



DELRAY BEACH GOLF COURSE Renovation

City of Delray Beach

City Commission

November 13, 2018



DBGC Renovation: A Brief History



- **1926** - Course Opened – nine (9) holes & home to renowned golf course architect Dick Wilson who served as the club pro and the greenskeeper until the course closed during WWII. Original nine (9) holes were designed by Donald Ross.
- **1950** - An additional nine (9) holes opened creating an 18-hole golf course. Design was completed by Dick Wilson.
- **1992** - 18-hole renovation completed with architect Karl Litton. Greens rebuilt, bunkers rebuilt, course re-grassed and new cart paths.
- **2002** - Greens rebuilt to USGA specifications, and minor renovation to the golf course
- **2005** - The golf course suffered significant damage from multiple hurricanes. Large trees were removed and bunkers were rebuilt.



DBGC Renovation: Reports



- Sanford Golf Design: Master Plan 2016
- USGA Course Consultation – Visits in 2015, 2016, 2017 & 2018
- National Golf Foundation: Business Evaluation of Preliminary Capital Plan 2017

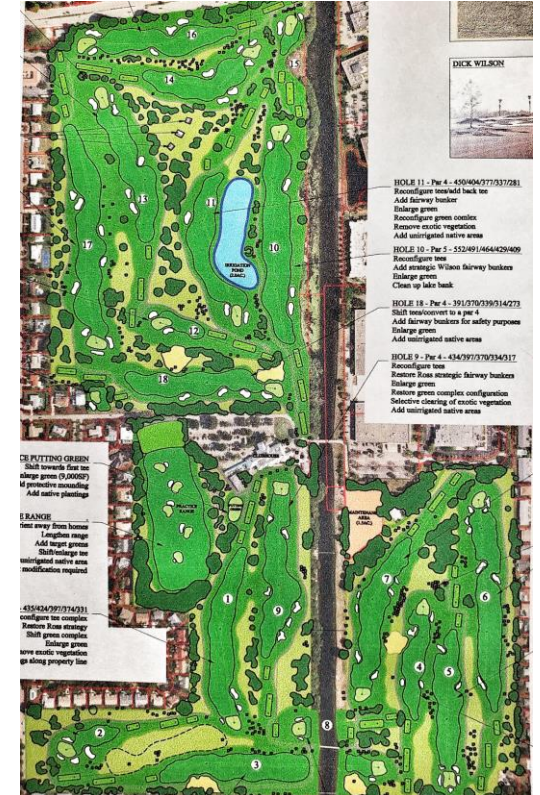


DBGC Renovation: Recommendations



The independent reports have a consistent theme:

1. Full scale renovation is needed
 - Irrigation
 - Tees, Fairways, Bunkers, Greens, & Cart paths
 - Maintenance Building Facilities
 - New Maintenance Equipment
2. Annual operational resources need to be increased.
 - Increase of \$300,000 to annual operating budget



DBGC Renovation: Recommendations



PRELIMINARY BUDGET SUMMARY

PROJECT EXPENSES	COST
GOLF COURSE RENOVATION NOTE: See line item estimate.	\$3,720,250.00
COURSE EQUIPMENT NOTE: Includes signs, markers, ball washers, benches, etc.	\$50,000.00
TURF ESTABLISHMENT NOTE: Includes labor, fertilizers, chemicals, sand, etc.	\$240,000.00
PROFESSIONAL FEES NOTE: Includes golf course architect, engineer, irrigation designer and agronomist	\$375,000.00
MAINTENANCE FACILITY NOTE: No design has been completed. Estimate is based solely on our experience with similar projects	\$1,200,000.00
RAIN SHELTERS / RESTROOMS NOTE: No design completed. Utilities already in place. New structures to serve dual purpose	\$100,000.00

2016 Sanford Estimate
= \$5,685,205

ANNUAL EXPENSES	
CURRENT MAINTENANCE BUDGET NOTE: Cost provided by golf course manager	\$780,000.00
ADDITIONAL MAINTENANCE BUDGET NOTE: Required for new golf course	\$220,000.00
MAINTENANCE EQUIPMENT NOTE: Equipment package from Toro, John Deere or Jacobsen based on a three year lease	\$240,000.00

DBGC Renovation: Recommendations



“In order to provide the citizens of Delray Beach and Winter guests with a premium public facility the entire golf course should be reconstructed based on the style and character of the original architects with an eye on today’s playing standards and construction methods. We look forward to working with the City of Delray Beach to address these issues and prepare the appropriate Master Plan for improvements.”

– Sanford Golf Design

DBGC Renovation: Funding



Parks & Recreation conducted 20-year amortization analysis for:

- \$7.2M (renovation \$ = Sanford estimate X 1.25%) + \$300,000 yearly additional maintenance budget
- Rate used was NGF recommendation (average round rate X 3% annual increase)
- Outcome: Delray Beach Golf Course CAN fund the \$7.2M renovation cost through increased round rates and # of rounds



DBGC Renovation: Funding By Rate/Round Increase

Golf Course Rate/Financing Options w/ \$300,000 Annual Maintenance Increase								Assumption #1 - NGF proposed average rate increase + 3% yearly increase after yr 1 (2020)		
Date	Interest	Principal	Balance	Total Yr Payment	* Anticipated Operating Expenses	Total Operating + Bond Expenses	** Anticipated # of Rounds	*** \$/Rd	Revenue	Rev - Exp
2019 (1/2 year)	\$0	\$0	\$0	\$0	\$1,373,327	\$2,746,653	35000	\$39	\$1,378,125	-\$1,368,528
2020 (1/2 year)	\$283,633	\$239,934	\$6,960,066	\$523,567	\$2,966,653	\$3,490,220	35000	\$50	\$1,732,500	-\$1,757,720
2021	\$273,858	\$249,709	\$6,710,357	\$523,567	\$3,055,653	\$3,579,220	60000	\$51	\$3,059,100	-\$520,120
2022	\$263,684	\$259,883	\$6,450,474	\$523,567	\$3,147,322	\$3,670,889	61200	\$53	\$3,213,890	-\$456,999
2023	\$253,096	\$270,471	\$6,180,003	\$523,567	\$3,241,742	\$3,765,309	62424	\$54	\$3,376,513	-\$388,796
2024	\$242,077	\$281,490	\$5,898,512	\$523,567	\$3,338,994	\$3,862,561	63672	\$56	\$3,547,365	-\$315,196
2025	\$230,608	\$292,959	\$5,605,554	\$523,567	\$3,439,164	\$3,962,731	64946	\$57	\$3,726,862	-\$235,869
2026	\$218,673	\$304,894	\$5,300,659	\$523,567	\$3,542,339	\$4,065,906	66245	\$59	\$3,915,441	-\$150,465
2027	\$206,251	\$317,316	\$4,983,343	\$523,567	\$3,648,609	\$4,172,176	67570	\$61	\$4,113,562	-\$58,614
2028	\$193,323	\$330,244	\$4,653,099	\$523,567	\$3,758,067	\$4,281,634	67570	\$63	\$4,236,985	-\$44,649
2029	\$179,868	\$343,699	\$4,309,400	\$523,567	\$3,870,809	\$4,394,376	67570	\$65	\$4,364,094	-\$30,282
2030	\$165,865	\$357,702	\$3,951,699	\$523,567	\$3,986,934	\$4,510,501	67570	\$67	\$4,495,017	-\$15,483
2031	\$151,292	\$372,275	\$3,579,424	\$523,567	\$4,106,542	\$4,630,109	67570	\$69	\$4,629,868	-\$241
2031	\$136,125	\$387,442	\$3,191,982	\$523,567	\$4,229,738	\$4,753,305	67570	\$71	\$4,768,764	\$15,459
2033	\$120,340	\$403,227	\$2,788,755	\$523,567	\$4,356,630	\$4,880,197	67570	\$73	\$4,911,827	\$31,630
2034	\$103,912	\$419,655	\$2,369,100	\$523,567	\$4,487,329	\$5,010,896	67570	\$75	\$5,059,182	\$48,286
2035	\$86,815	\$436,752	\$1,932,348	\$523,567	\$4,621,949	\$5,145,516	67570	\$77	\$5,210,957	\$65,441
2036	\$69,021	\$454,546	\$1,477,801	\$523,567	\$4,760,607	\$5,284,174	67570	\$79	\$5,367,286	\$83,112
2037	\$50,502	\$473,065	\$1,004,736	\$523,567	\$4,903,425	\$5,426,992	67570	\$82	\$5,528,304	\$101,312
2038	\$31,228	\$492,339	\$512,397	\$523,567	\$5,050,528	\$5,574,095	67570	\$84	\$5,694,153	\$120,058
2039	\$11,170	\$512,397	\$0	\$523,567	\$5,202,044	\$5,725,611	67570	\$87	\$5,864,978	\$139,367

Amount:	\$7,200,000
Term:	20 years
Interest %	4

Please note NGF report uses a different formula and user rate for Cash Flow Projections. NGF anticipates user fees will cover about 60%+/- of the cost of renovation – excluding improvement to maintenance area and new equipment.

DBGC Renovation: Current Rate Comparison



Summary Pricing – Primary and Secondary Competitors								
Golf Facility	18-H Prime Winter Season Green & Cart Fee (WD/WE)	18-H Off-Prime Winter Green & Cart Fee (WD/WE)	18-H Prime Summer Green & Cart Fee (WD/WE)	18-H Off-Prime Summer Green & Cart Fee (WD/WE)	Membership or Annual Permit Fees	Summer Membership	2016 Rounds	Discount Programs
Delray Beach Golf Club	\$52/\$54	\$48/\$49	Open-12:30pm \$30/\$32	12:30p-3pm \$23/\$25	R - \$1,250/\$1,900 NR - \$1,550/\$2,200	DNA	59,120	Warrior Cards
Atlantic National Golf Club ¹	Daily \$80	Daily \$65	\$45/\$55	\$35/\$40	DNA	DNA	N/A	PGA GolfPass Summer Loyalty Pgm.
Atlantis Country Club	Daily \$79	Daily \$69	\$49/\$49	\$39/\$39	NR - \$1,500 +\$25 cart NR - \$4,500/\$6,500 (all inclusive) R - w/ own cart \$3,000	DNA	47,000	Canam Golf PGA GolfPass
Boca Greens Country Club ¹	\$55/\$75	\$35/\$48	\$40/\$45	\$24/\$35	\$3,500/\$5,300	N/A	N/A	Players Card Canam Golf
Boca Raton Municipal GC	\$46/\$50 (resident) \$58/\$62 (non-res)	\$36/\$38 (resident) \$44/\$48 (non-res)	\$38/\$38 ⁴	11am- 3pm \$29/\$29 ⁴	DNA	DNA	18R - 51,259 9E - 22,253	Canam Golf PGA GolfPass
Cypress Creek Country Club	Daily \$59	Daily \$45	Daily \$29.95	Daily \$21	Basic \$799 + cart/walk fee per round All inclusive \$3,299	DNA	35,000	PGA GolfPass Freq. Player Card
Deer Creek Golf Club	\$105/\$120	\$50/\$50	\$50/\$75	Daily \$45	(<age 40) \$3,450 \$3,950/\$7,600 +\$26 cart fee	May 1 -Oct 31 \$395 +\$23 cart fee	N/A	PGA Golf Pass
Lake Worth Municipal Golf Course	\$45/\$55	\$35/\$45	Oct 1-Nov 30 \$40/\$40 May 1-Sept. 30 \$30/\$30	Oct 1-Nov 30 \$35/\$35 May 1-Sept. 30 \$25/\$25	R - \$2,575 NR - \$3,038	May 1- Sept 30 \$400 + \$20 cart fee per round	34,554	Frequent Player Card
The Links @ Boynton Beach	Daily \$52	Daily \$40	Daily \$27	Daily \$22	Nov. 2017- April 2018 \$2,700	Extend through summer for additional \$600	18R - 42,000 9E - 18,000	Links Club Card PGA Golf Pass Canam Golf
Osprey Point Golf Course	\$61/\$63	\$55/\$57	\$36/\$42	11:30am-2pm \$30.50/\$36.00	DNA	DNA	93,538	Frequent Player Card PBC Golf Passport ² May-Dec \$145 Jan-April \$230 Canam Golf
Southwinds Golf Course	\$46/\$48	\$36/\$38	\$44.50/\$46 FPC \$35.50/\$37	11:30-3pm \$35/\$40 FPC \$28/\$32	DNA	DNA	50,448	Frequent Player Card PGA Golf Pass Canam Golf
Westchester Golf & CC ²	~\$70 Daily	~\$55 Daily	\$40/\$42	\$36/\$38	\$2,675/\$4,815 + \$25 cart	Any 4 months \$1338/\$1980 + \$25 cart fees	N/A	Canam Golf PGA Golf Pass

Note: Off-Prime represents earliest afternoon rate and does not reflect twilight rates, with exception of Deer Creek (no early afternoon advertised)
 1. Rates do not include tax
 2. Based on online dynamic pricing
 3. Includes coupon for an 18-hole round and small bucket of balls at each of the four PBC courses.
 4. Prices are advertised Florida resident rates. Online dynamic pricing have discounted rates.
 N/A – Information not available DNA – Does not apply WD – Weekday WE – Weekend R-Resident NR – Non-Resident

New rate study would be conducted prior to course opening to ensure competitive market rate and may be adjusted accordingly to cover cost of renovation.

DBGC Renovation: NGF Proposed Rates



Current Rates	
	WD/WE Prime morning
Current Winter Res	\$49/\$51
Current Winter Non-Res	\$52/\$54
Current Summer Res	\$28/\$30
Current Summer Non-Res	\$30/\$32
*	

Proposed Rates	
	WD/WE Prime Morning
Proposed Winter Res	\$55/\$60
Proposed Winter Non-Res	\$67/\$77
Proposed Summer Res	\$32/\$34
Proposed Summer Non-Res	\$35/\$37
*	

Delray Beach GC Proposed Rates				
Category	Current Multiple*	Proposed Peak Green Fee	New Permit Fee	Current Permit Fee
Single Resident	25	\$60	\$1,500	\$1,250
Family Resident	37	\$60	\$2,220	\$1,900
Single Non-Resident	29	\$77	\$2,230	\$1,550
Family Non-Resident	41	\$77	\$3,160	\$2,200
*Multiple of highest applicable daily fee rate in-season.				



NGF Business Evaluation for Preliminary Capital Plan for Delray Beach Golf Club – pages 10-11

- To prevent a downward trajectory in rounds and net revenues (the cost of doing nothing) that would result from continuing with “band aid” approach to improvements as assets continue to deteriorate
- To restore the historic legacy of the Delray Beach Golf Club and improve the overall product so that the facility can increase market share, enhance revenue centers, and raise price points (esp. among non-resident golfers).

DBGC Renovation: Supporting Partners



- DBGC Men's Golf Association
- DBGC Women's Golf Association
- JCD Sports (Management Company)
- Delray Beach Sports Destination Committee
- Palm Beach Sports Commission



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