

# Operations Review and Business Plan for the Madrona Links Golf Course in Gig Harbor, WA



Prepared For:

**PenMet Park District**  
**Madrona Links Golf Course**  
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# General Limiting Conditions

This report is based on information collected from direct NGF research completed for PenMet Parks ("District") in 2024. The assessment is based on conditions at the time of the analysis (e.g., economic and market conditions) and significant changes in those conditions may affect the relevance of the business plan. National Golf Foundation Consulting, Inc. ("NGF") has not undertaken any update of its research effort since such date. Because future events and circumstances, many of which cannot be predicted as of the date of this plan, may affect the estimates contained therein, no warranty or representation is made by NGF Consulting that any of the projected values or results contained in this study will actually be achieved.

Although we believe that the expectations in this report are reasonable, any or all of the estimates contained herein could prove to be incorrect. To the extent possible, the NGF has attempted to verify and confirm all estimates and assumptions used in this analysis. However, some assumptions may not materialize as a result of known or unknown risks and/or unanticipated events. Consequently, actual results achieved by any golf facility during the period covered by NGF projections may vary from our estimates, and these variations may be material. As such, the National Golf Foundation accepts no liability in relation to the estimates provided herein.

To protect you and other clients, and to assure that the research results of NGF Consulting's work will continue to be accepted as objective and impartial by the business community, it is understood that our fee for the undertaking of this project is in no way dependent upon the specific conclusions reached or the nature of the advice given by us in our report to the PenMet Park District.

Every reasonable effort has been exerted in order that the data contained in the written report reflects the most accurate and timely information possible and is believed to be reliable. However, no responsibility will be assumed for inaccuracies in reporting by the client, client's agents, or any other data source used in preparing the report.

The client agrees that the report is not to be used in conjunction with any public or private offering of debt or equity securities or to otherwise induce investment without the prior written consent of NGF Consulting, which may be conditioned upon client agreeing to pay an additional fee in an amount to be reasonably determined by NGF Consulting.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

# Executive Summary

*The following is a summary of key findings made by National Golf Foundation in its study of the Madrona Links GC. The supporting text and tables are found in the body of the attached report. Some items are repeated from the full report.*

## INTRODUCTION AND PURPOSE

National Golf Foundation Consulting, Inc. (“NGF”) was retained by the Peninsula Metropolitan Parks District (“PenMet Parks” or “District”) to review the operation and facility condition of the District’s Madrona Links Golf Course (“Madrona Links GC” or “MLGC”). The District required a strategic review of the golf facility in light of PenMet Parks concerns about the condition of the property coupled with the pending expiration of the existing leases in April 2028. Madrona Links is presently operated under a 1978 master lease agreement that has been modified several times resulting in a sub-lease agreement structure with several layers of reporting and responsibility. In our review of this unique situation, the NGF found the basic terms of the original lease to be outdated and somewhat vague, especially as it relates to the condition of the property and its golf course components. We also have observed that the mix of multiple leases seems to be hindering the facility’s ability to make the best use of financial resources at a time when accumulated deferred maintenance and aging golf course infrastructure requires enhanced attention.

Madrona Links GC is an appealing golf facility that consists of a potentially very nice 18-hole regulation-length golf course, driving range and a smaller clubhouse that lacks the scale of appurtenant amenities (bar, restaurant, meeting rooms, etc.) that most respondents to a 2023 statistically-valid survey indicated is currently meeting the needs of the community. The golf course dates to its original construction in 1977 and was acquired by PenMet Parks in 2009. Madrona Links GC is now a District-owned public-access golf facility that is operated via leases that are scheduled to expire in the next four years. The District is now considering the longer-term future of the facility to meet community expectations, improve activity and revenue, and address aging infrastructure and other challenges. The leases expire in 2028, providing an opportunity for PenMet Parks to develop a different operating structure and package of amenities at MLGC and make new investments to bring this popular golf course closer in line to the most immediate public golf competition in this part of the South Puget Sound region.

Madrona Links GC produced total gross golf revenue of about \$1.77 million in 2023, an amount that reflects dramatic growth due largely to a recent surge in golf interest in the wake of Covid-19 (revenue was \$1.1 million in 2019). On average, MLGC is generating \$44.83 per round in 2023, comparable to the \$43.90 total U.S. average revenue per round standard (2022). We note that MLGC revenue totals do not include direct food and beverage (F&B) income that is under a separate contract (Hackers) and not included in the total or average per round. With operating expenses totaling more than \$1.5 million, it appears that Madrona Links GC covers all operating requirements, however, this may be misleading. The NGF review of Madrona Links GC financial records shows that a **substantial portion of the total expenses required to operate the facility are going to pay leases, rather than care and maintenance** of the golf course. In total, NGF estimated as much as \$208,000 went to lease payments in 2023 and MLGC has spent over \$890,000 on leases in the last five years (since 2019). It adds challenge to an independent operator to sustain operations and address ongoing deferred maintenance that has accumulated over many years. The existing operating lease was assigned to PenMet Parks when it acquired MLCC from the City of Tacoma in 2008. The lessee has chosen to contract with a sublessee to perform daily course operations although the lessee is responsible for all operations, maintenance, and capital improvements required to keep the course in good condition and repair.

## SUMMARY OF MADRONA LINKS GOLF COURSE

Madrona Links GC is a popular public golf facility in a true suburban setting with nice features and appealing playability, but the facilities would benefit greatly from upgrades and modernization. MLGC has had a recent surge in activity and revenue and under an ideal operating program, this recent windfall would be invested back into the property to address the deferred maintenance and physical shortcomings as described in this report, rather than to pay several layers of leases. A summary of NGF key findings on the MLGC facility and operation include:

- Madrona Links GC enjoys a good location close to Highway 16 and as the first golf course on the north side of the Tacoma Narrows Bridge, with easy access from a wide geographic area. However, with a generally small population in Gig Harbor, the facility will always be reliant on non-local golfers, many of whom will use the Narrows Bridge.
- Madrona Links includes a single 18-hole golf course on only 85 acres of property. As a result, the facility offers a golf course that is shorter in length to play, and the site has capacity limitations that are not likely to be overcome. The clubhouse is also small and lacks the capacity of other golf facilities in the local area. The District will have to improve both golfer support services and on-course enhancements if the property is to continue as a viable public golf facility.
- The condition of the golf course playing area is not ideal and the operator faces challenges in maintaining a good golf course on this site. The main challenges relate to soil conditions and tree cover, both of which negatively impact healthy turf, but can be mitigated somewhat through adequate maintenance. In addition, the basic infrastructure that supports golf facility operations (irrigation, drainage, cart paths, maintenance facility, etc.) is old and past its useful life, or was designed poorly – or both.
- This facility would benefit from upgrades and modernization of the basic infrastructure, and from an increase in maintenance efforts to catch up on maintenance deferrals and improve course conditions on a day-to-day basis. The capital investments recommended by NGF assume that the business plan going forward involves a high-quality golf facility that is a match of value to the price being charged.
- In all, the NGF identified some \$1.8 to \$2.3 million in projects for high priority items such as new cart paths, improved drainage, tree and pond improvements, and structural upgrades. In addition, NGF identified about \$4.7 to \$5.0 million for other issues with lower priority items like new irrigation (\$2.7-\$3.0 million alone), new golf features (greens, tees, bunkers, fairways) and a new patio addition to the clubhouse.
- MLGC is currently being operated and maintained by a small staff, with only four full-time and 15 part-time (or seasonal) employees. This staffing is about ½ of what is usual and customary for public golf courses with this revenue profile, although we do note that the industry standards include the F&B service which is a separate concession at MLGC. The result is a heavy reliance on a small staff to stay ahead of maintenance challenges on a property with inherent deficiencies as noted, often resulting in key maintenance and service tasks going uncompleted.
- Playing fees for golf and concessions are in the middle range for public golf in this market. The actual realized green fee revenue per round was \$38.58 in 2023, or 60% of the peak green + cart fee (\$65.00). NGF has found that successful public golf courses tend to operate with actual realized average golf revenue per round of about 65% of the highest green fee, indicating **MLGC is having to discount fees to attract the higher volume of rounds activity** in 2023, and this in part due to facility condition.

## EXTERNAL ENVIRONMENT

The NGF market analysis shows that golf is a major part of the defining character of the Seattle-Tacoma metro area with strong demand for golf that is sustained even when outside forces like poor weather or a bad economy are factored. As such, the NGF has a reasonable expectation that while the market will provide support for the continued operation of Madrona Links GC, such strong support is not guaranteed without some level property improvement. Other key findings from NGF's analysis of the Madrona Links GC market include:

- The local demographic profile is consistent with strong golf demand and the local economy also has elements that correspond to durable golf demand. There are an estimated 5.0+ million visitors to Pierce County annually, adding to the demand for golf. Madrona Links is the only public golf course in Gig Harbor and the first golf facility golfers will find on the north side of the Tacoma Narrows Bridge, giving it a strong position to capture some of this visitor golf market.
- From a macro standpoint, the fears of golf as a “dying sport” in 2019 have not emerged, and demand for golf has strengthened greatly during and since the Covid pandemic (2020-2023). However, golf is changing, and the demand preferences documented by NGF show a younger demographic seeking new ways to consume golf that are less time consuming, and shorter-length golf courses like Madrona Links have the potential to grow in popularity, provided the facility quality is good and all associated amenities are modern and in good working condition.
- The overall balance between golf demand and supply is slightly lower than the NGF threshold for economic success, as MLGC has about 3,100 golfers per 18 holes within 10 miles compared to the 4,000 NGF standard. As a result, it is expected that the local golf market will remain competitive for the foreseeable future. Any improvement in economic performance at area golf courses is going to have to come from a wider reach of customers attracted to golf properties with enhanced facilities and a broader array of golf practice facilities and clubhouse options to “stand out from the crowd.”
- The most important local competition for Madrona Links GC includes other public golf facilities at higher and lower prices, but mostly with superior facilities and modern golf features. Given MLGC's location, it appears to NGF that MLGC will have to offer a higher level of golf course quality to attract golfers from Tacoma to come across a toll bridge to MLGC, thus supporting any plan to upgrade this golf course and improve the ancillary amenities. It appears to NGF that MLGC, with enhancements, would be well positioned in comparison to its most immediate competition.
- Finally, all golf facilities face a couple of other factors beyond their control that will impact performance. This includes the high fixed expense structure that is growing more rapidly than revenues, unexpected challenges like weather and the economy, and the challenge of attracting younger, less traditional segments to the facility.



## NGF RECOMMENDATIONS

As part of our review for PenMet Parks, the NGF team prepared a schedule of specific recommendations to be considered by Madrona Links GC. These recommendations have been organized into: (1) basic oversight and structure; (2) physical enhancements; and (3) other operational insights.

### Basic Oversight, Structure and Staffing

The Madrona Links GC is presently operated through a series of leases and sub-leases that NGF has documented are not favorable for the continued health of the golf course property. As the District moves closer to the expiration of the current lease in April 2028, there are several other operational structures that the District should consider. To help improve the understanding among District officials, NGF provided a summary of several alternatives that PenMet Parks can consider for golf operations, including some form of self-operation, concession agreements, a management contract and a possible new lease with modern terms that include large-scale deferred maintenance correction and capital enhancement.

**The NGF team recommends that PenMet Parks take control of Madrona Links GC at the end of the lease in 2028 and directly run the facility through a defined fee-for-service management agreement.** The only exception to this recommendation would be the creation of a new lease for the MLGC property only if the new lessee will provide the capital necessary to perform all of the deferred maintenance and provide the upgrades that are needed at Madrona Links GC.

### Specific Physical Recommendations

The NGF recommendations for enhancing the physical plant of Madrona Links GC consider specific improvements and deferred maintenance that need to be addressed, along with potential new investments to enhance the overall facility offering and help improve revenue. The NGF vision for the future of Madrona Links GC considers the most ideal physical condition of the facility so as to maximize the potential economic performance.

### Completion of Deferred Maintenance and Capital Investment Considerations

The specific projects identified by the NGF team were documented previously in this report, and are summarized by necessity and investment in the table below:

<b>Madrona Links Golf Course Summary of Required Capital Investments by Type</b>			
	<b>Items</b>	<b>Low Estimate</b>	<b>High Estimate</b>
High Priority Items	Cart paths, trees, drainage, ponds, structure upgrades	\$1,784,000	\$2,351,000
Lower Priority Investments	Irrigation, greens, tees, bunkers, new patio	4,275,000	5,030,000
<b>Grand Total of Capital Projects</b>		<b>\$6,059,000</b>	<b>\$7,381,000</b>
All figures are NGF Consulting estimates based on similar projects completed in the region in the last 3 years that have been provided to allow for preliminary planning. These amounts may or may not reflect actual costs for PenMet Park District, and the District should engage appropriate research to cost out specific projects. cy= Cubic Yard; lf = linear feet; sf= Square Feet; Ac = Acre			

## Basic Operational Recommendations

In addition to the management and improvement recommendations, NGF offers other ideas to help the District with some minor adjustments that can help improve the bottom-line performance of the golf course in the body of this report. The most significant of these relate to the adoption of best maintenance practices and the enhancement of marketing using modern technologies (website, email, social media, etc.). Other operating recommendations include enhancing customer service and maintaining a strong F&B service profile. It is hoped that review of these recommendations can provide the District with a basic framework for the continued operation of its golf facility.

## FINANCIAL ANALYSIS

NGF has assisted PenMet Parks in preparing an analysis to show what the potential economic performance of Madrona Links GC could be over the next few years considering the potential take-over of the facility by the District at the conclusion of the current lease. This analysis was prepared based on a set of assumptions that may or may not become reality but represent a “fair estimate” of performance for this golf facility over a future five-year period based on our review of the market, site and projected MLGC operation. We have completed this estimate of future economic performance considering the direct and indirect impact of improvements, while also projecting this performance based on current (2024) inputs, even though the actual District take-over will not occur until 2028. This projection was provided to show what the basic economic structure would look like under District leadership given current market conditions.

### Projection Results

The results of the economic projections for Madrona Links GC show that the facility will improve its economic position with the changes that are under consideration, most notably reducing lease requirements and using the funds to enhance maintenance and service. With improved conditions, it is expected that MLGC will see increases in rounds, fees, and clubhouse sales, although additional expenses to provide these services is also expected. The new structure recommended by NGF will drastically change the economics of MLGC, possibly including the revenue and expense from F&B service (Hackers) in the total financial picture for the facility. But most importantly, the over \$200,000+ in lease expenses is reduced to around \$100,000+/- for a management fee, with the difference invested back into the property in improved maintenance and annual capital investment at 4% of total facility revenue (now a minimum of 1.5% of green fees). The net result will be an increase in operating revenue that can cover all staff and ongoing capital improvements. However, given the high cost of modernizing the facility and replacing aging infrastructure, the net performance of MLGC is **unlikely to be sufficient** to cover the capitalization cost and/or any annual debt service / bond repayment if it is tied to the MLGC enhancement.

The above projections from NGF represent a conservative view of the golf facility based on actual performance of MLGC and comparable golf operations. We note that the total F&B revenue projection is based on generally conservative inputs and may be much less than what is actually earned at Hackers in 2023 (actual revenue data was not provided). This review clearly shows that a much higher level of facility gross revenue is possible at MLGC with attention to deferred maintenance and improvements, although the higher revenue projected by NGF also comes with a higher level of operating expense. The real benefit from the changes proposed for MLGC will come from the ability to use additional funds to maintain and improve the property, leading to improved green fee, cart fee and range revenue. The NGF has chosen to present this future projection in a conservative fashion so as to provide a base level of projection for decision-making purposes and for comparison to possible future performance and in consideration of operating changes that are expected upon the end of the current lease in 2028, and possibly sooner.

## Support for Projections

- A large base of residents and visitors with demographics favorable for golf and a high interest in year-round outdoor activity.
- Potentially strong and diversified local economy, with traditionally low unemployment.
- Accessible site with improving local roadway infrastructure.
- Proposed property enhancements that will add attraction to MLGC and help increase sales.

## Potential Threats / Mitigating Factors Relative to Projections

While growth in rounds and revenue is expected at MLGC in the next five years, there are mitigating factors that could negatively affect the facility, including:

- Regional economic recession
- A return to decline in golf participation – prior to 2020, trends showed declines in golf participation, especially among the younger generation.
- Limited time availability for golf due to long commute times
- Rapid inflation of golf course maintenance expenses

## SUMMARY STATEMENT

PenMet Parks owns the 18-hole Madrona Links Golf Course, an aging facility presently operated via lease with a unique sub-lease assignment that is coming to a key transition point in its history – the end of its original 50-year lease term and the need to address deferred maintenance and aging infrastructure. In our review, NGF has found that Madrona Links GC has an interesting and playable golf course that is not in ideal condition in 2024, nor is the facility structured in a way that allows for efficient maintenance and improvement of the facility. The golf course condition observed in 2024 is due to a mix of inherent site challenges, aging support infrastructure and years of inadequate maintenance. As we move into 2024 and beyond, the District will need to begin planning for the expiration of the current lease and the creation of a new program for the facility's operation that allows the golf course to benefit from a recent surge in activity and revenue. Going forward, PenMet Parks will have to make some decisions about what it is willing to do to secure MLGC as a functioning amenity for the community, including the possible investment to correct deferred maintenance (or requiring the tenant to address the deferred maintenance prior to the end of the lease term), improve aging systems (irrigation, drainage), and a possible change in the operating structure.

The current circumstance provides an opportunity for the District to “re-set” Madrona Links GC and find the new facility operating profile that will help preserve the physical integrity of MLGC and possibly even expand its appeal to a wider segment of golfers. The completion of several on-course improvements along with enhancement of maintenance staff and practices would open a new level of quality that is consistent with success in public golf and a strong fit for PenMet Parks. Adopting a plan to bring the MLGC operation closer to the District leadership will allow for maximum use of revenue earned on site to be reinvested into the property, rather than to pay for layers of lease obligations. This is the most important adjustment that is needed to sustain the golf course and enhance marketability in this competitive golf environment.

In summary, Madrona Links GC is an outstanding amenity for the community and is ready for the “next stage” in its evolution with a new operating structure, correction of deferred maintenance and enhanced upkeep and operation to serve the needs of the modern golf consumer. The upgrades identified by NGF in this report will address the most significant challenges inherent with this property and allow the District to offer a new level of quality in its municipal golf facility. Madrona Links GC offers a challenging golf course that is well-located and popular with golfers of all skill levels. The District’s flagship golf property has lagged behind its most immediate competition and modernization of this facility will allow the District to compete more effectively in this local market area, ultimately leading to improved revenue that can be used to sustain course quality long term. In review of this public golf facility, the NGF has identified four important actions that the District can take right now to prepare for the future and improve Madrona Links GC performance:

1. Commit to completing (or requiring the tenant to complete) the needed deferred maintenance over the next four years such as irrigation, drainage, cart paths, tree maintenance, plus other requirements to support adequate maintenance for ongoing day-to-day operations.
2. Begin planning for the expiration of the current lease and the future business structure of MLGC operations and document the new details of maintenance and service profile requirements for potential future operators.
3. Increase focus on new player development and beginner programs, especially with juniors and young adults.
4. Make modest adjustments in pricing in 2024 and 2025 (already underway), while planning for more substantial increases in golf fees when property enhancements are completed, and a new operational structure is in place (not likely before 2028). Then implement a program to adjust fees annually based on inflation.

# Subject Facility Review – Madrona Links Golf Course

The subject property is the Madrona Links Golf Course (“Madrona Links GC” or “MLGC”), an 18-hole public golf facility that is owned by PenMet Parks (“District”) and operated via lease with a unique structure involving several independent third parties (more detail to follow). The facility consists of one 18-hole regulation-length golf course, clubhouse, driving range and maintenance facility. The golf course dates to its original construction in 1977 and was acquired by PenMet Parks in 2008, and the original 50-year operating lease remained in force. The lessee is responsible for all course maintenance, operations, and capital improvements, but the lessee entered into a sublease agreement with a separate operator that is now responsible for day-to-day course management and operations, leaving little direct operational involvement from PenMet Parks. A growing chorus of customer complaints about golf course conditions, coupled with the pending termination of the existing lease in April 2028 has led the District to take a closer look at the MLGC operation in 2024.

Madrona Links GC includes a mix of amenities that is common in public golf, and generally correlates well with economic success. The facility offers a full 18-hole golf layout, but with total playing length under 6,000 yards. This shorter golf course (but still qualified as “regulation-length”) has strong appeal to many less-skilled golf players and is still challenging enough to attract more serious golfers. As the facility is now approaching 50 years of age, much of the original infrastructure is still in place and well past its expected useful life, leading to problems in course conditioning that will have to be addressed if this facility is to continue as a functioning public golf facility. The MLGC facility includes several key elements that are needed to generate revenue and sustain operations, including a strong and loyal core of local golfers and a good location close to the major highway in Gig Harbor.

Madrona Links GC produced total top-line revenue of about \$1.77 million in 2023, an amount that reflects dramatic growth due largely to the impact of Covid-19 (revenue was \$1.1 million in 2019). With all operating expenses totaling more than \$1.5 million, it appears that Madrona Links GC can cover all operating requirements, although this may be misleading. The NGF review of Madrona Links GC financial records shows that a **substantial portion of the total expenses required to operate the facility are going to pay leases, rather than care and maintenance** of the golf course (more later in this report). In total, NGF estimated as much as \$208,000 went to lease payments in 2023 and MLGC has paid over \$890,000 on leases in the last five years (since 2019) with most of that amount paid from the sublessee to the lessee. It is very difficult to expect a course like Madrona Links to sustain operations and administer proper maintenance given this lease requirement.

In our review of Madrona Links GC, the NGF found a unique golf facility offering, with great potential, but with condition and infrastructure issues that will have to be addressed in the near future. The golf course layout is appealing enough for the facility to be successful, provided the condition and associated ancillary amenities are an appropriate fit. However, the age of the facility, small maintenance staff, deferred maintenance needs and unique structure with multiple leases seems to be hindering the facility’s ability to make the best use of resources. Going forward, the key issue for the District in the MLGC operation is how to prioritize capital spending to address key infrastructure issues such as irrigation, drainage, excessive tree growth and other course improvements that are needed but are unlikely to be undertaken given the current operational structure.

## MADRONA LINKS GOLF COURSE FACILITY OVERVIEW

Madrona Links GC is an important public golf facility with a rich history and a location in the heart of economic activity in the small Gig Harbor area of the Kitsap Peninsula. Since its opening in 1978, MLGC has remained popular among a select group of local golfers who find the short layout appealing and the affordable price a good match. As growth in revenue is needed at the facility to match the expenses that are needed to properly operate and maintain the facility, the District will have to consider new direct or lessee required capital investment to correct deferred maintenance and enhance MLGC so as to attract a wider golfing contingent, in light of other District priorities and the lease / land ownership issues with this property.

### Location, Access and Surrounding Elements

Madrona Links GC has a unique location in the southern Puget Sound area, just north of the Tacoma Narrows Bridge that hosts an average of 87,000 autos per day (AADT) and is the only thoroughfare from Tacoma on to the Kitsap Peninsula and the Gig Harbor to Port Orchard market area. The golf facility is located with an entrance along 36<sup>th</sup> St., less than ¼ mile from an interchange with Highway 16 (only access Highway 16 going south) and about ½ mile from the intersection of 36<sup>th</sup> St. and Point Fosdick Dr. Access to the course for golfers coming up from Tacoma requires a few turns to navigate from the first exit after the bridge on 24<sup>th</sup> St.

Overall, the immediate area surrounding Madrona Links GC includes the roadways as noted, plus a mix of residential and commercial areas that form the corridor through the peninsula. The implication for the golf course is that Madrona Links GC is proximate to several key elements that are expected to provide support to the golf course and clubhouse for the foreseeable future, and the facility is convenient enough for the enhanced attraction of out-of-area visitors that will be needed to provide golf activity and added economic support.

### Site Positives

- **Location:** The major roadway (Highway 16) that provides access in and around Gig Harbor is immediately proximate to MLGC, making the facility convenient for golfers to access from a wide geographic area. As this facility will benefit greatly from non-local visitors, the course location is an advantage for attracting non-local patrons.
- **Site Setting and Topography:** The site has outstanding natural features, trees and topography, which leads to positive feedback from golfers and provides a high degree of inherent potential for golf improvement.
- **Logistical Layout and Facility Organization:** With about 85+/- acres of property, the overall size of Madrona Links is small for an 18-hole golf course, but the property is well organized and has an efficient layout. All the key golf elements (course, clubhouse, parking) are near each other, and the course routing starts and ends near the clubhouse for each 9-hole course.

### Site Negatives

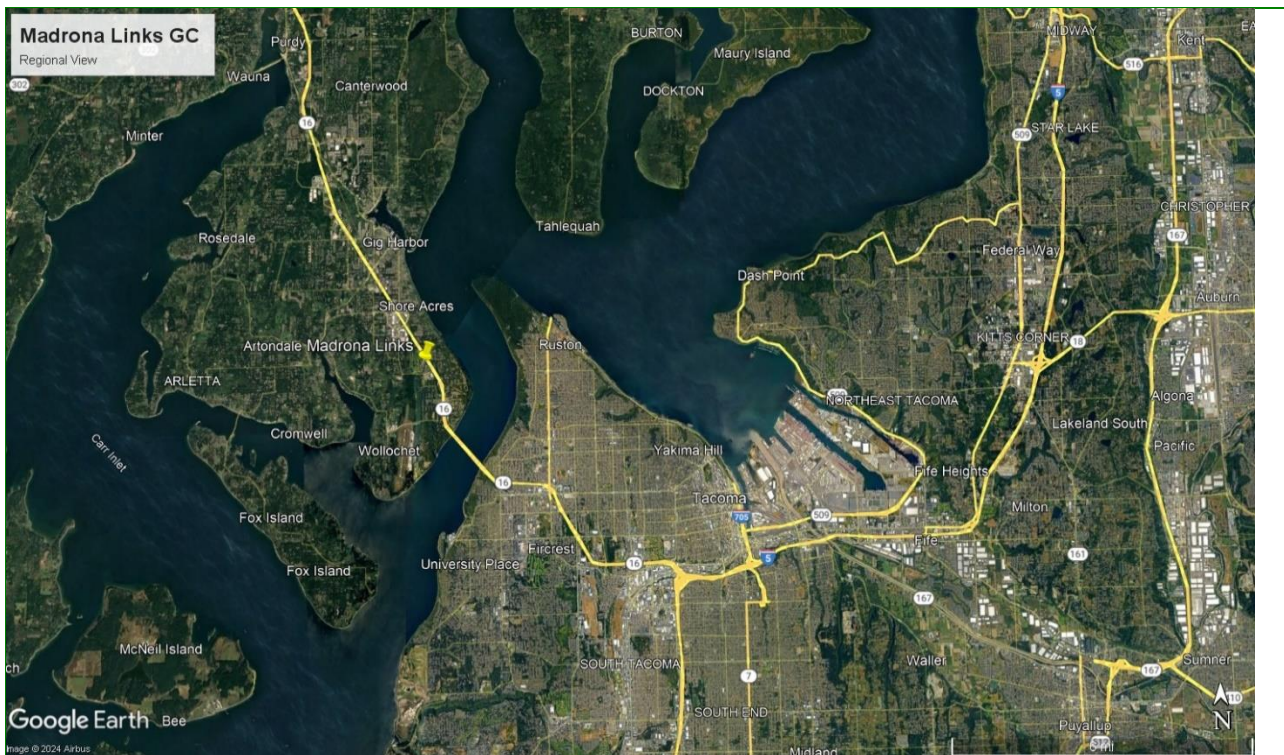
- **Small Site:** With only 85 acres of property and no available adjacent land, the site is generally fixed within its current boundaries thus preventing any golf expansion possibility or new amenity (driving range) addition.
- **Site Setting and Topography:** While the site's outstanding natural features add appeal to the golfer, the trees, topography, buried stumps and soil make the golf course difficult to maintain. While some of these issues can be addressed with new investment, some are insurmountable and will always be part of MLGC (more later in this report).

## Aerial View – Madrona Links GC



Google Earth image showing MLGC and direct surrounding elements, showing proximity to Highway 16 and local residential and commercial elements that provide some customer support for the golf course and clubhouse operation.

## Regional View – Madrona Links GC



Google Earth image showing a broader regional view of MLGC and its location across the Tacoma Narrows Bridge in the narrow corridor of Gig Harbor and the Kitsap Peninsula. The view shows the proximity to major roadways in Tacoma, adding to the accessibility of MLGC.

## **MADRONA LINKS GOLF COURSE SUMMARY OF FACILITIES**

Madrona Links GC is a public golf course located in a parkland setting with an appealing layout and environment, along with a small clubhouse and other key support components (parking, cart storage, maintenance, etc.). As of February 2024, the Madrona Links GC facility includes the following key components:

- An 18-hole regulation-length golf course with a par of 71 and up to 5,608+ yards and all commonly associated amenities (challenging greens, multiple tee boxes, tree-lined fairways, cart paths, on-course services, etc.).
- A 5,400 square foot (sf) clubhouse building with two sections that includes a pro shop, small kitchen, bar/grill area, restrooms, and offices.
- Limited practice amenities that include a small driving range with only 5 fixed (turf) hitting stations and less than 180+/- yards in length (“irons only” range), and large (5,500sf) practice green.
- A ½ -acre maintenance compound with a 2,400sf maintenance building for storing maintenance equipment and housing maintenance staff and an extended covered area for storing equipment and golf carts.
- An entrance and parking area of about 1.25 acres that includes defined parking for up to 116 autos plus small clubhouse surrounds spaces.

### **18-Hole Regulation Golf Course**

Madrona Links Golf Course includes an 18-hole golf course that was designed by the original lessee, Ken Tyson, with assistance from golf architect Jack Reimer, a lesser-known golf architect with no other notable designs on record. The golf course was constructed and opened for public play in 1977. The course is situated on 85 acres that is divided into two separate parcels, with PenMet Parks owning 71+/- acres and the remaining 14+/- acres owned by a private third-party. This separation of property is not visible to golfers and the property appears as one contiguous site. The 85-acre total is small for an 18-hole golf course (120 acres is a standard minimum), and the small site results in a shorter golf course with tighter spacing and virtually no room for any kind of course or practice facility expansion.

The Madrona Links GC golf course is built on a rolling site with a mix of older original trees that were present before the golf course was constructed and a significant number of trees that were planted during construction. The result is a unique golf course layout that features some interesting topography and several holes with narrow tree-lined fairways and small greens. The course is shorter in playing length than a “standard” par-72 course (MLGC is par 71 for men and par 73 for women), and as such is popular with golfers who appreciate the opportunity to use shorter clubs in the play of golf on this course. Madrona Links GC includes all the basic design elements that can appeal to a wide variety of golfer skill levels. Other NGF observations:

- The Madrona Links GC scorecard shows a maximum distance of 5,608 yards, which is short for a championship course but very popular with the average golfer and is a significant factor in the popularity of this course. The back (Blue) tee shows a USGA slope rating of 122, which represents that the back-tee golf course is more difficult than the ‘standard’ slope of 117, but not too extreme with slope over 130 or even 135 like many of the nearby competitors. The intermediate (White/Combo) tee offers courses between 5,193 and 5,420 yards with slope ratings of 120-121 (closer to the standard).



- The most forward tee on the course (traditionally referred to the “ladies” tee) is 4,737 yards, which is within the NGF-recommended distance of under 4,800 total yards in length for a forward course. This forward tee placement makes the course appropriate for less-skilled players and does not include any golf shots that require long carries over hazards (“forced carries”) that can limit the appeal and constrain revenue. In all, these numbers suggest that MLGC provides a solid mix of challenges that fall on the easier side, with a course length to suit all skill levels (this is the ideal for a public golf course).
- The golf course at Madrona Links has design features that make it playable for all golfers (such as shorter par 4 holes, tree-lined holes and interesting shapes, etc.). The course has about 30 bunkers, but the primary challenge of this course is several holes with narrow corridors that are lined by dense trees. This adds greatly to the scenic and challenge appeal of the golf course, but also to the difficulty for less-skilled players. This layout includes fairways that are very close together, and interaction between golfers on parallel holes is common. The distance between fairways at Madrona Links Golf Course is around 150 to 175 feet (200 to 250 feet is standard), however the trees do provide quite a bit of hole separation and protection for golfers.
- This golf course is marketable in this area given its attractive and challenging layout and scenic views, although this must include a high-level maintenance standard. The golf course provides enough challenging and unique features to add to its overall appeal and offers a unique golf experience proposition that can be marketed by its operators through photos on the website and in print advertising and brochures, etc.
- The course also includes on-course restrooms, with a fixed structure located in proximity to the 2<sup>nd</sup>, 5<sup>th</sup>, 6<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> holes for golfer convenience.

The NGF finds this golf course has the physical elements to be economically successful, including a flexible golf layout that can appeal to all skill levels, including beginners. A program of high-quality maintenance to provide outstanding conditions (including some down time for applications) should be part of the operating program to ensure the good-quality remains in place. This facility has the potential to be one of the best public golf courses in the south Sound suburbs, providing key infrastructure is updated, deferred maintenance addressed, and the corresponding ancillary service is a match to the golf course playing area (more in market analysis section).

### Madrona Links GC Golfer Support Services

Madrona Links GC has a small 5,400sf clubhouse that dates to the original facility’s construction in 1977. The small clubhouse is mostly made up of the restaurant/kitchen area, plus a small pro shop and check-in area. This building is clearly too small to provide a proper support function for a modern public golf course, lacking both function (restaurant, snack bar, bar, locker/changing rooms, meeting rooms, etc.) and visual appeal. The facility includes the following basic features:

<b>Pro Shop</b>	Retail area that includes the main check-in counter. This space is separated from the F&B service area by a door that can be locked to allow F&B service to be open after the pro shop has closed.
<b>Hacker’s Bistro</b>	Main restaurant area with full bar and seating for up to 80+/- patrons. There is also a walk-up F&B service area for golfers for quicker service
<b>Full-Service Kitchen</b>	Kitchen to support Hacker’s Bistro
<b>M &amp; W Rest Rooms</b>	Two small restrooms with only six total stalls in a narrow hallway near a front entrance to Hackers. These are the only restrooms in the clubhouse for use by F&B patrons and all golfers.
<b>Club Offices</b>	Offices in the pro shop behind the check-in counter for use by the golf professional staff and assistants

The above-noted golfer support service program is clearly lacking in key elements commonly associated with successful public golf courses, and thus is not providing adequate support for the golf operation to add to facility revenue. If Madrona Links is to truly offer a proper public golf experience to customers, some key elements would have to be added, including an adequate kitchen, more appealing space for gathering/dining, a bar area for gathering after golf, and proper restrooms. A larger pro shop and more welcoming entry presentation would also add to the appeal of the facility. Public golf facilities with these elements included tend to support a much higher level of ancillary revenue than has traditionally been earned at MLGC.

### Driving Range / Practice Amenities

Practice amenities are limited at MLGC, with only a 5,500 square-foot (sf) practice green and a small driving range with only five stations and less than 180 yards in length. This type of range is traditionally known in golf as a “warm up range,” or “irons-only range” to reflect the limited size of the landing area. Range balls are available to patrons from an automated dispenser just outside the clubhouse that takes tokens that can be purchased in the pro shop. The practice facilities at MLGC are clearly an area where this facility lags its competition, but golf staff seem to be making good use of what is available for programs, lessons and other golf practice. While improvement and/or expansion in this area would be desirable, the site will not support any such expansion so continuing to make the existing amenities work is a key challenge for MLGC staff.

## MADRONA LINKS GC – CONDITION OF FACILITIES

This NGF consulting engagement included a site review by the lead NGF consultant, augmented by a separate review by a senior consulting agronomist from the United States Golf Association (USGA – separate report submitted). Based on these inspections and input from MLGC staff, the NGF made observations on facility conditions and maintenance practices. This review was provided to help the District understand the basic challenges of operating and maintaining a “living and breathing” asset, and to provide our estimate of ongoing maintenance and capital requirements for MLGC. The primary areas of NGF review District include the following elements:

### Global Golf Course Maintenance Challenges

The initial concern from the NGF and USGA consultants was that the MLGC golf playing area was not in ideal condition to match the fees charged to customers. While we recognize our inspection was completed during the winter when conditions are at their worst, the timing enhances our understanding of the challenges faced to properly maintain this property. As we present our review of specific components in the MLGC golf course, we begin by summarizing seven basic realities faced by anyone attempting to properly maintain this golf facility, including:

1. **Original Construction:** Review of the history of MLGC and its initial construction suggest the project was done at very low cost, even by 1977 standards, and that results in higher than normal operating and maintenance costs due to tree stumps buried under the golf course and a simplistic / single-row irrigation system with limited reach and root growth under the cart paths.
2. **Expected Useful Life:** The features of every golf course have a life cycle, and much of the key infrastructure at MLGC is past its expected useful life ([Appendix A](#)). Specific concerns relate to the property’s drainage, irrigation, and cart paths, all of which will require new investment to upgrade, in addition to improved maintenance.
3. **Soil and Subsurface:** Madrona Links was constructed on a rocky site with many areas covered by a thicker, clay-like soil that holds water and does not drain naturally. In addition, the rocky rootzone exacerbates challenges for growing quality turf.

4. **Ponds:** The ponds are not lined and are only sealed by the dirt and rock at the bottom.
5. **Trees:** The MLGC includes a large quantity of trees on property, both original and those added in construction of the golf course. The trees present several challenges to proper maintenance of the golf course.
6. **Drainage:** This golf course does not have a positive drainage characteristic as both the type of soil and design of topography lead to several areas where water sits for extended periods without draining.
7. **Local Climate:** The Puget Sound area has a particularly wet climate with upwards of 149 days per year with at least some precipitation, clearly impacting golf maintenance.

## Review of Golf Course Components

The current operator reports that MLGC is maintained by a staff of six (2 full-time and 4 part-time) employees for a total of about 240+/- hours per week. A course of this size and style would usually utilize between 400-to-500-man hours per week to maintain the quality level desired to appropriately match the listed green fee rate of \$65. Specific golf course components were reviewed as follows:

- **Greens:** The existing greens average around 5,000sf in size, which is small for a regulation golf course but still within expected standards. The smaller size also adds to the maintenance requirement as there are fewer hole location possibilities on smaller greens and thus higher local foot traffic. The greens are not USGA greens, but rather soil-based, push-up greens that do not have subsurface drainage, resulting in some soggy greens. The USGA reports a dense mat of organic matter present at the top of the soil profile on the greens, which can be improved with more frequent aerations and sand topdressing. Staff reports completing two greens aerations each year, but more may be required. While the current conditions may support current activity, the District should assume that a more extensive upgrade with subsurface and drainage enhancements will be required to meet customer expectations and support higher green fee revenue.





Images of selected MLGC greens showing a mix of conditions with some very attractive and playable greens, and some with more substantial problems, including the 13<sup>th</sup> green (lower right) that was the wettest reviewed by NGF in early 2024. The photo at lower left is from an NGF visit in July 2023 when weather conditions were much better showing the potential of MLGC greens.

- Tees:** The existing tees appear uneven, undersized, and often located in shaded areas that constrain healthy turf. This leads to selected locations of excess wear and poor tee conditions. Improving the tees at MLGC would entail a concerted effort to remove and/or trim back trees and enlarge the overall tee space on some holes. Utilizing staff to fill divots and remove broken tees during peak usage would create a nicer look. At the very least, performing these tasks on all the par-3 holes would be noticeable to golfers (additional golf maintenance staff may be needed to complete this task).



Images of selected tees on holes at MLGC showing overuse conditions that requiring additional space to move tee positions away from areas that get overused, especially on par-3 holes.

- Trees:** The high volume of trees on the property present several challenges, including: (1) excess shade restricting turf health; (2) growing roots that impact turf, irrigation lines and cart paths; and (3) narrow the golf course making it more difficult to play. The tree issues are especially acute in how it impacts several too boxes on the course, some of which are in shade all but 1-2 hours per day, which will not support adequate turf health. As such, both the removal and the trimming of trees on the property must be a high priority for this maintenance team and the District should explore options for removal of some trees that have the worst impact. A long-range tree maintenance, removal and replacement plan is recommended if one is not already in place.



Images of selected locations on Madrona Links GC showing the impact of trees, especially on tee boxes (upper L / R) and other areas where turf is impacted by shade and roots.

- Hole Corridors:** One of the three issues related to dense trees at MLGC is the narrowing of hole corridors adding to the difficulty of the golf course. Without proper trimming and some tree removal, this problem will only get worse and could lead to some holes (or portions of holes) becoming unplayable. We also note that with narrow hole corridors and many areas of parallel holes, some retention of trees will be necessary to maintain separation and protection for golfers. As such, proper maintenance, trimming and strategic removal of trees is a key to promoting overall turf health and maintaining strong playability at MLGC.



Images of selected golf holes at Madrona Links GC showing the narrow corridors lined by trees. The photo on the right shows hole #12 with a tee next to the maintenance shed and narrow chute through which to position an accurate golf shot.

- Fairways and Roughs:** Having the “lie” of the ball supported by turf is critical to golfer satisfaction, and it appears as if providing this condition is a challenge for MLGC, especially in winter. In addition, many areas on the golf course do not have level fairways leading to poor lies, uncomfortable cart driving and challenges for grass mowing equipment. Where tree stumps and other organic matter have been buried, there is ongoing settling. The roughs are challenged by the limits of the single-row irrigation system that does not reach into these areas, further limiting the quality of turf for golfers. Turf conditions under various stands of trees can be sparse.



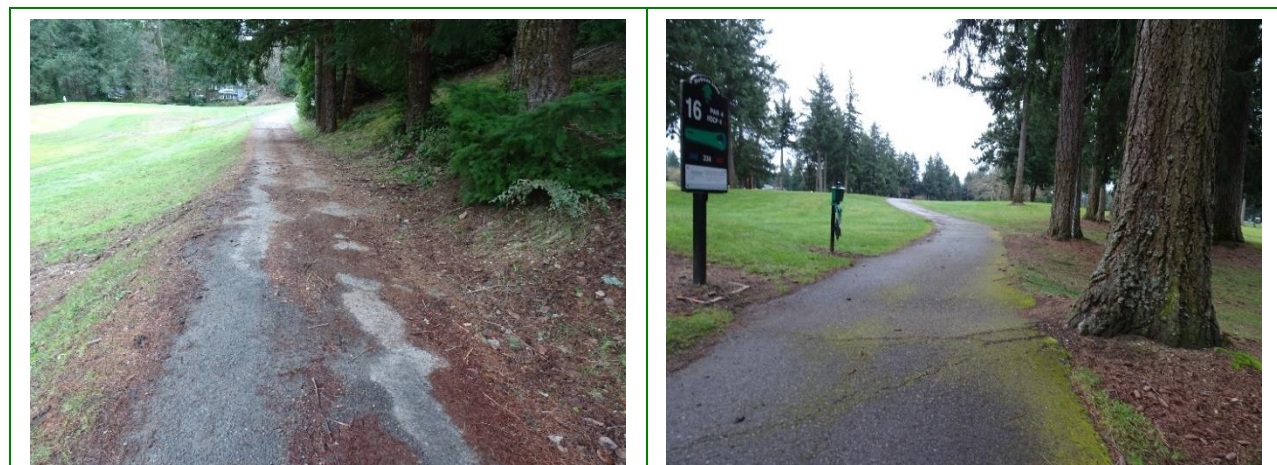
Images of selected areas showing fairway conditions that are challenged by wet winter conditions and tree covering (top row). The roughs (bottom row) show similar characteristics but with the additional challenge of limited irrigation coverage meaning these areas tend to be very dry and brown in the peak summer golf season.

- Bunkers:** There are approximately 30 bunkers on the MLGC golf course. They appear to be mostly good with no rocks or debris in the sand, although the edges have been worn down. Other areas of the bunkers have been damaged from consistently driving the mechanical bunker rake over the same spot on each maintenance run. As high-quality sand bunkers are a key feature of a top-end golf course, and they have the shortest expected lifespan ([Appendix A](#)), some capital requirement to improve the sand, linings and edges of bunkers should be assumed.



Images of bunkers at MLGC showing the result of the bunker rake pulling sand over the edge (L) and a generally smooth sand profile on other bunkers (R). It also appeared there were adequate rakes for golfers to fix the sand after playing.

- Cart Paths:** Cart paths are a key feature for MLGC due to the wet climate and the need to get golfers out on the course, even after (or during) rainy periods. Having a full and smooth cart path system will allow the course to be open and prevent the damage done by carts when the course is wet using a “cart path only” requirement that is common in golf. Unfortunately, this is not possible at Madrona Links due to a limited cart path system and extensive damage from tree roots in many areas that have not been corrected. The result is golfers tend to drive away from the uncomfortable paths and on to the course, causing turf damage. As such, improvement to the cart path system is a high priority.



Images showing some cart path issues at Madrona Links GC. These conditions often lead golfers to drive on the course rather than the path, possibly leading to course damage and demonstrating the benefit to the course of having a good cart path system.

- Cart Traffic Management:** In addition to the physical condition of the cart paths, there is more staff can do to rotate the roped “no go” areas for carts and manage traffic to keep golfers away from sensitive areas. It is also common for golf facilities to not allow carts out on wet days, understanding that this will negatively impact revenue but improve maintenance condition.



Images of showing a cross section of impacts that carts have on MLGC when they stray away from the cart path. The image at left is hole #18 where carts should be roped off this fairway. The middle image shows where golfers prefer to ignore the cart path and the curbing. The image at right on hole #9 shows cart traffic right in front of a green, clearly impacting the approach to finish this hole. Each of these examples could be mitigated with staff attention to traffic flow and roping off / rotating "no go" areas.

- Practice Amenities:** As noted, Madrona Links GC has limited practice amenities with only a small driving range and practice green, all limited by the size of the property with no realistic pathway or adaptations to expand these amenities.



Images of the small practice amenities at Madrona Links GC (including photos from 2023).

- Water Features / Ponds:** The ponds on property are not lined resulting in substantial vegetal growth and algae that detracts from the aesthetics of the course and irrigation water quality. These water features present challenges to staff as they try and maintain quality, and this should be addressed in any long-term capital plan for the property.



Images of ponds on MLGC. The algae buildup is unsightly, but the system is functioning, and the storage capacity is needed to appropriately distribute irrigation water to the golf course.



## Irrigation System

A golf course irrigation system has two primary components: (1) Above ground components such as controllers, switch boxes, irrigation heads and pump stations; and (2) Below ground components that are primarily piping. The MLGC irrigation system has below-ground components that are approaching 50 years in age, well past the expected useful life which is especially significant given the materials used in golf course irrigation in 1977. Staff reports having to repair line breaks on a regular basis, and this takes staff time away from other more important tasks. The current operator has invested in improving several of the above-ground components with a new irrigation satellite control system added in 2022. The pumps that supply water to the system appear large enough to do the job but do not have a variable frequency drive (VFD) to allow for pressure regulation, so the pumps don't have to be on all the way for limited site irrigation.

The biggest issue with the MLGC irrigation system is the original single-row design that is still in place after 47 years (beyond the expected useful life – [Appendix A](#)). This system places irrigation heads down the middle of each hole, thus limiting the sides of each hole (often rough grass) from getting irrigation water due to limited pressure. The result is often brown edges of golf holes in the summer or during drier periods (as reported by staff). Modern golf facilities are almost always developed with double-row irrigation to provide full coverage of the entire golf course and are equipped with modern computer controls and VFD to allow for site specific watering when needed, without having to use the whole system. This is important for golf course maintenance but also helps to reduce water use to save for storage and help keep the irrigation pond on site full.

It is assumed that any renovation of MLGC will include an irrigation replacement with updated below-ground and above-ground components.

## Course Drainage

The drainage profile of Madrona Links in selected areas presents two issues to challenge golf course operations – on-course drainage limitations that affect turf health, and the potential impact of a wet golf course on rounds played if some form of cart restrictions were to be adopted. The NGF observed extensive cart usage on very wet days during our visit that led directly to golf course damage, and it is our opinion that cart use should have been restricted or disallowed entirely (reducing saleable rounds capacity). Investment in improved drainage will increase the capacity of the course and lead to improved rounds and revenue.

The Puget Sound area has a wet climate, especially in the winter months. The hard clay soil and sloping topography creates several problem areas where water collects, and these will need to be mitigated with enhanced drainage. The current operator has added some new drainage in the last few years on holes #4 and #13, but more needs to be done. The MLGC requires specific focus on the surface/subsurface drainage infrastructure system. A topographic survey is required to analyze chances to enhance the existing drainage infrastructure and identify specific locations on the course where new drains can be added for maximum impact.

## On-Course Services

MLGC has limited on-course services with one permanent restroom and drinking station, along with one rain shelter. While the back nine has sections close to the clubhouse, negating the need for a rest stop, the front nine follows tradition and only returns after the 9th hole. An on-course comfort station or restroom facility is important and should be maintained to high standards, which is expected by golfers at good-quality golf courses. While the facility appeared to be clean and functional in February 2024, there are reports of periods when it does not meet this standard. Although the restroom has water, there is no electricity and thus no lighting nor heat. This prevents the use of the restroom when the temperatures are freezing. The District should require proper maintenance of on-course services and assume that new investment to improve these facilities will be required at MLGC.

## **Clubhouse Considerations**

As noted, MLGC has a small clubhouse dating back to the original property development in 1977. While the building is functioning to provide golfer support service, the condition is not ideal and there are several obvious problems. The District should conduct an extensive physical inspection of the building. There also appears to be dispute about which lessee is responsible for repairing the clubhouse, with both the golf operator and the F&B operator (separate leases) each claiming the other is responsible. Specific concerns identified to NGF include deficiencies in HVAC systems, Electrical components, under building crawl space, deck topping, water heater, restrooms and a dark parking lot. Some of these issues have caused a complete shutdown of Hackers while repairs are made. The restrooms in the clubhouse are small and require improvement to toilets, sinks and counters to be of an appropriate level of quality.

In addition to these challenges, there are also size and configuration issues with this service building that should be addressed to maximize this public golf facility operation. The building itself is antiquated and needs to be improved. Among the other issues identified by NGF involve what is not present and could be added to provide a more robust golf facility offering. Public golf courses nationwide were finding enhanced revenue derived from modern clubhouse amenities that include enhanced bar and attractive outside dining options.

## **Maintenance Facility, Equipment and Cart Storage**

The maintenance facility at MLGC includes a defined compound and a main building to house equipment and staff, however this space is small and as a result some of the golf maintenance equipment is required to be stored outdoors. The space was well organized, clean and able to service the golf course equipment in an efficient manner. Overall, it was good to see that most of the critical pieces of equipment are being stored under cover or inside. It's worth noting that there is no restroom for the maintenance staff to use in this area, and staff must go to the clubhouse or use the on-course restroom.

The equipment used to maintain MLGC appeared in good working order, but several pieces are old and have a high number of hours of use. The fleet is a mix of leased units (large mowers) and owned pieces. The high-use leased pieces are relatively new and operating well. Other mowers, carts, tractors, and specialty equipment have been purchased over the years and are still in working order but do have a high number of hours and may need replacement, specifically aerifiers and sand topdressers were noted in the USGA report. The carts in use at MLGC are stored in the maintenance area in space shared with maintenance equipment storage. The space is barely large enough to adequately store the 50 carts in use at the facility, and it may be problematic if the cart fleet is ever expanded (72 carts is standard for an 18-hole course).

## **CONSIDERATIONS TO IMPROVE MADRONA LINKS GC CONDITION**

In order to maintain the highest quality golf facility conditions, Madrona Links GC would benefit from correcting deferred maintenance, some upgrades to basic infrastructure and some improvements to facility features. Outlined below are the capital investments and ongoing operational / maintenance considerations that can be undertaken at MLGC to improve the physical condition of the property and help keep this facility functioning properly and improve the facility's competitiveness in the marketplace.

## Madrona Links GC Deferred Maintenance and Capital Investment Considerations

The most important areas of addressable deferred maintenance and capital investments recommended for Madrona Links GC over the next few years are listed below in priority order. We note that the dollar costs estimated by NGF are intended to be rough “ballpark” estimates and that more comprehensive cost bids should be obtained before undertaking completion. At a minimum, the following items need to be addressed:

1. **Trees** – The property would be greatly enhanced by instituting a comprehensive tree care program, implemented over time to address overplanting, overhanging limbs and dead and/or dying trees and removal of selected trees to allow for more sunlight on to troubled areas of golf course turf (as allowed by local guidelines). This program can create more awareness and improve safety while restoring balance in habitat.
2. **Cart Paths:** This golf course needs a cart path system with smooth surface and full coverage to support all 18 holes. The cart path improvements will direct traffic and minimize wear and tear to green and tee surrounds.
3. **Drainage:** Additional surface re-grading and some subsurface drainage is needed on fairways to enhance the quality of the playing surface. Any new drainage may include new inlets, catch basins, and even some new piping.
4. **Ponds** – Completion of a project to dredge and line the primary pond and irrigation source between the 16<sup>th</sup>, 17<sup>th</sup> and 18<sup>th</sup> holes.
5. **Clubhouse Enhancement** - This project would include completion of basic improvements to restrooms, fixtures, furnishings, and equipment + HVAC enhancement.
6. **Maintenance Facility** – Upgrades will improve maintenance efficiency, organization, and capacity for storing equipment.
7. **Maintenance Equipment** – replace aging pieces with over 3,000 hours.

In addition to the above-listed high-priority facility fixes and improvements, additional projects could also be completed to allow Madrona Links GC to achieve its full potential, without a full re-build of the golf course. These projects are listed here because some changes in maintenance and operational practices could mitigate the need (more below). Secondary capital investments to consider include:

8. **Irrigation System** – The system is almost 50 years old, inefficient, and should be improved both below-ground and above-ground with a modern system. Improvement should include a new pump facility to provide a more efficient intake of water.
9. **Greens Renovation** - leverages and extends lifecycle and performance as the best in the area.
10. **Tee Improvements** – Improvement of tee boxes include soil enhancements, leveling, alignment and re-grassing. This tee project could be completed one 9-hole course at a time rather than as a single major project.
11. **Bunkers**– Several bunkers need improved edges, new sand and/or new lining.
12. **Patio Expansion** – The rear patio could be expanded and improved to provide an ideal outdoor dining venue with views out on to the 18<sup>th</sup> hole. This is consistent with the changing demand profile and golf and has been successful at other public golf locations.

In conclusion, Madrona Links GC has an opportunity to shine as one of the best public courses in the South Puget Sound area. However, the golf course continues to decline as key systems are not properly maintained or replaced. There is much to be done, but with proper planning, phasing, and budgeting with qualified professionals, Madrona Links GC continues to improve and benefit the District as an invaluable source of healthy outdoor recreation accessible to everyone. The capital investments recommended by NGF for MLGC are listed in priority order below:

<b>Madrona Links GC Recommended Investments – by Type</b>			
<b>High Priority Capital Investments</b>	<b>Inputs</b>	<b>Low Estimate</b>	<b>High Estimate</b>
Cart Paths (asphalt)	9,000lf at \$70 - \$80/lf	630,000	720,000
Drainage Enhancement	Lump Sum	200,000	250,000
Tree Trimming, Thinning & Removal	Lump Sum	200,000	250,000
Pond Repairs	Dredging and new lining for 22,000sf pond @ \$12-\$18/sf	264,000	396,000
Clubhouse Enhancement	5,400sf @ \$50-\$75/sf	270,000	405,000
Maint. Building Upgrade	2,400sf @ \$50-\$75/sf	120,000	180,000
New Equipment (over 4 years)	Lump Sum	100,000	150,000
<b>Grand Total of High Priority Projects</b>		<b>\$1,784,000</b>	<b>\$2,351,000</b>
<b>Lower Priority Capital Investments</b>	<b>Inputs</b>	<b>Low Estimate</b>	<b>High Estimate</b>
New Irrigation System	85 acres at \$35,000 - \$40,000 / acre (includes new pump station)	\$2,975,000	\$3,400,000
Greens Renovation	19 USGA Greens (95,000sf) at \$8-\$10/ sf	\$760,000	\$950,000
Tee Improvements	15,000sf @ \$6-\$8.00/sf	90,000	120,000
Bunker Renovation	\$10-\$12,000 per bunker over 4 years	300,000	360,000
Patio Expansion	Lump Sum	150,000	200,000
<b>Grand Total of Low Priority Projects</b>		<b>\$4,275,000</b>	<b>\$5,030,000</b>
<b>Grand Total of Capital Projects</b>		<b>\$6,059,000</b>	<b>\$7,381,000</b>
All figures are NGF Consulting estimates based on similar projects completed in the region in the last 3 years that have been provided to allow for preliminary planning. These amounts may or may not reflect actual costs for Madrona Links GC, and the District should engage appropriate research to cost out specific projects. cy= Cubic Yard; lf = linear feet; sf= Square Feet; Ac = Acre			

### **Madrona Links GC – Reported Capital Spending (2019-2022)**

During the lease term, the current operator has put investment back into the property, with several projects identified to NGF during 2019-2022. The lease in place specifies a minimum requirement of 1.5% of total green fees be invested in Madrona Links GC each year, although the lease requires the lessee to keep and maintain the course in good condition, even if expenses exceed the minimum 1.5% of green fees. Green fees have totaled between \$77,000 and \$1.16 million since 2019, so the minimum capital required for investment is between \$11,000 and \$17,000 (total over 5 years = \$73,900), amounts clearly not sufficient to address the needs of this property. As reported by the operator, the list below details capital investments made to MLGC since 2019 that total \$218,460. For this discussion, NGF views efforts to preserve an asset as maintenance, while enhancements that extend the life and/or improve the value of an asset is a capital expense (includes maintenance equipment).

Year	Total Green Fees	Reported Capital Spending	Notes
2019	\$776,369	\$15,762	Bunker renovation, <i>First Tee</i> shed, Pumphouse roof, various dirt work projects*
2020	\$948,457	\$57,500	New tractor purchase, new pro shop roof
2021	\$1,046,815	\$26,523	New maintenance equipment (seeder), #17 teebox rebuild, sprinkler wire*
2022	\$991,024	\$62,675	New irrigation components, tree improvements, clubhouse painting, gutters, paving, new parts*
2023	\$1,164,113	\$56,000	New roof for maintenance building, new utility vehicle
<b>Total Reported Capital Spending (2019-2023)</b>		<b>\$218,460</b>	
*Includes projects considered maintenance rather than capital.			

### Madrona Links GC Ongoing Maintenance Considerations

Suggestions for improving day-to-day course conditions must take in consideration the available labor man hours and the materials that can be utilized within the current approved budget. Utilizing the 2 full-time man hours and the 4 part-time personnel is the only available time to operate a course that is open 7 days a week and is 85 acres. The current operator has provided a detailed maintenance schedule ([Appendix B](#)) that addresses daily practices for golf maintenance, as well as pother periodic applications and projects completed during the year. In addition to this plan, the NGF and USGA have added recommendations of other day-to-day practices and periodic applications / projects that should be undertaken to augment golf maintenance at MLGC. These tasks are key to properly maintaining an appealing golf course facility and meeting customer expectations:

1. **Communicate Maintenance Schedule to Customers:** This is a basic for golf course operations. Any major application, aeration or other maintenance project should be communicated with posters in the pro shop and on the website at least two weeks in advance and should not interfere with any tournament or golf event.
2. **Hole Locations:** Ideally, hole locations should be changed daily – 7 days per week in golf season. At a minimum, hole locations should be changed at least 5x per week and locations should be changed on both Saturday & Sunday, and each day over the course of any multi-day tournament.
3. **Cart Traffic Management** – There is clear evidence that heavy cart traffic during the wet and cold season does a lot of damage to the fairways and rough. If the operator is going to continue to allow carts on the course in the wet season (consider restricting this), the program of stakes and ropes used to divert traffic from certain areas should be continued and expanded. Further, the position of the ropes and stakes should be rotated on a regular basis (every 1-2 weeks) to balance wear patterns and let turf heal.
4. **Greens** – The program of aerification twice per year should continue, but with intermittent laying of a sand layer on the greens, followed by spiking and raking the sand into the spike holes as recommended by USGA.
5. **Tees** – Tees should be mowed at least 5x per week, including both Saturday and Sunday (+ all holidays), and the tee markers moved to new locations on the same schedule (at least 5x per week + Sat.-Sun.-Hol.).
6. **Fairways** –Fairways should be mowed at least 5x per week, including both Saturday and Sunday (+ all holidays).

7. **Fairway Aerification** – The NGF and USGA understand there are challenges with aerification into the subsurface rocks present at MLGC. However, this is not universal to the entire property. An inventory of locations where aeration can be completed should be undertaken and aerations performed on a regular schedule at these locations.
8. **Bunkers**– Bunker maintenance is adequate, but edging should be completed 2x per week and staff trained to lift the bunker rake before exiting and to rotate exit routes to help balance wear and tear on bunker edges.
9. **Restrooms** – All restrooms on property should be cleaned daily and a schedule posted to show customers this is being done. This includes restrooms in the clubhouse and on the golf course.

## REVIEW OF GOLF OPERATIONS - MADRONA LINKS GC

The Madrona Links GC is a public-access golf facility owned by the PenMet Park District and operated via lease to a private third-party operator. This lease has become complex over the years and now involves several layers with two sub-leases for golf and restaurant service. While the sub-leases have added complexity to the structure, the basic terms remain that the primary lessee is responsible to PenMet Parks for the annual rent and to ensure the property is operated and maintained to standards defined in the lease as “good condition and repair,” and subject to “reasonable wear and tear.” A summary of key terms and provisions of each lease in place is noted below:

### Primary Lease

In 1977 the City of Tacoma (previous owner of MLGC property) entered a lease with Tyson LP (now known as Urbauer) to construct and then operate the Madrona Links GC. When PenMet Parks acquired the property in 2008, this lease was continued as an assignment from the City of Tacoma. The lease is for a term of 50 years (with all extensions) and will terminate in 2028. The rental rate to the owner is based on total annual green fees, starting at 3% in 1978 and up to 7.5% by 2008. The current agreement in place calls for a bracketed rate of 7.0% of green fees up to \$200,000, 7.5% of green fees between \$200,001 to \$75,0000 and 8.0% of all green fees over \$750,000. An additional requirement for capital investment was added in 2010 and is presently 1.5% of annual green fees. PenMet Parks has collected between \$64,000 and \$95,000 each year since 2019, totaling \$402,700 in the last five years (PenMet Parks reports collecting \$355,127 – see [Appendix C](#)).

### Secondary Sub-Lease - Stutsman Enterprises

In 2014, Tyson sub-leased the golf course operation to Stutsman Enterprises, Inc. for 15 years (with renewals) that concludes in April 2028. This lease calls for Stutsman to pay the required lease to PenMet Parks and an additional 10% of green fees to the Tyson partnership (primary lessee). Tyson has collected between \$77,000 and \$114,000 from Stutsman each year since 2019, totaling \$489,700 in the last five years. The sub-lease is responsible for the 1.5% capital improvements, which was reported by Stutsman Ent. to be \$218,000+ since 2019. This sub-lease is problematic for the District in that the primary operator on site at MLGC (Stutsman Ent.) is having to pay a significant expense to the primary lessee (Tyson), using funds that could otherwise go to improving the golf facility. As such, NGF sees this structure as detrimental to the best interests of all parties, most importantly – Madrona Links GC. To provide food and beverage service to customers, the sub-lessee (Stutsman Ent.) has entered into another sub-lease with RM Kelly, Inc. to provide F&B services at MLGC.

## Hacker's Bar & Grill Agreement

At the time of the Tyson sub-lease to Stutsman, Inc., Stutsman entered a sub-sublease with RM Kelly, Inc. for the operation of the on-course restaurant called Hackers Bar & Grill. Having an independent operator for F&B service is very common in municipal golf, as approximately 56% of all muni golf courses in the U.S. use this form of operation for F&B services (*NGF survey of municipal golf facilities, 2020*). This is a flat-fee lease at \$1,000 per month with RM Kelly paying Stutsman Ent. \$12,000 in 2023. The sub-sub-lease specifies that rent was increased to \$2,000/month beginning on 2/1/24.

## PenMet Parks Responsibilities

Madrona Links GC is owned by PenMet Parks and operated via lease(s) as noted above. Even though the golf facility is expected to be economically self-sufficient and produce enough revenue to not adversely impact other District operations, PenMet Parks still has some direct oversight and financial responsibilities in this golf facility, including direct administration. The District is also involved in developing long-range planning for the golf facility and must approve any operator initiatives to alter physical spaces or change basic fees and charges.

## Public Purpose of Madrona Links GC

As a municipal golf facility under the umbrella of PenMet Parks, the MLGC operation has a defined "public purpose," which includes provisions for equal access to all facilities, extensive recreation-based programming and a strong junior/youth orientation. The MLGC is active in providing various benefits to the Gig Harbor community that supports a public purpose of the Madrona Links GC, including:

- Opportunity for extensive junior golf programming that could include expansion of junior summer camps, a defined junior green fee discount, and other junior golf activities.
- The course is home for the *First Tee* of South Puget Sound.
- Madrona Links GC hosts several important regional events and tournaments that attract visitors to Gig Harbor, including charity tournaments, other regional tournaments and at least 30 separate 40-player golf events each year.
- Madrona Links GC is open and available for charitable groups to host events at the facility to raise money for various charities.
- The presence of the Madrona Links GC enhances the overall quality of life in Gig Harbor, and the course adds significantly to the property value of homes in Gig Harbor, ultimately helping to support the region's property tax base.

## On-Site Management and Staffing of Madrona Links GC

NGF has reviewed the staffing and total labor budget for Stutsman Ent. Operation of Madrona Links GC in 2023. Documentation provided by Stutsman Ent. shows a total facility labor expense of \$495,083 in 2023, or 43.6% of total operating expenses. The NGF standard is 55-60% for labor in a public golf operation. The staffing at MLGC is divided into two primary divisions of service – pro shop operations and golf course maintenance. We note that all staff are employed directly by Stutsman, Ent., including both full-time and part-time employees.

In general, full-time (FT) positions within the Madrona Links GC include salary and benefits (insurance, holidays, vacation, etc.), with some other positions staffed with full-time seasonal positions (FTS = full-time -hourly during golf season w/over 1,000 hours) and/or part-time/seasonal (PT) hourly labor with each position working under 1,000 hours per year. The staffing required to successfully operate MLGC includes key on-site management positions and support positions in each department. Of note by NGF consultants is the small size of the full-time staff, with only four positions (2 in operations and 2 in maintenance). This staff size is reflective of several factors, including the separate concession in F&B and the ability of individuals in these full-time positions to cover many needed tasks that ensure a smooth public golf operation. A summary of all staff positions and full-time equivalent (FTE) estimates at MLGC are summarized below:

<b>Madrona Links Golf Course Total Facility Staffing – 2023</b>	
<b>Golf &amp; Clubhouse Operations</b>	<b>Golf Course Maintenance</b>
Manager of Golf Operations (FT) Director of Golf (FT) Golf Admin/Accounting (FTS) Golf Shop Assoc (5 - PT) Cart / Range (6 – PT)	Golf Course Superintendent (FT) Asst. Golf Superintendent (FT) Groundskeepers (4 – FTS)
<b>Total Staff Charged to MLGC = 8.25 FTE</b>	<b>Total Staff Charged to MLGC = 5.0 FTE</b>
Full-Time Equivalent (FTE) calculation: FT = Full-time w/benefits; FTS = full-time -hourly during golf season (over 1,000 hours 0.75 FTE); PT = limited part-time positions (under 1,000 hours 0.5 FTE).	

### Comparison to National Standards

Compared to national public golf standards, the NGF team finds this facility has a lean roster of staff in both operations and maintenance. This is even considering there are no F&B employees as this is contracted to a third-party. The result is a golf and maintenance operation that is relying on fewer “bodies” than is typical for a public golf course, which can create challenges in hiring, training and scheduling to be certain all required tasks are covered. While there are no industry standards that can be referenced to determine the appropriate staffing levels for a golf operation, the industry averages are presented below. The size of the staff needed for a particular golf operation depends on several factors, the least of which is budget considerations. Personnel costs typically represent the largest single expense item in a golf operation, as is the case for Madrona Links GC, although this property has lease payment requirements that can constrain funds available for additional staff (more later in this report). The NGF data on public golf operations in 2022 show averages for full-time staffing at 18-hole public golf courses nationwide (table below).

<b>Madrona Links Golf Course Total Facility Identified Staffing – 2023</b>			
<b>Facility</b>	<b>Operations Staff (FT / PT) *</b>	<b>Maintenance Staff (FT / PT)</b>	<b>Total Staff (FT / PT)</b>
<b>Madrona Links GC (18H)</b>	<b>2.0 / 11.0</b>	<b>2.0 / 4.0</b>	<b>4.0 / 15.0</b>
<b>Industry “Standards” (per 18 holes)</b>			
Total U.S. Average (per 18 Holes)	4.0 / 16.0	4.0 / 9.0	8.0 / 25.0
* The national standard for operations staff includes administration and F&B.			



## Review of Technology, Website and Marketing

### POS System

Madrona Links GC is currently using the *ForeUp* system for its Point-of-Sale (POS) and tee-time reservation system. The *ForeUp* service is part of the *Golfnow* suite of services to golf facilities that is provided via barter agreement with *Golfnow*, in lieu of direct cash payment. The service includes the POS system, online tee-time support, website support, hardware support, email services (including templates), dynamic pricing and extensive report services. At present, MLGC provides several tee-times per day (8 player slots) to *Golfnow* that they can sell on their platform, which would equate to a cost of about \$50,000+/- per year (1,300 rounds @ \$38.00 avg rate – ***if all are filled***). While this cost is slightly higher than a traditional golf POS system via purchase, the extras related to marketing support make the *Golfnow* concept an appropriate fit for Madrona Links.

*ForeUp* is a well-known provider of POS systems for golf facilities and the system includes all the key elements that NGF typically recommends for successful public golf courses (tee sheet management, ability to include gift card purchasing and loyalty programs, dynamic pricing options, a marketing suite and other features). The NGF sees the POS system as an essential component for a successful golf operation, and a good public golf POS should allow golf course managers to integrate the system to its website to allow online purchases, offer online tee-times, reliable credit card processing and customer tracking. The system can also create ongoing marketing and communications to a set of email addresses that are collected by *Golfnow* for MLGC.

### Madrona Links GC Website

In 2024 and the foreseeable future, the Internet is the most significant tool in golf marketing. Golfers, especially when traveling, use the web to find places to play. **As such, the Internet is now the most important element in golf facility marketing.** NGF studies show that upwards of 90% of all golfers will view web content on a regular basis. The web has several key advantages over other forms of advertising, such as low cost, wide reach and unlimited information.

The website for MLGC is located at [www.madronalinks.com](http://www.madronalinks.com), and is easy to find for first time users. The site includes most all the basic information that is common on websites at successful public golf courses, such as current rates, league & event information, pictures, directions and the ability to book tee-times directly online. NGF has identified the most important features of a golf facility website should include (most all are included in the Madrona Links GC site):

- Clear access to all fees and charges (not just green fees).
- Lots of scenic pictures of Madrona Links GC, but also of golfers having a great time (there could be more / include pictures of golfers having fun and pictures of youth golfers).
- A Map with directions (be sure the current Google Map location is accurate for GPS).
- Information about F&B services (limited at MLGC due to separate F&B concession – provides a link to separate Hackers website).
- An ability to purchase gift cards online (not available at MLGC).
- Full information about lessons and player development programming.
- A calendar of events and results – (correlates with success - not on MLGC website).

It is essential that the website be kept current for rates, hours, etc. The best sites are the ones that are constantly being updated, so that customers get in the habit of checking them. Maintaining the golf course website should be an ongoing task, most likely included in the activities of the senior staff member most responsible for marketing the facility.

## Search Engine Optimization

The most effective websites are those that can be found easily, and Madrona Links GC could use some upgrade. With its strong name match to the facility, the Madrona Links GC site is found easily in a narrow local search based on “Gig Harbor” but is much more difficult to find in the broader context of “Seattle golf” or even just “Tacoma golf,” indicating some tags could be added to the course website landing page. Search Engine Optimization (SEO) is the process of maximizing the number of visitors to a particular website by ensuring that the site appears high on the list of results returned by a search engine. The process is optimized by providing important HTML clues (page headings / detailed descriptions) that help search engines (and users) determine relevancy to search clues.

## E-mail Communications

E-mail databases are essential in today’s golf marketplace, as a means of staying in touch with the golfer customer base via active newsletter. E-mail marketing, except for word-of-mouth and free advertising, is the most cost-effective advertising possible. At present, MLGC is not directly maintaining a database of customers, but *Golfnow* has thousands of active emails from golfers who have reserved times at MLGC. As part of the contractual service to MLGC, the course can send unlimited email advertising to this database with relative ease. Staff reports rarely using the system for communications to advertise events and specials, and golf staff should be active in keeping communications open with customers, although not so frequently it becomes a nuisance (1-2x per month is considered standard and 1x per week is max).

## Social Media

Social networking is the fastest growing marketing tool in golf, and golf staff is trying to better promote Madrona Links GC on social media platforms like *Facebook* and *Twitter*. This is best to use as a method to communicate “what’s going on” type of messages (who won a tournament, who had a hole-in-one, etc.), in an attempt to build loyalty and repeat activity. YouTube is the second most utilized search engine on the internet and Madrona Links GC can develop a presence with informational videos of the facilities and golf courses, as well as league, tournament and instructional activities.

## Technology Summary and Recommendations

The review of the POS and other technology systems in place at Madrona Links GC illustrates the growing recognition of staff that a strong emphasis needs to be placed on technology. There may be additional services that the management team at MLGC can tap into using *Golfnow*, and these will be especially important if/when the property is enhanced. In our review, NGF found that Madrona Links GC is active in some of the NGF identified areas of technology, but more is needed to maximize the impact on facility revenue. Some recommendations from NGF:

- **E-mail** – Expanding the frequency of email communications to the *Golfnow* database should be a top priority of MLGC operators so that email marketing can be optimally implemented and a strong network to keep up the awareness of Madrona Links GC, especially if a new master plan of improvements is adopted.
- **Website** – In an effort to fully enhance the marketing of Madrona Links GC, key words like “Tacoma,” “South Puget Sound” and “Greater Seattle-Tacoma” should be part of the search engine optimization strategy for the golf website.

## Golf Playing Fees

The primary source of revenue to the Madrona Links is from green and cart fees, plus other ancillary revenue. The fees for daily golf play for the most recent (2023) and upcoming (2024) golf season appear in the table below. The maximum golf playing fee includes a prime 18-hole green fee and ½ cart fee and totaled \$65 for the 2023 peak summer season (will be \$68 in 2024).

## Daily Green and Other Fees

The table below shows the summer rates at Madrona Links for 2023 and 2024. The basic pricing convention at Madrona Links is consistent with other public golf courses in this market, with standard fees for both weekday and weekends in summer with afternoon discounts (after 1:00 or 5:00 PM), and other discounts for juniors and seniors. In all, the MLGC golf fee conventions are standard for the industry and the market area (more in Competitive section).

Madrona Links Golf Course Green, Cart and Pass Rates		
Daily Green Fees	2024 Peak Summer	2023 Peak Summer
18-Hole Monday – Friday AM (before 1:00)	\$43.00	\$40.00
Sr. (62+) 18-Hole Monday – Friday AM (before 1:00)	\$38.00	\$35.00
9-Hole Monday – Friday AM (before 1:00)	\$32.00	\$30.00
Sr. (62+) 9-Hole Monday – Friday AM (before 1:00)	\$26.00	\$24.00
Junior (7-17) 18H/9H	\$22 / \$15	\$22 / \$15
<b>Weekend Rates</b>		
18-Hole Monday – Friday AM (before 1:00)	\$48.00	\$45.00
9-Hole Monday – Friday AM (before 1:00)	\$35.00	\$33.00
Junior (7-17) 18H/9H	\$22 / \$15	\$22 / \$15
<b>Twilight Rates (7 Days/Wk – Walking)</b>		
After 1:00	\$38.00	\$35.00
After 5:00	\$33.00	\$30.00
<b>Cart Fees (per Rider)</b>		
18 Holes		\$20.00
9 Holes		\$15.00
<b>Other Fees</b>		
Range Token		\$5.00

## Madrona Links Golf Fee Summary

The NGF notes the following summary of findings related to pricing at Madrona Links GC:

- Madrona Links also has a winter rate in effect from November through March each year. In the 2023-24 winter the peak fees were \$38 on weekend and \$34 during the week with other discounts in proportion as shown above. This means that MLGC was \$58 on weekend mornings with cart, even in the cold and wet winter.
- The NGF uses a metric of total average realized golf revenue per round (ARGRPR) to assist in showing the health of golf revenue and how much discounting is needed to attract activity. The ARGRPR was \$38.58 at MLGC in 2023, or about 60% of the peak green + cart fee (\$65.00). NGF has found that successful public golf courses tend to operate with actual realized average golf revenue per round of about 65% of the highest green fee, indicating **MLGC is having to engage in some discounting to attract its volume of rounds activity** in 2023, and this may be due to facility condition.

- The market review (presented later in this report) shows that Madrona Links GC is in the middle segment for public golf in this market, but MLGC is at the high end of this segment meaning the \$5.50 added for bridge toll makes MLGC more expensive for golfers coming from Tacoma. As we explore in our competitive analysis, the MLGC fees may have room to increase, especially if quality is enhanced. There appears to be a gap in peak weekend green + Cart fees higher than \$65 but lower than \$77, or in the upper range higher than \$80.

## Review of Food & Beverage Operations

A high-quality Food & Beverage (F&B) operation correlates well with success in public golf. Traditionally, golf course F&B services do not produce strong net revenue, but rather provide a service to golfers to help enhance golf fee revenue. Madrona Links has an extensive F&B operation that includes several offerings for regular service to golfers and non-golfers and is functioning as a popular local restaurant. The current sub-lease operator has contracted this service to a private operator (RM Kelly, Inc. – d.b.a. Hackers Bar & Grill) and the economic performance of the service is not part of this NGF review, nor were any financial records of revenue or expense provided to NGF. However, as the District considers changes to the facility, some understanding of the F&B offering profile is appropriate.

The basic food and beverage service provided at MLGC includes the main grill service in the clubhouse. This grill operation provides a limited level of service that appears restricted due to limitations in the kitchen size and available equipment. The service concept is common at municipal golf courses, with a walk-up / take-away form of restaurant service that is preferred by public golf customers. The grill seating area includes space that can accommodate up to about 80 patrons, with any volume exceeding this requiring use of outdoor spaces. The basic set up at the facility provides basic support for golfers at Madrona Links GC but is limited in support that may be derived from the attraction of golf events and tournaments, potentially impacting golf revenue.

The grill at Madrona Links GC is open daily with hours that exceed the golf course, as there are times (especially in the evening) when the grill area is open, and golfers are not present on the golf course. Hackers offers a full menu of appetizers (from \$8 to \$16), salads (\$13-\$17), sliders (\$15-\$17) and a full assortment of burgers & sandwiches (\$13-\$16). There is both bottle and fountain soda, at least 12 types of draft beer and full alcohol in the bar. Hackers is also active in the sale of pull-tabs (lottery-style gaming), adding to the appeal of the facility and enhancing total traffic.

## Golf Cart Operations

Madrona Links GC operates a fleet of 50 gasoline-powered Yamaha golf carts, which are stored under cover inside the maintenance compound. The size of this storage space is too small to contain the fleet as it exists, and there is no room to adequately store additional carts anywhere in the clubhouse. The carts are part of a three-year cart lease with a total cost to MLGC of \$47,500 in 2023, or about \$3,958 per month. The total cost is consistent with NGF's expected standard of about \$1,200 per cart per year, regardless of lease or purchase. The number of carts seems low for an 18-hole golf course (72 is standard), but when considering the shorter-length golf course and the high volume of walking rounds (played without renting a cart), the fleet has proved to be adequate for most days at Madrona Links. Staff reports that carts are turned over multiple times on the busiest days, and that extra carts are required for supporting the largest golf tournaments.

Having newer carts in good condition is a high priority for public golf courses. Having cleaner carts in good condition with modern features will reflect positively on the facility and encourage more rounds. The carts at Madrona Links GC include some key features that are consistent with higher-end golf such as windshields, rain covering for golf bags and divot fill containers. The fleet is gasoline powered, which is not preferred by golfers who indicate in surveys preference for the cleaner and quieter electric-powered carts. However, in order to provide electric carts, there must be adequate storage and battery charging facilities, which are not present at MLGC.

### **Madrona Links GC Driving Range Operation**

For many public golf courses, the driving range can be a significant source of revenue if it includes good quality turf (use mats occasionally), good golf balls, convenient accessibility (kiosk with automated range ball dispensing) and adequate size (275 yards+ of length). The MLGC range lacks almost all the size characteristics, but the small range is doing a fair amount of business. The range is convenient to the clubhouse, parking and first tee, and the automated range dispenser makes the service convenient for golfers. Over the past three years, the Madrona Links range has seen considerable growth in revenue, growing from around \$21,000 in 2019 to over \$49,200 in 2023. The 2023 revenue equates to \$1.25 per round, which is lower than the industry standard of \$2.00 per round, but very strong considering there are only five stations. As the range is one of the highest margin revenue centers in a golf operation, any growth in this area will lead to improvements in facility net revenue. Key recommendations to increase range revenue at an ultra-small range like MLGC include adding ball-tracking technology to the range and allowing golfers to use this either for golf practice or entertainment for an additional fee.

### **Merchandise Operations**

NGF Consulting sees good performance in the pro shop operation at MLGC, even with a small pro shop. Merchandise sales at MLGC have been modest through much of the last five years, but with dramatic growth in 2023. Total merchandise sales were \$109,769 in 2019, increasing to over \$176,000 in 2023 (60% increase since 2019). The industry standard for on-course pro shop sales is \$3.14 per round (2022 data), with a direct cost of merchandise sold “standard” of 70% (MLGC reported 70% in 2023). MLGC earned \$4.46 per round in pro shop sales with a reported 82% cost of sales. Pro shop merchandise at MLGC has traditionally included a wide variety of items, including the key golf “impulse” items such as balls, gloves, shoes, hats, towels, and other small counter items. We note the absence of any hard goods sales (clubs and equipment), which fits a trend in the industry as on-course golf shops have moved away from selling golf clubs due to high carrying costs and consumer choices at big-box retailers and the internet. The items that tend to sell best at facilities like the MLGC are the obvious impulse items as noted above, but also logoed merchandise like shirts and outerwear, with multiple sizes and should include a ladies’ line.

### **Golf Programming and New Player Development**

One of the keys to successful public golf facility operations is the continued promotion and hosting of organized activities and programs, such as leagues, outings, tournaments, and player development. These activities are important to maximize rounds activity at public golf courses and NGF observations show Madrona Links GC having an active league and tournament calendar, despite the lack of appropriate gathering space for after tournament gatherings. Traditionally, large golf events tend to stimulate activity and generate more rounds than at courses that do not have an active event calendar, but many golf facilities are finding that discounting to attract a large tournament booking only takes tee times away from higher-paying daily fee customers, especially if the tournament does not fulfill its full roster reservation.

### **Leagues and Tournaments**

Madrona Links GC is active in hosting organized leagues that play regularly on various days during the week in golf season. These leagues serve as an important revenue supplement to standard daily fee play. MLGC hosts three separate primary leagues including the Men's Club, Women's 18 and Ladies 9 that each attract a large following for events each week. These leagues help to introduce new players and stimulate activity, and NGF estimates that leagues still represent a significant portion of activity and are helping to supplement weekday rounds.

Data provided by Madrona Links shows an active tournament calendar throughout the golf season with 16 separate "major" events that hosted a total of nearly 1,000 rounds (56 per event) in 2023. The largest of these events included the Ken Tyson tournament in October (144 players) and the Beach Tavern event that hosted 98 players. Most events typically seek out 18-hole courses that have large F&B capacity and covered areas to gather after play is completed, and space limitations at MLGC may be leading to limits on events choosing MLGC. Improvements to the MLGC food service will go a long way toward helping improve the appeal of this facility for larger golf tournaments. Successful public golf courses should have at least 5% to 10% of total rounds generated from outings and tournaments, compared to 2.5% for MLGC in 2023.

### **Lessons and New Player Development**

We note that player development will be one of the critical elements to the long-term viability of Madrona Links GC, and this should remain a point of emphasis for MLGC and the District. At present, the two PGA professionals on staff are managing the golf lesson program, providing both junior (including *First Tee*) and adult instruction. The NGF has documented that a key to success at a public golf course is player development, especially a strong Junior Program, and it is important that these initiatives are continued at Madrona Links GC. MLGC is also active in junior golf programming, hosting an active PGA Junior League and acting as the home golf course for the *First Tee* of South Puget Sound. Player development programs at golf courses are important for generating interest in golf and creating future customers, thus total revenue derived from the programs is much less important.

## MADRONA LINKS GC RECENT OPERATIONAL PERFORMANCE

MLGC earns revenue from green and cart fees, with some additional income derived from ancillary sales (merchandise, driving range, F&B lease, etc.). The expense needed to operate the facility is derived primarily from these revenues, with any profit accruing to the facility leaseholder. As is typical in public golf, much of the total expense is fixed and must be borne regardless of how many rounds are played. The following paragraphs summarize the activity, revenue, and expenses for MLGC for the last five years (2019-2023). In summary, it appears that MLGC is performing with activity and revenue that are comparable to or exceeding industry standards, but with total expenses that are much lower than standard and probably not sufficient to cover all the materials and labor required for proper maintenance and oversight. NGF has observed a strong improvement in rounds activity and revenue since 2021, showing the facility has potential to earn a higher level of income than it is at present. The review below covers rounds, revenues, and expenses for each year at MLGC from 2019-2023.

### Rounds Played at Madrona Links Golf Course

The table below shows total rounds since 2019. The review shows a dramatic increase in activity at Madrona Links GC after 2020 with a decline in 2022 and recovery in 2023. Like many golf facilities in the U.S., Madrona Links GC saw activity increase due to Covid-19 restrictions and the availability of golf as one of the few “safe” activities for people to undertake. The more than 43,700 rounds hosted in 2021 was the most in any single year since before 2011. As we move into 2024 and beyond, retaining this influx of new golfers will become a key challenge for MLGC.

In comparison, the total U.S. experienced a significant increase in rounds played of 13.9% for calendar year 2020, the largest increase in more than a decade. In Washington, the increase was much smaller with rounds up 3.6% but the state “caught up” to the national increase with a 16.6% increase in rounds (compared to 5.6% increase in the U.S.) In 2022, there was some decline with the total U.S. down -3.7% and Washington down -5.5% compared to 2021. In 2023 the industry saw a rebound with the total U.S. up 4.2% and Washington up 6.1%. **The total U.S. standard for rounds played (“starts”) at an 18-hole golf course is at 34,012 for 2022.** A summary of total paid rounds by year at Madrona Links GC since 2019 is shown in the table below:

Madrone Links Golf Course Total Rounds Played by Type (2019 – 2023)						
	2019	2020	2021	2022	2023	% of Total
Annual Member	3,945	2,797	4,141	4,388	4,513	10.16%
Junior Rounds	288	516	459	566	756	1.33%
Regular Early Bird	1,922	2,431	3,116	2,359	604	5.36%
Super Twilight	3,125	4,161	3,479	2,644	2,713	8.28%
Regular Twilight	9,623	10,124	10,136	7,352	6,963	22.70%
Regular WD	2,608	3,405	4,021	4,206	5,287	10.03%
Regular WE	6,703	6,925	8,634	8,102	8,544	19.98%
Senior WD	6,194	6,706	9,280	7,813	9,900	20.49%
Other	1,906	350	449	352	204	1.67%
<b>Total Rounds</b>	<b>36,314</b>	<b>37,415</b>	<b>43,715</b>	<b>37,782</b>	<b>39,484</b>	<b>100.0%</b>
Annual Change %		3.0%	16.8%	-13.6%	4.5%	

Source: Stutsman Enterprises, Inc.

## Recent Revenue Performance at Madrona Links Golf Course

The table below shows the total revenue broken out by source since 2019. For comparison, the NGF estimated the ‘average’ revenue for an 18-hole public golf course was about \$1.5 million in 2022, including all ancillary sources (F&B, merchandise, lessons, etc.), which Madrona Links GC has exceeded, and the numbers below do not include gross sales from F&B (separate concession). As shown, Madrona Links GC had only achieved this level of revenue since 2020, benefiting from a significant boost since the pandemic. We note this level of revenue is being achieved with limited support from ancillary revenue derived from the small clubhouse, showing that higher revenue is possible at this location (more in section that follows the table below). Revenue was boosted in 2022 by capital-in from the sub-lessee to fund irrigation upgrades.

Madrona Links Golf Course Total Golf Operations Revenue by Source (2019 – 2023)							
Revenue	2019	2020	2021	2022	2023	Avg. 2019-23	Pct. Of Total
Daily Green Fees	\$776,369	\$948,457	\$1,046,815	\$991,024	\$1,164,113	\$985,356	65.8%
Power Carts	205,897	284,445	324,618	306,508	359,370	296,168	19.8%
Merchandise Sales	109,769	118,141	149,943	160,906	176,229	142,998	9.6%
Range Balls	21,065	34,422	42,554	37,440	49,208	36,938	2.5%
Rental Income (Hackers)	11,000	12,000	12,000	12,000	12,000	11,800	0.8%
Club Rentals & Pull Carts	8,085	6,285	10,548	9,120	9,233	8,654	0.6%
Other	310	48	144	74,873	0	15,075	1.0%
<b>Total Revenue</b>	<b>\$1,132,495</b>	<b>\$1,403,798</b>	<b>\$1,586,622</b>	<b>\$1,591,871</b>	<b>\$1,770,153</b>	<b>\$1,496,988</b>	<b>100.0%</b>
Annual Change		24.0%	13.0%	0.3%	11.2%		

Source: Stutsman Enterprises, Inc.

### Average Revenue Analysis

The total facility-wide average revenue per round was \$44.83 in 2023, of which \$38.58 was derived from golf playing fees (green + card + cart fees) and the remaining \$6.25 derived from ancillary sources like driving range, merchandise sales and the F&B lease (gross F&B not provided by Hackers). The NGF average for public golf courses in the U.S. (calculated in 2023) was \$43.90 for total revenue per round, with \$31.91 from golf playing fees (green, cart, membership), plus an additional \$6.75 for F&B, \$3.14 for merchandise and \$2.10 for other (range, instruction, etc.). In summary, MLGC is earning higher revenue per round in all operating segments except food & beverage and the driving range. The actual 2023 average revenue per round compared to 2022 standards shown below:

Year	MLGC in 2023	U.S. Average (2022)*	Difference – MLGC vs. U.S. Avg.
<b>Paid Rounds</b>	<b>39,484</b>	<b>34,012 (per 18-H)</b>	<b>+5,742</b>
Green + Cart + Passes	\$38.58	\$31.91	+\$6.67
Golf Shop Merchandise	\$4.46	\$3.14	+\$1.32
Food & Beverage**	\$0.30**	\$6.75	NDA
Driving Range	\$1.25	\$2.00	-\$0.75
Other (lessons & other rentals)	\$0.23	\$0.10	+\$0.13
<b>Total</b>	<b>\$44.83**</b>	<b>\$43.90</b>	<b>+\$0.93**</b>

\*From NGF's Golf in the U.S. Economic Impact Study (2023). \*\*F&B income is from concession lease paid to Stutsman Enterprises and is not reflective of true gross revenue – total U.S. estimate is for gross F&B. NDA – Not directly applicable comparison.



## Madrona Links GC Expenses

The table below shows total on-site operating expenses by major line-item since 2019. These expenses have shown some increase since the covid shutdown in 2020, not quite matching the recent surge in rounds and revenue. The overall expenses to operate MLGC are much lower than national standards for public golf courses, and there are several areas of great concern to NGF in the operation of Madrona Links GC: (1) the labor proportion is very low suggesting staff is too small and/or wages too low; and (2) a total of \$208,000+ (over 18% of operating expense) goes to cover the leases on the property, draining the capital needed to run this property even further. For comparison, the NGF standard for total operating expenses is \$1.5 million per 18 holes, with 55% for labor. Total labor costs for Madrona Links GC are averaging around 44.0% of total operating expenses (excluding cost of sales), much lower than the national standard. In all, this expense summary suggests a very lean operation at MLGC and is likely contributing to the maintenance conditions documented earlier.

<b>Madrona Links Golf Course Total Golf Operations Expenses by Category (2019 – 2023)</b>							
<b>Expenses</b>	<b>2019</b>	<b>2020*</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Avg. 2019-23</b>	<b>Pct. Of Total</b>
<b>Operating Expenses</b>							
Payroll Expenses	\$336,541	\$349,638	\$409,967	\$450,713	\$453,401	\$400,052	40.2%
Payroll Taxes	33,608	37,643	37,190	42,098	41,682	38,444	3.9%
Equipment Lease	30,988	32,524	48,383	33,625	30,257	35,155	3.5%
Repairs & Maint.	79,440	85,894	66,572	176,678	163,658	114,448	11.5%
Suppl., Fertilizer & Chem.	74,429	68,389	68,748	69,811	25,376	61,351	6.2%
Cart Lease	16,142	36,590	36,057	34,352	47,500	34,128	3.4%
Credit Card Fees	31,732	6,862	13,000	9,112	7,756	13,692	1.4%
Advertising & Promotion	3,606	649	870	(390)	400	1,027	0.1%
Landscaping	0	10,271	3,555	0	0	2,765	0.3%
Utilities	58,417	20,883	56,537	35,089	59,433	46,072	4.6%
Insurance Expense	18,250	22,211	25,847	41,298	45,991	30,719	3.1%
Urbauer Lease	77,757	92,345	106,386	99,507	113,866	97,972	9.8%
PenMet Parks Lease	64,186	72,495	86,276	84,765	94,978	80,540	8.1%
Professional Fees	7,060	11,689	5,300	14,782	3,643	8,495	0.9%
Business Exp + Other	10,118	16,594	45,519	31,504	48,507	30,448	3.1%
<b>Total Operator Base Golf Expenses</b>	<b>\$842,274</b>	<b>\$864,677</b>	<b>\$1,010,207</b>	<b>\$1,122,944</b>	<b>\$1,136,448</b>	<b>\$995,310</b>	<b>100.0%</b>
Annual Change		2.7%	16.8%	11.2%	1.2%		

Source: Stutsman Enterprises, Inc.

## Summary Financial Performance (2019-2023)

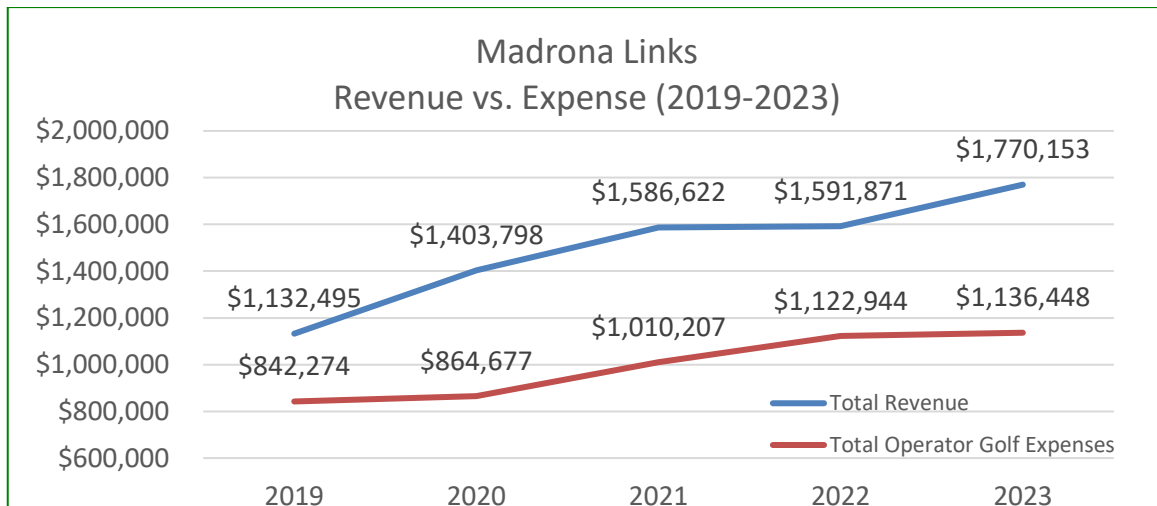
In the table below, the NGF provides a review of the Madrona Links GC operation from a business perspective. We note that some of the organization may not match various Stutsman, Tyson or PenMet Parks accounting, but the line items have been re-organized by NGF to show a more business-oriented standpoint. Our review shows that while Madrona Links GC has operated with a financial “profit,” the return is clearly misleading as the property is not in its most ideal condition due to lease expenses and lack of re-investment of lessee profits. As a best business practice, it is usual and customary for any operational profit that is earned on-site should be retained at the golf facility and utilized as a “reserve” to help improve the property and address items to ensure MLGC retains a high standard of maintenance so as to remain competitive.

<b>Madrona Links Golf Course Summary of Performance (2019 – 2023)</b>					
	2019	2020*	2021	2022	2023
<b>Total Facility Rounds</b>	<b>29,891</b>	<b>31,465</b>	<b>41,704</b>	<b>38,561</b>	<b>42,659</b>
<b>Revenue</b>					
Golf Fee Revenue	\$982,266	\$1,232,902	\$1,371,433	\$1,297,532	\$1,523,483
Ancillary Revenue	150,229	170,896	215,189	294,339	246,670
<b>Total Revenue</b>	<b>\$1,132,495</b>	<b>\$1,403,798</b>	<b>\$1,586,622</b>	<b>\$1,591,871</b>	<b>\$1,770,153</b>
Total Rev/Round	\$31.19	\$37.52	\$36.29	\$42.13	\$44.83
Total Direct Cost of Sales (COS)	87,101	105,982	127,944	146,097	190,777
<b>Gross Margin</b>	<b>\$1,045,394</b>	<b>\$1,297,816</b>	<b>\$1,458,678</b>	<b>\$1,445,774</b>	<b>\$1,579,376</b>
<b>Operating Expenses</b>					
Total Labor Expense	\$370,149	\$387,281	\$447,157	\$492,811	\$495,083
Total Non-Labor Expense	472,125	477,396	563,050	630,133	641,365
<b>Total Expenses</b>	<b>\$842,274</b>	<b>\$864,677</b>	<b>\$1,010,207</b>	<b>\$1,122,944</b>	<b>\$1,136,448</b>
<b>Operating Income (Loss)</b>	<b>\$203,120</b>	<b>\$433,139</b>	<b>\$448,471</b>	<b>\$322,830</b>	<b>\$442,928</b>
<b>Other Expense</b>					
Interest	\$4,088	\$1,448	\$1,083	\$0	\$6,853
Property Taxes	5,935	8,379	7,818	7,701	13,754
Other Taxes	4,963	10,000	6,805	2,680	43,271
Other (rest., leases, capital, etc.)	0	11,800	38,172	74,434	109,427
Depreciation	26,975	7,875	0	0	0
<b>Total Other Expenses</b>	<b>\$41,961</b>	<b>\$39,502</b>	<b>\$53,878</b>	<b>\$84,815</b>	<b>\$173,305</b>
<b>Net After Other Items (Loss)</b>	<b>\$161,159</b>	<b>\$393,637</b>	<b>\$394,593</b>	<b>\$238,015</b>	<b>\$269,623</b>

Source: Stutsman Enterprises, Inc.

### Revenue and Expense Comparison

The chart below shows the recent surge in golf's popularity which has led to revenue improvement, but without a corresponding increase in expenses. As revenue improved by 11.2% in 2023, expenses only increased by 1.2% meaning the on-site operator (sub-lease) nor the primary lessee were enhancing investment into the quality of the Madrona Links property:



## SUMMARY – MADRONA LINKS GOLF COURSE

Madrona Links GC is a popular public golf facility in a true suburban setting with nice features and appealing playability, but with facilities that would benefit greatly from upgrades and modernization. It is clear to NGF that the basic multi-lease structure under which this facility is operated is harmful to the property and not in the best interest of the District or any of the operators/lessees. MLGC has had a recent surge in activity and revenue and under an ideal operating program, this recent windfall would be invested back into the property to address physical shortcomings as described in this report. A summary of NGF key findings on the MLGC facility and operation include:

- Madrona Links GC enjoys a good location close to Highway 16 and as the first golf course on the north side of the Tacoma Narrows Bridge, with easy access from a wide geographic area. However, with a generally small population in Gig Harbor, the facility will always be reliant on non-local golfers, many of whom will use the T-N Bridge.
- Madrona Links includes a single 18-hole golf course on only 85 acres of property. As a result, the facility offers a golf course that is shorter in length to play, and the site has capacity limitations that are not likely to be overcome. The clubhouse is also small and lacks the capacity of other golf facilities in the local area. The District will have to improve golfer support services and on-course enhancement if the property is to continue as a viable public golf facility.
- The condition of the golf course playing area is not ideal and the operator (and District) face challenges in maintaining a good golf course on this site. The two main inherent challenges relate to soil conditions and tree cover, both of which negatively impact healthy turf but can be mitigated with adequate maintenance. In addition, the basic infrastructure that supports golf facility operations (irrigation, drainage, maintenance facility, etc.) is old and past its useful life, or was designed poorly – or both. This facility would benefit from new investment to upgrade and modernize basic infrastructure and an increase in maintenance efforts and budget to improve conditions. The capital investments recommended by NGF assume that the business plan going forward involves a high-quality golf facility that is a match of value to the price being charged.
- In all, the NGF identified some \$1.8 to \$2.3 million in capital projects for high priority items such as new cart paths, improved drainage, tree and pond improvements, and structures upgrade. In addition, NGF identified about \$4.7 to \$5.0 million to address other issues with lower priority like new irrigation (\$2.7-\$3.0 million alone), new golf features (greens, tees, bunkers, fairways) and a new patio addition to the clubhouse.
- MLGC is being operated and maintained by a small staff, with only four full-time and 15 part-time (or seasonal) employees. This staffing is about ½ of what is usual and customary for public golf courses with this revenue profile, although we do note that the industry standards include the F&B service which is a separate concession at MLGC. The result is a heavy reliance on a small staff to stay ahead of maintenance challenges on a property with inherent deficiencies as noted, often resulting in key maintenance and service tasks going uncompleted.

- Playing fees for golf and concessions are appropriate at MLGC, and clearly place the facility in the middle range for public golf in this market. NGF notes that data supports the pricing model, as the actual realized green fee revenue per round was \$38.58 in 2023, or 60% of the peak green + cart fee (\$65.00). NGF has found that successful public golf courses tend to operate with actual realized average golf revenue per round of about 65% of the highest green fee, indicating **MLGC is having to engage in some discounting to attract a high volume of rounds activity** in 2023, and this may, in part, be related to course conditions.
- Total rounds activity at MLGC was between 39,400 and 43,700 rounds between 2021 and 2023, with the recent jump in rounds is in part related to a surge in golf interest stemming from a the recent Covid pandemic. The large increase in rounds has been followed by a corresponding increase in revenue. MLGC produced total top-line revenue of \$1.77 million in 2023, an amount that is substantially higher than the \$1.13 million in 2019 (57% increase). On average, MLGC is generating \$44.83 per round in 2023, comparable to the \$43.90 average revenue per round U.S. standard (2022). We note that MLGC revenue totals do not include direct F&B income that is under a separate contract (Hackers) and not included in the total or average per round.
- The lessee at Madrona Links GC was able to cover on-site operating requirements in 2023 and generated operating income of about \$269,000. However, this figure can be deceiving as the expenses include a large budget to cover leases and the property is not getting the full maintenance attention it needs to be at its best. It seems that the money going to cover multiple leases and operator profits is taking funds away from course maintenance and this is reflected in course conditions. The performance does show that with a more traditional operating structure there is likely enough revenue to cover most of the maintenance requirements, but probably not enough to cover the large-scale capital investment that is needed at this property.

# External Factors Affecting Madrona Links GC

NGF has provided a summary of important external factors that have the potential to affect the continued operation of the Madrona Links GC under its current configuration with 18 regulation golf holes, a small clubhouse and driving range. The summary includes a review of the local demographic profile and trends, economic factors, golf industry trends, and golf demand and supply measures and metrics in the local Pierce County market. We also provide an analysis of other golf courses in the area that compete with MLGC for market share. To conclude this section, we will summarize these various factors and how they relate to the continued operation of the MLGC.

## MARKET OVERVIEW

Madrona Links GC has a unique location in the heart of the corridor of Pierce County north of the Tacoma Narrows Bridge north to Port Orchard, all in the southern Puget Sound area of the greater Seattle-Tacoma metro market. The golf facility is located with an entrance along 36<sup>th</sup> St., less than ¼ mile from an interchange with Highway 16 (only access 16 going south) and about ½ mile from the intersection of 36<sup>th</sup> St. and Point Fosdick Dr. The course is only 1.5 miles from the north side of the Tacoma Narrows Bridge, but access for golfers coming up from Tacoma requires a few turns to navigate from the first exit after the bridge on 24<sup>th</sup> St. Madrona Links GC is in a mostly low-density residential portion of the region, but proximate to major roadways as noted.

### Demographic Analysis – Local Permanent Residents

The demographic factors affecting the demand for public-access golf in this market show that the Tacoma-Gig Harbor area has a demographic profile that correlates to weaker-than-average golf demand, but with factors that enhance golf activity like pockets of higher income residents and easy access to nearby roadways. There is also a general lack of other 18-hole golf courses in the immediate vicinity that helps to enhance golf activity at Madrona Links. The table in [Appendix D](#) summarizes key demographic measures of population, income and other trends that relate to golf participation. The table below provides a summary of key demographic measures for 5- and 10-mile radial markets around MLGC, all of Pierce County, the State of Washington, and the U.S.

Market Data Comparisons 2023					
Madrona Links GC	5-Mile Radius	10-Mile Radius	Pierce County	Washington	Total U.S.
Population 2023 Estimated	179,202	503,327	932,363	7,827,681	333,609,568
Population 2028 Projected	181,844	506,348	948,111	8,262,255	342,845,536
Med. HH Income (2023)	\$54,708	\$68,031	\$94,902	\$97,429	\$70,666
Median Age (2023)	38.2	39.4	36.3	37.9	37.9

Source: NGF Consulting, Tactician Corporation, Applied Geographic Solutions.

- The 10-mile primary trade area around Madrona Links GC shows a large permanent population, with about 500,000 residents as of 2023. The area has not grown significantly in the last decade and new growth through 2028 is not projected to be significant. There are about 168,000+/- total households in the 10-mile market, some of which include areas in Tacoma on the south side of the Tacoma Narrows Bridge.

- Median Ages in the local submarkets range from 38 to 39 years, slightly older than the State (37.9) and national (37.9) medians, indicative of an influx of older age residents in the Gig Harbor area. In general, the propensity to play golf with greater frequency increases with age, making relatively older markets more attractive to golf facility operators, all other factors being equal.
- While age demographics suggest a slightly older local population, the Median Household Incomes in the local market areas around Madrona Links are lower than the State of Washington overall, and other areas of Pierce County. In general, higher income residents are more likely to participate in golf, and they play more frequently than lower income residents. The incomes in Gig Harbor would suggest a much more limited tolerance for higher golf playing fees among the local permanent population.
- An estimated 46% of households in MLGC's 10-mile trade area have incomes over \$100,000 annually, significantly higher than the national figure of 32%. About 14.5% show income exceeding \$200,000, also much higher the U.S. benchmark of 9.3%. The proportion of higher income residents is more pronounced in the 5-mile ring despite a lower overall income profile and supports the higher golf demand estimates. Higher income households obviously show more tolerance for green fee increases.

Higher Income Households	5-Mile Ring		10-Mile Ring		Pierce County	
	No.	Pct.	No.	Pct.	No.	Pct.
No. of Households over \$100,000 Income	26,204	54.55%	76,380	45.47%	164,723	47.10%
No. of Households over \$200,000 Income	9,592	19.97%	24,351	14.50%	48,701	13.93%

## Key Economic and Climate Factors

Sources: City of Tacoma Strategic Plan + Certified Annual Financial Report, Pierce County Economic Development and other various local sources.

The defined PenMet Parks boundaries include approximately 40,000 residents in unincorporated Pierce County. This population is in addition to the City of Gig Harbor, which is outside of the District's boundaries. While the local Gig Harbor area is still small, it has close access to the Tacoma Narrows Bridge and the whole South Puget Sound area that is home to nearly one-quarter of the 4.0 million+ Seattle-Tacoma metropolitan area. Tacoma's location at the confluence of rivers, freeways and railroads has made it an important center of commerce. Approximately 220,000 live in Tacoma (2020 census), and Tacoma is the second-largest city in the Puget Sound area and the third-largest in Washington. Tacoma also serves as the center of business activity for the South Sound region and is a key feeder for golf activity at Madrona Links GC. The key NGF findings on the broader Seattle-Tacoma and local South Puget Sound area economy and tourism that relate directly to the operation of Madrona Links GC include.

- The local Tacoma / Pierce County area includes several distinct economic drivers that can impact golf demand at Madrona Links GC. The employment profile in Pierce County is largely government oriented, with nearly 96,000 total government employees (federal and local) in the County as of 2020. Other key industries include healthcare, finance and insurance, aerospace, trade and logistics, retail and education, all with profiles that tend to support demand for golf service.

- The automobile transportation infrastructure in Pierce County is sufficient to support public golf operations at MLGC. As activity is primarily supported by auto transport, convenient access to major roadways is important and MLGC is accessible to key arterials in the area, notably Highway 16 and the Tacoma Narrows Bridge, with I-5 about five miles east of the bridge providing access to the entire metro region. The State has invested in improvements to roadways in and around Tacoma, including several projects to enhance roadways on the north side of the bridge in Gig Harbor and areas further north.
- The Tacoma Narrows Bridge spans the Tacoma Narrows and connects Tacoma with the Kitsap Peninsula on State Route 16. The bridge is the primary connector for auto traffic into Gig Harbor and carries an Average Annual Daily Traffic (AADT) of 87,000, with 5,500 AADT at the 24<sup>th</sup> St. interchange coming north and 1,900 AADT on Highway 16 going south at 36<sup>th</sup> St. near the entrance to MLGC. As this bridge is a primary thoroughfare for golfers coming to MLGC from the south, the \$5.50 toll required to cross the bridge is a factor in pricing at MLGC.
- Seattle-Tacoma International Airport (SEA) is located about 30 miles northeast of MLGC and served over 45 million passengers in 2022. Pierce County is home to two other general aviation airports, including the Tacoma Narrows Airport that is 1.1 miles from MLGC. Tacoma Narrows Airport reported about 54,000 aircraft operations in 2021, an average of 147 per day with 97% general aviation.
- In all, the Pierce County Comprehensive Visitor Profile (prepared by DPA) estimates that Pierce County had 5.0 million visitors in 2022, noting:
  - Majority are from the states of Washington, California and Oregon
  - Had an average family income of \$98,000 (consistent with golf participation)
  - 64% come to the area by auto and had an average length-of-stay of 3 nights
  - 70% reported some form of “leisure” as reason for travel
  - 2% indicate they played golf while travelling to Pierce County
- The Port of Tacoma is the sixth busiest container port in North America and one of the 25 busiest in the world, playing an important part in the local economy. This deep-water port covers 2,400 acres and offers a combination of facilities and services including 34 deepwater berths, two million square feet of warehouse and office space, and 131 acres of industrial yard. An economic impact study showed that more the 28,000 jobs in Pierce County are related to the Port activities.

## Climate

As with any outdoor recreation, golf demand is impacted by weather. NGF data estimates that almost all golf is played with temperatures between 50- and 90-degrees Fahrenheit. Understanding local weather patterns helps determine the number of golf playable days. Golf can be a year-round activity in western Washington, but cold winter weather and long periods of rain can impact demand. The table below shows an estimate of 149 days with at least some precipitation, clearly impacting the potential for golf activity. Still, NGF has observed demand for golf even during periods of mild precipitation, helping to support golf facility activity. In addition, the shorter length of day in the winter months can impact late afternoon (after work) activity. The following table presents a summary of monthly weather data for the Tacoma area based on 50-year recorded trends:

Climatological Data Tacoma, WA						
Month	Temperatures			Precipitation Inches	Avg. Number of Days with Precipitation	Average Length of Day (Hours)
	Average	High	Low			
<b>Annual</b>	<b>54</b>	<b>62</b>	<b>45</b>	<b>39.2</b>	<b>149.4</b>	<b>12.8</b>
January	43	48	37	5.9	18.8	9.6
February	44	51	37	3.9	14.9	10.9
March	48	56	40	4.1	17.3	12.5
April	52	60	43	3	13.9	14.2
May	57	66	48	2.1	10.6	15.8
June	62	72	53	1.6	8.2	16.5
July	67	77	23	0.7	4.1	16.1
August	66	77	23	0.8	4.4	14.7
September	62	71	22	1.3	6.6	13
October	54	61	46	3.7	12.8	11.3
November	47	53	40	6.7	19.3	9.9
December	41	47	36	5.5	18.5	9.1

Source: Weatherbase.com, Tacoma, WA

## GOLF MARKET SUPPLY AND DEMAND INDICATORS

### Estimated Local Market Demand

The table below details basic golf market data indicating the strength of the local golf demand compared to national benchmarks (additional support data in [Appendix D](#)).

Summary of Market Indicators	5-Mile Radius	10-Mile Radius	Pierce County	U.S.
<b>Golfers and Rounds</b>				
Number of Golfing Households	9,555	27,831	55,733	18,505,952
Number of Golfers	12,468	37,519	79,617	25,551,350
Rounds Potential (resident golfers)	199,680	572,232	1,184,258	434,080,100
Average Rounds Played per 18 Holes	66,560	47,686	59,213	29,423
<b>Golf Indices*</b>				
Golf Participation Index	142	116	111	100
Golf Rounds Activity Index	95	104	78	100

US = 100; Source: Tactician, Inc. and NGF Consulting.

- The local Gig Harbor and north Tacoma market area has demographic characteristics that correlate with higher-than-average participation in golf, although the analysis shows that Pierce County as a whole has lower golf demand measures. This is reflected in golf participation index for the 5-mile market that is 42% higher than the U.S. benchmark (Index = 142), and 16% higher in the 10-mile primary market (Index=116). Additionally, the rounds-played-per-golfer index is slightly lower than the total U.S. in this market despite higher participation, which is expected considering the weather factors that tend to reduce the golf playable days, restricting golfer access to full activity.



- The NGF estimates about 12,400 golfers reside within five miles and about 37,500 within 10 miles of Madrona Links. These golfers have the potential to demand up to 199,000+/- rounds (5 miles) and 572,000+/- rounds (10 miles), respectively, each year. NGF estimates that resident golfers in the Gig Harbor area could demand upwards of 66,500+/- per 18 holes annually, much higher than other areas of Washington and more than twice the national average of under 30,000 rounds per 18 holes.

### Corporate / Organizational / Tourist Market Demand

As we saw earlier in this section, the local area is home to several large employers, with additional large employment centers within 10 to 15 miles of Madrona Links GC. These employment centers could be potential customers for organized activities such as outings and leagues, as well as for corporate meetings (breakfasts, etc.) and banquets.

Earlier we noted about 5 million visitors to Pierce County in 2022, potentially contributing to golf course activity in the region. The Pierce County visitor profile report showed that roughly 2.0% of these visitors participated in golf while staying in Pierce County. Based on these inputs, the estimate for total tourist golf rounds in the Tacoma area could be as high as 100,000+/- rounds annually. Though Madrona Links would likely capture a small proportion of these visiting golf rounds, it is nonetheless important for any operator of MLGC to maintain a strong marketing presence, as a thousand additional visitor rounds could make a big difference in the bottom line.

### Local Golf Supply

NGF observations regarding key golf supply measures for the Madrona Links GC market area:

- There are 13 total golf facilities (8 public and 5 private) in MLGC's primary 10-mile trade area, and 21 total facilities (15 public, 6 private) in Pierce County. The proportion of public courses (71%) in the area is comparable to in the total U.S. where 74.6% of all golf courses are open and available to the public.
- Ratio analysis based on national benchmarks suggests that Pierce County is more under-supplied with golf courses than the total U.S. The data show there are about 66% **more** households available (favorable) to support each 18 holes of golf compared to the national benchmark. This ratio is reflective of large metro areas with high population density and supports the potential for strong performance at Madrona Links GC.
- Golf is generally affordable in the Gig Harbor area when compared to the total U.S. NGF has identified that nine of the 15 public golf courses within 10 miles are in the NGF-defined 'standard' price segment (between \$40 and \$80 peak riding fee), while there are only three in the 'premium' segment (>\$80), and three facilities under \$40 ('value' segment).
- The NGF Golf Facility Database indicates no new golf facilities either in planning or under construction in the Gig Harbor / Tacoma market in 2023.

### Golf Course Market Supply / Demand Summary

Using the basic measures of golf demand and supply, we note four possible combinations for any given market area: (1) favorable demand and favorable supply ("potential growth market"); (2) favorable demand and unfavorable supply ("competitive"); (3) unfavorable demand and favorable supply ("inactive"); and (4) unfavorable demand and unfavorable supply ("saturated"). The review of data for Gig Harbor suggests a competitive market for golf, with generally strong demand measures and unfavorable supply-demand ratios for the overall market, but closer to favorable when only public golf is considered.

### Golfers per 18 holes

NGF has also evaluated the relative strength of the market with a comparison to a national “threshold” of golfers per golf course within 10 miles of a facility. In its 2009 publication “*The Future of Public Golf in America*,” NGF hypothesized that the best predictor of a public golf course’s success was the number of golfers per 18 holes within a 10-mile radius, with **4,000** identified as the key number for projected financial stability. **The NGF has estimated that there are 3,126 golfers per 18-hole course in the MLGC market.** However, this does not account for the supplemental demand from the high volume of non-local golfers who are coming across the bridge and forming a large segment of the total activity at Madrona Links GC.

### Market Area Strengths

- Madrona Links GC is in the heart of a large suburban market area with over 500,000 population within 10 miles and nearly 1.0 million population in all of Pierce County.
- The high concentration of higher income households close to Madrona Links GC enhances demand.
- There is a general lack of other 18-hole golf courses in Gig Harbor, leaving the full local demand for Madrona Links GC

### Market Area Weaknesses

- While estimates and ratios all show favorable demand – supply balance, Madrona Links may have a more “out of the way” location for visiting golfers and potential customers less familiar with the area and local directions. As such, appropriate directional signage will always be important to maximize activity at Madrona Links GC.
- While proximity to large employment centers creates opportunity to attract workers, the limited time availability of commuters may reduce demand during peak golf season.

## NATIONAL GOLF INDUSTRY – KEY TRENDS AND DATA

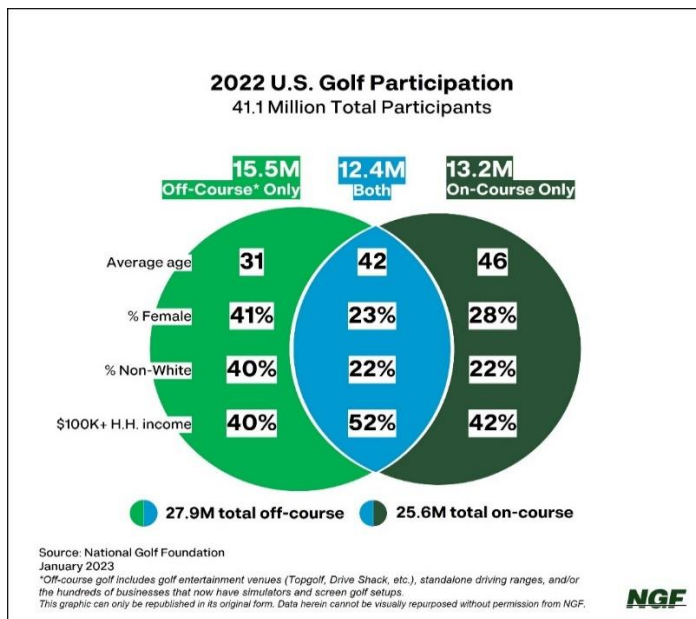
Despite significant negative press, the golf industry is clearly not in trouble but is showing signs of change as a new and younger generation becomes more active in golf. As shown in the NGF’s Graffis Report “Leaderboard,” ([Appendix E](#)) all measures researched by NGF in early 2024 show significant increases in golf activity in 2023 compared to 2022 and 2019. Total golf participation is up 32% since 2019 and off-course participation (driving range, golf entertainment, simulators, putting courses, etc.) is up 41% in the last four years. The strongest key measure to support the participation statistics is the sale of golf balls, and actual wholesale shipment data for golf balls shows a 5% increase in 2023 over 2022 and a 37% increase over 2019. From this data, it is clear that golf received a strong, though perhaps temporary, boost in demand from the Covid-19 crisis.

Ultimately, total spending on golf and club memberships will always be vulnerable to outside forces such as the economy, but the game remains popular and is fortunate to have a deep well of interested prospects. As we begin to consider the potential effects of a new younger generation coming into the game, we note that golf activity has increased in the U.S. at off-course golf facilities, golf entertainment locations and at shorter-length golf courses in the 2020-2023 period.

### Key Trends in Golf Demand and Supply

Golf participation is one of the core measures of golf’s vitality and since spring 2020, golf has received a strong boost in interest and demand resulting from the Covid-19 pandemic and golf’s popularity as an outdoor activity that is conducive to social distancing. The national golfer number (people that had played at least one round of golf on a golf course in the prior 12 months) was 25.6 million, plus an additional 15.5 million “off-course” participants in 2022. When both on-course and

off-course participation are considered, 41.1 million Americans played some form of golf in 2022. Gains away from the golf course are more significant, with a 13% year-over-year jump compared to the 2% rise in on-course participation. As anticipated, total off-course engagement (27.9 million) has for the first time eclipsed those who play on the course. Overall, golf's U.S. consumer base is now a record 41.1 million, with three distinct participant groups (see graphic).



Other basic findings from NGF’s ongoing study of the national U.S. golf market:

- Rounds Played 2020-2022** – NGF estimates that total golf rounds played in 2020 finished up by 13.9% (about 60 million rounds) over 2019, with Washington up by 3.6%, despite Covid-related shutdowns for much of March and April. For 2021, Washington “caught up” to the national increase with a 16.6% increase in rounds (compared to 5.6% increase in the U.S.). In 2022, there was some decline with the total U.S. down -3.7% and Washington down -5.5% compared to 2021. In 2023 the industry saw a rebound with the total U.S. up 4.2% and Washington up 6.1%. **The total U.S. standard for rounds played (“starts”) at an 18-hole golf course is at 34,012 for 2022.** Early indications for 2024 are that rounds took a hit in January, falling over -16% for the U.S. and -41% for Washington, as very bad weather for golf led to declines. (source: Golf Datatech – see [Appendix F](#)).
- Golf Course Closures** - The number of course closures outweighed new openings for 14 consecutive years during the ongoing balancing of supply and demand but showing stabilization in 2023. According to NGF data, there were 89.8 18HEQ closures in 2023 – the fewest in more than a decade with a peak of 279.5 closures in 2019. The demand for land to use for residential and commercial development is influencing the supply correction in golf. A total of three (3) golf courses have closed in the local Tacoma area since 2014, including Brookdale GC in Tacoma, the 9-hole course at Ft. Steilacoom in Lakewood, and the Lipoma Firs GC in Puyallup. There were also two (2) other 9-hole golf course closures in Pierce County in the last 10 years, including Clifton Hollow GC (closed in 2017), Tanwax Greens GC (2013).

- **Investment in Facilities** - Investment in major renovation projects has replaced new construction as the source of golf development activity. A 2023 NGF study with more than 1,200 responding facilities indicated total investment of more than \$9 billion over the prior 5 years. Clearly, golf facilities are using new revenues generated in the recent golf boom to improve and expand existing facilities. This is evident in the Tacoma market with considerable new investment in local golf facilities either just completed, underway or in planning at several area competing golf courses (more below).
- **Increasing Diversity** - A closer look at on-course golf participants in 2023 shows a continuing trend towards diversification – spurred in some respect by the heightened interest and engagement being generated by off-course forms of golf. Overall, the number of non-White golfers has increased by about 1 million since 2017, while the number of women golfers grew by more than 400,000 over that time:
  - Females are up 4% to 6.4M – Has risen three straight years, with net gains of 800K (+14% since 2019). Women now comprise 25% of all on course golfers – a new high mark in representation.
  - Non-White golfers are up 9% to 5.6M – Up 32% since 2018. This segment now represents 22% of all on-course golfers – also a new high in representation.
- **Beginners** - The number of beginners rose to 3.4 million in 2023, surpassing the record of 3.2 million set in 2022 and representing an annual increase of about 1 million since 2014. Nearly 37% of beginning golfers are women, and the percentage of non-Caucasian beginners is significantly higher than the percentage of non-Caucasians in the total golf population.
- **Juniors** - According to NGF, 2020 saw the most significant gain for youth golfers (+24%) since 1997. We estimate that 3.5 million Juniors played golf on a course in 2023, an increase of nearly 10% over prior year. The population of junior golfers is more diverse than the overall participation base: females comprise 34% of junior golfers, compared to 24% of all golfers, while non-Caucasians are 28% of junior golfers and 20% of all golfers.
- **Changing Preferences** – Total off-course participation was higher than on-course participation in 2023 showing a clear expansion of preferences for fulfilling golf demand. The mix of facility types and services that are growing includes all forms of golf entertainment (TopGolf, PopStroke, Drive Shack, etc.), as well as indoor simulators, arcade golf games and online golf gaming. These changing preferences are particularly acute in younger age segments (under 30) and have implications for new facility investment and expansion of existing golf facilities and the overall facility offering.
- **Other Items** – Other trends impacting the golf market include increasing moves toward remote work structures that appear to be lasting and leads to more employees able to participate in golf during the week or evenings, the limited development of any new golf courses helping to maintain a healthy supply/demand balance, and shortages of workers adding to the challenge of operating and maintaining golf facilities.

## National Golf Industry Overview Summary – Potential Implications for MLGC

Golf facilities – both nationally and in Washington – are largely in a healthy place in 2023, with many public golf courses experiencing strong rounds and pricing power. Continued growth in beginning golfers, increasing player diversity, surging “off-course” participation, and the presence of a large cohort of non-golfers that have expressed strong interest in playing golf (“latent demand”) all bode well for the near-term future of facilities such as Madrona Links GC.

It is difficult to conclude how the national trends discussed above will affect any particular golf course, as we cannot definitively predict which, if any, of these trends will continue. On balance, however, we believe that a continuation in the growth of beginning golfers, increased interest in “alternate” forms of golf among other younger prospects and the successful activation of the large cohort of “latent demand” should have a positive effect on golf facilities like Madrona Links GC, especially if modified as currently under consideration to include a shorter-length golf course and some form of golf entertainment (more later in this report).

While demand for golf remains strong, the Covid “dividend” may wane at some point, so operators must be vigilant to keep golfers – especially those that are relatively new to the game - engaged. Aside from the possibility of decreasing demand, headwinds for golf operators largely center around rapidly rising input costs – especially labor. As long as pricing power remains in place, golf facilities should be able to at least mitigate increasing expenses and maintain operating margins.

## LOCAL COMPETITIVE GOLF MARKET

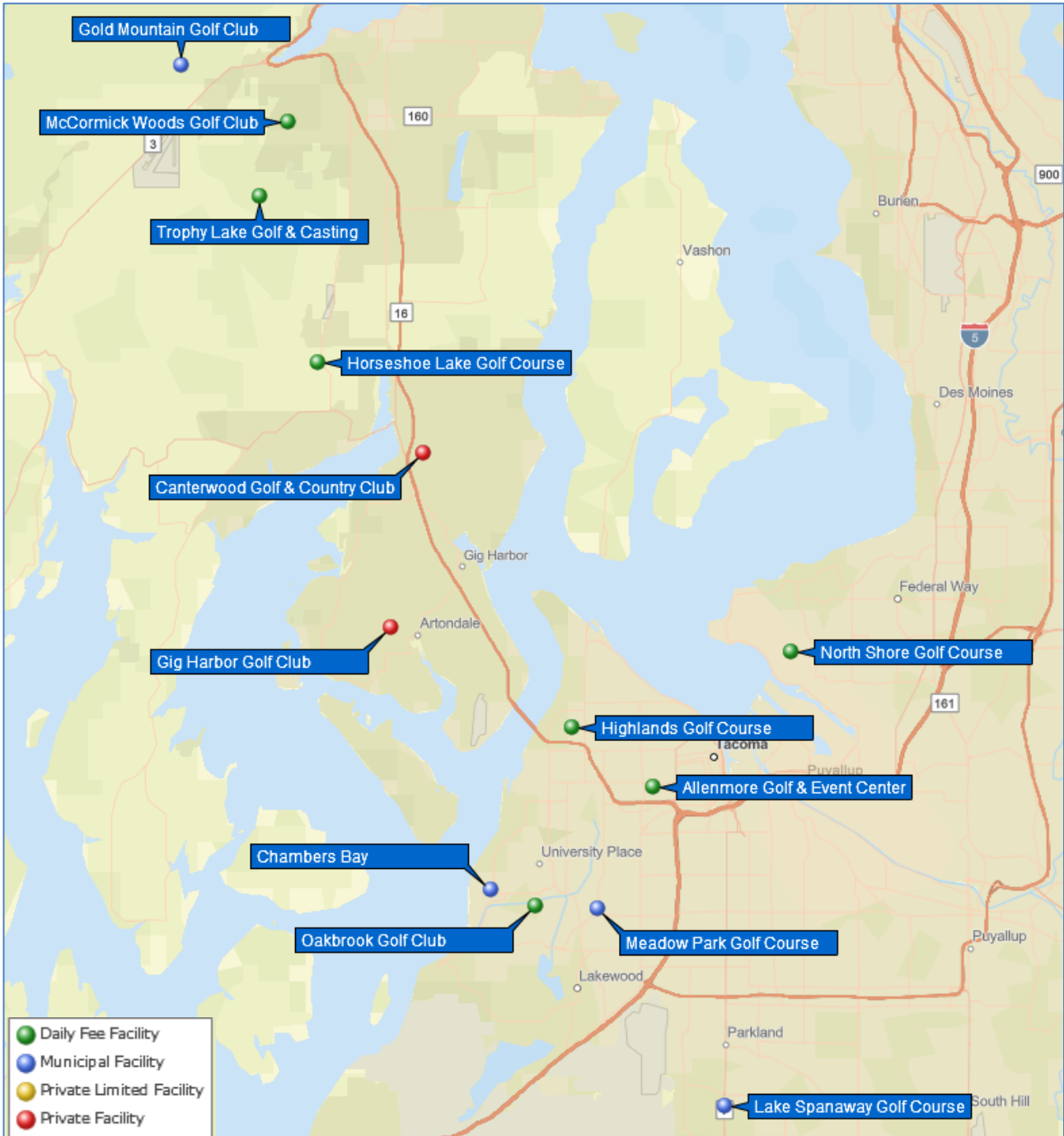
NGF has reviewed the public golf market in the local area, with particular emphasis on the current market position of Madrona Links GC, and the potential for maintaining and/or building additional market share in the future. Given its location, current condition and pricing, the competitive set for Madrona Links includes a wide variety of facilities with a mix of golf amenities generally within a 15-mile radius from the Madrona Links GC site. On the following pages, we list summary and operating information for these facilities identified as the most important competition to MLGC.

Primary Public Golf Competitors	Other Regional Golf Facilities of Note
Allenmore Golf & Event Ctr.	Chambers Bay
Oakbrook Golf Club	Highlands Golf Course (9h)
Meadow Park Golf Course (27h)	Canterwood Golf & CC (Private)
North Shore Golf Course	Gig Harbor Golf Club (9h Private)
Horseshoe lake Golf Course	
Lake Spanaway Golf Course	
Trophy Lake Golf & Casting Club	
Gold Mountain Golf Club	
McCormick Woods Golf Club	

This list was not meant to be totally exhaustive or account for all the potential public golf competition to Madrona Links GC, but rather to offer a frame of reference in evaluating actual performance of the subject courses as compared to other potentially competitive golf facilities. The map on the following page shows the locations of the various public courses selected as the key competitors. Following the map, we provide summary operating information for these key competitors, as well as key pricing & fee information in comparison to Madrona Links GC.

## Competitive Public Access Golf Facilities Map

The map below shows the relative locations of golf facilities identified as competition to Madrona Links GC.



## Summary Information

A summary of the nine primary competitors, four other local facilities and the subject Madrona Links GC is shown in the table below:

Facility Summary Information – Madrona Links GC Competitive Set									
Golf Facility	Location	Type	Year Open	Back Tee Par / Slope	Front Tee/ Back Tee	Location Relative to MLGC*	Amenities	Approx. Clubhouse Size	Recent/Planned Lg. Capital Projects
<b>Madrona Links Golf Course</b>	<b>Gig Harbor</b>	<b>DF/MU-18H</b>	<b>1972</b>	<b>71 / 122</b>	<b>4,737 / 5,608</b>	<b>--</b>	<b>CH, SB, DR, SB, CE, OP</b>	<b>5,300sf</b>	<b>TBD</b>
Allenmore G&E	Tacoma	DF-18H	1931	71 / 119	6,123 / 5,652	5.5 miles	FCH, CE, DR, PS, FR, OP, LBQ	23,000sf	New irrigation 2023-24
Oakbrook GC	Lakewood	MU-18H	1964	71 / 128	4,878 / 6,715	6.8 miles	FCH, CE, FTR, PS, FR, LBQ, GA, OP	31,000sf	Range structure improvement
Meadow Park GC	Tacoma	MU-27H	1915	71 / 128 30 / NA	4,533 / 6,136 1,631	7.3 miles	CH, FTR, GA, PS, OP, SB	11,000sf	Proposed major renovation in Planning
North Shore GC	Tacoma	DF-18H	1961	71 / 129	4,505 / 6,305	8.0 miles	CH, SB, DR, PS	1,800sf + Tent	Range impr. / New PS Bldg.
Horseshoe Lake GC	Port Orchard	DF-18H	1992	71 / 128	4,851 / 5,951	9.4 miles	SB, CH, PS, DR	5,400sf	None Reported
Lake Spanaway GC	Tacoma	MU-18H	1966	72 / 136	7,083 / 5,604	13.7 miles	CH, SB, FTR, GA, PS	7,000sf	Greens + irrigation renovation 2022
Trophy Lake G&CC	Port Orchard	DF-18H	1999	72 / 140	5,342 / 7,206	14.1 miles	CH, SB, PS, OP, FDR	9,200sf + Pav. 3,800sf	None reported
Gold Mountain GC	Bremerton	MU-36H	1971	C - 72 / 134 O- 72 / 148	C - 5,287 / 6,429 O-5,274 / 7,158	17.3 miles	FCH, OP, FR, PS, OP, FDR	16,000sf + Pav. 3,800sf	Cascade course redesign / new maint. Eq.
McCormick Woods	Port Orchard	DF-18H	1986	73 / 136	5,270 / 7,056	15.9 miles	FCH, LBQ, FR, PS, OP, DR	16,000sf + PS 2,300sf	None reported
<b>Other Regional Golf Facilities of Note</b>									
Chambers Bay	Univ. Place	MU-18H	2007	72 / 139	7,124 / 4,730	6.3 miles	FTR, CH, PS, SB, GA	7,000sf+tent	Only minor repairs reported
Highlands GC	Tacoma	DF-9-P3	1948	27 / N-A	1,073	2.8 miles	PS, SB, CE, OP	3,800sf	None Reported
Canterwood G&CC	Gig Harbor	PR-18H	1988	72 / 145	5,108 / 7,188	6.0 miles	RQ, SW, FCH, LBQ, DR, FR, PS, FC, OP	15,000sf	Clubhouse renov. In planning
Gig Harbor GC	Gig Harbor	PR-9H	1951	35 / N-A	2,337 / 2,800	3.0 miles	CH, PS, SB, DR	5,700sf + other Bldgs.	None Reported
<p>*Air miles from subject site, rounded to half-mile; actual driving distances will likely be greater.            Type: DF – Daily Fee; MU – Municipal; PR – Private; P3 – par-3 course.            Amenity code: FCH=full-service clubhouse (w/banquet space); CH = small or temporary clubhouse; CE=clubhouse events/theme nights; FTR= driving range structure w/technology; FDR = full driving range; DR = small range; SC = short course; SIM = indoor simulators; PS = pro shop; EP=event pavilion; SB=snack bar; FR=full restaurant; OP=outdoor patio; GA=golf academy; LBQ=large banquet space; FC = fitness center; RQ = racquet sports; SW = swimming pool.</p>									

## Market Area Daily Fee and Membership Information

Found below is information regarding the fee structure of the identified key competitors to Madrona Links GC, including both daily fees and the various membership / season pass options available at these facilities. These fees represent peak season fees for the summer-fall of 2023.

Summary Peak Season Green Fees - Madrona Links Golf Course and Other Area Public Golf Courses							
Facility	Walking 18H Rates (WD/WE)	Riding 18H Rates (WD/WE)	Twilight 18H Walking (WD/WE)	Cart Fee per Rider (18H)	Other Discounts	Range Bucket (Sm / Lg)	Annual Membership Individual/Family
<b>Madrona Links GC</b>	<b>\$40 / \$45</b>	<b>\$60 / \$65</b>	<b>\$34 / \$38</b>	<b>\$20.00</b>	<b>TL, JUN, SEN</b>	<b>\$5 per token</b>	<b>No Annual Membership</b>
Allenmore G&E	\$37.50 / \$42.50	\$57.50 / \$62.50	\$24 / \$31	\$20.00	TL, JUN, SEN, MI	\$5 / \$8	7-Day Unlimited = \$2,000 (Elks Member) / \$2,500 public
Oakbrook GC	\$55 / \$69	\$75 / \$89	\$32 / \$35	\$20.00	TL, JUN, SEN, MI	\$6 / \$10	Ind w cart + range = \$2,400 / Fam. w cart + range = \$3,600 / Jr = \$600 / range = \$600
Meadow Park GC	\$34.50 / \$40.50	\$47 / \$53	\$26 / \$31	\$12.50	JUN, SEN, TL, PC	\$7.75/\$11.75/\$12.75 <sup>1</sup>	10-Play Punch Card \$294 (\$169 for 9-h only)
North Shore GC	\$46 / \$55	\$68 / \$77	\$30 / \$41	\$22 / \$16 <sup>2</sup>	SEN, TL, JUN, MI, DY	\$6 / \$17 / \$25 <sup>1</sup>	7-Day Unlimited = \$2,388 / WD Only = \$2,028 (\$1,428 TWL only)
Horseshoe Lake GC	\$46 / \$49	\$64 / \$67	N/A	\$18.00	TL, JUN, SEN, MI	N/A	N/A
Lake Spanaway GC	\$46 / \$49	\$64 / \$67	\$30 / \$35	\$18.00	TL, JUN, MI, SEN, DY	\$7 / \$10 / \$14 <sup>1</sup>	Mylake Rewards Program (earn points toward discounts)
Trophy Lake G&CC	\$94 / \$74 <sup>3</sup>	\$94 / \$74 <sup>3</sup>	\$40 / \$44 / \$55 <sup>3</sup>	Cart Included	JUN, SEN, MI, DY, MP	\$8 / \$15	7-Day Unlimited = \$3,036 / WD Only = \$2,400 (ea. Addl. Family member = \$1,128)
Gold Mountain GC	C-\$38.50 / \$49.50 O-\$49.50 / \$60.50	C-\$58.50 / \$69.50 O-\$69.50 / \$80.50	C-\$24 / \$28.50 O-\$26 / \$34	\$20 / \$13 <sup>2</sup>	JUN, SEN, MI, DY, MP	\$6 / \$10 / \$14 <sup>1</sup>	Full - \$2,700 / w-cart = \$3,540. Ea. Addl family = \$960. Jr. = \$468. WD only = \$2,220 / w cart = \$3,060. Range = \$720
McCormick Woods	\$55 / \$48	\$73.50 / \$66.50	\$32 / \$30	\$18.50	JUN, SEN, PC, MP, DY, MI	\$5 / \$10	w/cart = \$3,240 / std.= \$2,400 family add \$1,500 ea. Addl family member

1- Also offers a range card with value program discounts. 2- 2<sup>nd</sup> rate is cart discounted for twilight. 3 – Cart included and always required.  
 WD=Mon-Fri.; WE = Sat-Sun + Holidays.  
 Discount Code: RES= resident discount; TL = twilight discount; JUN = junior; SEN = senior; CL=clergy; MI=military; DY=dynamic pricing options; MP-monthly pass; PC-punch cards. N/A = not applicable



## Key Findings – Competitive Golf Market

A summary of general findings regarding the competitive market for MLGC:

- Tacoma has a very active golf market and Madrona Links GC is important as the only public 18-hole golf course in Gig Harbor. Much of the overall golf facility inventory in the area is old, with eight of the 14 facilities profiled older than Madrona Links (1972) and only two since 1999 (Trophy Lake and Chambers Bay).
- The primary competition to Madrona Links Park GC is Allenmore GC, Lake Spanaway and Meadow Park in Tacoma, and Horseshoe Lake and McCormick Woods on the Kitsap Peninsula. These facilities are all charging between \$53 and \$67 for a premium 18-hole green fee with cart. Madrona Links is at the high end of this scale (MLGC is at \$65) meaning the \$5.50 added for bridge toll makes MLGC more expensive for golfers coming from Tacoma. The premier public facilities in this market include Trophy Lake (\$94), North Shore (\$77) and Oakbrook (\$89). Gold Mountain is a municipal course owned by the City of Bremerton and represents a great value at around \$80 (Olympic Course).
- As was the case in most markets nationally, local golf operators reported a general decline in rounds activity after an early 2000s peak, with severe drops in 2006, 2010 and 2013, followed by some recovery in 2015-2019 and very strong recovery in 2021-2023. Total rounds activity among golf courses in this market tends to be between 40,000 and 50,000 rounds per 18-hole course annually, with the subject MLGC exceeding 40,000 in 2021 and coming just short in 2023.
- There has been (or is expected to be) considerable new investment in public golf courses in this local market, with seven of the 13 identified facilities reporting the recent completion or pending future large-scale upgrade to facilities. Most of these enhancements involve improvements to the golf course playing area to either catch up with overdue deferred maintenance items (greens, irrigation, cart paths) or for a full renovation and upgrade of the property. As a result, NGF assumes that these facilities can generate a higher level of total revenue than Madrona Links GC due to contemporary golf features, enhanced clubhouses, and modern practice facilities. New investment in MLGC appears warranted to keep up with the local public golf competition.
- Green fees (w/cart) among the competitive set had some variation, with the highest fees observed at Chambers Bay (\$294), Trophy Club (\$94) and Gold Mountain (\$80). We also note that in this green fee market, competitors are offering various forms of discounts for day of week, time of day, juniors, military, seniors and various packages (punch cards, passes, etc.). Considering all the discounts, even some higher quality public golf courses in this market will see green + cart fees fall below \$30 (especially in winter).
- Pre-paid green fee arrangements (memberships or passes) are common in this market, as most all facilities offer some form of season pass or punch card system, or both. The lowest priced unlimited annual membership for a single was \$2,000 at Allenmore GC (for Elks Club Members), with several premium courses over \$3,000, and a peak at \$4,999 at Chambers Bay. All facilities offering memberships had many forms of discounting and offered special passes for seniors, couples, families and/or cart included passes.

## EXTERNAL FACTORS SUMMARY

The NGF market analysis shows that golf is a major part of the defining character of the Seattle-Tacoma metro area. Our research shows that there is strong demonstrated demand for golf in the area, and that this demand is sustained even when outside forces like poor weather or a bad economy are factored. As such, the NGF has a reasonable expectation that while the market will provide support for the continued operation of Madrona Links GC, such strong support is not guaranteed without some level property improvement. Other key findings from NGF's analysis of the Madrona Links GC market include:

- The demographic profile of residents in the greater Seattle-Tacoma market is consistent with strong golf demand, and the local economy also has elements that correspond to durable golf demand. There are an estimated 5.0+ million visitors to Pierce County annually, which NGF estimates could include golfers demanding at least 100,000 additional visitor golf rounds each year. Madrona Links is the only public golf course in Gig Harbor and the first golf facility golfers will find on the north side of the Tacoma Narrows Bridge, giving it a strong position to capture some of this visitor golf market.
- From a macro standpoint, the fears of golf as a “dying sport” in 2019 have not emerged, and demand for golf has strengthened greatly during and since the Covid pandemic (2020-2023). However, golf is changing, and the demand preferences documented by NGF show a younger demographic seeking new ways to consume golf that are less time consuming, and shorter-length golf courses like Madrona Links have the potential to grow in popularity, provided the facility quality is good and all associated amenities are modern and in good working condition.
- The overall balance between golf demand and supply is slightly lower than the NGF threshold for economic success, as MLGC has about 3,100 golfers per 18 holes within 10 miles compared to the 4,000 NGF standard. As a result, it is expected that the local golf market will remain competitive for the foreseeable future. Any improvement in economic performance at area golf courses is going to have to come from a wider reach of customers attracted to golf properties with enhanced facilities and a broader array of golf practice facilities and clubhouse options to “stand out from the crowd.”
- The most important local competition for Madrona Links GC includes other public golf facilities at higher and lower prices, but mostly with superior facilities and modern golf features. Given MLGC's location, it appears to NGF that MLGC will have to offer a higher level of quality in order to attract golfers from Tacoma to come across a toll bridge to MLGC, thus supporting any plan to upgrade this golf course and improve the ancillary amenities. It appears to NGF that MLGC, with enhancements, would be well positioned in comparison to its most immediate competition in both Tacoma and the Kitsap Peninsula, and ultimately support a higher rate and bridge toll requirement.
- The Greater Seattle-Tacoma market area includes several facilities that combine driving range and golf entertainment components along with a standard 18-hole regulation golf course. However, there are no facilities that have only 9 holes of golf and an expanded driving range, adding question to whether that concept can be successful on the MLGC site. Given the limited size of the MLGC property, it is unlikely that PenMet parks can match this offering, meaning the District should focus on improving the 18-hole golf course and existing amenities. The NGF's base finding in this market analysis is that the **strongest economic potential for MLGC is as an enhanced 18-hole regulation golf course** with a high-quality clubhouse and limited driving range, possibly with some limited ball-tracking technology to provide some modest level of golf entertainment.

# Recommendations for PenMet Parks and Madrona Links GC

Based on our evaluation of Madrona Links GC and the local market, NGF has formulated a set of recommendations to help the District think through a possible long-term future for Madrona Links GC. The objective of NGF recommendations is to provide the District with a strategic vision for the future of golf and maintain the appropriate physical plant and service that will elevate the patron experience, maximize the economic performance and provide the possibility of long-term sustainability of this golf facility. NGF has prepared a schedule of specific recommendations to be considered by the District, organized into: (1) basic oversight and structure; (2) physical enhancements; and (3) other operational insights.

## BASIC OVERSIGHT AND STRUCTURE

The Madrona Links GC is presently operated through a series of leases and sub-leases that NGF has documented are not favorable for the continued health of the golf course property. In the world of public agency (municipal) golf, there are several other structures of operation that the District can consider as it moves closer to the end of the current lease structure in April 2028. In an effort to help improve the understanding among District officials, NGF has provided a summary of alternatives that PenMet Parks can consider for golf operations along with our recommendation for the future operation of MLGC.

### Structure Considerations

The NGF has completed this review assuming a District desire that MLGC continue to operate with all facilities, services, and amenities open and available to the public at an affordable rate. The current lease structure has added a layer between the District leadership and the golf course operations, but the structure allowed the District to avoid a large financial commitment to the property, although this may be contributing to the condition concerns documented in this report.

In our experience, there is no ideal operating scenario that fits all situations, and each public entity must arrive at its own unique approach to operation and maintenance. The most common management options are shown below (these are not intended to be exhaustive, as there are hybrids and variations thereof), presented in order from most direct District involvement to the least direct District involvement:

1. **Self-Operation.** This structure would involve PenMet Parks taking direct control of all aspects of the golf facility operation and maintenance, with all staff employed directly by the District. This structure is still the most common form of operation in municipal golf and provides for the highest level of direct control for maximum benefit to the community. As all staff assigned to operate and maintain the golf course are District employees, a key challenge in this option is mostly economic, as the District is ultimately responsible for the economic risk on the golf operation. As we examine other options, we see that municipalities still maintain significant economic risk, even when some of these alternate “privatization” options are implemented (more below), and this is likely a primary reason why the majority of public sector golf courses remain self-operated.

2. **Concession Agreements:** These are similar to lease agreements and can come in several types or combinations. The advantage is shifting some risk and payroll to a private entity, but the majority of economic risk is still maintained by the District. The key areas of operation include Pro Shop, maintenance and/or F&B, and involve the District contracting for one, some, or all of these services. One subset of this concept includes multiple concessions, a system in which the District creates multiple contract agreements with separate entities for each facet of the operation. The most common concession agreements for public golf include:
  - a) **Contract for Food / Beverage Services** is the current structure at Madrona Links GC and involves hiring a separate operator for the F&B service, either through a fixed fee or percentage compensation to the operator. Some of these longer-term concession contracts will include some investment in facilities and/or equipment by the operator.
  - b) **Contract for Maintenance Services** involves contracting with a private entity to provide golf course maintenance services in exchange for a pre-determined fee.
  - c) **Multiple Concessions** involves creating multiple agreements for separate entities for each facet of the golf operation (pro shop, F&B, and maintenance).
3. **Full-Service Management Contract.** The concept of a management agreement is for the District to hire a private management entity to operate all aspects of Madrona Links GC in exchange for a fixed management fee, typically around 4-6% of total revenue. The District is still earning all revenues, is responsible for all expenses (salaries, maintenance, liabilities, capital) and pays a management fee to an operator. Some advantages to this strategy are a shifting of labor expenses from a public to a private structure, and the expected benefit of professional management, including access to national purchasing and marketing programs. The potential disadvantages are some loss of District control, the fixed fee for service (regardless of yearly variations in performance), and the continued responsibility of the District for all expenses, capital investment and shortfalls in revenue. This structure is in place at several area municipal golf courses including the Gold Mountain Golf Club facility in Bremerton, one of the leading public golf facilities in this local market.
4. **Hybrid Contract.** A hybrid contract combines some of the advantages of a lease with those of a management contract. The most common difference from the management contract is that a variable management fee is included, allowing the operator and District to share in the risk of the operation. Advantages are similar to the management contract with a shifting of payroll, adding expertise, but reducing some District control to allow the hybrid operator a chance to earn higher revenue.
5. **Operating Lease(s).** The only true “privatization” option would be for the District to continue operating via lease, but with modifications and restrictions for a new lessee that would be selected via competitive bid. The lease can be established to include certain requirements, including a fixed fee to the District regardless of performance, as well as defined maintenance and condition standards and/or restrictions on fees that can be charged to patrons. The ideal advantage of this option is the continuation of total privatization of the golf operation and full shifting of risk away from PenMet Parks. The disadvantage is that the operator has control of decisions related to operating expenses to meet lease requirements, which may put the physical integrity of MLGC at risk (as at present). One common reason a city will enter into this form of agreement is to fund large-scale capital improvements, which are needed at MLGC.

### Most Viable Considerations

NGF has identified that the most viable options for the District to consider in operating Madrona Links would be to take direct control of the facility and hire a fee-for-service management company (Option 3 above), or continue with a lease structure but with a new agreement that would be competitively bid, include clear maintenance standards and require initial capital investment to address issues identified in this report. The NGF sees self-operation by the District as challenging, given the higher expense structure and lack of expertise within the District office. As a result, the most viable option for Madrona Links GC is to consider one of these two options, perhaps with a separate F&B concession. In short, the best options available to PenMet Parks would be:

- **Full-Service management Agreement.** The District can hire a professional company to manage the MLGC operation and maintenance in exchange for a defined golf contract fee. It is expected that the District would engage in a competitive bid (formal proposal process - RFP) to find the right management partner, preferably one with experience and knowledge of the local market and challenges in maintaining golf facilities in this climate. The district should expect to compensate a qualified vendor at an annual rate of about 4%-6% of total revenue, or about \$71,000 to \$106,000 per year.
- **Comprehensive Golf Property Lease.** An outright lease of Madrona Links GC may not fit with the District's objectives. However, NGF notes that if the District opts to pursue a lease agreement for Madrona Links, it should be pursued ***only*** if the new lease partner will bring capital to the agreement and complete some (or all) of the upgrades identified by NGF and are not addressed under the current lease. The NGF concludes that a successful lease option is ultimately going to be dependent on the District's ability to find a private-sector partner interested in this type of lease and willing to make a large up-front capital commitment. If undertaken, the District might be able to remove some expected burden related to potential large-scale property investment and relinquish any attempt to gain more control over the MLGC facility.

### NGF Recommendation

**The NGF team recommends that PenMet Parks take control of Madrona Links GC at the end of the lease in 2028 and directly run the facility through a defined fee-for-service management agreement.** The only exception to this recommendation would be the creation of a new lease for the MLGC property ***only*** if the new lessee will provide the capital necessary to perform all of the deferred maintenance and provide the upgrades that are needed at Madrona Links GC. If such a private lease partner can be found, the District can enter into a new long-term lease with this entity, albeit with more clearly defined terms. If this type of partner cannot be found, then the district should seek to hire a professional golf management company on a short-term (5 years) management agreement that will include golf operations, maintenance, and F&B services. Under either consideration, the District will be retaining professional golf operations services that should lead to success and generation of strong rounds and revenue performance.

In short, the District should take direct control of the Madrona Links GC operation and only enter into a new lease if the new lessee will provide needed capital to complete property upgrades that are needed at Madrona Links GC.

## SPECIFIC PHYSICAL RECOMMENDATIONS

The NGF recommendations for enhancing the physical plant of Madrona Links GC considers specific improvements that need to be made to address deferred maintenance, along with potential new investments to enhance the overall facility offering and help improve revenue. The NGF vision for the future of Madrona Links GC considers the most ideal physical condition of the facility so as to maximize the potential economic performance.

### Completion of Capital Investment Considerations

The specific capital projects identified by the NGF team were documented previously in this report, and are summarized by necessity and investment in the table below:

<b>Madrona Links Golf Course Summary of Capital Upgrades by Type</b>			
	Items	Low Estimate	High Estimate
High Priority Items	Cart paths, trees, drainage, ponds, structure upgrades	\$1,784,000	\$2,351,000
Lower Priority Investments	Irrigation, greens, tees, bunkers, new patio	4,275,000	5,030,000
<b>Grand Total of Capital Projects</b>		<b>\$6,059,000</b>	<b>\$7,381,000</b>
<small>All figures are NGF Consulting estimates based on similar projects completed in the region in the last 3 years that have been provided to allow for preliminary planning. These amounts may or may not reflect actual costs for PenMet Park District, and the District should engage appropriate research to cost out specific projects. cy= Cubic Yard; lf = linear feet; sf= Square Feet; Ac = Acre</small>			

## OPERATIONAL RECOMMENDATIONS

In addition to the larger oversight and physical recommendations, NGF Consulting offers the following ideas to help the District with some adjustments that can be made to help improve the long-term economic position of Madrona Links GC. The most significant of these relate to the adoption of improved maintenance practices and the expansion of modern technologies and marketing. It is understood that MLGC is operating in a competitive market with many golf courses trying to maximize rounds and revenue.

In this review, NGF will not address details in the day-to-day operation of Madrona Links GC. Rather, the NGF team has provided a broad overview of key issues in the operation comprising: (1) best practices in maintenance; (2) marketing and technology; (3) enhancing customer service; and (4) ideas for maintaining a strong and popular F&B venue. It is hoped that review of NGF recommendations on these topics can provide the District a basic framework for the continued operation of its golf facility.

### Adoption of Best Maintenance Practices

NGF presented suggested changes for improving day-to-day course conditions earlier in this report. In order to meet this standard of maintenance MLGC will need to add at least two more maintenance positions (FTS) in the peak summer season. It is also assumed that all maintenance staff (including the Head Superintendent) will work on all weekend days and holidays in the summer golf season. In review, the key changes to MLGC maintenance practices will include:

1. Communicate maintenance schedule to customers
2. Improve hole/pin location management
3. Better control cart traffic
4. Enhance maintenance of greens, tees, fairways, and bunkers
5. Clean restrooms daily and display this process to customers

## Enhance Marketing and Technology

Few things can positively affect rounds and revenue performance more than marketing. A marketing emphasis is critical to creating awareness and attracting the large volume of transient visitors who may be visiting the area across the bridge close to Madrona Links GC but may not be aware of the course. The NGF observed a modest program to market Madrona Links GC, primarily through the activities of its lessee. Efforts to enhance golf activity at Madrona Links GC should include both advertising and personal activities in direct selling.

Going forward, NGF recommends marketing Madrona Links by: (1) maintaining or building loyalty and “wallet share” from existing regular-play golfers; (2) improving the messaging and reach to attract greater participation from golfers visiting the South Sound area; and (3) developing a new outreach strategy to attract new players through group outings, leagues and more extensive tournament programming for off-peak periods when utilization is low. Strategies include enhanced marketing via the Internet (including some online specials) and direct selling.

## Better Employment of Technology

Technology is one of the most important tools available to a golf course management team, and its deployment is critical in golf operations in 2024 and beyond. Technology defines and guides the marketing strategy, helps to generate exposure and provides tools to manage a customer database, create loyalty and boost revenue. In our review, NGF found that Madrona Links GC is active in most of the NGF identified areas to improve technology, but more can be done by golf staff to enhance these initiatives, especially in email communications and social media.

Madrona Links GC currently uses the *EZLinks* POS system from the *Golfnow* suite of services. This system includes various support and marketing services that could be expanded at MLGC, including new services like accepting credit cards for online payment, the sale of gift cards and even implementing a loyalty program. The NGF can't emphasize enough how essential these modules and POS abilities are to running a successful public golf business.

E-mail databases are essential as a means of staying in touch with the golf customer base in today's golf market. E-mail marketing is now the most cost-effective advertising possible. Creating and augmenting the database should be a top priority for MLGC operators so that email marketing can be optimally implemented. A key goal for the future should be to capture the email address for ALL golfers, especially those who only use the facility once or twice each year. The website can be set up to collect email addresses for those seeking information while on the Madrona Links website using contests and other offers that require customers to provide a valid email.

## **Enhanced Customer Service**

Strong customer service can be a key differentiator in building customer loyalty. High level service at a golf course starts with the most senior employee all the way down to frontline staff and begins the moment the golfer sets foot on the property with a friendly welcome (especially for faces that staff may not have seen before). NGF generally recommends strategies such as staff training and establishment of customer service standards & measurable metrics – monitored through periodic customer surveys and occasional secret shoppers - to make sure that the standards are being consistently met or exceeded.

## **Food and Beverage Recommendations**

Most food and beverage operations at public golf courses that are economically successful are those that offer simple, quick, and inexpensive service that is convenient to the round of golf. At Madrona Links GC, NGF observed a food and beverage operation with a focus on higher quality and service to non-golf patrons. As such, there are opportunities to entice golfers to spend more on food & beverage at MLGC. Examples of industry best practices with respect to providing F&B service at golf courses include consistent hours of operation for the bar/grill area (coinciding with the times golfers are on the course), feature grab and go items (premade sandwiches, bottle drinks, snacks, etc.) so that golfers do not have to wait before or midway through their rounds, and improving the condition and comfort of the outside dining area.

## **F&B Concessions Considerations**

PenMet Parks may consider hiring a separate operator for the F&B service, even after a change to a new management or lease structure. Many successful public golf courses use this structure, even with a separate contracted operator for pro shop and maintenance. Any new agreement for an F&B concessionaire can be constructed to provide for labor, materials and equipment, and result in a fee to the District that could be higher than projected F&B net revenue (although this is not certain). The District will then continue to earn income from lease or concession payments, expected to be at or near 10%+/- of total gross F&B revenue (industry standard).



# Madrona Links GC – Projected Future Performance w/PenMet Parks Operation

NGF has assisted PenMet Parks in preparing an analysis to show what the potential economic performance of Madrona Links GC could be over the next few years considering the potential take-over of the facility by the District at the conclusion of the current lease. In this section, we provide estimates of performance based on a set of assumptions that may or may not become reality but represent a “fair estimate” of performance for this golf facility over a future five-year period based on our review of the market, site and projected MLGC operation. We have completed this estimate of future economic performance considering the direct and indirect impact of improvements, while also projecting this performance based on current (2024) inputs, even though the actual District take-over may not occur until 2028. This projection was provided to show what the basic economic structure would look like under District leadership given current market conditions.

## SUMMARY OF ASSUMPTIONS FOR MADRONA LINKS GC PROJECTIONS

NGF has prepared a projection based on expected performance in a “normal” environment and the implementation of changes that include direct District oversight and the hiring of a professional golf management company on a fee-for-service basis. In preparing our estimates, the NGF has made several assumptions for input variables and external market conditions. We recognize that this estimate is prepared in March 2024 for a golf facility that is currently operating on an “as-is” basis within the current 2024 and a lease that runs through April 2028. As such, all financial estimates are presented from a 2024 perspective. A summary of NGF assumptions is detailed below.

### Basic Assumptions

- The overall economic condition remains stable, without any sizable increase or decrease in the suburban Gig Harbor / Tacoma area economy, employment, or visitation. Additionally, there are no significant setbacks relative to health status or pandemics like Covid-19.
- The recent surge in golf interest documented by NGF in this report is sustained, but with more modest growth.
- MLGC will continue to operate with its full mix of amenities and revenue centers, with golf activity derived from daily fee customers, plus additional revenue from clubhouse and ancillary sources.
- MLGC will operate with service and conditions as described, placing the facility in the middle range of public golf courses in in the South Puget Sound area.
- MLGC will operate under direct supervision of PenMet Parks with golf operations, golf maintenance and F&B service all provided by an independent third-party golf management company under contract with the district. All staff and on-site responsibility is borne by the new contractor, reporting directly to PenMet Parks. For this projection, NGF has assumed full District oversight of all elements, including F&B.

## ESTIMATED PERFORMANCE – MADRONA LINKS GC (YEAR 1 - YEAR 5)

NGF has prepared a cash flow model for the Madrona Links GC operation for the next five years assuming the changes noted above. The primary assumption that drives NGF projections is that MLGC will adopt the changes recommended and provide outstanding facilities in the best physical condition possible, a high level of customer service to both golfers and non-golf clubhouse patrons, and a commitment to efficient operations with enhanced marketing. A summary of NGF revenue and expense assumptions are detailed below.

### Projected Revenue Assumptions – Madrona Links GC

A summary of key assumptions that drive the revenue estimates for MLGC through 2033 are detailed below. We note that the Year 1 projection is an early estimate of performance in 2024, which is already underway. Other assumptions that drive the projections are noted below:

- NGF has assumed a basic inflation factor of 3.0% for general expenses, 4.0% for all labor expenses and 2.0% for all revenue inputs. This assumption reflects the reality of expenses growing faster than revenue in the public golf industry.
- The five-year projection assumes the trends established in recent performance are continued, followed by growth in activity after some golf course improvements in Year 2 & 3, and the associated new emphasis on growing rounds activity, especially from tournaments. The projected activity by type for Year 1-5:

Status	As-Is		Improvements Ongoing		All Enhancements Complete	
	Year 1*	Year 2	Year 3	Year 4	Year 5	
<b>Madrona Links GC</b>						
Premium 18-Hole	12,000	12,000	12,000	12,500	12,500	
Discount / Twilight	16,000	16,000	16,000	17,000	17,000	
Double Discount / Super TL / 9-H	9,000	9,000	9,000	9,500	9,500	
Junior Golf	1,000	1,000	1,000	1,000	1,000	
Tournament Rounds	1,000	1,000	1,000	2,000	2,500	
<b>Total Paid Rounds</b>	<b>39,000</b>	<b>39,000</b>	<b>39,000</b>	<b>42,000</b>	<b>42,500</b>	

\*Year 1 estimate intended to represent actual 2024.

- NGF has prepared financial projections based on blended average green + cart fees for the various categories of rounds derived from green fee pricing presented earlier. The projection assumes the same basic pricing structure of 2024 in Years 1-3, followed by 10% increases in average fees beginning in Year 4. These average rates are then applied to estimated rounds for each year 1-5:

Status	As-Is		Improvements Ongoing		All Enhancements Complete	
	Year 1*	Year 2	Year 3	Year 4	Year 5	
<b>Blended Average Fees</b>						
Premium 18-Hole	\$40.00	\$40.80	\$41.62	\$45.00	\$45.90	
Discount / Twilight	\$28.00	\$28.56	\$29.13	\$30.00	\$30.60	
Double Discount / Super TL / 9-H	\$20.00	\$20.40	\$20.81	\$22.00	\$22.44	
Junior Golf	\$8.00	\$8.16	\$8.32	\$8.50	\$8.67	
Tournament Rounds	\$35.00	\$35.70	\$36.41	\$38.00	\$38.76	
Avg Cart rate	\$9.25	\$9.44	\$9.62	\$10.00	\$10.20	

- Average revenue for additional ancillary items such as food, beverage, merchandise, driving range and other miscellaneous items have also been projected on a per-round basis using estimates derived from actual performance in 2021-23, with supplemental estimates for F&B gross revenue based on industry standards (augmented to reflect the actual Hackers operation in 2024). Range revenue is adjusted in Year 4 to reflect some enhancements to this service. The projection for F&B revenue assumes the F&B service is included in the new management contract:

Status	As-Is	Improvements Ongoing			All Enhancements Complete	
		Year 1*	Year 2	Year 3	Year 4	Year 5
<b>Average per Round</b>						
Avg Range Rev	\$1.25	\$1.28	\$1.30	\$1.50	\$1.53	
Avg Pro Shop	\$4.50	\$4.59	\$4.68	\$4.78	\$4.87	
Avg Grill Revenue	\$10.00	\$10.20	\$10.40	\$10.61	\$10.82	
Avg other rentals	\$0.25	\$0.26	\$0.26	\$0.27	\$0.27	
Avg other	\$0.10	\$0.10	\$0.10	\$0.11	\$0.11	

### Projected Expense Assumptions – Madrona Links GC

Operating expense projections are based on expectations for the continued operation of Madrona Links GC under a new program of contract management for all facets of the facility. Other changes include additional staff in golf maintenance (either full or part-time), new staff for the F&B operation and a property management fee. The estimates also assume full District control of the asset, but with no additional District expense or staffing above what is needed on site at Madrona Links GC.

- Total personnel expenses have two new components for NGF projections: (1) new positions that will be needed to properly maintain the golf course and practice amenities; and (2) wages for new positions that will be needed to properly service the facility, including F&B. Total labor expenses (including benefits) are increased to \$765,000 in the Year 1 projection, an increase of about 55% over the \$495,000 total labor budget reported by Stutsman Enterprises in 2023. New positions that are expected to be added to the facility and total labor expense beginning in Year 1 of this projection:
  - A new F&B Manager (assumed to be full-time w/benefits)
  - Two new golf maintenance positions (assumed to be full-time seasonal – with 1,600 total hours per year @ \$18 - \$21/hr.)
  - At least two (2) new part-time cooks and servers (1,000 total hours per year @ \$15-\$18/hr.)
- Expenses for marketing, advertising, and promotions increased to \$25,000 in Year 1.
- Direct golf expenses such as operations, supplies, insurance, maintenance, and the cart lease are also increased by between 30% and 50% to reflect an expanded facility profile, enhanced spending on supplies and the responsibility to proper maintenance.
- Cost of credit card fees are estimated at the historic rate of 1.8% of total gross sales.
- Operating expenses do not include new capital projects. These capital items are listed as a separate expense item at a variable rate of 4% of revenue beginning in Year 4.
- In keeping with the conservative posture taken for this future projection, NGF has assumed an operations reserve contingency expense to account for any possible unforeseen expenses, and / or cover any key capital upgrades. This contingency has been estimated to be 2.5% of all expenses, excluding cost of goods sold.

### Estimated Future Performance – Madrona Links GC (Year 1 - Year 5)

Using the above-noted assumptions, a cash flow model for MLGC for the next five years is presented in the table below. Each category of revenue and expense has been listed separately, and all figures have been rounded to the nearest \$100 for simplicity.

<b>Projected Revenue Analysis – Madrona Links Golf Course W/ Facility Changes (Year 1 - Year 5)</b>					
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Property Status</b>	<b>As-Is</b>	<b>Improvements Ongoing</b>		<b>All Enhancements Complete</b>	
Total Green Fees	\$1,151,000	\$1,174,000	\$1,197,500	\$1,366,000	\$1,412,700
Cart Income	360,800	368,000	375,300	420,000	433,500
Pro Shop Sales	175,500	179,000	182,600	200,600	207,000
Driving Range	48,800	49,700	50,700	63,000	65,000
Hackers Revenue	390,000	397,800	405,800	445,700	460,000
Club Rentals / Pull Carts	9,800	9,900	10,100	11,100	11,500
Other	3,900	4,000	4,100	4,500	4,600
<b>Total Revenue</b>	<b>\$2,139,800</b>	<b>\$2,182,400</b>	<b>\$2,226,100</b>	<b>\$2,510,900</b>	<b>\$2,594,300</b>
<b>Avg. Revenue per Round</b>	<b>\$54.87</b>	<b>\$55.96</b>	<b>\$57.08</b>	<b>\$59.78</b>	<b>\$61.04</b>
Less Cost of Sales: (COS)					
Food & Beverage	\$175,500	\$179,000	\$182,600	\$200,600	\$207,000
Pro Shop Merchandise	\$131,600	\$134,300	\$137,000	\$150,500	\$155,300
<b>Total COS</b>	<b>\$307,100</b>	<b>\$313,300</b>	<b>\$319,600</b>	<b>\$351,100</b>	<b>\$362,300</b>
<b>Gross Margin</b>	<b>\$1,832,700</b>	<b>\$1,869,100</b>	<b>\$1,906,500</b>	<b>\$2,159,800</b>	<b>\$2,232,000</b>

**Projected Expense Analysis – Madrona Links Golf Course  
W/ Facility Changes (Year 1 - Year 5)**

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Property Status</b>	<b>As-Is</b>	<b>Improvements Ongoing</b>		<b>All Enhancements Complete</b>	
<b>Golf Shop Expenses</b>					
All Wages, Benefits & Taxes	\$200,000	\$208,000	\$216,300	\$225,000	\$234,000
Repairs, Maint. & Supplies	25,000	25,800	26,600	27,400	28,200
Utilities	25,000	25,800	26,600	27,400	28,200
Insurance	40,000	41,200	42,400	43,700	45,000
Cart Lease	72,000	74,200	76,400	78,700	81,100
Credit Card Fees	31,500	32,100	32,800	37,200	38,400
Marketing & Communications	25,000	25,800	26,600	27,400	28,200
Other	10,000	10,300	10,600	10,900	11,200
Management Fee	107,000	109,100	111,300	125,500	129,700
<b>Total Golf Shop Expenses</b>	<b>\$535,500</b>	<b>\$552,300</b>	<b>\$569,600</b>	<b>\$603,200</b>	<b>\$624,000</b>
<b>Hackers Expenses</b>					
Salaries & Wages	\$115,000	\$119,600	\$124,400	\$129,400	\$134,600
Supplies	20,000	20,600	21,200	21,800	22,500
Utilities	20,000	20,600	21,200	21,800	22,500
Repairs & Maint.	10,000	10,300	10,600	10,900	11,200
Credit Card Fees	7,000	7,200	7,300	8,000	8,300
Other	5,000	5,200	5,400	5,600	5,800
<b>Total Hackers Expenses</b>	<b>\$177,000</b>	<b>\$183,500</b>	<b>\$190,100</b>	<b>\$197,500</b>	<b>\$204,900</b>
<b>Golf Course Maintenance</b>					
Salaries & Wages	\$450,000	\$468,000	\$486,700	\$506,200	\$526,400
Equipment Lease	45,000	46,400	47,800	49,200	50,700
Repairs & Maint.	225,000	231,800	238,800	246,000	253,400
Supplies, Fertilizer & Chemicals	100,000	103,000	106,100	109,300	112,600
Utilities	90,000	92,700	95,500	98,400	101,400
Landscaping	25,000	25,800	26,600	27,400	28,200
Other	20,000	20,600	21,200	21,800	22,500
<b>Total GC Maintenance</b>	<b>\$955,000</b>	<b>\$988,300</b>	<b>\$1,022,700</b>	<b>\$1,058,300</b>	<b>\$1,095,200</b>
<b>Total Expenses</b>	<b>\$1,667,500</b>	<b>\$1,724,100</b>	<b>\$1,782,400</b>	<b>\$1,859,000</b>	<b>\$1,924,100</b>
<b>Operating Income</b>	<b>\$165,200</b>	<b>\$145,000</b>	<b>\$124,100</b>	<b>\$300,800</b>	<b>\$307,900</b>
<b>Other Expense</b>					
Capital Improvement (4% of Rev.)	\$0	\$0	\$0	\$125,500	\$129,700
Reserve / Contingency (2.5% of Exp.)	41,700	43,100	44,600	46,500	48,100
<b>Total Other Expenses</b>	<b>\$41,700</b>	<b>\$43,100</b>	<b>\$44,600</b>	<b>\$172,000</b>	<b>\$177,800</b>
<b>Net Income after Other Items (Loss)</b>	<b>\$123,500</b>	<b>\$101,900</b>	<b>\$79,500</b>	<b>\$128,800</b>	<b>\$130,100</b>

## SUMMARY AND RESULTS COMPARISON – MLGC (YEAR 1 - YEAR 5)

The results of the economic projections for Madrona Links GC show that the facility will improve its economic position with the changes that are under consideration, most notably reducing lease requirements and using the funds to enhance maintenance and service. With improved conditions, it is expected that MLGC will see increases in rounds, fees, and clubhouse sales, although additional expenses to provide these services is also expected. The new structure recommended by NGF will drastically change the economics of MLGC, possibly including the revenue and expense from F&B service (Hackers) in the total financial picture for the facility. But most importantly, the over \$200,000+ in lease expenses is reduced to around \$100,000+/- for a management fee, with the difference invested back into the property in improved maintenance and annual capital at 4% of total facility revenue (now 1.5% of green fees). The net result will be an increase in operating revenue that can cover all new staff and ongoing capital improvements. However, given the high cost of modernizing the facility and replacing aging infrastructure, the net performance of MLGC is **unlikely to be sufficient to cover the capitalization cost and/or any annual debt service / bond repayment if it is tied to the MLGC enhancement.**

The above projections from NGF represent a conservative view of the golf facility based on actual performance of the subject MLGC and comparable golf operations. We note that the total F&B revenue projection is based on generally conservative inputs and may be much less than what is actually earned at Hackers in 2023 (actual revenue data not provided). This review clearly shows that a much higher level of facility gross revenue is possible at MLGC with improvements, although the higher revenue projected by NGF also comes with a higher level of operating expense. The real benefit from the changes proposed for MLGC will come from the ability to use additional funds to improve the property, leading to improved green fee, cart fee and range revenue. The NGF has chosen to present this future projection in a conservative fashion so as to provide a base level of projection for decision-making purposes and for comparison to possible future performance and in consideration of operating changes that are expected upon the end of the current lease in 2028, and possibly sooner.

### Support for Projections and Potential Mitigating Factors

#### Support for Projections

- A large base of residents and visitors with demographics favorable for golf and a high interest in year-round outdoor activity.
- Potentially strong and diversified local economy, with traditionally low unemployment.
- Accessible site with improving local roadway infrastructure.
- Proposed property enhancements that will add attraction to MLGC and help increase sales.

#### Potential Threats / Mitigating Factors Relative to Projections

While there is evidence to support strong activity and revenue performance at MLGC, there are mitigating factors that could reduce revenue and/or increase expenses. These include:

- **Regional economic recession** – previous recessions have impacted the performance of public golf courses, especially with larger-than-expected increases in expenses.
- **Golf maintenance expenses** – The cost to maintain golf courses is dependent on items such as fuel, chemicals, other utilities, labor, and other maintenance expenses have shown high inflation in recent years, which could negatively impact the operation.

- A return to decline in golf participation – prior to 2020, trends showed declines in golf participation, especially among the younger generation. Limited time availability for golf due to long commute times in parts of greater Seattle with the non-local demand base that is required to sustain golf at this location.

## **LIMITING CONDITIONS**

The income estimates presented in this report have been prepared based on existing and projected market conditions, the quality of the subject facility and the intended segment of the golf market toward which it is oriented. Particular focus was paid to the actual performance of area public golf courses, and the potential impact of enacting various improvements to MLGC facilities, most notably a more comprehensive maintenance program and modernization of aging infrastructure. The NGF is confident that growth in activity and revenue can be achieved at Madrona Links GC after the proposed facility and operational improvements. From a practical standpoint, those managing the facility will need to respond to variable market conditions as well as unforeseen maintenance needs. NGF is confident that the facility will be able to continue to achieve results as presented in our analysis beyond the next five years of operation.

When projecting a realistic market share, it is important to realize that the total number of rounds to be played on a golf course in any given year may be lower than the market opportunity appears to suggest. NGF believes it is important to project the future performance of the District's golf facility in such a way as to help the District make financial decisions based on realistic expectations. It is obviously possible that either more or fewer golf rounds can be sold. We note that our projections for future performance of Madrona Links GC anticipate strong market demand through the next decade of operation.

# Summary Statement

PenMet Parks owns the 18-hole Madrona Links Golf Course, an aging facility presently operated via lease with a unique sub-lease assignment that is coming to a key transition point in its history – the end of its original 50-year lease term and the need to address deferred maintenance and aging infrastructure. In our review, NGF has found that Madrona Links GC has an interesting and playable golf course that is not in ideal condition in 2024, nor is the facility structured in a way that allows for efficient maintenance and improvement of the facility. The golf course condition observed in 2024 is mostly due to inherent site challenges and aging support infrastructure. As we move into 2024 and beyond, the District will need to begin planning for the expiration of the current lease and the creation of a new operating program that allows the golf course to benefit from a recent surge in golf activity. Going forward, PenMet Parks will have to make some decisions about what it is willing to do to secure MLGC as a functioning amenity for the community, including investment to correct deferred maintenance, improve aging systems and a possible change in the operating structure.

The current circumstance provides an opportunity for the District to “re-set” Madrona Links GC and find the new facility operating profile that will help preserve the physical integrity of MLGC and possibly even expand its appeal to a wider segment of golfers. The completion of several on-course improvements along with enhancement of maintenance staff and practices would open a new level of quality that is consistent with success in public golf and a strong fit for PenMet Parks. Adopting a plan to bring the MLGC operation closer to the District leadership will allow for maximum use of revenue earned on site to be reinvested into the property, rather than to pay for layers of lease obligations or operator profit. This is the most important adjustment that is needed to sustain the golf course and enhance marketability in this competitive golf environment.

In summary, Madrona Links GC is an outstanding amenity for the community and is ready for the “next stage” in its evolution with a new operating structure, correction of deferred maintenance and enhanced upkeep and operation to serve the needs of the modern golf consumer. The upgrades identified by NGF in this report will address the most significant challenges inherent with this property and allow the District to offer a new level of quality in its municipal golf facility. Madrona Links GC offers a challenging golf course that is well-located and popular with golfers of all skill levels. The District’s flagship golf property has lagged behind its most immediate competition and modernization of this facility will allow the District to compete more effectively in this local market area, ultimately leading to improved revenue that can be used to sustain course quality long term. In review of this public golf facility, the NGF has identified four important actions that the District can take right now to prepare for the future and improve Madrona Links GC performance:

1. Commit to completing (or requiring the tenant to complete) the needed deferred maintenance over the next four years, plus other requirements to support adequate maintenance for ongoing day-to-day operations.
2. Begin planning for the expiration of the current lease and the future business structure of MLGC operations and document the new details of maintenance and service profile requirements for potential future operators.
3. Increase focus on new player development and beginner programs, especially with juniors and young adults.
4. Make modest adjustments in pricing in 2024 and 2025 (already underway), while planning for more substantial increases in golf fees when property enhancements are completed, and a new operational structure is in place (not likely before 2028).



# Appendices

**A: Golf Course Life Cycle**

**B: Detailed Maintenance Schedule**

**C: Lease Payments 2019-2023**

**D: Local Demographic, Golf Demand and Golf Supply**

**E: 2024 Leaderboard / The Graffis Report**

**F: Data National Rounds Played Report**

## APPENDIX A – GOLF COURSE LIFE CYCLE

# GOLF COURSE ITEMS EXPECTED LIFE CYCLE

### HOW LONG SHOULD PARTS OF THE GOLF COURSE LAST?

No two golf courses are alike except for one thing: deferring replacement of key items can lead to greater expense in the future, as well as a drop in conditioning and player enjoyment. The following information represents a realistic timeline for each item's longevity.

Component life spans can vary depending upon location of the golf course, quality of materials, original installation and past maintenance practices. The American Society of Golf Course Architects (ASGCA) encourages golf course leaders to work with an ASGCA member, superintendents and others to assess their course's components.

ITEM	YEARS
Greens (1)	15 – 30 years
Bunker Sand	5 – 7 years
Irrigation System	10 – 30 years
<i>Irrigation Control System</i>	10 – 15 years
<i>Pump Station</i>	15 – 20 years
Cart Paths – asphalt (2)	5 – 10 years (or longer)
Cart Paths – concrete	15 – 30 years (or longer)
Practice Range Tees	5 – 10 years
Tees	15 – 20 years
Corrugated Metal Pipes	15 – 30 years
Bunker Drainage Pipes (3)	5 – 10 years
Mulch	1 – 3 years
Grass (4)	Varies

**NOTES:** (1) Several factors can weigh into the decision to replace greens: accumulation of layers on the surface of the original construction, the desire to convert to new grasses and response to changes in the game from an architectural standpoint (like the interaction between green speed and hole locations). (2) Assumes on-going maintenance beginning 1 - 2 years after installation. (3) Typically replaced because the sand is being changed – while the machinery is there to change sand, it's often a good time to replace the drainage pipes as well. (4) As new grasses enter the marketplace – for example, those that are more drought and disease tolerant – replanting may be appropriate, depending upon the site.

ASGCA thanks those at the USGA Green Section, Golf Course Builders Association of America, Golf Course Superintendents Association of America and various suppliers for their assistance in compiling this information.

The materials presented on this chart have been reviewed by the following Allied Associations of Golf:



For more information, contact ASGCA at (262) 786-5960 or visit [www.ASGCA.org](http://www.ASGCA.org)

DATA COMPILED BY ASGCA, 125 NORTH EXECUTIVE DRIVE, SUITE 302, BROOKFIELD, WI 53005

## APPENDIX B – DETAILED MAINTENANCE SCHEDULE

**Greens:** During the golf season, we mow greens 7 days a week. During the "off season", we mow greens as often as the weather allows, up to 7 days a week. During the golf season, we maintain a cutting height of .110 of an inch and in the "off season" we go to .125 of an inch. In the interest of keeping our greens as healthy as we can year-round, we spray fungicides every 21 days to keep them disease free. During the golf season we also spray growth regulator and fertilizer on a 14-day cycle. Greens are aerified twice a year. Once in the spring and again in the fall. We apply a greens grade granular fertilizer following each aerification to help speed up healing times. All other fertilizer applied to greens is done in a soluble form in our spray applications. We also verticut our greens several times during the spring.

**Tees:** During the golf season, tees are mowed on Mondays, Wednesdays, and Fridays. In the "off season" we mow them as often as weather allows. We maintain a cutting height of

.450 year-round. We fertilize tees every 90-100 days using a granular fertilizer. Tees are aerified in the spring and the par 3 tees are aerified again in the fall. We seed the tees during the aerification process.

**Collars and approaches:** During the golf season, we mow these areas on Mondays, Wednesdays, and Fridays. During the "off season" we mow them as often as weather allows. We maintain a cutting height of .450 of an inch year-round. Collars are fertilized with greens. Approaches are fertilized at the same time with fairways. We aerify problem areas on collars and approaches when we aerify greens.

**Fairways:** During the golf season, we mow fairways on Mondays, Wednesdays, and Fridays. During the "off season", we mow them as often as we can. We maintain a cutting height of

.500 of an inch all year. We fertilize fairways twice a year with a granular fertilizer. We apply the fertilizer in the spring, Usually the end of March or beginning of April, and again in the first week or two of July. Due to the rocky nature of our soil, we are not able to aerify our fairways. We do use a spiker on a roller in the spring. We have added a barrel that we fill with water to the back of the spiker to give us enough weight to penetrate the soil. We also spray wetting agent to several of the fairways to help them hold water during the growing season.

**Roughs:** We typically have someone mowing roughs 4 days a week. That is usually enough to get them mowed twice in a week. Roughs are mowed at two and a half inches year-round. With the single row irrigation system that we have, a lot of the roughs will go dormant through the summer months. Roughs are fertilized at the same time and rate as fairways.

**Bunkers:** Bunkers are raked 4/5 times per week. We try to edge them once a month.

**Green Surrounds:** These get mowed at least once per week. During peak growing season in the mid spring, we will mow them twice when needed. They are cut at the same height as roughs.

**Irrigation:** Irrigation is done as needed. With an old single row system, we have to stay ahead of weather because it's hard to play catch up if you get behind. With the recent addition of new irrigation controls, it has become a lot more reliable and consistent.

**Projects:** We like to start projects on Tuesdays. If you look at our mow schedule, Mondays, Wednesdays, and Fridays are major mow days where all the man power is usually on mowers. If we are unable to complete the project on Tuesday, we still have Thursday to get caught up and finish.

### APPENDIX C – LEASE PAYMENTS 2019-2023

The lease payments to PenMet Parks as reported by the district totaled \$355,127 from 2019 through 2023 and are shown in the table below. This does not appear to align with figures provided to NGF by the on-site operator (Stutsman Enterprises).

Year	Base Rent	Leasehold Excise	Total
2019	\$84,170.15	\$10,807.47	\$94,977.62
2020	\$75,119.44	\$9,545.34	\$84,764.78
2021	\$74,709.30	\$9,592.67	\$84,301.97
2022	\$64,246.10	\$8,249.20	\$72,495.30
2023	\$56,882.19	\$7,303.67	\$64,185.86
<b>Total</b>	<b>\$355,127.18</b>	<b>\$45,598.35</b>	<b>\$400,725.53</b>

Source: PenMet Park District (2024).

## APPENDIX D – LOCAL DEMOGRAPHIC, DEMAND AND SUPPLY DATA

Madrona Links Golf Course	5-Mile	10-Mile	15-Mile	Peirce County	WA	U.S.
<b>Summary Demographics</b>						
Population 2000 Census	212,362	527,124	723,476	700,439	5,894,117	281,398,967
Population 2010 Census	183,707	504,262	722,151	795,231	434,574	308,745,560
<b>CAGR 2000-2010</b>	<b>-1.44%</b>	<b>-0.44%</b>	<b>-0.02%</b>	<b>1.28%</b>	<b>-22.95%</b>	<b>0.93%</b>
Population 2022	179,202	503,327	742,186	932,363	7,827,681	333,609,568
<b>CAGR 2010-2022</b>	<b>-0.21%</b>	<b>-0.02%</b>	<b>0.23%</b>	<b>1.33%</b>	<b>27.24%</b>	<b>0.65%</b>
Population 2027 Projected	181,844	506,348	751,699	948,111	8,262,255	342,845,536
<b>CAGR 2022-2027</b>	<b>0.29%</b>	<b>0.12%</b>	<b>0.26%</b>	<b>0.34%</b>	<b>1.09%</b>	<b>0.55%</b>
Median HH Income (2022)	\$54,708	\$68,031	\$76,267	\$94,902	\$97,429	\$70,666
Median Age (2022)	38.2	39.4	39.7	36.3	37.9	37.9
<b>Ethnicity</b>						
White	54.0%	68.3%	74.0%	65.0%	67.6%	62.5%
African American	34.7%	22.0%	16.8%	8.2%	4.8%	13.7%
Asian	4.9%	3.9%	3.6%	7.8%	10.9%	6.9%
All Other	6.4%	5.9%	5.6%	17.4%	16.1%	16.8%
<b>Hispanic Population</b>						
Hispanic	4.9%	4.0%	3.6%	12.4%	14.1%	18.4%
Not Hispanic	95.1%	96.0%	96.4%	87.6%	85.9%	81.6%
<b>CAGR = Compound Annual Growth Rate</b>						
Madrona Links Golf Course	5-Mile	10-Mile	15-Mile	Peirce County	WA	U.S.
<b>Golf Demand Indicators</b>						
Total Households	77,131	217,268	313,030	349,710	3,086,284	127,994,353
Number of Golfing Households	9,555	27,831	48,583	55,733	490,216	18,505,952
Seasonal Golfing Households	116	339	656	590	10,336	471,648
Current Demand/Interested Non-Golfers	7,648	29,107	55,842	62,290	510,885	20,751,417
Golfer Participation Rate	11.30%	9.30%	8.60%	9.10%	9.10%	8.10%
Number of Golfers	12,468	37,519	68,143	79,617	672,545	25,551,350
Number of Projected Golfers	12,821	39,415	72,112	84,242	709,107	26,252,196
Projected Annual Growth Rate	0.60%	1.00%	1.20%	1.20%	1.10%	0.50%
Rounds Potential (resident golfers)	199,680	572,232	1,026,946	1,184,258	10,197,460	387,542,767
Estimated Course Rounds (in-market supply)	126,022	511,748	830,594	848,135	6,913,454	387,542,486
<b>Demand Indices</b>						
Golfer Participation Rate	142	116	107	111	112	100
Seasonal Golfing Households	66	55	56	46	91	100
Latent Demand/Interested Non-Golfers	107	111	108	107	105	100
Rounds Potential per capita (resident golfers)	150	117	106	109	112	100
Est. Course Rounds per capita (in-market supply)	95	104	86	78	76	100

<b>Madrona Links Golf Course</b>	<b>5-Mile</b>	<b>10-Mile</b>	<b>15-Mile</b>	<b>Peirce County</b>	<b>WA</b>	<b>U.S.</b>
<b>Golf Supply</b>						
<b><i>Golf Facilities</i></b>						
Total	4	13	22	21	235	13,946
Public	2	8	14	15	186	10,268
Public: Daily Fee	2	6	11	12	134	7,707
Public: Municipal	0	2	3	3	52	2,561
Private	2	5	8	6	49	3,678
<b><i>Public Golf Facilities by Price Point</i></b>						
Premium (>\$70)	0	2	4	3	38	1958
Standard (\$40-\$70)	1	4	7	9	82	4212
Value (<\$40)	1	2	3	3	66	4098
<b><i>Golf Holes</i></b>						
Total	54	216	369	360	3824	237084
Public	27	144	252	270	3032	169339
Public: Daily Fee	27	99	189	207	2162	126835
Public: Municipal	0	45	63	63	870	42504
Private	27	72	117	90	792	67745
Non-Regulation (Executive & Par-3)	9	18	36	36	413	18753
<b><i>Net Change*</i></b>						
Net Change in Holes past 5 years	72	243	450	360	2996	-10731
Percentage Total Holes Past 5 Yrs	133.3%	112.5%	122.0%	100.0%	78.4%	-4.5%
Net Change in Holes past 10 Years	0	-9	-27	-45	-307	-25077
Percentage Total Holes Past 10 Yrs	0.0%	-4.2%	-7.3%	-12.5%	-8.0%	-10.6%

\*Numbers may include courses under construction and temporarily closed at the end of the year.

<b>Madrona Links Golf Course</b>	<b>5-Mile</b>	<b>10-Mile</b>	<b>15-Mile</b>	<b>Peirce County</b>	<b>WA</b>	<b>U.S.</b>
<b>Supply-Demand Ratios</b>						
<i><b>Population per 18 Holes</b></i>						
Total	38,252	35,236	40,641	46,618	36,846	25,328
Public	76,504	52,853	59,510	62,158	46,470	35,461
Public: Daily Fee	76,504	76,878	79,347	81,075	65,170	47,345
Public: Municipal	0	169,131	238,040	266,389	161,952	141,280
Private	76,504	105,707	128,175	186,473	177,902	88,641
Premium (>\$70)	0	211,414	208,285	310,788	180,871	144,978
Standard (\$40-\$70)	114,756	93,962	104,143	88,796	90,146	76,346
Value (<\$40)	229,512	281,885	416,570	621,575	204,200	121,894
<i><b>Golfers per 18 Holes</b></i>						
Total	4,156	3,127	3,324	3,981	3,166	1,940
Public	8,312	4,690	4,867	5,308	3,993	2,716
Public: Daily Fee	8,312	6,822	6,490	6,923	5,599	3,626
Public: Municipal	0	15,008	19,470	22,748	13,915	10,821
Private	8,312	9,380	10,484	15,923	15,285	6,789
Premium (>\$70)	0	18,760	17,036	26,539	15,540	11,104
Standard (\$40-\$70)	12,468	8,338	8,518	7,583	7,745	5,847
Value (<\$40)	24,936	25,013	34,072	53,078	17,545	9,336
<i><b>Population Indices (National 100)</b></i>						
Total	151	139	160	184	145	100
Public	216	149	168	175	131	100
Private	86	119	145	210	201	100
Premium (>\$70)	0	146	144	214	125	100
Standard (\$40-\$70)	150	123	136	116	118	100
Value (<\$40)	188	231	342	510	168	100
<i><b>Golfers Indices (National = 100)</b></i>						
Total	214	161	171	205	163	100
Public	306	173	179	195	147	100
Private	122	138	154	235	225	100
Premium (>\$70)	0	169	153	239	140	100
Standard (\$40-\$70)	213	143	146	130	132	100
Value (<\$40)	267	268	365	569	188	100
<i><b>Rounds per 18 Holes</b></i>						
Rounds Potential (resident golfers)	66,560	47,686	50,095	59,213	48,001	29,423
Estimated Course Rounds (in-market supply)	42,007	42,646	40,517	42,407	32,542	29,423



# APPENDIX E – 2024 LEADERBOARD / THE GRAFFIS REPORT

## 2024 Leaderboard



### The Graffis Report

Golf Industry 2023 – Key U.S. Statistics

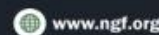
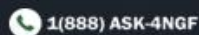
# New high mark

		vs. '22	vs. '19	
<b>Total Reach</b>	<b>123M<sup>#</sup></b>	▲3%	▲13%	The total number of Americans (age 6+) who played, watched, read about and/or followed golf is up 30% since 2016 (95M)
<b>Total Participation</b>	<b>45.0M<sup>#</sup></b>	▲9%	▲32%	The total number of golf participants (on- and off-course included), has increased 53% in less than 10 years, up from about 30M total in 2014
<b>Total Off-Course</b>	<b>32.9M<sup>#</sup></b>	▲18%	▲41%	Off-course participation has eclipsed on-course in each of the past two years, and more than doubled since 2014 (14.3M)
<b>Total On-Course</b>	<b>26.6M</b>	▲4%	▲14%	2023 marked the sixth straight year that on-course participation has increased, with a net Y.O.Y. gain of 1M being the largest single-year jump since 2001
<b>Beginners</b>	<b>3.4M<sup>#</sup></b>	▲3%	▲3%	The number of first-time on-course players reached another high – the fourth straight year of at least 3M newcomers (after averaging 2.6M from 2016 to 2019)
<b>Youth (ages 6-17 )</b>	<b>3.5M</b>	▲4%	▲40%	There were more on-course youth golfers in 2023 than any year since 2006; this segment has experienced the largest gains of any age group since 2019 (+40%)
<b>Young Adult (ages 18-34)</b>	<b>6.3M</b>	▲2%	▲4%	The number of young adults playing “green grass” golf has increased for the third consecutive year, and is at its highest point since 2015
<b>Middle-Aged (ages 35-64)</b>	<b>11.4M</b>	▲1%	▲2%	From an age perspective, golf’s on-course growth has come primarily at the “bookends,” although the “middle-aged” cohort has incremented as well
<b>Senior (ages 65+)</b>	<b>5.4M</b>	▲15%	▲17%	The oldest age cohort saw its first meaningful on-course participation increase in the post-Covid era – a net gain of almost 700K golfers
<b>Female</b>	<b>7.0M</b>	▲9%	▲25%	Four straight years of gains have yielded a 1.4M participation increase since 2019; females comprise 26% of all on-course golfers – another record high
<b>People of Color</b>	<b>6.1M</b>	▲8%	▲27%	People of color (+1.4M since 2019) now represent 23% of all “green grass” golfers – a new high mark in racial and ethnic representativeness
<b>Latent Demand</b>	<b>22.4M<sup>#</sup></b>	▲8%	▲45%	The number of Americans who didn’t play on-course golf in the past year but are “very interested” increased by almost 1.5M and reached another new high mark
<b>Rounds Played</b>	<b>531M<sup>*</sup></b>	▲4%	▲20%	2023 established a new high for annual rounds, surpassing the previous record set in 2021. It was the fourth straight year of 500M+ rounds played in the U.S.
<b>Golf Course Supply (18HEQ)<sup>†</sup></b>	<b>15,961</b>	◀	▼3%	Closures have outnumbered new openings for a 17th straight year, but the correction continues to slow, with less than a 1% Y.O.Y. decline in supply
<b>Openings (18HEQ)<sup>†</sup></b>	<b>23.1</b>	▲118%	▲157%	There had been fewer than 20 new courses (in 18-hole equivalents) each year for the past dozen years, after averaging 177 per year in the dozen years before that
<b>Closings (18HEQ)<sup>†</sup></b>	<b>89.8</b>	▼15%	▼67%	The fewest closings in more than a decade, down from a high of 279.5 in 2019; the majority continue to be value-oriented, public facilities in competitive markets
<b>Public Cost to Play</b>	<b>\$43<sup>‡</sup></b>	▲5%	▲18%	The average published playing fee at 18-hole public courses has increased 18% since 2019, when the average cost was \$36.50 (accounting for discounts)
<b>Ball Unit Sales</b>	<b>+5%</b>	▲5%	▲37%	Wholesale shipments of golf balls (dozens) outpaced 2022 and remain 37% ahead of 2019; dollars were up 10% (not inflation adjusted)
<b>Club Unit Sales</b>	<b>-2%</b>	▼2%	▲16%	Wholesale shipments of golf clubs (units) fell just shy of 2022, yet remain ahead of 2019 by double-digits (16%); dollars were up 1% (not inflation adjusted)

\* Source: Golf DataTech (National Golf Foundation data support and analysis)

† For course supply, openings and closings, NGF tallies the number of total holes and divides by 18; totals not divisible by 0.5 suggest one or more opening(s) and/or closing(s) in an increment other than 9 or 18 holes

‡ “Average estimated playing fee” is calculated by accounting for differences between peak rates and “realized rates” (total fee revenues divided by total rounds played) created by discounting (time of day, senior rate, etc.)



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# APPENDIX F – NATIONAL ROUNDS PLAYED REPORT



## National Golf Rounds Played Report

### DECEMBER 2020

	DEC	YTD
<b>PACIFIC</b>	<b>53.9%</b>	<b>4.8%</b>
CA	<b>58.3%</b>	<b>5.6%</b>
Los Angeles	45.6%	*
Orange County	32.3%	*
Palm Springs	19.2%	*
Sacramento	106.8%	*
San Diego	60.0%	*
San Francisco/Oakland	130.9%	*
HI	<b>-8.4%</b>	<b>-32.7%</b>
OR	<b>79.8%</b>	<b>22.2%</b>
Portland	87.1%	*
WA	<b>67.0%</b>	<b>3.6%</b>
Seattle	87.6%	*
<b>MOUNTAIN</b>	<b>30.2%</b>	<b>14.3%</b>
AZ	<b>25.9%</b>	<b>12.2%</b>
Phoenix	29.9%	*
CO	<b>43.3%</b>	<b>19.9%</b>
Denver	5.9%	*
ID, WY, MT, UT	<b>52.9%</b>	<b>20.4%</b>
NM	<b>25.5%</b>	<b>2.0%</b>
NV	<b>36.8%</b>	<b>-3.6%</b>
Las Vegas	36.9%	*
<b>WEST NORTH CENTRAL</b>	<b>84.6%</b>	<b>23.1%</b>
KS, NE	<b>87.9%</b>	<b>20.0%</b>
ND, SD	<b>NA</b>	<b>24.4%</b>
MN	<b>NA</b>	<b>23.6%</b>
Minneapolis/St. Paul	NA	*
IA, MO	<b>72.5%</b>	<b>24.6%</b>
St Louis	70.3%	*
Kansas City	147.5%	*

	DEC	YTD
<b>UNITED STATES</b>	<b>37.3%</b>	<b>13.9%</b>
<b>PUBLIC ACCESS</b>	<b>34.7%</b>	<b>12.4%</b>
<b>PRIVATE</b>	<b>45.2%</b>	<b>19.9%</b>

	DEC	YTD
<b>EAST NORTH CENTRAL</b>	<b>16.8%</b>	<b>14.5%</b>
IL	<b>28.6%</b>	<b>15.4%</b>
Chicago	16.9%	*
IN	<b>47.1%</b>	<b>23.5%</b>
MI	<b>-9.1%</b>	<b>7.1%</b>
Detroit	-5.5%	*
OH	<b>3.0%</b>	<b>14.0%</b>
Cincinnati	29.2%	*
Cleveland	-26.6%	*
WI	<b>NA</b>	<b>19.9%</b>
<b>SOUTH CENTRAL</b>	<b>33.5%</b>	<b>20.3%</b>
AL	<b>37.6%</b>	<b>5.0%</b>
AR, LA, MS	<b>36.8%</b>	<b>19.4%</b>
OK	<b>33.3%</b>	<b>24.3%</b>
KY, TN	<b>38.2%</b>	<b>22.5%</b>
TX	<b>30.7%</b>	<b>21.4%</b>
Dallas/Ft. Worth	37.9%	*
Houston	20.0%	*
San Antonio	37.7%	*

	DEC	YTD
<b>SOUTH ATLANTIC</b>	<b>26.9%</b>	<b>8.4%</b>
DE, DC, MD	<b>56.1%</b>	<b>7.7%</b>
Washington/Baltimore	75.2%	*
FL	<b>19.0%</b>	<b>6.9%</b>
Jacksonville	27.1%	*
Orlando	23.7%	*
Tampa	20.3%	*
Palm Beach	12.5%	*
Naples/Ft Myers	19.8%	*
Miami/Ft. Lauderdale	10.5%	*
GA	<b>47.7%</b>	<b>14.6%</b>
Atlanta	51.8%	*
NC	<b>29.5%</b>	<b>5.8%</b>
Greensboro/Raleigh	50.9%	*
SC	<b>31.6%</b>	<b>-0.2%</b>
Charleston	55.7%	*
Hilton Head	63.4%	*
Myrtle Beach	15.6%	*
VA, WV	<b>56.9%</b>	<b>21.3%</b>
<b>MID ATLANTIC</b>	<b>66.6%</b>	<b>18.0%</b>
NJ	<b>80.8%</b>	<b>15.8%</b>
NY	<b>72.7%</b>	<b>20.6%</b>
New York City	77.5%	*
PA	<b>52.1%</b>	<b>16.3%</b>
Philadelphia	52.3%	*
Pittsburgh	11.9%	*
<b>NEW ENGLAND</b>	<b>101.1%</b>	<b>17.1%</b>
CT, MA, RI	<b>100.3%</b>	<b>18.0%</b>
Boston	80.8%	*
ME, NH, VT	<b>NA</b>	<b>15.0%</b>

\* Not reporting YTD 2020

The percentages represent the differences in number of rounds played comparing December 2020 to December 2019  
 For more information contact Golf Datatech, [golfroundsplayed@golfdatatech.com](mailto:golfroundsplayed@golfdatatech.com) or call 407-944-4116

## December 2021

	DEC.	YTD
<b>PACIFIC</b>	<b>-21.1%</b>	<b>13.9%</b>
CA	-17.7%	13.6%
Los Angeles	*	*
Orange County	*	*
Palm Springs	*	*
Sacramento	*	*
San Diego	*	*
San Francisco/Oakland	*	*
HI	-10.3%	25.9%
OR	-41.2%	6.3%
Portland	*	*
WA	-42.8%	16.6%
Seattle	*	*
<b>MOUNTAIN</b>	<b>-2.9%</b>	<b>2.5%</b>
AZ	-3.9%	3.2%
Phoenix	*	*
CO	139.4%	-2.1%
Denver	*	*
ID, WY, MT, UT	-59.1%	1.9%
NM	23.2%	4.3%
NV	-16.9%	14.0%
Las Vegas	*	*
<b>WEST NORTH CENTRAL</b>	<b>22.2%</b>	<b>3.5%</b>
KS, NE	14.2%	-1.2%
ND, SD	-34.9%	4.4%
MN	-84.6%	0.3%
Minneapolis/St. Paul	*	*
IA, MO	35.7%	9.1%
St. Louis	*	*
Kansas City	*	*

	DEC.	YTD
<b>UNITED STATES</b>	<b>1.9%</b>	<b>5.5%</b>
Public Access	1.9%	6.7%
Private	2.0%	1.1%

<b>EAST NORTH CENTRAL</b>	<b>9.6%</b>	<b>5.7%</b>
IL	-7.3%	5.1%
Chicago	*	*
IN	5.5%	-8.6%
MI	-2.6%	9.9%
Detroit	*	*
OH	32.0%	6.0%
Cincinnati	*	*
Cleveland	*	*
WI	48.8%	12.6%
<b>SOUTH CENTRAL</b>	<b>4.3%</b>	<b>1.3%</b>
AL	9.2%	8.9%
AR, LA, MS	14.8%	-3.6%
OK	22.9%	-16.6%
KY, TN	0.2%	3.4%
TX	9.7%	4.2%
Dallas/Ft. Worth	*	*
Houston	*	*
San Antonio	*	*

	DEC.	YTD
<b>SOUTH ATLANTIC</b>	<b>13.0%</b>	<b>5.8%</b>
DE, DC, MD	34.6%	1.3%
Washington/Baltimore	*	*
FL	8.2%	6.0%
Jacksonville	*	*
Orlando	*	*
Tampa	*	*
Palm Beach	*	*
Naples/Ft. Myers	*	*
Miami/Ft. Lauderdale	*	*
GA	-4.4%	-0.4%
Atlanta	*	*
NC	14.0%	12.9%
Greensboro/Raleigh	*	*
SC	32.9%	13.6%
Charleston	*	*
Hilton Head	*	*
Myrtle Beach	*	*
VA, WV	31.4%	-1.7%
<b>MID ATLANTIC</b>	<b>30.9%</b>	<b>6.7%</b>
NJ	41.0%	8.2%
NY	-5.1%	3.5%
New York City	*	*
PA	61.1%	9.3%
Philadelphia	*	*
Pittsburgh	*	*
<b>NEW ENGLAND</b>	<b>-0.9%</b>	<b>2.3%</b>
CT, MA, RI	3.5%	-2.6%
Boston	*	*
ME, NH, VT	*	15.6%

The percentages represent the differences in number of rounds played comparing December 2021 to December 2020.

For more information contact Golf Datatech [golfroundsplayed@golf-datatech.com](mailto:golfroundsplayed@golf-datatech.com)

*March 2020 began lockdowns, quarantines, and travel restrictions throughout much of the United States. The result of these quarantines affected the amount of golf played throughout the country. The data comparing 2021 rounds to 2020 should be considered with caution. Many shops/courses were closed in March-May of 2020, the level of granular data we normally provide is not available.*

## December 2022

	DEC	YTD
<b>PACIFIC</b>	<b>-5.9%</b>	<b>-5.8%</b>
CA	4.1%	4.2%
Los Angeles	9.5%	-5.0%
Orange County	8.0%	4.6%
Palm Springs	3.0%	7.9%
Sacramento	-29.0%	-9.9%
San Diego	5.7%	-3.9%
San Francisco/Oakland	-8.7%	-7.9%
HI	-5.8%	-8.6%
OR	3.7%	4.0%
Portland	9.5%	-9.8%
WA	33.3%	-12.2%
Seattle	-31.0%	-10.9%
<b>MOUNTAIN</b>	<b>-12.7%</b>	<b>-1.6%</b>
AZ	-3.3%	1.2%
Phoenix	-2.7%	4.3%
CO	47.5%	4.1%
Denver	-49.1%	-4.3%
ID, WY, MT, UT	68.3%	-2.2%
NM	21.1%	-9.2%
NV	5.9%	0.3%
Las Vegas	2.8%	-0.6%
<b>WEST NORTH CENTRAL</b>	<b>-71.3%</b>	<b>-5.8%</b>
KS, NE	68.2%	-7.9%
ND, SD	68.4%	2.9%
MN	98.8%	-5.6%
Minneapolis/St. Paul	*	-5.6%
IA, MO	-73.0%	-7.2%
St Louis	-74.8%	-1.7%
Kansas City	-69.1%	-16.8%

	DEC	YTD
<b>UNITED STATES</b>	<b>-26.1%</b>	<b>-3.7%</b>
Public Access	-24.4%	-3.3%
Private	-30.8%	-5.1%

	DEC	YTD
<b>EAST NORTH CENTRAL</b>	<b>-60.5%</b>	<b>-2.0%</b>
IL	-63.3%	4.8%
Chicago	-56.4%	-5.2%
IN	-69.0%	-2.9%
MI	-68.7%	7.2%
Detroit	-36.9%	0.4%
OH	-53.3%	-8.8%
Cincinnati	-70.3%	-7.8%
Cleveland	-46.3%	-1.5%
WI	-41.9%	0.9%

	DEC	YTD
<b>SOUTH CENTRAL</b>	<b>32.0%</b>	<b>-3.5%</b>
AL	-22.1%	9.5%
AR, LA, MS	-39.2%	-3.6%
OK	44.3%	4.2%
KY, TN	44.5%	-2.0%
TX	-26.0%	-6.2%
Dallas/Ft. Worth	-34.3%	-4.2%
Houston	-25.5%	-12.3%
San Antonio	-18.7%	-2.6%

	DEC	YTD
<b>SOUTH ATLANTIC</b>	<b>-25.7%</b>	<b>-4.1%</b>
DE, DC, MD	-47.4%	-7.4%
Washington/Baltimore	-60.7%	-8.8%
FL	-11.7%	-2.6%
Jacksonville	-11.0%	-0.9%
Orlando	-15.7%	-11.2%
Tampa	-21.0%	-5.3%
Palm Beach	-1.9%	-6.1%
Naples/Ft Myers	-13.7%	-2.9%
Miami/Ft.Lauderdale	-13.8%	-4.3%
GA	-25.5%	0.9%
Atlanta	-28.9%	1.5%
NC	-30.6%	-5.5%
Greensboro/Raleigh	-37.7%	-4.0%
SC	-21.8%	-2.3%
Charleston	-12.2%	-1.4%
Hilton Head	-27.2%	-9.3%
Myrtle Beach	-18.1%	7.0%
VA, WV	-67.6%	-11.5%
<b>MID ATLANTIC</b>	<b>-44.7%</b>	<b>-3.5%</b>
NJ	-45.9%	-6.9%
NY	-31.1%	2.5%
New York City	-47.0%	-7.3%
PA	-52.3%	-7.9%
Philadelphia	-44.9%	-5.1%
Pittsburgh	-67.2%	-14.0%
<b>NEW ENGLAND</b>	<b>-27.2%</b>	<b>-1.9%</b>
CT, MA, RI	-27.2%	-0.6%
Boston	-33.4%	-4.8%
ME, NH, VT	*	-4.8%

The percentages represent the differences in number of rounds played comparing December 2022 to December 2021. For more information contact Golf Datatech [golfroundsplayed@golf-datatech.com](mailto:golfroundsplayed@golf-datatech.com)

## December 2023

	DEC	YTD
<b>PACIFIC</b>	<b>18.2%</b>	<b>0.2%</b>
CA	15.0%	-1.7%
Los Angeles	11.7%	-0.2%
Orange County	8.9%	0.1%
Palm Springs	NA	-2.0%
Sacramento	53.2%	-3.3%
San Diego	4.6%	0.8%
San Francisco/Oakland	27.5%	-4.0%
HI	1.3%	-3.6%
OR	39.1%	4.8%
Portland	51.3%	1.3%
WA	47.0%	6.1%
Seattle	20.0%	5.3%
<b>MOUNTAIN</b>	<b>20.6%</b>	<b>2.0%</b>
AZ	10.5%	-1.8%
Phoenix	9.0%	-2.3%
CO	42.7%	3.5%
Denver	48.4%	2.2%
ID, WY, MT, UT	649.1%	2.8%
NM	9.1%	18.4%
NV	25.2%	2.4%
Las Vegas	22.3%	3.6%
<b>WEST NORTH CENTRAL</b>	<b>91.9%</b>	<b>6.3%</b>
KS, NE	85.7%	9.0%
ND, SD	NA	-6.1%
MN	0.0%	4.7%
Minneapolis/St. Paul	NA	1.9%
IA, MO	96.0%	9.6%
St Louis	135.3%	11.5%
Kansas City	83.3%	12.2%

	DEC	YTD
<b>UNITED STATES</b>	<b>23.9%</b>	<b>4.2%</b>
Public Access	23.2%	4.5%
Private	26.0%	2.8%

	DEC	YTD
<b>EAST NORTH CENTRAL</b>	<b>153.4%</b>	<b>6.8%</b>
IL	141.0%	8.7%
Chicago	127.2%	8.7%
IN	184.4%	8.3%
MI	152.6%	0.5%
Detroit	116.8%	1.4%
OH	132.1%	10.9%
Cincinnati	164.5%	10.2%
Cleveland	137.3%	8.0%
WI	1332.3%	7.1%
<b>SOUTH CENTRAL</b>	<b>30.2%</b>	<b>5.4%</b>
AL	22.3%	8.0%
AR, LA, MS	54.3%	13.3%
OK	23.5%	-2.3%
KY, TN	55.3%	6.1%
TX	21.3%	2.9%
Dallas/Ft. Worth	19.5%	0.1%
Houston	28.7%	1.8%
San Antonio	18.1%	-3.0%

NA=Not reporting at this time.

	DEC	YTD
<b>SOUTH ATLANTIC</b>	<b>11.9%</b>	<b>4.0%</b>
DE, DC, MD	44.1%	11.7%
Washington/Baltimore	75.7%	12.1%
FL	1.5%	0.6%
Jacksonville	3.6%	3.5%
Orlando	0.7%	-1.7%
Tampa	20.7%	3.6%
Palm Beach	-6.5%	-2.7%
Naples/Ft Myers	-2.8%	5.2%
Miami/Ft.Lauderdale	-0.5%	4.3%
GA	28.4%	4.5%
Atlanta	37.2%	3.9%
NC	14.2%	4.2%
Greensboro/Raleigh	29.4%	4.8%
SC	7.8%	4.0%
Charleston	4.0%	9.8%
Hilton Head	11.2%	6.2%
Myrtle Beach	0.1%	3.5%
VA, WV	71.8%	10.5%
<b>MID ATLANTIC</b>	<b>67.9%</b>	<b>8.4%</b>
NJ	58.3%	4.3%
NY	77.0%	10.3%
New York City	78.3%	11.2%
PA	67.9%	8.4%
Philadelphia	48.2%	8.8%
Pittsburgh	127.0%	6.2%
<b>NEW ENGLAND</b>	<b>60.8%</b>	<b>-4.9%</b>
CT, MA, RI	60.8%	-0.5%
Boston	52.5%	-1.8%
ME, NH, VT	NA	-17.8%

The percentages represent the differences in number of rounds played comparing December 2023 to December 2022.

For more information contact Golf Datatech [golfroundsplayed@golf-datatech.com](mailto:golfroundsplayed@golf-datatech.com)

## February 2024

	FEB	YTD
<b>PACIFIC</b>	-1.4%	3.1%
CA	-7.8%	6.0%
Los Angeles	-6.8%	10.0%
Orange County	-2.1%	13.0%
Palm Springs	-4.5%	-3.2%
Sacramento	-11.8%	7.1%
San Diego	-3.8%	10.0%
San Francisco/Oakland	-26.2%	-6.6%
HI	11.7%	2.8%
OR	19.7%	-6.9%
Portland	29.5%	-15.2%
WA	32.9%	-11.7%
Seattle	32.3%	-11.1%
<b>MOUNTAIN</b>	10.2%	5.8%
AZ	4.8%	3.4%
Phoenix	4.3%	3.6%
CO	61.4%	16.6%
Denver	45.8%	11.4%
ID, WY, MT, UT	85.4%	42.0%
NM	23.6%	13.4%
NV	1.8%	3.6%
Las Vegas	2.3%	5.0%
<b>WEST NORTH CENTRAL</b>	43.2%	-1.3%
KS, NE	62.0%	12.3%
ND, SD	NA	NA
MN	NA	NA
Minneapolis/St. Paul	35.1%	35.1%
IA, MO	30.9%	-10.1%
St Louis	35.1%	-6.3%
Kansas City	62.8%	12.7%

	FEB	YTD
<b>UNITED STATES</b>	4.9%	-5.4%
Public Access	0.1%	-8.1%
Private	5.8%	-4.2%

	FEB	YTD
<b>EAST NORTH CENTRAL</b>	50.0%	14.5%
IL	116.0%	52.0%
Chicago	174.8%	84.9%
IN	20.0%	-7.4%
MI	131.8%	40.2%
Detroit	127.8%	55.1%
OH	16.0%	-4.8%
Cincinnati	5.7%	-13.0%
Cleveland	45.9%	11.5%
WI	38.4%	38.4%

	FEB	YTD
<b>SOUTH CENTRAL</b>	18.4%	-10.9%
AL	12.4%	-10.4%
AR, LA, MS	24.4%	-5.6%
OK	18.6%	-16.3%
KY, TN	15.6%	-13.3%
TX	17.9%	-11.4%
Dallas/Ft. Worth	22.2%	-19.0%
Houston	11.1%	-7.0%
San Antonio	2.8%	-13.9%

NA=Not reporting at this time.

	FEB	YTD
<b>SOUTH ATLANTIC</b>	-0.5%	-9.1%
DE, DC, MD	-2.2%	-26.6%
Washington/Baltimore	0.8%	-26.6%
FL	-4.8%	-8.2%
Jacksonville	-2.8%	-5.9%
Orlando	-10.0%	-10.1%
Tampa	-5.2%	-6.7%
Palm Beach	5.2%	-2.6%
Naples/Ft Myers	-5.5%	-8.1%
Miami/Ft.Lauderdale	1.9%	1.8%
GA	13.7%	-6.5%
Atlanta	14.5%	-9.6%
NC	5.3%	-10.8%
Greensboro/Raleigh	5.4%	-14.3%
SC	6.2%	-4.6%
Charleston	12.8%	-1.0%
Hilton Head	10.2%	1.7%
Myrtle Beach	5.5%	-6.2%
VA, WV	0.4%	-24.2%
<b>MID ATLANTIC</b>	-19.2%	-41.3%
NJ	-25.5%	-43.5%
NY	-21.1%	-45.1%
New York City	-30.2%	-45.6%
PA	-8.2%	-31.9%
Philadelphia	-12.1%	-36.0%
Pittsburgh	35.6%	22.3%
<b>NEW ENGLAND</b>	-43.9%	-48.0%
CT, MA, RI	-43.9%	-48.0%
Boston	-4.4%	-33.8%
ME, NH, VT	NA	NA

The percentages represent the differences in number of rounds played comparing February 2024 to February 2023.  
For more information contact Golf Datatech [golfroundsplayed@golf-datatech.com](mailto:golfroundsplayed@golf-datatech.com)