- Kealahou Ahupua'a 2020, HI
- City of Victorville, CA
- City of San Diego, CA
- Municipality of Anchorage, AK
- City of Oviedo, FL
- City of Livermore, CA
- City of Palm Springs, CA
- Bergen County, NJ
- Town of Wallingford, CT
- City of West Palm Beach, Florida
- City of Henderson, Nevada
- City of Gilbert, AZ
- City of Tempe, AZ
- Town of Farmington, CT
- City of Palm Coast, FL
- City of Apple Valley, MN
- Borough of Dunmore, PA
- City of Gresham, OR
- City of San Francisco, CA
- El Dorado Hills, CA (CSD)
- Mecklenburg County, NC
- City of Greeley, CO
- City of Concord, NC
- Village of Wellington, FL
- Palm Beach County, FL
- City of Reno, NV
- City of Oakland Park, FL
- City of Naples, FL
- City of Tarpon Springs, FL
- City of Kentwood, MI
- City of Soldotna, AK
- City of Portland, OR
- City of New York, NY
- Ft. Belvoir GC (U.S. Army), VA

Private Sector Clients

- Textron Financial Corporation
- Dalhousie Golf Club
- Front Royal C.C.
- Scituate Highlands, LLC
- Black Clover Golf, UT
- The Mohegan Sun Tribe
- Partyka Resource Management
- Palmer Investments, Inc.
- Beazer East, Inc.
- Stauffer Management Co.
- Belfonti Capital Partners
- Putting Zone, Inc.
- Meadowbrook Golf
- Hoffman Properties, Ltd.
- Bonita Bay Properties
- Watermark Communities, Inc.
- Callaway & Price
- Poxabogue Golf Course
- Triangle Equities
- Golf Trust, Inc.
- Jonathan's Landing POA
- Mizner Trail Golf Club
- Fuzzy Zoeller Productions.
- Pulte Homes
- Oaktree Capital Management
- Conley-Manning, LLC
- Prestwick Plantation, LLC
- Loving & Campos Architects
- Lely Development Corporation
- River Bluff Resort, LLC
- Dominion Realty Advisors
- Pocoy Consulting
- Keyser Marston Associates
- University of the South

Exhibit A

Background/Education

Prior to joining the NGF, Mr. Getherall held several positions in the business community including extensive marketing work for such organizations as South Florida Blood Banks, Inc., the Florida Lottery and the American Cancer Society. His areas of expertise cover a broad spectrum of marketing activity, including research, product management, and special event planning and consulting.

Mr. Getherall earned his M.B.A. from the University of Florida in 1989, with a concentration in finance. Ed also achieved his undergraduate degree at Florida, with a B.S. in Business Administration (Marketing) in 1986. With a diversified educational and professional background in both marketing and finance, Mr. Getherall has the experience and knowledge to assist in all aspects of golf facility management, marketing, operations and development.

Ben Fowler, Golf Facility Research and Consulting Sales Manager

Ben Fowler joined the NGF Consulting staff in May of 2006. Since joining NGF, Mr. Fowler has provided his expertise in the design, implementation, interpretation, and data analysis of NGF Consulting's Golfer Survey Program.

NGF Consulting Projects Experience

Mr. Fowler's extensive experience as a PGA member, as well as his business and marketing background, allows NGF Consulting to provide valuable knowledge to its clients at the golf facility level. Mr. Fowler is equally adept at walking his clients through the implementation of the Golfer Survey Program, and analyzing and interpreting survey data after results start coming in. Ben's analysis of survey results helps golf facility operators identify strengths and deficiencies and formulate an action plan designed to improve performance. Since July 2006, when the Golfer Survey Program was introduced to the market, Ben has overseen the program at more than 285 facilities.

Mr. Fowler's recent clients include:

Public Sector Clients

- United States Air Force Services
- City of Phoenix
- City of Sarasota
- Oklahoma Tourism & Recreation Department
- City of Marietta
- City of Fort Morgan
- City of Glendale
- City of Grand Island
- City of Alameda
- City of Chattanooga
- City of Modesto
- City of New Braunfels
- Champaign County Forest Preserve District
- City of Oroville
- Dupage County Forest Preserve District
- Florida State University
- City of Indio
- City of San Francisco
- Georgia Department of Natural Resources Golf Operations
- Montgomery County Revenue Authority
- City of Mountain View
- City of Plano
- Decatur Park District
- Illinois State University
- Incline Village Parks & Recreation
- Anoka County Parks and Recreation
- City of Bloomington
- City of Longmont Golf Services
- City of San Mateo
- City of Tumwater
- City of Walnut Creek
- County of San Luis Obispo
- Peoria Park District
- Poplar Creek Country Club
- Gull Lake View Golf Resort
- St. Paul Parks and Recreation
- Huron-Clinton Metropolitan Authority

Private Sector Clients

- Marriott Golf
- KemperSports Management
- Cypresswood Golf Club
- Pasatiempo Golf Club
- Oki Golf
- Ridgemark Golf & Country Club
- Stevinson Ranch Golf Club
- Marty Sanchez Links De Santa Fe
- Burroughs & Chapin Company
- EAGLE Golf Management
- Carl M. Freeman Golf LLC
- Lindsey Management

Exhibit A

- Pulte Homes
- Rivertowne Country Club
- Sycamore Ridge Golf Club
- The Ridge Golf Course
- Town of Clarksville Parks & Recreation
- Meadowbrook Golf
- St. Joe Towns and Resorts
- Touchstone Golf LLC
- Honours Golf Company LLC
- CourseCo Inc.
- Sterling Hills Golf Club
- Golf Center at Kings Island
- Heritage Golf Group LLC
- Premier Golf Centers LLC
- OB Sports Golf Management LLC
- Oglebay Resort

Background/Education

Prior to joining the NGF, Mr. Fowler held several positions as a PGA Assistant Golf Professional at prominent golf facilities, including Country Club of Rochester, Old Marsh Golf Club, and Medalist Golf Club. He also gained valuable business, marketing, and customer service experience from his position as Assistant Branch Manager at Enterprise Rent A Car.

Mr. Fowler earned his PGA Membership in January 2003 and is currently a PGA class A-11 member. He achieved his undergraduate degree at New Mexico State University, with a B.S. in Business Administration (Marketing) in 2000. Ben also graduated from New Mexico State's Professional Golf Management Program (PGM). Mr. Fowler has the experience and knowledge to help golf facilities improve their performance through NGF's Golfer Survey Program.

Exhibit A

COMPARABLE PROJECT REFERENCES

CITY OF LITTLE ROCK Little Rock, AR ***Municipal Market Feasibility Study***

NGF Consulting was retained by the City of Little Rock, Arkansas to provide a supply and demand analysis for public golf service in the Little Rock/Central Arkansas market area. The City currently owns three golf courses – Hindman Golf Course, Rebsamen Park Golf Course, and War Memorial Golf Course – and would like to ascertain whether the public golf market is currently under-served, over-served, or at equilibrium with respect to the supply of golf courses. The City also asked for an assessment of the potential effect of reducing service at War Memorial, or closing it entirely.

NGF Consulting feels that the City golf courses offer the best value in a very low-fee, price sensitive golf market. War Memorial and Hindman Golf Courses are among the least expensive places to play in the Little Rock market. Rebsamen, though at a moderately higher price point, offers excellent value. Although the City offers these fine golf facilities, the Golf Enterprise Fund has been underperforming since 2002 (War Memorial is responsible for approximately 65 percent of this deficit), but showed marked improvement in 2006. The challenge that the City faces at all of its golf courses, aside from any operational inefficiencies that may exist, is that Little Rock's golf demand measures are poor compared to national benchmarks, largely due to a demographic profile that is not conducive to high golf participation.

NGF believes that War Memorial serves an important need in the Little Rock market, as it is ideal for seniors, beginners, women, and golfers who prefer to play an 18-hole golf course in less than three hours. We evaluated the following alternatives for War Memorial: leaving the facility in its current configuration, re-configuring the golf course as a 9-hole regulation layout, re-configuring the golf course as a stand-alone practice facility, rebuilding an 18-hole War Memorial at a different location, and closing the facility for a different use. NGF discussed in detail both the market justification and financial implications of each of these alternatives. Based on the analysis, we concluded that any option associated with re-configuring or relocating War Memorial will lose more money than continuing as is – if not operationally, then certainly after debt service associated with the capital costs of improvement.

Client: Truman Tolefree
Director, Parks & Recreation
City of Little Rock
500 W Markham, Room 108
Little Rock, AR 72201
(501) 371-6839
E-mail: ttolefree@littlerock.org 127004

ROBERT T. LYNCH Golf Course Brookline, MA ***Operational Review/Business Plan***

In 2009 and 2010, NGF Consulting was retained by the Town of Brookline to perform a comprehensive review of the Town's municipal golf facility and to create a business plan for the facility. This included a complete review of both the physical plant and operational systems at the Town-owned golf course and clubhouse facility. NGF services to the Town included extensive interviews with key stakeholder and citizen groups.

The NGF Consulting recommendations for Robert T. Lynch included a review of basic operations; golf course condition; food and beverage; physical plant (clubhouse, maintenance and golf cart storage); business / marketing plan; and fees and memberships. These were formally presented to the Town in April 2010. The key NGF recommendation involved a considerable upgrade to the facility's drainage system, which is outdated and causing severe limitations in rounds activity and revenues. The NGF identified the F & B concession as being one of the better deals for municipalities in the Boston area and should be continued. In 2010, the NGF anticipates the Town will be implementing many of the recommendations with improvement expected for operations in 2010 and beyond.

Exhibit A

Client: Lisa Paradis, Director of Parks & Recreation
Town of Brookline
133 Eliot St; Chestnut Hill, MA 02467-1433
(617) 730-2069; Email: Lisa_Paradis@town.brookline.ma.us 129024

PRELIMINARY FACILITY AND MARKET REVIEW Omaha, NE
Preliminary Facility & Market Reviews+RFP Assistance (7 Facilities)

In 2009, the City of Omaha retained NGF Consulting to perform due diligence relative to the future operational structure of the City's seven self-operated golf facilities. NGF was specifically charged with providing a review of each of the seven City golf courses to help identify key issues related to their possible outsourcing, and to establish a foundation for a full operations review and business plan in the event that the City decides that outsourcing the operation of the properties is not feasible or desirable.

NGF Consulting analyzed the options being considered for the future continued operations of the seven facilities: (1) Continued Self-Operation; (2) Management Contract; (3) Outsource Agreement to Private Operator. NGF presented the positive and negative aspects associated with each option for the City, ultimately recommending that the City strongly consider continued self-operation. Still, NGF recommended issuing an RFP for an outsource agreement so that it would have full knowledge of its operating alternatives going forward. Finally, NGF identified several operational policies, as well as pricing and marketing strategies, that should result in improved financial performance under continued self-operation if implemented by the City of Omaha.

In March 2010, the City decided to follow NGF's chief recommendation and continue self-operation of its golf courses, and is implementing NGF's management, operations, and marketing recommendations. As of the end of the first quarter 2011, operational net losses have been reduced by \$250,000 YTD.

Client: Paul Kratz
City Attorney
City of Omaha
1819 Farnam St Ste 701
Omaha, NE 68183
(402) 444-5118
E-mail: paul.kratz@ci.omaha.ne.us 129018

JUNIPER GOLF COURSE Redmond, OR
Operations Review

NGF Consulting was retained by the City of Redmond in 2009-2010 to perform a comprehensive review of the Juniper Golf Course. The City needed an independent expert to review the City's municipal golf operation and make recommendations for its future management and operation in light of the inability of the current management team to meet debt obligations related to the golf facility's construction. NGF review included an assessment of the physical golf course and support amenities, the club's market positioning, marketing strategies, management structure, staffing, operational practices, and contractual agreements.

The overall goal of the study was to identify strategies and policies that can be practically implemented to improve the overall economic performance of Juniper Golf Course so that it once again becomes self-sufficient in terms of meeting operating expenses, debt obligations, and capital requirements.

Our review also revealed some deficiencies from management, marketing, and overall operational perspectives that present opportunities for improvement. Based on our analysis and findings, NGF Consulting recommended a repositioning of Juniper GC as a premier municipal "destination" golf course, while also emphasizing a stronger value proposition, especially for local Redmond/Central Oregon residents.

Exhibit A

The second key major recommendation was for the City of Redmond to restructure the operating arrangement at Juniper to either a lease or incentive-based management contract, so that the club operator would have a profit motive and institute best business practices at the facility. **The City followed this recommendation, initiated an RFP process, and ultimately hired CourseCo in early 2011 under the incentive-based management structure recommended by NGF Consulting.**

Client: David Brandt, City Manager
City of Redmond
716 SW Evergreen Ave; Redmond, OR 97756-0100
(541) 923-7711
Email: David.Brandt@ci.redmond.or.us 129027

STATE OF GEORGIA - STATE PARKS GOLF COURSE SYSTEM State Parks, GA Master Business Plan for Seven Golf Facilities

In 2009, the State of Georgia retained NGF Consulting to assist in evaluating the State's seven-facility golf course system, and to help the State consider alternatives for the future operation of the economically-challenged system. The State had been experiencing declining rounds and revenue in the golf system, leading to growing deficits. Specifically, the NGF Consulting role was to evaluate each of the seven facilities and provide the State with a realistic estimate of future performance under a self-operation and outsource (lease) arrangement, in light of ongoing debt expense and State subsidies.

In August 2009, the State of Georgia issued a formal request for proposal (RFP) from qualified firms to lease the entire seven-facility State Park golf system. NGF Consulting assisted with this effort by helping the State identify qualified bidders and serving as counsel for identifying the most qualified vendors. In early 2010, the State reported that none of the firms that bid for the lease fit the needs of the golf system and thus self-operation by the State was identified as the best option for the system going forward. In 2010, the NGF was retained again to help create individual business and financial plans for each of the seven State facilities, along with a separate plan for the full system. **The NGF presented several creative ideas designed to grow revenues and reduce expenses, including the creation of a new "Georgia State Trail of Golf," the addition of a new full-time golf marketing director and the creation of multi-facility management positions in lieu of separate individual facility managers.** The State has begun implementation of NGF recommendations in January 2011.

Client: Paul Nelson
Assistant Director
Georgia State Parks & Historic Sites
2 Martin Luther King Jr Dr SE Ste 1552 E Tower
Atlanta, GA 30334-9000
(404) 656-2770
Email: PaulN@gadnr.org

LAKE OSWEGO GOLF COURSE Lake Oswego, OR Municipal Golf Market Analysis

NGF Consulting was retained by the City of Lake Oswego to perform a comprehensive review of the Lake Oswego Golf Course and to determine the feasibility of reconfiguring the facility, or the possibility of outsourcing the golf operations or selling the golf property to a private entity. The level of rounds and revenue at the facility was down from a peak in the late 1990s, and the enterprise fund is nearing full depletion.

NGF Consulting found that altering the property from an 18-hole par-3 golf course to any other 9-hole configuration (regulation or executive-length) would not add to revenues or reduce costs enough to significantly alter the basic economics of the golf course. The property would not accommodate a regulation-length 9-hole course and full-length (300-yard) driving range. NGF recommended that the facility remain as an 18-hole par-3 course, because change in configuration was not cost-justified. Also, any form of privatization is not likely to improve the financial performance of the golf facility. A

Exhibit A

management agreement would add a management fee and likely result in similar losses. At the time of our study, there was no interest by private parties in purchasing the facility.

NGF suggested that a driving range facility with greater length would enhance revenues at the facility. However, lengthening the range without changing the basic integrity of the existing golf course does not seem possible; thus, a separate site would have to be considered for a new, longer driving range. Based on our review of the subject facility and its market surroundings, NGF Consulting has recommended action in three phases: (1) close the Enterprise Fund and convert the golf course back to the General Fund; (2) complete basic upgrades to the physical condition of the facility; and (3) enact a plan identified in our report at a time in the future when the City can make investment in a new range on a different site and/or add a new golf learning center and warm-up area on the site of the existing driving range. The consideration of allowing some form of public-private joint venture should also be considered as a potential funding mechanism for this option.

Client: Kim L. Gilmer
Director Parks & Recreation Dept.
City of Lake Oswego
4101 Kruse Way (PO Box 369)
Lake Oswego, OR 97034
(503) 675-2545; Email: kgilmer@ci.oswego.or.us

VALLEYWOOD GOLF COURSE CLUBHOUSE Apple Valley, MN **Clubhouse Feasibility Study**

The City of Apple Valley retained NGF Consulting to perform a feasibility study regarding the potential construction of a new clubhouse at the City's Valleywood Golf Course. The City of Apple Valley was concerned that the age, size, and condition of the existing clubhouse were constraining revenues and limiting future growth opportunities and services available to customers. Other major concerns were the deteriorating physical condition of the building, the issue of ADA (Americans with Disabilities Act) non-compliance, and overall safety and liability issues. A secondary, though critical, objective of the study was to evaluate the economic potential of including some type of banquet facility in a new clubhouse.

NGF Consulting's analysis of the Valleywood Golf Course clubhouse led us to conclude that the existing clubhouse should be replaced with a new building if the City of Apple Valley is to remain in the golf business. The current clubhouse is inadequate in structural, functional, competitive, and ADA-related issues.

Our research of both golf course and non-golf course related banquet providers indicates a strong banquet market in Apple Valley and surrounding communities. However, current facilities do not meet the needs of all of its citizens and groups, and anecdotal evidence indicates that the majority of residents and local groups would prefer to stay within Apple Valley for meetings and events if appropriate accommodations were available. There appears to be an opportunity for a high-quality facility with a capacity of about 300, located at Valleywood Golf Course - an especially appealing venue due to the vistas of the golf course.

NGF Consulting ultimately presented four alternatives for replacing the clubhouse facility at Valleywood Golf Course.

Client: Randy Johnson
Director of Parks & Recreation
City of Apple Valley
7100 147th St
Apple Valley, MN 55124
(952) 953-2310
Email: parks@ci.apple-valley.mn.us

Exhibit A