

September 8, 2014

James Cameron
Chief Financial Officer
City of Oxnard
300 West 3rd St.
Oxnard, CA 93030

Re: Review of Operations for River Ridge Golf Club

Dear Jim:

This letter and the following report comprise a summary of National Golf Foundation Consulting's ("NGF") review of the City of Oxnard's ("City") River Ridge Golf Club ("River Ridge GC" or "RRGC"). The review is based on NGF market research, visits to the property, and information gathered from River Ridge staff and City officials in June-July 2014. The review included a thorough inspection of the City's municipal golf facility and an assessment of its place in the regional market. NGF considered the physical condition of the golf courses and clubhouse, the operating structure in place and alternatives for continued operation, leading to recommendations for maximizing the economic potential of municipal golf in the City of Oxnard.

This NGF review was managed by Richard Singer, MBA, NGF's Director of Consulting Services, with assistance from Ed Getherall, Senior Director of Operations, and Forrest Richardson, Golf Course Architect. Our activities conducted in preparation of this report included several inspections of the subject River Ridge GC, review of the area market, meetings with key golf course staff and telephone conferences with City of Oxnard staff, and visits to several area golf facilities that were deemed to be directly competitive with River Ridge.

This executive summary letter provides an "at-a-glance" summarization of the full NGF review, detailing the main findings and NGF recommendations for the City of Oxnard in the continued operation of River Ridge GC. Additional details and support data can be found in the full body of our report and its appendix.

OVERALL SUMMARY

Following is a brief summary of NGF findings on River Ridge GC in July 2014. Full detail and elaboration of these items can be found in the attached report. Key findings include:

- River Ridge GC presents the City of Oxnard with both market and financial challenges. The market challenges include the market condition, the general decline in interest in golf and the need to stimulate greater activity from the local population. Economically, the City has a high level of direct expense on the River Ridge GC in addition to the large on-site expense to operate the facility. These City expenses include General Services Allocations, Depreciation, Amortization, General & Admin indirect expenses, landfill-related repair and maintenance and interest. **All combined, these expenses totaled in excess of \$2.1 million in FY2013**, and are comparable to other local municipal golf systems such as the City of Ventura, despite River Ridge location on a closed landfill.

- River Ridge GC is operated via “hybrid” management agreement with a private contractor through the end of FY2019, and would require negotiation/buy-out to terminate early. NGF believes that the present operator has created an appropriate business model, with adequate staffing and the implementation of many of NGF’s “industry best practices.”
- The River Ridge Golf Club facility offers a mix of amenities that is very marketable in this local area. The course is well located, with immediate proximity to the Oxnard residential community, area beaches, an on-site hotel and major area highway (101). However, while the facility was in very good maintenance condition, there appear to be some inherent deficiencies in layout and design that could be improved to enhance the revenue potential. The clubhouse facility offers a nice complement for golfers, but has limitations in its design that could affect the facility’s ability to increase golf rounds activity.
- The revenue performance of River Ridge GC well exceeds industry standards, and the recent increase (FY2014) in rounds and revenue performance has occurred at a time when the industry trends have been for decreases in activity and revenue. However, the expenses to operate River Ridge are also much higher than standard, especially in the area of labor costs and utility expense.
- A survey of golfers conducted in 2014 showed a general level of overall satisfaction with the River Ridge GC. Golfing customers tend to appreciate the high quality of maintenance, the variety of golf and they view the facility as a “good value.” Areas where golfers would like to see improvement include the food/beverage service, the speed of greens, practice amenities, shorter and more flexible hole yardages (i.e., hole playing lengths) and the inclusion of more discounts and specials.
- The City should understand that the external golf market will present challenges for strong economic performance of River Ridge GC. National trends in the golf industry are generally not favorable for operators of golf courses. The total number of “core” golfers is declining and total spending on golf is declining with them. Similarly, the total number of golf facilities is greater than at the time River Ridge was developed, leading to a decline in per-course rounds and revenues. The NGF has also documented a rapid inflation in expenses to operate golf facilities nationwide and this local market.
- The basic demographic profile of the market area for River Ridge GC shows characteristics that tend to coincide with lower-than-average participation in golf. The residents of Oxnard have lower incomes than other surrounding communities, and there are large segments within the Oxnard/Ventura population without a strong tradition in golf. However, Ventura County still has a very large golf market with upwards of 64,000+ golfers living within the County, potentially demanding as many as 1.6 million rounds of golf. There are nine golf facilities within 10 miles of River Ridge and 28 in Ventura County. However, the population in the area is also large leading to a favorable ratio of golf courses to population.
- While the ratio of households to golf courses is favorable in the Ventura County market, more is needed to stimulate an “inactive” golf population, particularly in the younger (under 35), minority, and female segments. Golf activity in this market could be increased with growth in organized activities such as player development programming, schools, camps, leagues, and tournaments. The River Ridge commitment to FootGolf is an example of less traditional methods for stimulating this interest in golf.
- The subject RRGCC has several key competitors, but a few municipal facilities stand out in the area market due to proximity and similar operation. Municipal golf operations in the cities of Ventura and, to a lesser extent, Thousand Oaks provide the most immediate and direct competition to the subject River Ridge GC. These facilities tend to be achieving slightly better on-site revenue and expense performance, but comparable indirect City expenses ultimately result in golf system economic loss for these cities.

FINANCIAL REVIEW

NGF Consulting reviewed recent financial performance of the River Ridge GC as part of this study. Key findings include:

- River Ridge GC is generating a very high level of revenue, with a significant increase reported for the just-ended FY2014. This increase produced total facility revenue in excess of \$4.455 million in 2014, an increase of 7.7% over FY2013, and 14.5% over FY2011.
- Further, on-site expenses to operate the facility are also high, but have remained relatively stable in the last few years. The percent of expenses attributed to labor is at 55%, slightly higher than the industry standard of 50%. Also, utilities cost has risen by 36% since 2010 and is now almost 10% of total on-site expenses, compared to the industry standard of 5%.
- The improvement in revenue has resulted in a considerable increase in the fee paid by the operator to the City, which increased from \$189,747 in FY2013 to \$323,216 in FY2014.
- When looking at the River Ridge operation from the perspective of the City of Oxnard, there are significant “below-the-line” expenses that result in a severe loss on the River Ridge operation. These expenses include General Services Allocations, Depreciation, Amortization, General & Admin indirect expenses, landfill-related repair and maintenance and interest. All combined, these expenses totaled in excess of \$2.1 million in FY2013, and clearly affected the overall position of the City of Oxnard in the operation of River Ridge GC:

River Ridge Golf Club Summary Net Income – 2010-2013				
	2010	2011	2012	2013
Total Facility Revenue	\$4,269,183	\$3,890,797	\$4,009,351	\$4,137,017
Less: Direct Cost of Sales	\$416,459	\$412,446	\$438,831	\$402,085
Operating Margin	\$3,852,724	\$3,478,351	\$3,570,520	\$3,734,932
Total Facility Expenses	\$3,912,380	\$3,464,347	\$3,577,401	\$3,697,396
Other Contractor Items	(\$3,509)	(\$27,888)	(\$4,178)	(\$5,462)
Net Facility Income	(\$56,147)	\$41,892	(\$2,703)	\$42,998
Other City Items:				
Misc. Revenue	\$21,678	\$48	\$4,777	\$29,241
Add back Contractor Payment	\$0	\$138,590	\$157,910	\$189,747
City Salaries / Wages	\$47,042	\$47,318	\$66,471	\$66,261
Add'l Utilities	\$1,925	\$0	\$1,896	\$2,189
Depreciation & Amortization	\$97,988	\$586,005	\$589,800	\$590,588
General & Administrative	\$168,736	\$175,582	\$168,767	\$192,973
Add'l Repairs & Maint	\$18,807	\$28,151	\$22,253	\$33,945
Net Operating Income	(\$368,967)	(\$656,526)	(\$689,203)	(\$623,970)
Interest Expense	\$237,183	\$1,633,114	\$1,192,091	\$1,277,542
Net Income (loss) before	(\$606,150)	(\$2,289,640)	(\$1,881,294)	(\$1,901,512)
Contributions + Transfers	\$0	\$1,679,113	\$1,298,547	\$1,323,345
Net Position	(\$606,150)	(\$610,527)	(\$582,747)	(\$578,167)
Source: High Tide and Green Grass, Inc. and City of Oxnard				

Summary of Recent Performance

The NGF financial review shows that there may be opportunity to increase revenue and reduce on-site expenses slightly, although reduction in on-site expenses could lead to reductions in maintenance condition and customer service, which in turn could negatively affect revenue. Still, even with the improvement, the resulting change will have only minor impact on the City's financial position in River Ridge GC. This is due to:

- The “hybrid” agreement with the River Ridge GC operator calls for a risk sharing and thus a net revenue sharing agreement. As a result, even if the total facility revenue performance at River Ridge were to improve to \$5.5 million, the resulting net revenue split may improve the City's net receipts from the Contractor by only \$200,000 to \$225,000.
- The City continues to have a large indirect expense in the operation of River Ridge GC. Even with dramatic improvement in operations, the \$2.1 million total in indirect City expense and interest will not be covered by revenue derived from the operation of River Ridge GC.
- City information provided to NGF shows the large interest expense on the property to be retired beginning in FY2017. Even without the interest expense, the remaining \$800,000+ in indirect City expenses are not likely to be covered by the River Ridge GC operation under any achievable scenario of operation or revenue enhancement.

RECOMMENDED COURSE OF ACTION

Based on our physical, operations and market review of the River Ridge GC, NGF has formulated recommendations that the City and its Contractor can implement to enhance the River Ridge GC for the future. The NGF team finds a generally well-run golf facility, with an operator that has many of NGF Consulting's recommended “industry best practices” already in place. Thus, NGF does not recommend significant change, although there are a few areas where some modifications could lead to improved financial condition of the facility.

The NGF recommendations contained in the review for the City of Oxnard include: (1) considerations for the basic operating structure of the facility; (2) improvements/ changes that could be made to the physical plant of the facility; (3) Food and Beverage / Clubhouse recommendations; and (4) other recommendations to improve the operation and marketing of the golf and food/beverage operations.

NGF Recommendation on Basic Structure / Oversight

The NGF recommendation for basic structure at River Ridge GC is to continue with the present model of “hybrid” management contract, regardless of the selected operator. This structure is the system most often recommended for municipal golf courses by NGF due to:

- A provision for shared risk
- Balanced revenue sharing
- Ability to provide appropriate Incentives to on-site employees
- The inclusion of an adequate oversight mechanism for City officials
- The inclusion of some capital investment to improve the facility provided by the operator

Specific Physical Recommendations

The NGF team recommends that the City consider some modifications to the River Ridge facility to help improve revenue and reduce expense. These recommendations involve (in order of importance):

1. Providing more tees to allow flexibility in yardages, thus creating “easier” playing conditions for some golfers and making the course more player friendly. NGF recommends adopting a new forward tee program to help shorten the golf course for all players. The estimated cost could be as high as \$200,000, if the project is completed to appropriate specifications and new formal tee boxes, with appropriate industry (USGA) ratings.
2. Continue to work towards reducing the maintainable acreage of the golf course through a professionally planned managed turf program, with a goal of reduced maintained and irrigated turf by 30%. This would be a continuing effort costing between \$150,000 and \$280,000 to complete over five years.
3. The City and Contractor should consider the re-routing plan submitted by NGF as part of this review (**Appendix A**). The program essentially provides for a slight rearrangement of holes on both courses, frees up area for expanded practice amenities, and creates a slightly modified Vineyard course that has the 1st tee, 9th green and 18th green located close to the clubhouse, changing the present hole #14 to hole #10. NGF estimated cost = \$675,000, including soft costs and contingency.
4. As part of the re-routing plan in item #3 above, River Ridge can complete a more spacious and advanced practice facility, with appropriate driving range and short-game learning area. NGF estimated cost = \$560,000, including \$340,000 for the new range and \$220,000 for the new short game/learning area.
5. River Ridge should improve the on-course services, especially replacing the portable temporary toilets now used on the Vineyards. NGF estimated cost = \$240,000.
6. The City and River Ridge can consider the value of investing in expansion of the existing clubhouse, as opposed to full reconstruction. Although a full architectural review has not been completed, NGF Consulting feels that certain enhancements to the existing clubhouse structure could be completed to enhance the facility and expand interior gathering spaces. NGF estimated cost = \$1.4 million, for an upper level build-out and adding a deck/overlook.

Action on several of these items are expected to help increase activity and revenue. The total cost of the enhancements, including the clubhouse renovation, is expected to be \$3,335,000 (excluding any lost revenue due to an closure of facility that may occur during the renovation).

River Ridge Golf Club NGF Recommended Facility Enhancements	
	Estimated Cost
Forward Tee Program	\$200,000
Managed Turf Area	280,000
Golf Course(s) Re-Routing	675,000
Practice Facility Enhancements	540,000
On-Course Services	240,000
Total Facility Primary Enhancements	\$1,935,000
Clubhouse Upgrade	1,400,000
Total Facility Enhancements w/Clubhouse	\$3,335,000
Source: National Golf Foundation	

Specific Food and Beverage Recommendations

River Ridge GC could improve the performance of the facility F & B operation, both in terms of day-to-day service to golfers, as well as banquet services. Key areas of the NGF recommendation include:

- Upgrading the physical condition and menu in the snack bar
- Improving the beverage cart schedule
- Enhancing the promotion of the banquet services available at River Ridge, especially in light of recent upgrades to the banquet area (underway during NGF's visit)

Other Operational Recommendations

In addition to the bigger-picture management, physical and marketing recommendations, NGF Consulting has included a list of additional recommendations that we consider to be potentially helpful in growing River Ridge Golf Club business and/or lowering expenses. These recommendations generally include new marketing initiatives, expanding the programs to develop new golfers, improving the relationship with the adjacent hotel property, improving the signage, developing a new citizen golf advisory group and initiating a new focus on attracting the female and minority segments to the facility.

NGF Projections

NGF prepared estimates of future performance at River Ridge over the next five years under each of two scenarios - a "status quo" scenario with no real change in the operation and an "enhanced" scenario assuming the City undertake all key physical changes recommended by NGF. The total capital investment required to complete the recommended enhancements would total at least \$3.2 million, and NGF has assumed that could be financed through a new revenue bond issue, thus replacing the existing debt (retired in FY2016) with a new smaller bond payment.

The results of the NGF projections show that if River Ridge GC were to continue "as-is," it is likely that the net facility income, and subsequently the operator payment to the City, will peak in the near term (FY2016), and then decrease steadily through the remainder of the decade. This is due to a common issue with golf courses where the inflation in expenses is more rapid than the growth in revenue. If the City can complete the facility enhancements as recommended by NGF, leading to expanded banquet capacity and the sale of more 9-hole rounds, the net facility income and operator payment to the City will increase dramatically, peaking at over \$537,000 in FY2018. Still, a close look at this figure shows it is only about \$215,000 higher than the payment actually paid to the City for strong FY2014 performance, and an amount that is still not able to cover indirect City expenses, even without debt service.

SUMMARY

River Ridge GC is a good quality 36-hole golf facility that had a very good year in FY2014, increasing rounds and revenue and contributing over \$320,000 to the City at a time when many area municipal golf courses are struggling. The City has an innovative operator in place who has demonstrated a willingness to “think outside the box” in programs and ideas to attract new players to the facility and increase revenue. The City is operating the facility via “hybrid” agreement, which is generally favorable to the City and includes provisions to share the risk and share the return with the Contractor.

In summary, the City of Oxnard is operating a well-run golf facility that is providing a great service to the community and helping to sustain property values and quality of life. The NGF found the golf facility to be in generally good maintenance condition, but some improvement to the basic layout and configuration of the property could be made to help enhance the revenue potential of River Ridge GC. However, this improvement will require some new investment in the property, perhaps as high as \$1.8 to \$3.35 million, depending on whether a clubhouse renovation is also considered. NGF found five six specific areas that we feel are the most significant contributors to the economic performance of River Ridge GC:

1. High on-site expense structure and high cost of irrigation water
2. High indirect City overhead expense on the River Ridge GC operation
3. A competitive golf market with many other high-quality choices for golfers
4. Local demographics and economics that are not consistent with high golf demand
5. Inefficient golf layout without returning 9's and too much length for less-skilled players
6. Direct impact from a recent recession

NGF finds that action on these above items will provide the greatest relief of economic stress to the facility, although the high City overhead on the property will remain as an obstacle, even if the structure and/or operator is changed. Improving revenue and reducing on-site expenses can help to improve the City's position, but this improvement is likely to be small. A key change in the River Ridge operation will occur in FY2016 when the debt service/interest is scheduled to be retired. The most important NGF recommendations to the City of Oxnard include:

1. Retain a “hybrid” management agreement, regardless of selected operator
2. Modify the physical layout of the golf course and add new amenities
3. Improve the F & B operation, with a possible clubhouse improvement
4. Improve facility marketing, especially to populations with less tradition in golf
5. Price the facility at a market-appropriate rate, and adjust as market dictates

Jim, I very much appreciate your confidence in NGF, and I am hopeful that the information and recommendations we have provided will assist the City in your upcoming decisions on this property. I am happy to talk with you or any other City official to discuss our report or other matters related to golf facility operations or market/industry trends. I look forward to your questions and I hope you enjoy reading our consulting report.

Sincerely,



Richard B. Singer
Director of Consulting Services
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Review of Golf Operation For River Ridge Golf Club Oxnard, California



Prepared For:

City of Oxnard

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September 2014

Table of Contents

INTRODUCTION	1
Purpose	1
Background.....	1
SUBJECT: RIVER RIDGE GOLF CLUB	3
Site Overview	3
Site Positives	3
Site Negatives	4
History.....	5
Organization and Administration	5
Management Agreement.....	6
Management Agreement Summary and Discussion	6
City-Wide Support for River Ridge Golf Club GC.....	7
On-Site Management and Staffing	8
Facility Performance and Data Analysis	9
Rounds Activity	9
River Ridge Revenue	12
River Ridge Expense	13
River Ridge Golf Club Financial Summary.....	16
Review of Golf Operations	17
Business Plan	18
Technology – Point of Sale (POS) and Reservation System	18
River Ridge GC Marketing	18
Food and Beverage Operations	20
Merchandise Operations	21
Fee Structure	22
Memberships	23
Golf Club Rentals	23
Golf Cart Operations.....	24
Range Operations	24
Programming	25
Increased Participation from Women	26
FootGolf	26
Other Issues and Policies.....	26
Review of Physical Plant – River Ridge.....	27
Inventory of Facilities	27
Golf Course Review.....	27
Clubhouse and Grounds.....	29
Physical Condition Review	30
Key Areas Requiring Attention	32
Physical Review Summary	33

River Ridge GC Golfer Survey	34
River Ridge GC Survey Scores	34
Summary of Findings.....	35
Summary – River Ridge Golf Club	36
EXTERNAL FACTORS AFFECTING THE OPERATION OF PUBLIC GOLF FACILITIES	38
Basic Demographics and the Local Economy	38
Demographic Analysis.....	38
Key Economic Factors.....	40
Golf Market Supply and Demand Indicators	42
National Trends in Golf.....	42
Local Golf Demand.....	44
Golf Supply Factors	46
Golf Course Market Supply and Demand Summary	47
Local Competitive Golf Market	48
Competitive Public Access Golf Facilities Map	48
Summary Information - Primary Market	49
Secondary Competition	51
General Findings –Competitive Market.....	51
City of Ventura Municipal Golf System.....	52
Banquet Revenue Potential.....	56
Market Analysis Summary.....	56
REVIEW OF FACILITY IMPROVEMENT OPTIONS.....	58
Revenue Enhancement Considerations	58
Cost Efficiency Considerations.....	58
Course and Practice Area Reconfiguration Concepts.....	58
New Full-length Practice Range.....	58
New Short Game Learning Area	59
Course Reconfigurations.....	59
Future Kids Course Development	59
Clubhouse Enhancement Concept.....	59
Summary of the Conceptual Improvement Plan	60
Economic Impact	60
Other Studies and Analysis	61
Reduction of Holes from 36-holes to 18-holes	61
Reduction of Holes from 36-holes to 27-holes Regulation Length.....	61
Reduction of Holes from 36-holes to 18-holes Regulation and 9-holes Par-3	61
Summary of Golf Course Reduction Considerations	61
NGF RECOMMENDATIONS FOR RIVER RIDGE GOLF CLUB	62
NGF River Ridge Observations	62
Structure Considerations.....	63
NGF Recommendation on Basic Structure / Oversight.....	64

Specific Physical Recommendations.....	65
Projected Cost of Physical Changes	66
Specific Food and Beverage Recommendations.....	66
Other Operational Recommendations	67
Increasing Participation from Women and Minorities	68
RIVER RIDGE GOLF CLUB BASIC OPERATIONS AND PRELIMINARY FINANCIAL PROJECTIONS	69
Current Economic Performance at Various Rounds	69
‘As-Is’ NGF Projections FY2015-2019.....	70
‘As-Is’ NGF Projections FY2015-2019	71
Enhanced NGF Projections FY2015-2019	72
Enhanced NGF Projections FY2015-2019	73
Discussion	74
Limiting Conditions.....	74
Market Share Conclusions	75
APPENDICES.....	76
Appendix A – Golf Facility Improvement Plan.....	1
Two Primary Goals	1
River Ridge Reconfiguration Concept Exhibit	2
Concept Description	3
Appendix B – Golf Industry Standards, Norms, and Operational Issues	5
Public Golf Operational Norms	5
Golfer Expectations of Better Quality Public Golf Facilities.....	8
Appendix C – Golfer Survey.....	12
Golfer Origin Zip Code Map	16
Appendix D – Rounds Played Report Year-End 2013	17

Introduction

PURPOSE

National Golf Foundation Consulting, Inc. (“NGF”) was retained by the City of Oxnard, California (“City”) to prepare a comprehensive analysis of the River Ridge Golf Club (“River Ridge”), including facility management, staffing, marketing, maintenance, operations, needed capital improvements, review of pricing, and an overall financial analysis of the City-owned golf facility.

The ultimate goal of this consulting engagement is to assist the City with preparing a comprehensive business and marketing plan for River Ridge that will help maximize economic performance while maintaining a high level of service for both City residents and non-resident golfers. The analysis by NGF Consulting will help establish operating parameters for the golf course and give the City reasonable expectations as to what physical improvements are needed at the facility and what these improvements could bring in terms of net cash flow. The results of this market and facility analysis will be used to help determine the appropriate course of action.

BACKGROUND

The City of Oxnard has been in the golf business since the development and opening of the River Ridge Golf Club in 1986. The golf course was developed on a former landfill site, and was built over the remnants of that landfill, with specific restrictions regarding how much fill could be used that would not diminish the water storage capacity of the area in the event of flooding on the bordering Santa Clara River. The City then completed its development of River Ridge GC by adding a second golf course in phases, with a third nine holes opening in 2004 and a fourth opening in 2008, completing the establishment of a full 36-hole facility. A large part of the impetus behind the second golf course was to stimulate development in this part of Oxnard, particularly among communities that are now built out and border directly on the golf course.

During its existence, the City has not been involved in the direct operation of the golf courses, choosing instead to provide some form of contracted operation, although this has varied in nature and scope. The present structure is a “hybrid” management agreement that has been in place with one contractor providing all areas of on-site management for the facility. The current operator has been in place since 1994, with the latest agreement in place since 2009 and running through the end of FY2019.

The River Ridge Golf Club has an original golf course designed by William Francis Bell, ASGCA, who is the son of the famous William P. Bell. River Ridge GC was one of the last designs by Mr. Bell. The second course was designed by John Millhouse, and was originally envisioned to be a championship golf facility with higher quality and features that would command above-market rates. The present configuration of golf holes is a mix of the two original courses with several overlapping holes. The result is a combined golf facility with two golf courses that are a mix of each other’s original design, thus creating a lesser experience to the layout that is now both interrupted by a different style and feel, and it requires traveling out nine holes and back with no opportunity for a 9-hole round.

In 2014, NGF was retained by the City to assist with evaluating the River Ridge Golf Club and to make recommendations to help ensure the long-term viability of the City's golf program. This includes a thorough review of the facility on an 'as-is' basis, as well as a consideration of other changes, such as physical improvements and/or other operating structures. It is expected that the results of this NGF study will be used by the City as a guide for the future of the golf facility, and to help convey to outside constituents (citizens of the City of Oxnard, Councilors, policy makers, etc.) that the City will operate the golf facility in the most efficient manner possible.

The findings and recommendations presented by NGF in this report are based on NGF Consulting experience, knowledge of golf industry best practices, and a review of the subject golf facility. NGF completed tours and meetings with key personnel (golf course and administration) in June and July of 2014.

NGF activities completed to date include meetings with the staff from the City of Oxnard Finance Department and other key City staff positions. In addition, the NGF team had meetings and interviews with River Ridge GC staff, and other outside consultants used by the NGF team. These meetings involved substantive discussions about all key aspects of River Ridge GC operations and its physical condition. The NGF consultants completed several in-depth tours and inspections of the facility during the course of the engagement.

The key components and issues of this report include:

- Overall condition and operating structure of the River Ridge GC and evaluate the performance of the current operator.
- Provide an analysis of the physical facilities with recommendations, along with cost/benefit analysis of any recommended improvements.
- A review of golf industry standards and norms of operation
- Status of the broader Oxnard / Ventura County Golf market, with focus on the balance between demand and supply in the local public golf market.
- A summary of NGF recommendations for the continued operation of the River Ridge GC, including management structure, physical improvements and other strategies for optimizing performance (including fee structure, operations, etc.).
- An estimate of realistic economic potential of the River Ridge Golf Club.
- Benchmarking River Ridge Golf Club golf operations with other regional Municipal golf operations.

The NGF consulting engagement was managed by Richard B. Singer, Director of Consulting Services for the NGF, with the assistance of Ed Getherall, Senior Director of Operations. NGF also utilized the services of Forrest Richardson, a Golf Course Architect with extensive experience in Ventura County, to assist with the physical evaluation. Other NGF staff who assisted in this project for the City included: Kevin McLendon, Survey Manager; and Jodi Reilly, Consulting Administrator. In addition to meetings with City of Oxnard officials and golf course personnel, the NGF consultants collected materials to aid in understanding the local market area, weather data, other regional Municipal golf operations, and golf operations in general. The NGF also collects considerable information and data on the golf industry on an ongoing basis as a regular part of our organization's work, and much of this information and data is presented throughout this report.

Subject: River Ridge Golf Club

The subject property is the River Ridge Golf Club, a 36-hole golf course facility located in northern Oxnard along the Santa Clara River, and in the center of the more heavily populated portion of Ventura County, California. The facility is owned by the City of Oxnard and operated via management agreement with High Tide and Green Grass, Inc. River Ridge GC was originally designed and envisioned as an affordable, high-quality 18-hole public-access golf course, with two separate 9-hole additions completed in 2004 and 2008.

SITE OVERVIEW

River Ridge is located off Vineyard Av in immediate proximity to N. Ventura Rd, a major north-south artery through Oxnard. The golf course is within two miles of the Vineyard Av / Ventura Freeway (101) interchange, providing good highway access proximate to the site. The total property is about 400 acres, of which about 250 acres are actively maintained. The golf course is bordered by the Santa Clara River to the north, a few smaller out-parcels along N. Ventura Rd to the east, N. Victoria Av to the west, and several different residential components with direct golf frontage in various locations to the south. The 252-suite Residence Inn by Marriott at River Ridge hotel is immediately adjacent to the River Ridge GC near the intersection of W. Vineyard and N. Ventura. Much of the northern portion of the River Ridge GC site is a former closed landfill, thus creating other issues related to operation and maintenance of this facility.

Site Positives

- **Location:** River Ridge has a good location relative to Ventura County with proximity to major roadways and a freeway interchange within two miles of the site. The Residence Inn Hotel on site is a strong asset to add support for the golf course operation. There is a substantial population (over 518,000) that resides within just 15 miles of the golf course.
- **Access:** Adding to the convenience is the fact the course is located on Vineyard Av. With several access points to the parking lot, clubhouse and adjacent hotel.
- **Two Courses:** The site is supporting two distinct golf courses, providing variety and choice for golfing customers.
- **View:** Several locations on the golf course property provide nice views of the surrounding area, Santa Clara River, local residences and other areas of the golf course. This is a benefit to the golf course and helps to enhance its overall appeal.
- **Aesthetics:** In addition to the view, there are other appealing features of the property, including:
 - The **Santa Clara River** which borders several holes. Unfortunately, heavy brush now blocks most of the views of the river.
 - This location supports a **milder temperature** in peak summer months, as compared to other Ventura and Los Angeles County golf course sites.
 - Significant **elevation changes**, which are unusual for Ventura County area golf courses.



Google Earth image showing the River Ridge GC and immediate surrounding elements. The configuration shows the immediate proximity of residences in several locations on the golf courses, especially in the five-hole loop south of Vineyard (holes 14-18 on Vineyard Course) and large newer development west of N. Patterson Rd. (holes #6-11 on Lakes Course). We also see the proximity of some holes to the Santa Clara River and the Buenaventura Course north of the River. In all, the options for any significant re-configuration of this property are limited.

Site Negatives

- **Landfill:** The fact that the course is built over two landfills has led to issues that increase the direct cost of golf operations, including the settling and shifting of the soils. This, in turn, can lead to damage to the irrigation system and some damage to cart paths. It has also caused the fairways to be bumpy in some spots, which not only is disturbing to the players, but can cause damage to the golf carts and maintenance equipment.
- **Size:** The large “footprint” of the site and poor quality of well water leads to a high water use requirement for irrigation.
- **Neighborhood:** While it may be an advantage for marketing and activity, the immediate proximity of some of the residences to this golf course have created operational issues for the golf course, including limits on early morning maintenance (before 7:00 AM) and reported complaints about the quality of maintenance on the golf course (“brown spot” complaints).

- **Practice Amenities:** The limits of the site have created less-than-ideal practice amenities, including a sub-standard driving range and very limited short-game practice areas.
- **Clubhouse:** The site is able to support a large clubhouse amenity, although the design of the existing building is highly compartmentalized, resulting in a mix of several smaller rooms and lacks any significant gathering space for the largest golf (and other) events that are common and could be a key revenue driver for a 36-hole golf facility.
- **Two Courses:** While the variety of a two-course offering is a positive for River Ridge, the presence of two very distinct golf courses with differing grass types creates issues in maintenance and providing consistent playing conditions for golfers.

History

The River Ridge 36-hole facility is comprised of two separate 18-hole courses, The Vineyard Course and The Victoria Lakes Course. The original 18-hole layout, The Vineyard Course, was built in 1986 and designed by William Francis Bell, ASGCA, who is the son of the famous William P. Bell. Several of the younger Bell's design commissions were still in progress at the time of his death in 1984, with River Ridge being one of his last designs constructed. While the work of William Francis Bell is not regarded as highly as the "Golden Age" designs of his father, considerable attention has been given to his work in recent years. Many of the younger Bell's courses from the 1960s through 1980s have been thoughtfully renovated and remodeled to reflect a hybrid of design between that of his father and his own work.

Thirteen holes of the original course were built on a closed solid waste landfill, representing a trend in municipal golf development at the time. River Ridge was one of several courses by Bell and others during the 1970s to 1980s that creatively used landfills as grounds for new golf courses. The newer 18-hole course, The Victoria Lakes Course, was constructed over two phases with the original nine holes opening in 2004. The second nine holes opened in 2008, completing the 18-holes and establishing the full 36-hole facility. John Millhouse was the designer of The Victoria Lakes course, incorporating holes into the older layout and making necessary modifications so that both courses could begin and end at the clubhouse.

ORGANIZATION AND ADMINISTRATION

The golf program for the City of Oxnard has gone through several changes since its inception in 1986. In previous years, the facility was operated with three separate agreements in place – one each for pro shop, maintenance and food/beverage. It is assumed that regardless of operational structure, the City will retain a Golf Enterprise Fund for the golf course operation. The City has very little staff with responsibilities at the golf course, as the on-site manager has traditionally provided all support. The future operating structure is presently under consideration and the results of this NGF review will assist in determining the appropriate long-term structure that is in the best interest of the City of Oxnard.

Management Agreement

The present agreement for the operation of River Ridge is between the City of Oxnard and the private entity of High Tide and Green Grass, Inc. ("Contractor"). While the agreement is technically a "management agreement," the review of provisions show it functioning more like a lease, with the contractor responsible for all on site revenue and expense, subject to a profit share at the end of the fiscal year (June 30). Key provisions of the current agreement include:

- High Tide and Green Grass, Inc. agreed to operate, maintain and manage River Ridge Golf Club, including two 18-hole hole golf courses, clubhouse, golf pro shop, driving range (w/learning center), starter, office space, barbecue facility, temporary structure for store of maintenance equipment and golf carts, and related facilities. The agreement includes operation of the Food and Beverage concession located at River Ridge Golf Club.
- High Tide and Green Grass, Inc.'s term of agreement is **10 years, from July 1, 2009 through June 30, 2019.**
- The Contractor collects all revenues and deposits revenues in a joint account with the City. The Contractor must provide the City a copy of the monthly bank statement showing revenue deposited and expenditures paid. Additional financial statements are required each month and at the end of the fiscal year (within 120 days).
- The Contractor and the City divide net receipts from operations under the schedule in the table below. For any Fiscal Year during the 10 year agreement the Net Receipts are negative, the City and High Tide and Greens Grass, Inc. will each be responsible for 50% of the loss.

Net Receipts	City	HTGG Inc.
The first \$1 to \$300,000	50%	50%
Then the next \$99,999 from \$301,000 to \$400,000	60%	40%
Then the next \$99,999 from \$401,000 to \$500,000	75%	25%
Then from \$501,000 and above	60%	40%

- Contract agreement includes golf course maintenance services. Agreement includes a monthly meeting between the Contractor and City to discuss Contractor's compliance with the Maintenance Plan.
- Contractor is to provide the City a proposed schedule of fees by Nov. 1 of each year. By Dec. 1 of each year, the City Manager shall determine the actual fee schedule. Approved fee schedule shall become effective on Jan. 1 of that Fiscal Year.
- Contractor is to provide marketing services using the name River Ridge Golf Club and the approved logo and logo colors.

Management Agreement Summary and Discussion

The agreement in place at River Ridge appears to be favorable for the City of Oxnard, when compared to other municipal golf structures NGF has reviewed both in California and Nationwide. Among the key provisions that NGF views as favorable to the City:

- The City is not able to lease the River Ridge GC due to the Revenue Bond issue in place for the facility. The "hybrid" agreement in place includes a risk sharing (losses shared 50/50 between the Contractor and City) that is not common at municipal golf courses with outstanding Revenue Bond debt.

- All on-site staff at the facility are employed by the Contractor as opposed to the City of Oxnard. Among other benefits to the City, this arrangement allows the Contractor to include variable incentives to employees that are often not in place at public-sector golf operations.

Based on the NGF review of the agreement, it appears that the City will retain the services of High Tide and Green Grass, Inc. through June 30, 2019. The NGF has completed its review of the City of Oxnard golf program under the assumption that a buy-out of this Contractor will be required for the City to unilaterally terminate the agreement prior to this date. It was reported to NGF that the present Contractor was awarded this agreement without a competitive bid process. This apparently has created a level of concern within some sectors of City of Oxnard government.

City-Wide Support for River Ridge Golf Club GC

As the River Ridge GC is operated via management agreement, the City of Oxnard appears to have limited direct involvement in the operation of the golf course, which is common and customary in a management (hybrid) arrangement. Key issues related to the City's relationship to the golf course include:

Marketing – At present there is no comprehensive City-wide marketing plan for golf, and the City does very little, if any, direct marketing for the golf course. This certainly presents an area of opportunity, where the City could assist through links on the website, and permit advertising insert in utility bills, for instance.

Debt Service – It is reported to NGF that the revenue generated from the golf course operation is not presently, nor has it ever been, sufficient to cover all on-site expenses and pay for debt service to retire the revenue bond issue. The City reports an original golf revenue bond issue that includes an interest payment of over \$1.1 million (in FY2013) which is scheduled to be paid off in FY2016. A second revenue bond was issued in 2011 for 20 years and is paid through a “transfer in” to the Golf Enterprise Fund.

Developer Fees – The City is anticipating the collection of substantial developer fees based on the Wagon Wheel Development (16.3). According to City documents, DA 16.3 states that developer fees are to be paid beginning with the 100th permit and for each of the next 500 permits at \$9,698 per permit, or a total of over \$3.9 million, although the timing of these payments is undetermined at the time of this report. It is assumed that these developer fees can go towards improving the Golf Enterprise Fund financial position.

Citizen Advisory– There is presently no “Citizen Advisory Board” that is specific to the golf course, although a previous golf commission was in place to help oversee the golf facility. The golf course operation and City may benefit from the inclusion of some type of citizen advisory board for the golf course, so long as the group's activities relate to advice and planning assistance, as opposed to micro-management (more later in this report).

Landfill Support – Because 20 of the 36 holes at River Ridge are built on closed landfills, the City has absorbed some direct expense and responsibility for maintaining the landfill site.

Backup Drainage – Some portions of the River Ridge GC serve as a backup to the City's drainage system, providing a place for excess water to be retained in periods of extreme flooding.

On-Site Management and Staffing

The management Contractor at River Ridge has created a golf program with four primary departments: Golf Maintenance, Pro Shop Operations, Food and Beverage and Administration; and two secondary departments: Starters/Marshals and Banquets. The Administration Department oversees all operations and includes an on-site General Manager. There are several other key leadership positions in the operation, and all key management positions include the appropriate industry designations (GCSAA, PGA, etc.). The head golf professional at River Ridge GC is female, which NGF has often seen as coinciding with improved female golf participation. The structure in place includes a system of on-site operational control of the golf courses that is consistent with successful municipal golf programs nationwide, and offers strong on-site control within all departments.

Facility Operations Staffing

The basic staffing for River Ridge GC includes the positions shown in the table below. Full-time (FT) positions include positions with salary and benefits. Some part-time positions may involve more than 40 hours per week, but are without benefits. It is expected that River Ridge would require a high level of maintenance and pro shop responsibilities, due to the large 36-hole operation and higher customer expectations. River Ridge has shown a great advantage with an experienced staff (many positions staffed in excess of 10+ years), and a strong internal training system. The operations staffing mix at River Ridge GC in 2014 is shown in the table below:

River Ridge Golf Club Facility Operations Staffing 2014		
Administration	FT w/ Benefits	PT
General Manager	1 Position	
River Ridge Sales Manager	1 Position	
Bookkeeping, Inventory, Admin Asst.		3 Positions
Golf Course Maintenance		
Master Superintendent	1 Position	
Course Superintendent	2 Positions	
Assistant Superintendent	1 Position	
Mechanic/ Irrig. / Spray Tech	6 Positions	
Equipment Operator + Maint. Labor	16 Positions	
PT Mechanic		1 Position
Pro Shop Operations		
Head Golf Professional	1 Position	
Assistant Golf Professionals	2 Positions	
Add'l cashiers, counter, etc.		8 Positions
Food and Beverage		
F & B Manager	1 Positions	
Asst. Mgr. / Head Chef	2 Positions	
Cooks	2 Positions	
Counter Assistant	1 Position	
Add'l cashiers, counter, Banquet, etc.		8 Positions
Starters / Marshals		
Starters / Marshalls / Carts		8 Positions
Total Facility Operations	37 FT	28 PT
Source: High Tide and Green Grass, Inc. FT=Full Time PT = Part Time		

Based on the above review, NGF shows a total of 37 full-time and 28 part-time employees at River Ridge, resulting in an NGF estimated full-time-equivalent staff of 46.0 FTE. Given the facility is a 36-hole operation, comparison to industry norms will be based on the inclusion of two (2) separate 18-hole operations, or a total of 23.5 FTE per 18-holes of operation.

The discussion that follows will help the City of Oxnard and its Contractor review the “standard” for staffing a public golf course operation for ultimate use in benchmarking the River Ridge operation. However, we note that given the relative quality of any given golf facility and the level of rounds played and revenue production, it is clear that a “one size fits all” approach will not be appropriate for this comparison. The NGFC review of public golf operations nationwide in 2012 revealed the following averages for full-time staffing at 18-hole public golf courses nationwide:

U.S. Averages Distribution of Staffing – Full-Time Equivalents (Year-Round)						
		Total U.S.	Daily Fee Golf Courses by season length		Municipal Golf Courses by season length	
	River Ridge in 2014*	Avg.*	10-12 mos.*	<10 mos.*	10-12 mos.*	<10 mos.*
Golf Maintenance Staff	13.5	10.0	9.5	7.0	10.5	9.0
Pro Shop/Admin Staff	5.5	6.5	6.0	5.0	7.5	5.5
Clubhouse Staff (F&B)	4.5	3.0	3.0	2.0	2.0	2.5
Total (FTE)	23.5*	19.5	18.5	14.0	20.0	17.0

Source: National Golf Foundation. *Includes average per 18 holes and is based on combination of PT and FT.

When compared to industry standards, it appears that River Ridge is over-staffed slightly, primarily in the golf maintenance department where the industry “standard” reflects a much greater level of part-time labor that is common at municipal facilities both locally and nationally.

FACILITY PERFORMANCE AND DATA ANALYSIS

River Ridge GC is operating as a public golf course, generating revenue from green fees, cart fees, and ancillaries. The following review summarizes the financial performance of the River Ridge GC operation using financial reports provided by the contracted operator.

Rounds Activity

Rounds by Month

Recent operational data shows a recent recovery of rounds after a decline in the early part of this decade. Total combined rounds from both courses exceeded 96,300 in FY2014, up 1.6% from FY2013 and up 4.7% from FY2010. The rounds by month shows that while golf can be played year-round in Oxnard, there is a clear seasonal pattern to activity at River Ridge GC, with approximately one-third (33%) of all activity occurring in the three-month June-August Summer. Conversely, only 19% of activity is in the December-January winter season.

The performance at River Ridge shows improvement over the national trend, but is comparable to actual performance at other area public golf courses (data presented later in this report). In comparison, the total U.S. golf industry has experienced a 35% decline in average rounds per 18 holes at public golf courses since 2000, a 9.7% decline in public golf course rounds between

2005 and 2010, and a 3% decline from 2009 to 2014. Total average rounds per 18 holes in the U.S. now stands at 31,527 for public golf courses, and the Southern California average is around 42,000 rounds per 18 holes. This represents a decline of about 16% from a 50,000 rounds average recorded in 2005. Thus it appears that River Ridge has experienced an increase in golf activity at a time when the golf industry as a whole has been experiencing declines in rounds activity (see **Appendix D**).

River Ridge Golf Club Total Combined Rounds by Month (Both Courses) – 2010-2014*							
	2010	2011	2012	2013	2014	10-14 Total	10-14 %
July	10,576	10,695	10,838	11,280	11,779	55,168	11.9%
August	10,946	10,388	9,834	11,070	10,580	52,818	11.4%
September	9,270	8,006	7,378	8,501	7,853	41,008	8.9%
October	7,343	7,087	7,153	7,679	6,958	36,220	7.8%
November	6,923	6,292	5,907	6,009	6,486	31,617	6.8%
December	5,756	5,207	6,339	5,483	6,043	28,828	6.2%
January	5,626	6,013	6,119	5,428	6,937	30,123	6.5%
February	5,386	5,986	6,601	6,215	6,817	31,005	6.7%
March	7,723	7,045	7,114	8,112	8,075	38,069	8.2%
April	6,677	6,575	7,559	7,434	7,516	35,761	7.7%
May	7,630	6,531	8,035	8,097	8,558	38,851	8.4%
June	8,151	7,800	8,798	9,553	8,771	43,073	9.3%
Total	92,007	87,625	91,675	94,861	96,373	462,541	100.0%
Annual Pct. Change		-4.8%	4.6%	3.5%	1.6%		
Source: High Tide and Green Grass, Inc.							

Rounds by Type

The review of activity by type shows a relatively even split between the Vineyards and Victoria Lakes golf courses. River Ridge is reporting a high level of complimentary rounds (almost 15% over the last 5 years), as NGF typically assumes around five percent (5%) total comp rounds for a public golf course operation.

River Ridge Golf Club Total Rounds by Type – 2010-2014							
	2010	2011	2012	2013	2014	10-14 Total	% of Total
Vineyards Total Rounds	49,206	46,541	46,201	43,446	42,097	227,491	49.2%
V. Lakes Total Rounds	42,801	41,084	45,474	51,415	54,276	235,050	50.8%
Total Facility Rounds	92,007	87,625	91,675	94,861	96,373	462,541	100.0%
Total Paid Rounds	78,911	73,644	77,085	81,632	82,265	393,537	85.1%
Total Comp Rounds	13,096	13,981	14,590	13,229	14,108	69,004	14.9%
Total Facility Rounds	92,007	87,625	91,675	94,861	96,373	462,541	100.0%
Source: High Tide and Green Grass, Inc.							

After a more thorough review of the golf course operator's records, NGF noted the following key observations related to total rounds activity at River Ridge GC:

- **Annual Pass:** This category of rounds has increased in the last five years, from approximately 3.0% of play in 2010 to over 7.5% in 2014.
- **18-Hole:** Total 18-hole play has been around 30% to 40% across both courses since FY2010. This includes all 18-hole rounds both weekday and weekend, divided by Oxnard Residents / non-residents through FY2012, and between Loyalty cardholders / non-holders since FY2013. Total 18-hole play tends to be a little higher on the Victoria Lakes Course than Vineyards Course.
- **9 Holes:** Nine-hole play has only accounted for around 12% to 15% of total play. Total 9-hole play tends to be a little higher on the Vineyard Course.
- **Sunset (Twilight) and Senior Discounts:** This tends to be the largest sub-category of rounds at River Ridge, accounting for 33% to 42% of total play. This is an indication of both price sensitivity and the presence of senior golfers at the facility.
- **Other:** This includes other categories such as Juniors, Young Adult, SCGA and other uncategorized activity. Other rounds accounted for 5% to 12% of activity between 2010 and 2014.

Capacity Issues

A golf course's *theoretical capacity* can be determined mathematically by multiplying the number of available tee times (utilizing only the first tee as the starting hole) by the maximum number of players in a group, usually a foursome. This measure, while not realistic for any golf course, results in a total available inventory of golf rounds of 224 rounds per day and approximately 81,760 rounds per 18-holes per year in a 52-week golf season. A more realistic measure, a golf course's *actual capacity* takes into account the loss of tee times for weather, unplayable conditions, cancellations, no-shows, groups of less than four players, and other reasons a golf course would never actually play the *theoretical capacity* such as a desire to maintain course conditions and market realities. In estimating capacity, NGF Consulting has defined a "round" as one person teeing off in an authorized start, so 9-hole and 18-hole rounds are counted equally.

The *actual capacity* for a given course is difficult, if not impossible, to calculate because most courses differ in physical characteristics and management procedures. For example, a course that has paved cart paths and good drainage can quickly resume play after a heavy rain; whereas a course that does not have paved cart paths and/or has poor drainage may have to suspend play for several hours or the entire day. In the Ventura County metro area market golf facilities are operating with year-round golf activity, with a strong definable summer season. Based on River Ridge GC's type and size, fee structure, weather conditions, and down time for maintenance, NGF Consulting has estimated an *actual capacity* of about 55,000 rounds per 18-holes per year, or 110,000 total golf rounds for River Ridge GC. As we will present later in the "Competitive Analysis" section, current rounds played at River Ridge tend to be slightly lower than other area courses, indicating there is room to grow activity at this facility.

River Ridge Revenue

The primary revenue source for the River Ridge GC is the collection of green and cart fees, totaling around \$2.88 million in FY2012, increasing over 13% to \$3.25 million in FY2014. Annual total facility revenue at River Ridge had exceeded \$4.0 million in every year but one (2011) since 2010. The preliminary, unaudited numbers for FY2014 show revenue in excess of \$4.55 million, or the highest of any year reviewed. NGF research indicates that total golf facility revenues in the U.S. have declined from about \$29.1 billion in 2005 to just over \$22.1 billion in 2012 (23% decline). The review shows City of Oxnard is experiencing revenue increases at a time when the industry as a whole is experiencing declines (**Appendix D**). When compared to industry averages, we see that River Ridge is operating with revenues that are substantially higher than the average for 'Standard' courses (between \$40 and \$70 green fee). The U.S. average revenue for Standard public golf courses was \$1,047,000 (18 holes) in 2012, inclusive of all facility revenue.

River Ridge Golf Club Total Facility Revenue – 2010-2014*							
Revenue	2010	2011	2012	2013	2014*	10-14 Avg	10-14 %
Carts	\$756,937	\$685,814	\$745,638	\$821,077	\$881,428	\$778,179	18.7%
Green Fees	2,347,173	2,121,051	2,134,990	2,202,097	2,372,584	\$2,235,579	53.8%
Merchandise	257,352	247,821	239,731	229,962	262,566	\$247,486	6.0%
Misc. Income	11,196	11,083	13,273	21,122	29,831	\$17,301	0.4%
Driving Range	173,042	148,212	156,238	181,340	178,316	\$167,430	4.0%
Rental Equip.	8,685	8,712	14,435	12,303	17,057	\$12,238	0.3%
Misc. Lessons	11,623	8,883	9,625	10,579	11,750	\$10,492	0.3%
Food Sales	246,176	232,297	239,407	239,792	253,321	\$242,199	5.8%
Alcoholic Bev.	178,565	179,796	187,082	184,350	189,029	\$183,764	4.4%
Banquets	278,434	247,128	268,932	234,395	259,949	\$257,768	6.2%
Total River Ridge	\$4,269,183	\$3,890,797	\$4,009,351	\$4,137,017	\$4,455,831	\$4,152,436	100.0%
Annual Pct. Change		-8.9%	3.0%	3.2%	7.7%		
Source: High Tide and Green Grass, Inc. *Preliminary unaudited amounts.							

Average Revenue per Round

The improvement in revenue at River Ridge has been a combination of both higher activity (rounds) and higher total average revenue earned per round. The totals show very strong performance when compared to industry averages. The average for Standard public golf courses in the U.S. was \$23.51 for total golf revenue per round (start), plus an additional \$9.70 in ancillary spending (food, beverage + merchandise – see next chapter), or a total of \$33.21 per round (see **Appendix B**). Other items of note include the driving range revenue at River Ridge at \$1.85 compared to an industry “standard of \$1.12 and \$2.72 per round in pro shop compared to an industry “standard of \$2.48. Total food and beverage sales were \$7.29 per round in FY2014, 19.5% higher than the \$6.10 national average.

River Ridge Golf Club Total Facility Revenue per Round – 2010-2014*						
	2010	2011	2012	2013	2014*	10-14 Avg
Total Paid Rounds	78,911	73,644	77,085	81,632	82,265	78,707
Total Facility Rounds	92,007	87,625	91,675	94,861	96,373	92,508
Green Fee Rev. per Paid Round	\$29.74	\$28.80	\$27.70	\$26.98	\$28.84	\$28.40
Green Fee Rev. per Total Round	\$25.51	\$24.21	\$23.29	\$23.21	\$24.62	\$24.05
Other Rev. per Total Round						
Carts	\$8.23	\$7.83	\$8.13	\$8.66	\$9.15	\$8.21
Merchandise	\$2.80	\$2.83	\$2.62	\$2.42	\$2.72	\$2.67
Misc. Income	\$0.12	\$0.13	\$0.14	\$0.22	\$0.31	\$0.15
Driving Range	\$1.88	\$1.69	\$1.70	\$1.91	\$1.85	\$1.80
Rental Equip.	\$0.09	\$0.10	\$0.16	\$0.13	\$0.18	\$0.12
Misc. Lessons	\$0.13	\$0.10	\$0.10	\$0.11	\$0.12	\$0.11
Food Sales	\$2.68	\$2.65	\$2.61	\$2.53	\$2.63	\$2.62
Alcoholic Bev.	\$1.94	\$2.05	\$2.04	\$1.94	\$1.96	\$1.99
Banquets	\$3.03	\$2.82	\$2.93	\$2.47	\$2.70	\$2.81
Total River Ridge	\$46.40	\$44.40	\$43.73	\$43.61	\$46.24	\$44.54
Annual Pct. Change		-4.3%	-1.5%	-0.3%	6.0%	
Source: High Tide and Green Grass, Inc. *Preliminary unaudited amounts.						

River Ridge Expense

Basic expenses to operate and maintain the course totaled just over \$3.57 million in FY2012, increasing 3.4% to just under \$3.7 million in FY2013. While the figures for 2014 have not yet been completed or audited, the preliminary review suggests that final 2014 expenses will be comparable to 2013 when key items such as employee profit sharing and payment to the City of Oxnard are finalized. These figures do not include the direct cost of merchandise sold (not an expense). The expenses to maintain this facility are much higher than the average for standard public golf courses in the nation (average 18-hole facility spends \$997,200 in expenses for golf facility operations excluding COS – **Appendix B**).

**River Ridge Golf Club
Total Facility Expense – 2010-2014***

Cost of Sales	2010	2011	2012	2013	2014*	10-14 Avg
COS Merchandise	\$180,770	\$183,051	\$197,041	\$163,540	\$191,145	\$183,109
COS F & B	\$235,689	\$229,395	\$241,790	\$238,545	\$257,458	\$240,575
Total COS	\$416,459	\$412,446	\$438,831	\$402,085	\$448,603	\$423,685
Operating Expense						
Wages - Maint	\$763,931	\$753,779	\$765,435	\$750,121	\$736,028	\$753,859
Wages - Pro Shop	186,377	180,451	185,628	192,404	193,791	187,730
Wages - Starters/Marsh.	80,948	81,667	88,968	89,126	75,045	83,151
Wages - Admin	242,277	240,422	234,112	235,507	287,876	248,039
Wages - Banq.	335,762	129,430	175,406	162,446	17,800	164,169
Wages F & B	292,912	294,070	280,089	273,806	280,481	284,272
Other Payroll & Benefits	285,319	264,045	279,016	273,019	275,329	275,346
Utilities	242,040	297,800	320,901	370,990	376,286	321,603
Parts, Mtrs., Suppl.	562,533	560,407	595,659	616,544	569,861	581,001
Advertising / Marketing	19,957	15,487	15,104	23,510	17,256	18,263
Insurance	71,041	67,394	68,463	118,339	97,729	84,593
Outside Services	219,054	269,478	240,543	245,989	270,230	249,059
Taxes	19,919	19,864	17,681	19,142	20,757	19,473
Fee to City of Oxnard	407,169	138,590	157,910	189,747	323,216	243,326
Other Admin	130,724	102,046	94,977	97,502	118,554	108,761
Depreciation	52,417	49,417	57,509	39,204	18,969	43,503
Total River Ridge Expense	\$3,912,380	\$3,464,347	\$3,577,401	\$3,697,396	\$3,679,208	\$3,666,146
Annual Pct. Change		-11.5%	3.3%	3.4%	-0.5%	

Source: High Tide and Green Grass, Inc. *Preliminary unaudited amounts.

Key Expense Findings

Other key NGF findings on River Ridge GC on-site operating expenses include:

- Labor Percent:** The industry standard for golf facility operations is for the total cost of labor to be at or near 50% of total operating expenses, excluding cost of sales. The table below shows that River Ridge averages a labor cost proportion of around 55%, which is slightly higher than the standard but still within an acceptable range.

**River Ridge Golf Club
Labor Expense Proportion – 2010-2013**

Total Facility	2010	2011	2012	2013	10-13 Avg	Pct. Of Total
Total Personnel Services	\$2,187,526	\$1,943,864	\$2,008,654	\$1,976,429	2,029,118	55.4%
Other Expenses	1,724,854	1,520,483	1,568,747	1,720,967	1,633,763	44.6%
Total System Expense	\$3,912,380	\$3,464,347	\$3,577,401	\$3,697,396	\$3,662,881	100.0%

Source: High Tide and Green Grass, Inc.

- **Utilities:** One area of particular concern for River Ridge is the total cost of utilities, specifically the total water expense. Utilities represent about 9% of total River Ridge expenses, compared to an industry standard of 5%. However, a more significant finding is the rapid inflation in total utilities expense from around \$240,000 in FY2010 to over \$376,000 in 2014 (increase of 56.7%). The key component to this expense is the cost of irrigation water, which totaled \$40,600 in FY2010, increasing to \$155,500 in FY2013 (283% increase), before falling slightly to \$144,700 in FY2014. The reduction in FY2014 is partially a result of water conservation measures implemented at River Ridge late in FY2014. The required 20% reduction in water use will lead to savings in water expense in the coming years, but will also have an impact on playing conditions and the appearance of the golf course for golfers and neighboring residences (more later in this report).
- **Cost of Sales (COS):** The cost of sales for merchandise sold was 73% in FY2014, which is comparable to the industry “standard” of 70% for merchandise. The cost of sales for the total F & B operation was at 37% in FY2014, slightly below the industry “standard” of 40%.

River Ridge Golf Club Cost of Sales (COS) Percentage 2014			
Department	Total COS	COS Pct.	Industry Std.
Pro Shop	\$191,145	73%	70%
Food & Bev.	\$257,458	37%	40%
Source: High Tide and Green Grass, Inc. and National Golf Foundation			

- **Depreciation:** The River Ridge income statements show around \$40,000 (+/-) in depreciation from the operator, in addition to the some \$590,000+ depreciation and amortization expense recorded by the City of Oxnard (more below). While there is no industry “standard” on depreciation expense for golf courses, NGF has observed that the more successful golf operations tend to use a “reserve for replacement” account as opposed to depreciation for recording expenses.

River Ridge Golf Club Financial Summary

NGF Consulting's review of performance shows that River Ridge GC is generating a very high level of revenue, with a significant increase reported for the just-ended FY2014. On-site, the River Ridge operator is reporting net operating income at a level that is very close to break-even, with a small loss on operations in 2010 and 2012 and positive net income in 2011 and 2013.

When looking at the River Ridge operation from the perspective of the City of Oxnard, there are significant "below-the-line" expenses that result in a severe loss on the River Ridge operation. As shown in the table below, the most significant of these are the depreciation and amortization expenses and the large interest expense.

River Ridge Golf Club Summary Net Income – 2010-2013				
	2010	2011	2012	2013
Total Facility Revenue	\$4,269,183	\$3,890,797	\$4,009,351	\$4,137,017
Less:				
Direct Cost of Sales	\$416,459	\$412,446	\$438,831	\$402,085
Operating Margin	\$3,852,724	\$3,478,351	\$3,570,520	\$3,734,932
Total Facility Expenses	\$3,912,380	\$3,464,347	\$3,577,401	\$3,697,396
Other Contractor Items	(\$3,509)	(\$27,888)	(\$4,178)	(\$5,462)
Net Facility Income	(\$56,147)	\$41,892	(\$2,703)	\$42,998
Other City Items:				
Misc. Revenue	\$21,678	\$48	\$4,777	\$29,241
Add back Contractor Payment	\$0	\$138,590	\$157,910	\$189,747
City Salaries / Wages	\$47,042	\$47,318	\$66,471	\$66,261
Add'l Utilities	\$1,925	\$0	\$1,896	\$2,189
Depreciation & Amortization	\$97,988	\$586,005	\$589,800	\$590,588
General & Administrative	\$168,736	\$175,582	\$168,767	\$192,973
Add'l Repairs & Maint	\$18,807	\$28,151	\$22,253	\$33,945
Net Operating Income	(\$368,967)	(\$656,526)	(\$689,203)	(\$623,970)
Interest Expense	\$237,183	\$1,633,114	\$1,192,091	\$1,277,542
Net Income (loss) before	(\$606,150)	(\$2,289,640)	(\$1,881,294)	(\$1,901,512)
Contributions + Transfers	\$0	\$1,679,113	\$1,298,547	\$1,323,345
Net Position	(\$606,150)	(\$610,527)	(\$582,747)	(\$578,167)
Source: High Tide and Green Grass, Inc. and City of Oxnard				

Summary Performance Discussion

The key NGF observations regarding the overall summary financial position of the River Ridge GC and the City of Oxnard include:

- The golf operation in Oxnard is close to “break-even,” but is experiencing a level of revenue (over \$4.0 million) that is typically associated with profitable golf courses.
- The City of Oxnard has significant direct expenses related to the operation of the River Ridge GC, most notably the large depreciation/amortization and interest expense totaling nearly \$1.87 million in FY2013. The NGF notes that these expenses are largely fixed, and would remain intact even if the City were to enact a significant change in the operational structure of the golf course.
- The City of Oxnard does not include any form of “reserve for replacement” for its golf course, thus excluding any savings for future upgrades or repairs.
- The interest expense for the golf course is significant, totaling over \$1.27 million in FY2013. Total interest expense for 2011-2013 was very close to the amount transferred into the Golf Enterprise Fund from the General Fund. The City has reported that the large interest expense will terminate beginning in FY2017.
- Other City expenses for general services allocations, overhead, service charges and general and administrative expenses totaled over \$259,000 in FY2013. These overhead expenses are comparable to other California municipal golf operations reviewed by NGF in the last few years.

REVIEW OF GOLF OPERATIONS

As noted, River Ridge Golf Club was originally conceived, designed and structured to be operated as a higher-end public golf course, catering to a more advanced and sophisticated golfer clientele than the “standard” Municipal golf course. As such, the City secured a private lease partner to operate the facility in this fashion, which was appropriate given the stated goals. NGF has considered this history when reviewing the operations of the facility, as the goals and structure will dictate how the facility is to be run for the future.

In this section, NGF provides a brief review of the River Ridge GC operation under the present contract management structure. Overall, NGF’s view is that the operator is doing a good job of running this business, and is clearly employing almost all of the key “best industry” practices that are common in successful public golf operations. We do note that some of these “best practices” are recent innovations that resulted from declining performance.

The overriding impression of the operation is that of an operator who is running a very efficient business and has recently begun to embrace golf-industry best practices that are likely contributing to improved performance. Still, there are areas where this facility can improve in both operations and physical plant that would help improve the overall “bottom line” in the operation.

In this section, the NGF will review key aspects of the golf operation including the technology platform, marketing, food and beverage operations, merchandise operations, driving range, cart operations, fees/memberships, programming and other issues.

Business Plan

River Ridge GC prepares a formal, written business plan each year. This is a strong positive for the facility as the specific goals and activities to achieve the goals are included and laid out in detail. The presence of this type of written business plan is not common at municipal golf courses and is typically associated with corporate management companies and is a key indicator of success. The NGF views this as a positive for the operation and a strong indicator of potential success.

Technology – Point of Sale (POS) and Reservation System

It is of the utmost importance that public golf courses remain at the forefront of modern technology in course operations. The efficiency of software for tee time reservations, operations / accounting reporting, retail point-of-purchase reporting, and overall management information systems can help improve overall performance (or lead to declines if poorly designed).

In the last two years, River Ridge GC has upgraded some of the golf courses' technology systems, including both the POS and systems used for marketing. The POS system is the *Fore! Reservations* system that is a capable system with several added features for use in marketing. The *Fore! Reservations* system is a leader in public golf course POS technology, and should help River Ridge GC:

- Create customer databases for email programs
- Create and manage a modern customer loyalty program
- Integrate the Tee-Time Reservation System with POS
- Issue identification cards and/or capture golfers' email addresses
- Develop a reporting system and monitor key management benchmarks
- Create a web-based marketing presence with 24-hour tee-time reservations
- Sell pre-paid gift cards and reservation cards for premium access online
- Increase operational efficiency and improve internal control
- Enhance customer service
- Email communication of promotions, tournaments, and updates

River Ridge GC Marketing

Traditionally, NGF Consulting recommends marketing budgets for golf courses of at least 1% of total gross facility revenue, or roughly \$45,000 for the River Ridge in 2014. A review of the course's financial records show less an advertising budget of under \$20,000, but this facility does employ a full-time sales manager (in the admin. department) with a focus on selling new tournaments that is not included in the advertising budget. Thus the total amount spent and operator commitment to marketing appears strong.

River Ridge GC has a much wider potential market draw than a "typical" municipal golf course, since the facility has a local market, a seasonal market, and a tourist market. In 2014, NGF reviewed a formal River Ridge GC "marketing plan" that defined strategy, established goals and defined specific activities. Many of the initiatives reviewed by NGF were newer in nature (added or improved within the last 2 years), and this has had impact on both rounds and revenue increases in 2014 noted earlier. The key areas of focus for increasing activity and revenue at the River Ridge include:

- **Internet:** The River Ridge website (www.riverridge-golfclub.com) is one of the better public golf websites reviewed by NGF and includes all of the features NGF typically recommends in public golf websites (rates, scorecard, directions, phone numbers and ability to book online). The site is also easily navigable, and is easily found in any number of blind web searches (“golf Oxnard,” “golf Ventura County,” “golf Ventura,” etc.). The site is designed and maintained by *CourseTrends*, an industry leader in producing websites for successful golf courses.
- **Online Tee Times:** A key to increasing golf in 2014 and beyond is the ability to book tee times on line with a convenient system. There was some concern about this system in previous years, but it appears upgrades in the last two years with *Fore! Reservations* have improved the system. Golfers do need to be registered within the system and create a free “profile account” to utilize the system.
- **Email:** River Ridge GC has placed emphasis on growing its email program, focusing primarily on frequent players (discount cards / advance green fees). Staff reported it was active in trying to capture golfer emails. The River Ridge player database was reported to exceed 13,000, growing from 10,000 at the beginning of the year. The River Ridge staff is able to email these golfers with targeted promotions and specials, which is a growing and successful trend in public golf.
- **F & B Marketing:** River Ridge GC operators have placed new focus on marketing the clubhouse and food and beverage operations to non-golfers, especially focusing on large groups, parties and banquets (weddings) and the employment of a catering sales employee. The information about River Ridge banquet services is very much front-and-center in the course’s website, including descriptions of rooms, services and special features (A/V capabilities).
- **Tracking:** One key area where NGF has observed River Ridge staff to be ahead of many public golf courses in marketing is the way the staff is tracking the effectiveness of various campaigns, specials and programs. The staff employs a formal log to track all incoming inquiries and uses coding to track all promotions and specials. This is especially useful in managing resources and putting emphasis on marketing initiatives that actually work.
- **Adjacent Hotel:** River Ridge has a great advantage with the presence of the immediately adjacent 252-room Residence Inn hotel. While there has been good cooperation in marketing and merchandising (hotel sells River Ridge GC items in hotel store), this is one area where River Ridge staff and NGF agree could be improved with better communication, tie-ins and cross promotions (golf packages).
- **Gift Cards:** River Ridge is selling pre-paid gift cards in various amounts that are good for all services on premises. These cards help the facility generate advance sales, and this is common at successful golf facilities.
- **Young Adult Program:** One of the major initiatives to grow activity at River Ridge is the young adult program for golfers age 18-29. National NGF research has shown this to be a key demographic in growing golf activity. River Ridge now has a database of over 1,900 younger adults (up from only 750 one year ago) who can play for \$20 on weekdays or weekend afternoons.
- **Social Media:** River Ridge is active in using various social media and other “modern” methods to stay in touch with customers. Much of the River Ridge existing customer base is older, and thus not active with things like Facebook and texting. However, the new younger generation that is a target of activity at this facility is active in these social media outlets and the growing emphasis is favorable for River Ridge GC.

- **Tournaments/Outings:** River Ridge has an active tournament schedule at the facility, taking full advantage of its 36-hole layout. The focus of one of the assistant professionals at the facility is the promotion of tournaments. This type of sales activity requires significant direct marketing and even “face-to-face” efforts.
- **Other Activities:** Staff reported to NGF several other activities to increase revenue, including the new FootGolf initiatives (more later in this report), and other areas to stimulate range use, merchandise sales and other “alternative” rounds of golf (i.e. early morning 9-holers).

River Ridge appears to NGF to be way “ahead of the curve” when it comes to marketing this facility and it is clear that enhancements to marketing are a high priority for the operation. As so much of the successful marketing in 2014 and the near future is about technology, it does seem that this facility’s focus is in the right places, and is employing appropriate staff and commitment to improve the marketing reach of the River Ridge GC.

Food and Beverage Operations

The food and beverage operation at River Ridge GC consists of several components, including a Café, snack bar, banquet operation, satellite snack bar and beverage carts. Food and beverage operations at golf facilities tend to achieve two goals: (1) provide direct revenue; and (2) help increase the overall volume of rounds and other revenues at the facility. The primary focus of public golf course F & B service is to serve the needs of the golfers, with an occasional non-golf customer. The typical 18-hole public golf course will earn about \$6.10 per round in food and beverage, less direct costs. A summary of the food and beverage concessions at River Ridge GC is shown below:

River Ridge GC Food and Beverage Concession Review						
Course	Basic Features	Est. 2014 Gross Revenue (all sources)	Gross Rev./ Round*	Total Cost of Sales	COS %	Change Recommended
River Ridge GC	Snack bar, banquets, on-course service	\$702,299	\$7.29	\$448,603	36.7%	Expand capacities and space, improve pavilion, improve banquet space.
*Per round revenue is per 9-hole round – not for direct comparison to industry.						

The F & B service at River Ridge is limited to the space available in both the seating area and kitchen capacity. The facilities also suffered from a generally “tired” appearance and are in need of upgrade. At the time of the NGF review in the summer of 2014, staff was in the process of planning for a “face-lift” to the Café and banquet rooms, to add a flat-screen TV, new flooring, new paint, new window treatments and live plants. While the food and beverage facilities are limited at RRGC, the F&B business is still an important revenue source, generating over \$7.29/round. The facility has very limited equipment with a small kitchen to serve all segments of the operation. Further, the facility is hindered by the lack of large indoor gathering space, as a 36-hole golf facility should ideally have seating for up to 300, as compared to the existing banquet capacity of 150 patrons.

A quick summary of the food, beverage and banquet components at River Ridge GC:

- **Wedding and Banquet Operations:** River Ridge has become active in trying to sell weddings and banquets directly. Although relatively small (seating for up to 150), the main banquet room is functional, efficient and proximate to the kitchen for efficiency. The outdoor gazebo and improved landscaping offer a nice setting for parties of this type. Total volume in wedding and banquet business declined slightly in FY2014, and effort has been increased for the coming new year. The goal is to increase to 10 large wedding events, compared to 7 sold in FY2014. Large banquet events can be profitable with a minimum of 60 patrons in the banquet room.
- **Café Operations:** The Café menu is limited due to the lack of equipment. However, River Ridge does offer a variety of sandwiches and other lunch items from \$5 to \$6.50. Breakfast is a key part of the operation and full meals are available from \$4.50 to \$7.00. Beers are between \$2.75 and \$5.00. Overall, pricing is reasonable and appropriate for this type of public course operation. What appear to be missing are greater variety in the “healthy” choices, such as more salads and offering wraps. These are especially appealing to women – an important growing customer group.
- **Meeting Rooms:** The facility offers two medium-sized rooms (Sunrise and Sunset) that are ideal for meetings, seminars, training sessions and/or presentations for groups up to 50 people. Both rooms are located upstairs in the clubhouse and have outside balconies overlooking the golf course. NGF has documented a growing trend toward smaller business functions being held at golf courses and these rooms, coupled with the appropriate A/V capabilities, are ideal for such purpose. River Ridge reported 185 separate room rental events in FY2013, up over 30% from FY2012.
- **On Course Services:** River Ridge GC includes the Lake House satellite snack bar and two (2) beverage carts. These two operations combined for an estimated \$60,000 in revenue in FY2014. The course owns two beverage carts but tends to only use one at a time, except at the most peak demand.

Merchandise Operations

NGF Consulting sees possibilities in the merchandising operation at River Ridge GC. Despite strong rounds activity, the merchandise sales at River Ridge appear to be lagging behind other comparable 36-hole golf courses with comparable activity. Total merchandise revenue per round has held steady at around \$2.70 to \$2.80 per round in each year from 2010 to 2014, an amount which is only a little higher than the industry standard of \$2.48 per round. This may be reflective of the customer segments that frequent this facility, the nature of the local economy and the presence of big-box golf retailers in the area. The selection of soft goods and the displays are all adequate, but there is space in the shop to expand the merchandise selection. The items that tend to sell best at facilities like the River Ridge are the obvious “impulse” items (balls, gloves, hats, towels, socks, etc.), but also logoed merchandise like shirts and outerwear. The River Ridge logo is very marketable on shirts and jackets.

The direct cost of merchandise sold has held at around 70% each year since 2010, compared to an industry “standard” of 70% cost of sales. A key to improving sales may be increasing the volume of non-resident, tourist rounds and doing more to promote key soft items that feature the River Ridge logo. Adding additional pro shop items to support the new FootGolf initiative may also help. However, as the total margin on merchandise is only around 30%, the total net to the operator (and the City) will never be significant in merchandise sales. Rather, this is a service to golfers to make the round more enjoyable and help to bring them back for more.

Fee Structure

The table that follows shows the fee structure at River Ridge GC. As we will see in our competitive review (next section), these rates are competitive and on the lower end among Ventura County golf courses. Following the table are some NGF discussion points regarding the fees being charged at River Ridge GC.

River Ridge GC Green Fee Rates - 2014					
Weekday Rates	9 Holes*	18 Holes	TWI 1pm	Sunset 3:30pm	Dusk 5pm
Public Rates					
Green Fee/ Walking	\$25.00	\$37.00	\$25.00	\$16.00	\$7.00
With Cart	\$40.00	\$52.00	\$40.00	\$21.00	\$22.00
Loyalty ¹ / Walking	\$23.00	\$31.00	\$23.00	\$14.00	\$7.00
Loyalty ¹ / With Cart	\$38.00	\$46.00	\$38.00	\$21.00	\$22.00
Senior - 60 years +					
Green Fee/ Walking	N/A	\$27.00	\$17.00		\$7.00
With Cart	N/A	\$42.00	\$32.00		\$22.00
Loyalty ¹ / Walking	N/A	\$22.00	\$15.00		\$7.00
Loyalty ¹ / With Cart	N/A	\$37.00	\$30.00		\$22.00
Junior²					
Green Fee/ Walking	N/A		\$6.00		
With Cart	N/A		\$21.00		
Weekend Rates	9 Holes*	18 Holes	Tier 11am- 1pm	Sunset 3:30pm	Dusk 5pm
Public Rates					
Green Fee/ Walking	\$30.00	\$49.00	\$38.00	\$16.00	\$7.00
With Cart	\$45.00	\$64.00	\$53.00	\$21.00	\$22.00
Loyalty ¹ / Walking	\$30.00	\$44.00	\$38.00	\$14.00	\$7.00
Loyalty ¹ / With Cart	\$45.00	\$59.00	\$53.00	\$21.00	\$22.00
Senior - 60 years +					
		After 10am			
Green Fee/ Walking	N/A	\$30.00			\$7.00
With Cart	N/A	\$45.00			\$22.00
Loyalty ¹ / Walking	N/A	\$30.00			\$7.00
Loyalty ¹ / With Cart	N/A	\$45.00			\$22.00
Junior²					
Green Fee/ Walking	N/A			\$6.00	
With Cart	N/A			\$21.00	
¹ Loyalty Club Price \$50.00. ² 1 1/2 hours after twilight on Weekdays, 2 1/2 hours after twilight on weekends *9-hole rounds, while accommodated, are not strong due to there being no convenient method to facilitate 9-hole rounds for walkers due to the non-returning 9-hole configurations in the two golf courses.					

Comments on River Ridge Fees

- **Rack Green Fees:** As we will see in more detail in our competitive review (next section), River Ridge's fees fall in the middle range of pricing in this market. However, while River Ridge's rates are similar to the Ventura County resident rates at Olivas Links, they are considerably higher than the county resident rates at Buenaventura and the city resident rates at both Olivas Links and Buenaventura, leaving little incentive for Ventura city or county residents to play at River Ridge.
- **Discounting:** As with most golf markets across the country, there are a variety of ways to play discounted golf in this market area. The presence of a large volume of discount arrangements (on-site and through 3rd party vendors) make the overall comparison of green fees difficult, as the majority of tee times are sold at less than "rack rate."

Memberships

River Ridge does offer a number of programs to help reduce costs for the frequent player. These include annual passes and a rewards (loyalty) program.

Annual Pass

A review of financial records shows 62 annual pass holders, up from 50 in 2013. Combined, they played 3,600 rounds, producing an average of \$29.72/round in green fees, compared to the total facility average green of \$28.84 per paid round. These golfers will also consume carts, merchandise, food and beverage, which is not in the revenue calculation. In all, this is a popular way to attract frequent players and provide a system to lock-in golfers to River Ridge GC. Many of these annual pass holders are also purchasing the club cart membership, further adding to pre-paid revenue. The fees for the various annual pass programs are shown in the table below:

Membership	Fee
Individual Rate ¹	\$1,725.00
Cart Plan	\$864.00
Individual Rate w/ cart anytime	\$3,500.00
¹ Weekday anytime/restricted weekend play	

Golf Loyalty Program

The Golf Discount (loyalty) card offered by River Ridge GC is comparable to others in this market. The card costs \$50 and provides a list of benefits, the most important of which is the green fee discounts (up to \$5). This type of loyalty program is becoming more and more common at public golf courses, and many see the numbers of these cards going up while advance fee deals are in decline. These cards accounted for approximately 26,300 total rounds in FY2013, or 32% of the total play at River Ridge GC.

Golf Club Rentals

One key to increasing the volume of tourist golf rounds is to have a good quality of high quality rental golf club sets available, **and communicating this fact to potential customers**. River Ridge GC has 20 rental sets, including ladies and left-handed sets, and all appeared to be in good condition with premium brands. Many better quality golf courses in tourist markets are showing success by purchasing newer, brand name rental sets and renting them for 1-2 years and then selling them in the pro shop. The funds gained upon sale can be used to purchase

newer rental sets and keep the cycle going. As noted several times in this report, the key revenue sources for River Ridge are green and cart fees, and rental sets help the facility to sell more rounds. Thus, the rental sets themselves are not viewed as a strong direct profit center, although staff is reporting well over \$12,000 in rental club revenue, much beyond the \$5,000 cost to acquire the sets.

Golf Cart Operations

The River Ridge GC operators are responsible for providing a fleet of golf carts as is appropriate and customary at public golf courses. River Ridge has a fleet of 144 electric “EZ-GO” carts and two beverage carts. The cart fleet is leased on a five-year program running through FY2016. The total payment is reported at \$11,433 per month for the fleet, or \$137,196 for the year. This equates to a cost of \$952.75 per cart per year, within the industry standard of \$1,000 per cart per year.

NGF found the carts to be in good condition with the appropriate amount. The standard is for at least 72 carts at higher volume 18-hole facilities. This allows for a full field with everyone having a cart, plus two for rangers and a spare. We also normally recommend having two beverage carts, so that on busy days you can assign one per course. The River Ridge operators are considering the addition of GPS services on the carts. However, given the current state of golfers and the prevalence of personal range finders and smartphone apps, the addition is probably not a high priority.

The carts are stored in the cart storage area at the lower level of the clubhouse, which is ideal. This location improves operating efficiency and makes returning carts more convenient for the customers. The cart operations staff consists of one full-time and one part time employee. Again, given the volume of the facility, the current cart operation is good.

Range Operations

The driving range operation at River Ridge is less than ideal physically, with only 260 yards of length (maximum) with netting surrounding three sides. With new equipment and longer hitting golfers, this short length creates problems and serves to limit the appeal of the facility for better amateur or professional events. The hitting area is much better with upwards of 40+ stations with adequate depth for grass hitting area. There are also 30 artificial turf (mats) stations for use when grass is stressed. The facility also has a small permanent covered lesson area at the west end of the range, which is ideal for lessons and programming.

The operators are producing consistent revenue with around \$160,000 to \$180,000 in range revenue each year since 2010. Staff appears committed to improving range revenue with some new recent investments, particularly in range ball dispensing technology. The NGF has frequently recommended that golf facilities with self-service range ball dispensers move away from the costly “token” system, as these tokens tend to get lost or be “hoarded” by golfers. River Ridge has taken this step by adding both the e-range key system and a PIN number system, both providing ease to golfers and leading to increased range sales.

A realistic target for range revenue at facilities with driving ranges of this type is roughly \$2.00 per round of golf. As River Ridge is reporting sales at around \$1.85 per round, there may be some room for improvement. The fees for the driving range include small buckets (34 balls - \$5.00), medium (68 balls - \$7.00) and large (102 balls - \$9.00). The range keys are \$59, \$110 and \$250 (\$200 for loyalty members).

River Ridge GC Driving Range Operations Review and Fees					
Course	# Hitting Stations*	Notes	2014 Range Revenue	Range Revenue per Round	Change Recommended
River Ridge GC	40*	Full grass range with limited length	\$178,316	\$1.85	Prepare for eventual netting replacement. Consider expanding range to add length and short-game practice
Driving Range Fees					
Range Prices	Small (34)	Med. (68)	Large (102)		
Bucket of Balls	\$5.00	\$7.00	\$9.00		
Range Key ¹	\$59.00	\$110.00	\$250.00	Range Keys require \$5 deposit	
Loyalty Range Key		\$104.00	\$200.00		
¹ Regular Value \$59 = \$84, \$110 = \$168, \$250 = \$400					

Programming

RRGC offers a number of programs to stimulate golfer interest and promote group activities. These come in many forms, including tournaments, leagues, junior programs, and lessons.

Tournaments

As noted previously, River Ridge does emphasize the tournament and outing business, and the operator is offering several defined packages for golf tournaments making their organization easier. While the tournament calendar is mostly filled in the June – September period, recent focus has been on increasing tournaments in the off-season. The facility's stated goal is 400 tournaments, which is high for a public course and would be highly profitable for the facility if it can be achieved.

While some growth in this segment can be achieved, the 36-hole layout offers very significant growth potential for tournaments, but River Ridge has limitations, the most significant of which is the limited banquet space. While adequate for 18-hole events, the key advantage to this facility is the 36-hole layout and the potential for "mega" tournament events on two golf courses, if sufficient banquet space was available. The facility also does not have a permanent outdoor pavilion, relying on a re-usable tent instead. The attraction of permanent covered outdoor space for tournaments is growing in popularity among public golf courses nationwide.

Leagues

River Ridge appears to be a leader in the planning, promoting and organizing various group activities to increase golf activity. River Ridge has several regular and active groups, including men's and ladies' clubs, senior clubs, and leagues.

Player Development Programs

The Player Development Program at River Ridge is extensive and growing. The operator rightfully sees the opportunity and the importance of developing new players for the longer term future customers to the facility. The facilities in place at River Ridge are adequate for a high quality player development program, and include the fixed golf learning center area on the driving range. Total lesson revenue totaled over \$11,000 in 2010, falling to \$8,800 in FY2011

and has increased every year since to \$11,750 in FY2014. The lesson programming at River Ridge has two components: (1) individual private lessons with the course golf professionals; and (2) organized group lessons and clinics.

Juniors have been a focus of player development programs at River Ridge, in both the private lessons, groups and the offering of summer camps. River Ridge provides full access to area high schools for no charge for events and some practice. This is both a key to help grow future activity, but also a good community service use of the facility.

Increased Participation from Women

The NGF review of River Ridge GC shows that the course is too difficult for several segments commonly associated as “less-skilled” golfers, but the impact appears to be the greatest in the female segment. The course is just too long from its most forward tee, and this will influence demand from women. In addition, new forward tees are often added and are poorly maintained and look like an afterthought. This issue is related to other issues in this review, including rounds, revenue, and pace of play. Throughout this report NGF has noted the importance of adding new forward tees so that the City’s golf course could become more female-friendly.

FootGolf

River Ridge operators continue to look “outside-the-box” for additional ways to increase customers to the facility. River Ridge is one of the first golf courses in California to be fully sanctioned by the American FootGolf League (AFGL). River Ridge has acquired all the key amenities and has been utilizing the Vineyards course on weekday afternoons to attract footgolfers to the facility with \$10 footgolf green fee. Staff has created materials and even a scorecard for the footgolf course. Footgolf is even featured prominently on the website, with a photo showing league activity. This approach is allowing River Ridge to better utilize the facilities and expand the reach of the facility within the Oxnard community at large.

Other Issues and Policies

Other issues related to the operation of River Ridge GC are reviewed below, including a review of hours of operation, tee time reservations, signage, and the “no show” policy.

- **Hours of Operation:** River Ridge is open from sunup to sundown, which is appropriate for a public golf course.
- **Tee Time Reservations:** Tee Times are available up to 7 days in advance by phone or internet. Only 18-hole reservations may be made for weekends and holidays. Staff will accommodate early morning back-9 walk-on traffic on the Vineyard course when available. These policies are appropriate for a public golf course and are in line with the competition.
- **No Show Policy:** No shows (golfers who book a tee time and fail to show up) are apparently not a problem at RRGCC. As a result, there is no formal no show policy.
- **Signage:** The signage (directional and informational) to River Ridge is poor and/or non-existent. River Ridge has an outstanding location for high activity, with immediate proximity to the Ventura Freeway. Anything the City can do to add signage, possibly even billboard-type signage on the Freeway, would be a great help to this facility.

REVIEW OF PHYSICAL PLANT – RIVER RIDGE

In completing this review for the City, NGF has conducted a summary of the physical condition of River Ridge GC and all support amenities. This review was managed by Golf Course Architect Forrest Richardson, ASGCA, who visited the facility to evaluate the courses and conditions. The intent of this section is to provide independent recommendations and directions that may be evaluated further by the City in the context of short and long range planning and implementation. The method for evaluating the facilities involved site tours and interviews with key staff charged with caring for and operating the property. Additional data was provided by the City and secured independently, and was used to assist the NGF team in our review.

This physical condition review is intended to provide a basis for further study and potential action by the City. The review is limited to the scope of services contracted to NGF Consulting. Accordingly, information such as probable cost estimates and conceptual planning must be viewed in their proper context and limitations. NGF Consulting, as part of this work scope, did not make detailed analysis of proposed approaches, nor did the scope of services allow an in-depth study of options beyond the summarized findings provided. The City is advised that further study, detailed analysis, specific planning and cost analysis should be undertaken before final actions. This report should be used to form decisions on “next steps” to initiate formal planning and design for facility improvements.

Inventory of Facilities

The River Ridge Golf Club includes the following elements:

- Two regulation-length 18-hole golf courses on 300 total acres (250 maintained).
- 7,500 square foot (sf) clubhouse with open floor plan
- Practice areas with driving range (250 yards), 2 putting greens and chipping area
- 4,200 sf maintenance facility and the Sprung tent

The above mix of elements is common and appropriate for a City golf course, allowing for appeal to multiple segments of golfers from beginners to seasoned players. The two golf courses have some deficiencies, and may need some modifications to become more popular with less-skilled golfers and beginners (more below).

Golf Course Review

As noted, the River Ridge Golf Club facility is divided into several components, including two 18-hole golf courses, a practice facility (driving range), clubhouse and maintenance facility. The NGF review of each component follows:

The Vineyard Course

This 18-hole course is the primary remnant of the original Bell golf course design opened in 1986. The course includes four sets of tees, ranging from 5,232 to 6,761 yards and plays to the standard par of 72. The outbound 9-holes is a par-35 with the inbound holes par-37. The course has a slope rating (measure of difficulty) of between 112 and 121, indicating the course is comparable to the “standard” for golf courses. There are 71 bunkers on the course and water is in play for golfers on five of the 18 holes.

The most dramatic difference in the original layout to the present layout is the fact that both finishing holes of the course no longer return to the clubhouse, creating an “out and back” 18-

hole experience. One of the features of The Vineyard Course is the island green at current No. 18. Originally, this was the 14th Hole. In reconfiguring the original course to make way for the new Victoria Lakes Course an opportunity was lost to preserve returning nines on the original course. This routing may have implications on rounds and revenue performance, as the course is now limited in its ability to sell 9-hole rounds (popular with many golfers), and the course is not easily walked, requiring patrons to use a cart.

The Vineyard Course is now considered the lesser of the two courses. This is primarily due to the aging features and less “wow factor” to that of its newer counterpart. Compounding this difference is the current configuration requires a long travel distance between its 13th and 14th holes, and it the course ends on a par-3 hole (not common in golf). While these are necessarily detrimental on their own, combined with the non-returning nines, The Vineyard Course appears less appealing to the area’s golfing public.

The newer (replacement) holes of The Vineyard Course are Hole Nos. 3, 4, 5 and 6. These holes, constructed along with the second phase of The Victoria Lakes Course, enabled the opening and finishing holes of the newer course. However, these holes are very different in character to the original Bell holes. This is another factor that creates a lesser experience to The Vineyard Course as the layout is now both interrupted by a different style and feel, and it requires traveling out nine holes and back with no opportunity for a 9-hole round (**Appendix A** - Exhibits are included to show the facility circa 1994, 2004, and present day).

The Victoria Lakes Course

This is mostly a newer 18-hole golf course that is considered more “modern” in its design and tends to be the more popular golf course at River Ridge. The course includes five sets of tees, ranging from 5,202 to 7,170 yards and plays to the standard par of 72. This course has a slope rating (measure of difficulty) of between 121 and 136, indicating the course is more difficult than the “standard” golf course. The course has fewer bunkers (50) and more water holes (8) than the Vineyards Course, and has faster greens, steeper topography and narrower holes.

The course has a “links” style, especially on holes built on the landfill portions of the course footprint, which include Hole Nos. 1, 2, 3, 15, 16, 17 and 18. Hole Nos. 1, 2, 17 and 18 were cannibalized from original holes on The Vineyard Course. Holes Nos. 3, 15 and 16 were constructed on a separate landfill cell west of the original course area. The resulting golf layout presents some unique and challenging golf holes, resulting in a golf course that tends to play more difficult than “standard.” The course plays narrow, and lost golf balls are frequent for most players due to water hazards. Over the years, NGF has found that courses that are more difficult to play and result in more lost golf balls tend to host fewer rounds than easier golf courses.

While the nines are non-returning, there is a permanent halfway house and restroom facility at the 9th and 11th tees that serve players near to midway during the round. The course is generally considered the better of the City’s two courses, and certainly the more challenging. The perception that The Victoria Lakes Course is better is likely due to it being newer and configured in a more cohesive golf experience with consistency in features and design style.

Practice Facilities

River Ridge GC includes a driving range, two practice putting greens and two short game/bunker practice green areas. The limited length of the range is surrounded by netting, giving it a poor aesthetic that takes away from the otherwise overall openness of the site.

The practice range is significantly compromised by limited visibility from the tees northward to the landing area for practice shots. Over the years there have been added measures to provide targets in the form of net catchments, but these do not overcome the visibility issue. To reduce turf footprint, the area from about 120 yards to the end of the range has been taken out of managed turf and is now bare ground. A drainage-way crosses the range with water flowing through the golf course to the Santa Clara River.

Due to its limited length (just 250 yards), the visibility and aesthetic drawbacks of not having turf to hit to, the River Ridge practice facility is less than ideal for this facility. According to the management, several major events and groups have not selected the River Ridge GC for their golf outings due to the poor practice range. This includes a proposed qualifier for the Canadian PGA that could have brought significant people and spending to the Oxnard area. On the positive side, the putting greens and short game areas function well to serve players. However, since these amenities do not create direct revenue, they are less essential to the overall operation, but remain important for the purposes of attracting and developing new golfers.

Maintenance Facility

The maintenance building and yard are located along the northern edge of the primary landfill area. This building is the former gas-electric generating station that harvested methane gas from the landfill and converted it to electricity. After abandonment due to depletion of ample methane, the golf operations moved in. The facility is augmented by a tent-like structure for housing equipment and materials.

NGF Consulting considers the facility reasonable and adequate for the 36-hole operation. Management indicates there are no pressing issues with the facility and that it functions well to provide maintenance operations. The equipment to maintain the golf courses is all owned by the management contractor, and all appeared to be adequate, in good working order and stored and maintained appropriately. The NGF team did not observe any urgent replacement issues related to the facility's maintenance equipment.

On-course Facilities

A snack-bar (halfway house) and restrooms are located on the newer Victoria Lakes Course at the Hole Nos. 9 and 11 tee area. This facility is in good condition and functions well. Due to there being no sewer infrastructure on the original Vineyard Course, no on-course restrooms are in place to serve customers on this course. Two portable toilet locations are provided out on the course. These are seen as less-than-ideal by customers. However, given the course configuration of The Vineyard Course, players traverse by the clubhouse between Hole Nos. 13 and 14. This is a small consolation, but not to be overlooked.

Clubhouse and Grounds

The procession to the River Ridge facility is, for visitors, somewhat difficult to find. The City has installed signage pointing the way to the golf course, but these could be more prevalent and frequent. The arrival is pleasant, yet somewhat dated. Signage, parking and landscaping is all in good shape, but sets the tone for the circa 1980s look.

One considerable drawback is the large appearing clubhouse from the exterior, but the reality that the building is considerably undersized in terms of its meeting room sizes. What appears to be a large clubhouse facility is, on the interior, a large cavernous hallway space that is mostly unusable. This space is so large, yet serves only to create an unneeded open space that greets users as they enter and make their way to the rather small spaces to eat, drink and meet.

Physical Condition Review

The following section provides a summary of current golf course conditions, maintenance practices and other issues and observations made by the NGF Consulting team.

- **Tees:** In general, tees are in good condition on both courses. A high priority item for NGF would be for the City to encourage the development of new tees to allow the course to be played from a much shorter yardage. This will encourage more new players, young players and senior players, and have the effect of promoting more play from tee yardages that are not fully toward the front (i.e., with new tees added at the front, players may be more apt to move up to a tee that is not at the very front). Overall, tees are kept in very good condition with regular maintenance practices to smooth and repair wear and tear.
- **Fairways and Roughs:** On Victoria Lakes the predominant turf is GN-1, a hybrid Bermudagrass planted to be appropriate to the Oxnard coastal climate and conditions. This turf is primarily in the fairways, tee and green surrounds and has been allowed to migrate into the roughs. Roughs are primarily common Bermudagrass, Poa Annua and Kikuyugrass. On the Vineyard Course the fairways are Common Bermudagrass with the roughs being common Bermudagrass, Poa Annua and Kikuyugrass. Overall, fairways and roughs are in good condition with adequate drainage. In recent years a movement to reduce managed turf area has resulted in some areas being removed from managed roughs to passive turf plantings and sandy “duneslike” areas. The sandy areas have been created on the Vineyard Course and replaced original rough areas that were mostly out of play.
- **Greens:** A hallmark of the facility is the greens on both courses. The older Vineyard Course is now fully surfaced with Poa Annua, an acceptable greens turf that has long overtaken the original Bentgrass planted when the course was new. Poa Annua, especially in the coastal areas from Los Angeles to Santa Barbara, is the predominant greens turf. The newer Victoria Lakes Course is approximately 90% Poa Annua with some residual Bentgrass still present. Greens are regularly verti-cut and top-dressed every three weeks with excellent results. Being that greens surfaces are considered by golfers as the most important surface at a course, Oxnard and its operator has done well to provide excellent playing surfaces on greens. Greens are of good size, shape and interest on both courses.
- **Bunkers:** Sand bunkers were installed on the newer holes with *Bunker Seal*, a sand-based mix that seals bunker floors to prevent contamination and aid in drainage. These have performed well with on-going maintenance to replace sand and make repairs. As older bunkers are repaired, new linings have been added over the years. Typical lifespan of sand bunkers is 7-10 years, although anticipated replacement times will vary at River Ridge. At some point it may be in the best interest of the City to explore renovation of all bunkers so that they are equal in condition and can transition into a more concurrent renovation schedule. Ideally renovation would be scheduled on a course-by-course basis with all bunkers being renovated (at each course) all at one time in future years.
- **Lakes:** Lakes are reportedly in good condition with re-lining taking place a few years ago at one lake on the original course. All lakes were lined with 30 mil PVC plastic that was installed with no soil cover. Typically, such lake lining has a lifespan of 25-30 years. Remediation of the lake re-lined involved re-sealing with Bentonite mixed into clay-type soils to replace the plastic liner. The City can expect future lakes leaks and liner issues given the history of the noted issue that has already presented itself.

- **Irrigation System:** The NGF did not complete an in-depth evaluation of the irrigation system. Management reports that upgrades and repairs have been made since the courses were originally opened. This is atypical of a majority of municipal operations and a tremendous benefit to the City. At most public sector facilities we encounter irrigation systems that are allowed to age with very few upgrades until they reach a point where it becomes necessary to fully replace the entire system. At River Ridge, given on-going work, the systems of both courses are in good condition and have a reasonable life expectancy before full replacement may be required. In general, The Vineyard Course features a Rainbird Nimbus system and The Victoria Lakes a Toro Site Pro system, although some holes of each course (when reconfigured) are now served by the other course's irrigation infrastructure.
- **Irrigation Pump Stations:** Pump stations are in good condition according to management. Replacement of variable frequency drives (VFDs) will be necessary over the next several years as the control systems that regulate pump motors will require replacement. This is an expected capital replacement and has been planned by the operator as part of their capital planning.
- **Cart Paths:** Paths are in good shape with some expected settling. The Operator makes regular inspections and shaves un-level path surfaces to mitigate areas where path surfaces are uneven. The paths on landfill cells experience more settling, but are not as problematic as experienced at a majority of landfill golf facilities.
- **Trees:** Tree plantings have done remarkably well given the landfill gases that tend to stunt and even kill planted trees. Management reports no undue issues with trees on the courses and has learned what varieties and conditions should be present to sustain new plantings.

Safety

No formal safety analysis was conducted. However, a general review of the course indicates no major concerns with the layout of holes or practice areas. Some cart paths are relatively steep in gradient, yet are signed and configured for good access by carts and walkers. As part of any long range planning, the City is advised to have a formal safety analysis conducted to determine if any adjustments should be made as part of improvements or changes to the courses.

Water Use

Water for the courses is pumped from the aquifer via wells. Water is provided to lakes where it is stored and then pumped to the course via two separate pump stations. Water quality is fair according to management, but is high in sodium and bicarbonates. (Although well water, the water comes at a cost to the golf operation as noted within the report.)

A water reduction of 25% was imposed on the operation in within the past decade. This necessitated changes in irrigation and a gradual reduction in managed turf area. Recently, an additional reduction of 20% has been imposed. This has accelerated the effort to reduce managed turf by allowing areas along holes in some locales to become more naturalized, plus the continuation of more dunes / sand areas on The Vineyard Course.

The City has plans to eventually deliver treated effluent to the River Ridge facility under its major recycled water program. However, this program and the delivery infrastructure, is not yet completed nor have associated costs been finalized. The City is encouraged to pursue this alternative water source providing the quality and cost is conducive to the golf assets.

Regardless of an alternative water source, a stronger initiative to reduce the managed turf footprint of the courses is of great importance. However, this should be carefully planned with professional oversight by a golf course architect and pace-of-play consultant. Taking areas out of managed turf should also coordinate to long range planning and potential improvements to the City's golf facility. NGF Consulting estimates that, with careful and professional oversight, as much as 30% of the total managed turf acreage of approximately 250 acres could be removed from active irrigation and care to a passive, naturalized landscape.

Planned Flood Control Work

NGF Consulting was made aware that the Army Corps of Engineers (ACOE) has recently determined that a part of The Vineyard Course's 8th fairway needs to be filled-in to prevent back-up of flood waters from the Santa Clara River. While no specific research was made with regard to this measure, we encourage the City to work with local and Federal agencies to attempt to offset funding for this undertaking. Additionally, work should dovetail to other improvements, including those potential improvements contained within this report. (Note: No cost estimate is provided for this measure as not enough information is known.)

Key Areas Requiring Attention

The following list represents the major deficiencies noted in our evaluation. These are grouped later in priorities with corresponding probable cost estimates. The primary deficiencies observed by NGF in the physical plant include:

- **Tee Flexibility:** While both courses are playable and enjoyable, more forward tees (with shorter hole-lengths) should be integrated into the designs. This will encourage a more diverse customer base (youth, women, and seniors) and will help to improve pace of play and overall enjoyment.
- **Managed Turf Area:** The existing turf area being managed (watered, fertilized, mowed and cared for) is approximately 250 acres. As noted, NGF Consulting feels that this acreage may be reduced by 30% to approximately 175 acres. This would represent a major improvement for the City in terms of maintenance cost and effort. Ideally, the courses could be improved aesthetically with pace-of-play issues avoided. Maintenance effort, with less turf, can be directed at essential features such as greens and tees. The target of 175 acres represents about 80-90 acres per 18-hole course, well within the accepted turf footprint for modern municipal operations.
- **Non-Returning Nines:** Reconfiguring the Vineyard Course in the early 2000s resulted in two 18-hole courses that must be played out for 9-holes and then back for the second nine holes. If a golfer desires to play only nine holes (a common and popular choice), the customer is forced to take a cart because they are stranded as far as 1.5 miles from the clubhouse upon completion of 9-holes. NGF Consulting believes that attaining some element a returning nine would be favorable for the City. In 2014 the United States Golf Association (USGA) launched its "Play 9" Campaign and is expected to aggressively pursue this message as a way to get golfers to play more golf, and to make golf a better option for the time urgent society. River Ridge, unfortunately due to its configuration, will be left out of this push by golf's major authority (Refer to: <http://www.usga.org/PlayNine>).
- **On-Course Services:** Permanent restroom facilities should be added to the Vineyard Course, replacing the temporary portable toilets now used, if landfill challenges can be overcome.

- **Practice Amenities:** The existing practice range is clearly less than ideal for the quality of the River Ridge GC facility. While the teeing space is very generous, the inability to see practice shots land and for customers to follow the flight and roll of shots is less than ideal. Additionally, the limited length of the area (just 250 yards) prevents modern equipment and practice by expert players who regularly hit balls 275 yards or longer. While comment has been made with regard to the short game areas, NGF Consulting considers them to be average and not state-of-the-art. Ideally the City should take a very strong approach to improving all practice amenities.
- **Clubhouse Meeting Space and Configuration:** The existing clubhouse is poorly designed to handle large groups and is not adequate for all players during a 36-hole tournament. This limits the group business that can be expected to the City's facility and is a constraint to revenue. Additionally, the clubhouse is oriented mostly toward the parking lot and does not take advantage of the views to the golf courses.
- **Water Source Conversion:** When the time comes to replace well water with the City's treated effluent source, adjustments to the irrigation system may be needed. While unknown at this time, it should be carefully planned by the City and operator to ensure quality water and compatibility with the irrigation and pumping systems.
- **Vineyard Course Upgrades:** NGF Consulting believes that the Vineyard Course can be upgraded with stronger features and improved landscaping. Landscaping upgrades may include further turf reduction, plantings and attention to detail. Additionally, differentiation to make the two courses at River Ridge more distinct from each other would be a positive change. In nearby Ventura, as an example, the Buenaventura Course is shorter and much differently landscaped and designed than the longer, more open Olivas Links Course.
- **Other Areas of Facility Improvement:** NGF Consulting notes very few deferred maintenance areas, largely because the operator has made on-going improvements to bunkers, greens, irrigation, etc. The drawback to this approach is a less noticeable difference to the customer. A preferable approach to the courses would be to get replacement cycles on a course-by-course basis where bunkers, as an example, would be fully renovated every 7-10 years. This has the effect of making the course seem fresh and "new." The following are areas requiring integration to long range planning and capital improvement:
 - Sand Bunker Renovation
 - Cart Path Repairs
 - Lakes Re-lining
 - Greens (potential replacement of older greens in 10-15 years)
 - Tree Management (removal and replacement)
 - Entry and Parking Enhancements
 - Signage Upgrades

Physical Review Summary

In summary it appears that River Ridge GC is offering a mix of amenities that are clearly very marketable in this local area. However, as noted, there are some improvements that should be made to both the golf course and clubhouse to truly maximize the earning potential of the facility. As such, the City will need to be prepared to invest further into River Ridge property, perhaps as much as \$1.8 million in immediate needs that can help increase rounds and improve revenue.

Therefore, items that will require capital investment have been identified and recommended by NGF (see Recommendations section). In general, these items tend to be centered on the fact that the physical condition of River Ridge GC needs to be improved for the facility to compare favorably to its immediate competitive set. In addition to these physical needs, there are other operational improvements that will be needed as well, some of which will also require capital investment.

RIVER RIDGE GC GOLFER SURVEY

NGF's Golfer Survey Program was distributed seeking opinions of the River Ridge GC. A total of **319 surveys** were collected by NGF, with 35% describing themselves as "daily fee players," 44% as "seniors" and 17% as "Loyalty Club" or "annual pass" members. The survey is not intended to be a scientific study of Oxnard golfers, although the high participation does give the results a high degree of confidence. A copy of the survey instrument is displayed in **Appendix C** to this report, with general findings shown below:

River Ridge GC Survey Scores

River Ridge Golf Club Satisfaction Measures All Golfers – 319 Responses (6/6/2014 – 7/23/2014)		
Factor	Average Score (Scale 1-10)	Percentile*
Overall Customer Satisfaction	8.5	84
Satisfaction compared to expectations	8.3	83
Satisfaction compared to other courses	8.4	87
Likelihood to play more	6.7	54
Likelihood to recommend	8.6	83
* Measured on a scale of 0 to 100, this number represents the percent of golf facilities that received lower customer ratings on this measure than the subject facility compared to other similarly-priced golf courses in U.S.		

River Ridge Golf Club Satisfaction Factors All Golfers– 319 Responses (6/6/2014 – 7/23/2014)		
Factor	Average Score (Scale 1-10)	Percentile*
Overall Value	8.4	88
Overall Course Conditions	8.5	83
Pace of Play	8.0	84
Friendliness/Helpfulness of Staff	8.8	85
Golf Course Design / Layout	8.5	64
* Measured on a scale of 0 to 100, this number represents the percent of golf facilities that received lower customer ratings on this measure than the subject facility compared to other similarly-priced golf courses in U.S.		

Summary of Findings

1. River Ridge golfers that responded to the survey show a high level of overall customer satisfaction among all user groups at the facility, with customers showing higher-than-average satisfaction when compared to other golf facilities nationwide (in the same price category). Further, female golfers who responded to the survey tended to be slightly less satisfied as a sub-group of customers in the survey.
2. The survey showed that 85% of River Ridge golfers made a positive referral about the course and that the average River Ridge golfer referred 4.8 other golfers to the facility. By comparison, only 4% of River Ridge golfers made negative referrals, with an average of 4.0 negative referrals. This level of satisfaction is much higher than other golf courses of this type nationwide, and no discernible difference was noted between any of the sub-categories of golfers, or between male and female participants.
3. The profile of the River Ridge golfer is predominantly male (93%) and generally older (79% over age 50) than the national benchmark (total U.S. is 85% male and 50% over 50). More than 80% of respondents indicated they played fewer than 25 rounds of golf at River Ridge annually. The survey group is also somewhat spread out geographically, with only 24% originating in the top three ZIP Codes: 93036, 93035, and 93012. The map displaying the origin of customers is displayed in **Appendix C** to this report.
4. Our surveys show a large number of other golf facilities that are also utilized by this survey group. The most significant of these include the two City of Ventura Golf Courses Olivas Links (63% use) and Buenaventura (50%). River Ridge golfers also report playing at (in order of importance – all with more than 15%): Elkins Ranch GC (36%), Sterling Hills GC (31%), Rustic Canyon GC (28%), Soule Park GC (26%), Los Robles GC (25%), Camarillo Springs GC (20%) and Moorpark CC (15%).
5. When asked why these surveyed golfers do not play more at River Ridge, the vast majority of responses were related to time, inconvenient location and cost. A large group of respondents noted the lack of special offers and discounts at River Ridge. Another small, but still sizable minority noted concerns with customer service, especially with on-course marshals.
6. Approximately 90% of respondents indicated they did not play 9-hole rounds at River Ridge. As for the reasons why, the vast majority indicated they preferred to play 18-holes, although some respondents noted a high 9-hole green fee, the difficulty of walking and the long distance between the 9th green and the clubhouse (especially on Victoria Lakes).
7. Approximately 67% of respondents indicated they would host a golf tournament or event at River Ridge, while 33% indicated they would not. Of the 33% minority that indicated they would not want to use River Ridge, the most common reasons indicated were better value at other area courses, the food and beverage needed improvement and the lack of quality indoor gathering space.
8. Only 45% of respondents indicated they have booked tee times at River Ridge using the internet, while 55% indicated they had not. Of the 55% that indicated they did not use the internet for tee times at River Ridge, the most common reasons indicated were that it was easier by phone or that they are members of clubs that secure times for them.

There was a clear separation on this with older golfers, as nearly 70% of golfers who defined themselves as “seniors” indicated they **do not** use the internet for tee times.

9. While pace-of-play was indicated to NGF consultants while we were on site to be an issue, the survey results show much less concern among golfers. Approximately 85% of survey respondents indicated that the length of time it took to play a round of golf at River Ridge was appropriate. Among the small minority who indicated pace was not good, the better education and training of marshals was the primary area of recommended improvement.
10. In review of the general open-ended comments survey respondents made about **what they like about River Ridge GC**, the NGF noted several key themes that were common, including:
 - Well maintained golf courses in excellent condition
 - Appealing golf layout
 - Good variety with two distinct 18-hole courses
 - Close to home
 - Relatively Inexpensive
 - Attentive and friendly staff
11. In review of the general open-ended comments survey respondents made about **what needed improvement at River Ridge GC**, the NGF noted many more comments with a variety of topics, the most common included:
 - F & B service needs improvement
 - Restrooms need improvement (both on-course and in clubhouse)
 - Needs to be more “women-friendly”
 - Green speeds are too fast
 - Add GPS to the carts
 - Expand the practice area (short game)
 - Improve the bunkers
 - Have more discounts and specials, especially for late afternoon

SUMMARY – RIVER RIDGE GOLF CLUB

River Ridge Golf Club is a good quality 36-hole golf facility with a high quality mix of amenities, appears to be a well-run business and is well located, with immediate proximity to the Oxnard residential community, area beaches, an on-site hotel and major area highway (101). The location, operation and amenity package have served to create a very high level of total facility revenue, but the large operation also involves a very high on-site cost of production. In addition, the City has additional expenses in the operation of River Ridge GC, and these expenses are almost 50% of the direct on-site costs. The overall golf facility appeared to be in very good condition at the time of the NGF inspection, but did show some deficiencies in layout and design that could be improved to enhance revenue potential. The clubhouse facility offers a nice complement for golfers, but has limitations in its appeal and this could affect plans to expand the volume of golf activity. Other findings from NGF Consulting’s review of River Ridge GC:

- River Ridge GC has a good location with many site advantages and disadvantages. The greatest advantage relates to the convenience of the location for much of the Oxnard area community, while the key disadvantage relates to the landfill site.
- River Ridge GC was originally designed to be an 18-hole course on the closed landfill. In the last decade, the facility was expanded to 36-holes as part of a program to stimulate additional development in the immediate area. Reports to NGF indicated that the expanded, 36-hole River Ridge GC was never intended to be able to cover all City expenses associated with the facility, most importantly the large debt service payment to retire revenue bonds.
- River Ridge GC is operated via “hybrid” management agreement with a private contractor. The agreement in place runs through the end of FY2019, and would require negotiation/buy-out to terminate early. It is the opinion of NGF that the present operator in place has created an appropriate business model, with adequate staffing and the implementation of many of NGF’s frequently recommended “industry best practices.” One area of concern for NGF is that golf course maintenance appears slightly over-staffed, although this is reflective of more reliance on full-time labor, as opposed to part-time labor that is more common in the golf industry.
- The revenue performance of River Ridge GC well exceeds basic industry standards. Rounds and revenue activity has increased in recent years, at a time when the broader trends have been for decreases in activity and revenue. However, the expenses to operate River Ridge are also much higher than standard, especially in the area of labor costs and utility expense.
- The City of Oxnard has a high level of direct expense on the River Ridge GC in addition to the large on-site expense to operate the facility. These expenses include General Services Allocations, Depreciation, Amortization, General & Admin indirect expenses, landfill-related repair and maintenance and interest. All combined, these expenses totaled in excess of \$2.1 million in FY2013.
- River Ridge GC is employing many of the recognized “industry best practices” in its operation, and the on-site staff has been active in many areas of attempted revenue and activity growth. The fees generally seem appropriate for this facility, although some adjustments may be in order during some of the off-peak demand periods.
- The physical plant of the River Ridge appeared to be in good condition with all key elements in good working order during the NGF inspection in 2014. However, the facility does have certain deficiencies, mostly related to its original development:
 - The high volume of total maintained acreage
 - A golf layout without 9-hole course(s) returning to the clubhouse
 - A total golf length that is too long for many less-skilled golfers
 - A small and inefficient practice area
 - No space in the clubhouse for larger (over 150) indoor gatherings.
- A survey of golfers conducted in 2014 showed a general level of overall satisfaction with the River Ridge GC. Golfing customers tend to appreciate the high quality of maintenance, the variety of golf and see the facility as a good value. Areas where golfers would like to see improvement include food/beverage service, green speeds, practice amenities, shorter length and the inclusion of more discounts and specials.

External Factors Affecting the Operation of Public Golf Facilities

The NGF team completed an analysis of the local Oxnard / Ventura County area golf market to review the supply/demand dynamic that is driving the competitive golf market. Before any recommendations can be made as to the future of River Ridge it is important to understand the local golf market and its ability to continue to provide support for River Ridge GC. NGF's summary of the overall market environment in City of Oxnard and a review of factors affecting golf operations that are generally uncontrollable by the golf staff and the City:

BASIC DEMOGRAPHICS AND THE LOCAL ECONOMY

The City should understand that the external golf market will present challenges for strong economic performance of the City of Oxnard's golf course. The trends in the golf industry are generally not favorable for golf course operators. The total number of golfers and total spending on the game are declining. The local demographic and economic factors affecting the demand for public golf in this market tend to be mixed in that the greater City of Oxnard area shows some characteristics unfavorable to golf participation, but also draws significant tourist/visitor activity that boosts demand for golf.

Demographic Analysis

With more than 840,000 people (2013 estimate), Ventura County has seen steady growth from 1990 to the present, at a rate comparable to the U.S. as a whole. While Ventura County has experienced a rate of growth that is comparable to the total U.S., the immediate Oxnard area has seen more rapid growth in both population and median household income. In the following table, NGF summarizes the population, median age, and median household income trends for the local market, plus Ventura County, the state of California, and the total U.S.

River Ridge GC Basic Demographics						
River Ridge Golf Club	5 miles	10 miles	15 miles	Ventura County	California	U.S.
Summary Demographics						
Population 1990 Census	208,324	307,124	389,258	669,221	29,724,503	248,584,652
Population 2000 Census	237,583	346,885	435,631	753,507	33,871,650	281,399,034
CAGR 1990-2000	1.32%	1.22%	1.13%	1.19%	1.31%	1.25%
Population 2010 Census	267,432	380,706	483,571	823,318	37,253,956	308,745,538
CAGR 2000-2010	1.19%	0.93%	1.05%	0.89%	0.96%	0.93%
Population Projected 2013	272,916	388,501	493,476	840,223	38,129,290	314,419,291
Population 2018 Projected	286,606	407,978	518,226	882,466	40,316,180	328,556,267
CAGR 2010-2018	0.87%	0.87%	0.87%	0.87%	0.99%	0.78%
Median HH Income	\$63,985	\$61,744	\$64,446	\$74,687	\$60,714	\$51,804
Median Age	33.3	33.7	34.5	36.7	35.6	37.5
CAGR = Compound Annual Growth Rate Median HH Income and Age are estimates for 2013						

Other key demographics of the market area are described below:

- The median income for the local Oxnard area (5 and 10 mile rings) is higher than State and national medians, indicating a greater proportion of higher income residents. Ventura County as a whole has a much higher median household income than the local market rings, as well as the State and nation. In general, both golf participation and golf frequency (rounds played) tend to be greater among higher income populations.
- The median age in the neighborhoods close to the River Ridge GC is younger than Ventura County and the U.S. as a whole. In general both golf participation and golf frequency (rounds played) tend to be lower among younger age segments.
- The overall trade area has a significant Hispanic population, at nearly 60% of the population within a 5-mile ring of River Ridge and close to 42% of Ventura County. This is compared to the total U.S. population that includes approximately 17% Hispanic. Research studies have revealed that the golf participation rate among Hispanics aged 18 and older is 7.0%, compared to the overall U.S. golf participation rate of 9.0%. Therefore, NGF believes it is important that the City of Oxnard use the River Ridge GC to cultivate player development programs aimed at stimulating latent golf demand within this community in order to maximize utilization of the golf course in the future.

Comparative Demographics

As part of this review, the NGF team has made direct comparisons of the City of Oxnard's River Ridge facility to the City of Ventura's two golf courses. In review of the immediate local communities that surround each golf course, we find similar basic demographic characteristics, with only slight differences. Overall, it appears that the market around River Ridge has the lowest median household income and relatively high Hispanic population, so it would be expected that this facility would be a weaker producer of rounds and revenue than the City of Ventura courses. While these rings do not necessarily represent the true "market" for each of these City golf courses, the localized analysis does give an indication of the characteristics of the immediate local populations and the level of support that can be expected from the "fall-out-of-bed" markets that surround each property. All three Oxnard and City of Ventura facilities show immediate demographics that are less consistent with high golf participation than Ventura County as a whole.

Comparative Local Demographics 2013				
	Population w/5-Miles	% Hispanic w/5-Miles	Median HH Income w/5- Miles	Median Age w/5-Miles
River Ridge Golf Club	272,916	59.9%	\$63,985	33.3
Buenaventura Golf Course	246,006	56.5%	\$65,096	34.3
Olivas Links Golf Course	180,451	47.9%	\$66,257	36.1
Ventura County	840,223	41.6%	\$74,687	36.7
Source: NGF Consulting, Tactician Corporation, Applied Geographic Solutions. N/A = not available				

Key Economic Factors

River Ridge is located in Oxnard, California, in West Ventura County approximately 65 miles from downtown Los Angeles and 35 miles southeast of Santa Barbara. Oxnard is the 19th most populous city in California and the most populous in Ventura County. The city is part of the larger Greater Los Angeles area, and is the most populous city in the Oxnard-Thousand Oaks-Ventura, CA Metropolitan Statistical Area, which is listed as one of the wealthiest areas in the U.S., with its residents making well above the average national income.

Following are some key observations highlighting the broader economy, transportation, and visitation characteristics of Oxnard and Ventura County. The overall findings are viewed as mixed, as the overall region shows strong characteristics related to high golf demand, but the immediate local Oxnard area surrounding River Ridge tends to be less strong in this measure. Some observations related to the local area economy in early 2014:

Ventura County

- **Basic** - Ventura County has a population of 840,000 (2013 estimate), with growth projected to be 882,000 by 2018. The median household income in 2013 was \$74,687, compared to \$60,714 for California and \$51,804 for the total U.S. Most of the population of Ventura County lives in the southern (mainland) portion of the county. The largest population growth has been in the cities of Camarillo, Oxnard, and Ventura. Development in the East County and along the US 101 corridor is becoming rare today, due to most eastern cities approaching build-out. As a result, the Conejo Valley area has become more attractive for development and growth.
- **Weather / Climate** - Golf is an outdoor activity and thus weather will impact activity and revenue. NGF estimates that over 90% of golf rounds are played when the temperature is between 55 and 90 degrees. Rain, snow, and wind are mitigating factors that will reduce the number of playable days. Onshore breezes keep Oxnard cooler in summer and warmer in winter than those further inland, adding to the attractiveness of the area for golf. As a result, golf can be played year-round but can be interrupted by periods of persistent precipitation in the November – February off-season. The area does get various winter “El-Nino” weather patterns that can disrupt golf, and this is expected for the 2014-2015 winter season. We also note the extreme drought that is presently affecting the Oxnard area and River Ridge GC.
- **Economy** – Two thriving military bases provide a strong employment base and are a major contributor to the regional economy. Another important asset, the Port of Hueneme, is a deep water “break-bulk” facility, providing Ventura County with a port of entry and foreign trade zone status. Housing availability and affordability is one of Oxnard’s greatest assets. Other observations:
 - Data extracted on February 4, 2014 shows unemployment in Oxnard at the end of 2013 at 9.3%, for Ventura County at 6.8%, compared to the U.S. figure of 6.5%.
 - According to the California Economic Forecast at UC Santa Barbara, Ventura County's economy began returning to normal in 2013 and was expected to continue improving in 2014 with stronger job creation, lower unemployment, more consumer spending, and new housing (*Ventura County Star*, September 19, 2013).
 - There are 14 major employers in Oxnard, including the Naval Base Ventura County (NBVC) with over 17,000 employees.

- **Transportation** - Oxnard is accessible to major markets, with its transportation infrastructure constantly improving to meet the needs of a growing community. Transportation in and around Oxnard is easy due to its central location near several major California Highways and the Oxnard Transportation Center, the city's hub for rail and bus service. Twenty-seven miles east of Oxnard, Highway 126 connects with Interstate 5, providing access to the state's only continuous north-south interstate route. California's Route 1 takes travelers on the scenic roadway along the coast.
- **Airport** – For those arriving by air, Oxnard is about 75 miles northwest of Los Angeles Airport (LAX) and 50 minutes west of Burbank Airport. Oxnard has a general aviation airport owned by Ventura County – Oxnard Airport, classified as a non-hub commercial service airport. It is conveniently located just west of the downtown Oxnard and is close to the beach and many other attractions. The Airport has fixed based operators providing services such as aircraft charters, aircraft maintenance and pilot supplies, and hosts several car rental agencies and shuttle service to LAX. There are no commercial passenger flights at this time.
- **Water** – Currently, the availability and cost of water are an issue for Oxnard and Ventura County. Water rates tend to be moderate compared to other California communities, but extremely high when compared to the total U.S. as a whole. This has implications for the River Ridge GC, which is a major user of water for irrigation.
- **Beaches** - The city of Oxnard is home to over seven miles of scenic public-access beaches, with additional public beaches throughout Ventura County. The beaches in Oxnard are large and the sand is known for being exceptionally soft, with fewer rocks or driftwood piles than other California beach locations. Oxnard is home to world-class surf at most of its beaches.

Local Oxnard Area

There are an estimated 500,000 people living within 15 miles of the River Ridge GC. Oxnard reports an active City government working to strengthen and support all sectors of its economy. Local assets include significant master planned industrial parks, prime commercial and retail sites, a highly rated regional medical center and hospital, a flourishing community college, and immediate proximity to the beaches and marinas of this part of coastal California. In short, the City has many of the elements that will serve to attract new residents and businesses, as well as transient visitors and tourists.

In almost every economic measure, Oxnard is better than the national average. Moreover, it is not finished growing. According to the Oxnard Chamber of Commerce, there are several major projects in planning for the City that can bring new investment, including four new commercial projects with over 1.3 million sf of space, four new industrial projects with over 566,000 sf of space, and four new residential projects with over 2,500 units. Also having particular importance to the future of River Ridge is the presence of 21 separate hotel/motel establishments, with upwards of 1,748 total available rooms.

NFL Training Camps

One key economic driver for the area is the presence of National Football League (NFL) training camp(s). In previous years, NFL teams such as the Raiders and Cowboys have sought to beat the heat and engage in training sessions in Oxnard, often attracting a very large following of fans. The location for these training sessions is immediately proximate to River Ridge, and thus can have impact on the rounds and revenue activity of this facility. In 2014, the Dallas Cowboys will train in Oxnard for three weeks in late July through early August.

Residence Inn River Ridge

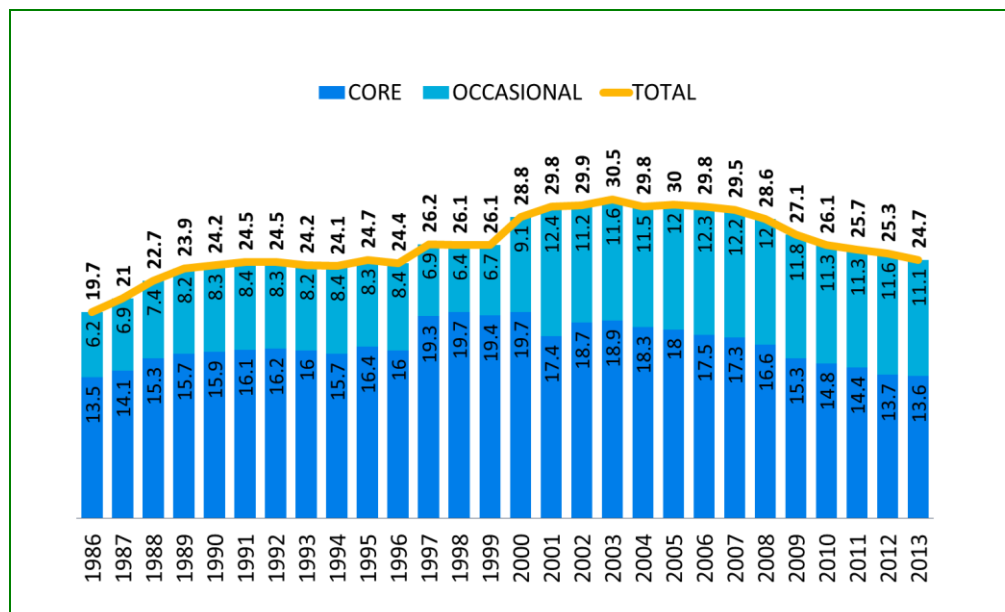
One of the most significant potential drivers of activity for the River Ridge GC is the Residence Inn River Ridge Hotel, carrying the Marriott brand and infrastructure. This hotel includes several separate two-story “apartment-like” hotel structures, with a total of 252 units. The facility also includes a large new lobby and 10 separate meeting rooms of its own. The facility is very popular in the area and the City reported an estimated 97% occupancy rate during the peak demand summer, with lower occupancy in the off-season. The off-season period could be an opportunity for additional joint promotions between this hotel and the River Ridge GC.

GOLF MARKET SUPPLY AND DEMAND INDICATORS

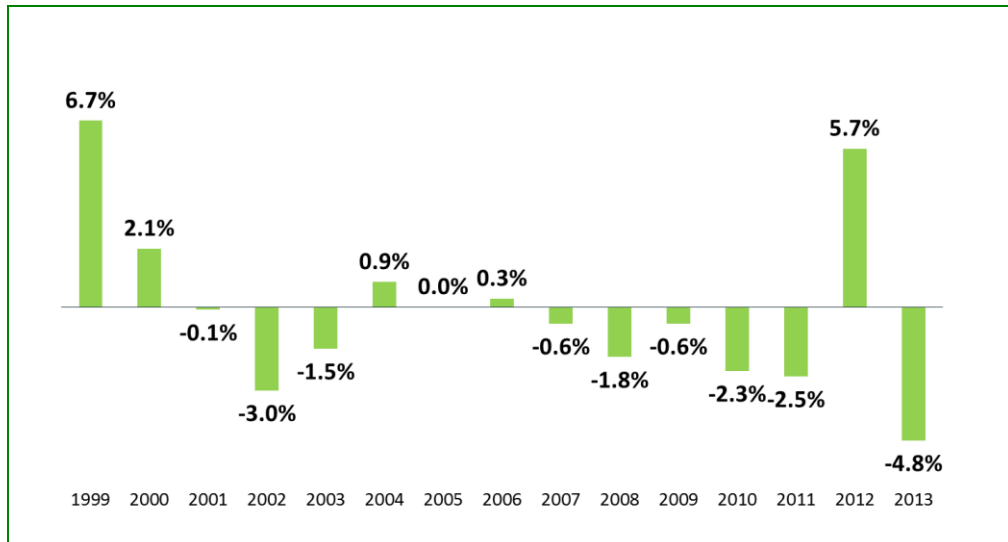
NGF made several key observations regarding the local River Ridge area golf market, related to national trends, local demand/supply, and area golf facility competition.

National Trends in Golf

Golf participation in the U.S. has grown from 3.5% of the population in the early 1960s to about 9% of the population today. NGF estimates that the number of golfers fell in 2013 to 24.7 million (decline of 2.4% from 2012). In the longer term trend, the industry has seen a loss of some 4.7 million golfers since 2005. This loss is due to both a decline in beginners and a problem in retention – golf is losing more people than it is gaining in beginners. For research purposes, a golfer is defined as a person age 6 or above who plays at least one round of golf in a given year.

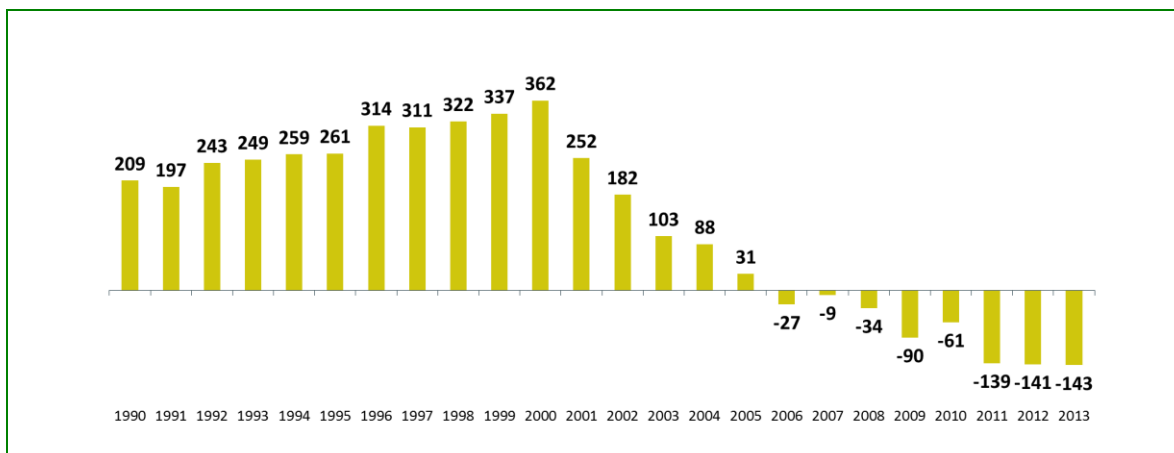


2012 Rounds Played – The Largest Single-Year Jump since the Millennium - The most influential factor in the golf economy in 2012 was the 5.7% increase in rounds played. The resulting increase of 27 million rounds took the national total to about 490 million, subsequently falling by 4.8% to 466,500,000 for 2013. For the longer term, rounds have declined by approximately 11%, or 55 million, since 2003.



Golf Industry Outlook for 2014 - Golf continues to recover slowly from the recession of 2008-2011, though this recovery has been very modest to date. The outlook for 2014 is for modest sales growth in golf consumer products and services, and golf course equipment and supplies. Rounds played are expected to remain flat at 2013 levels, as the number of play days is unlikely to match those of 2012. Course closures will continue to outpace openings significantly, resulting in another year of supply correction with negative net growth.

2014 Facility Openings and Closings - U.S. golf course openings remain at historic lows, as NGF recorded only 13.5 openings in 2012, compared to 154.5 golf course closures, measured in 18-hole equivalents (18HEQ). As in recent years, closures were disproportionately lower priced public facilities (68% of total closures). According to NGF data, since the market correction in golf course supply began in 2006, there has been a cumulative net reduction of 499.5 golf courses (18HEQ), which represents a drop of 3.3% off the peak supply year of 2005.



Local Golf Course Closure – In keeping with a growing nation-wide trend, Ventura County has seen some golf course closures in the last decade. The 9-hole John E. Clark GC that was part of the Point Mugu NAWC closed in 2007, the 9-hole Santa Paula Community GC closed in 2013, and one of the 18-hole courses at Lost Canyons GC closed in 2014.

Local Golf Demand

The **Golfing Household Index** is based on Predicted Number of Golfing Households, and compares golfing household participation in a particular geography to the national base index of 100. The **Rounds Index** is based on Predicted Number of Rounds, and compares the propensity of rounds played per household in a particular geography to the national average rounds index of 100. An index value of 90 means it is 10% less than the US average, while an index value of 110 means it is 10% higher than the national average.

Local Golf Demand Indices

The golf demand indices for the Oxnard area markets are below the U.S. standard for golf demand (U.S. Standard Index = 100) in both golf participation and frequency. The golfer-based rounds played index is lower in the local Oxnard area, while the facility-based index is higher than the total U.S. This is an indication that the local area is an “import” market for golf, as a significant portion of the demand for golf comes from outside the County. Overall, this is one of the most active golf markets in the U.S., with an estimated 1.6 million rounds of golf played in Ventura County last year. For comparison, NGF has provided the basic NGF golf demand estimates indices for Ventura County, the State of California and the U.S. as a whole.

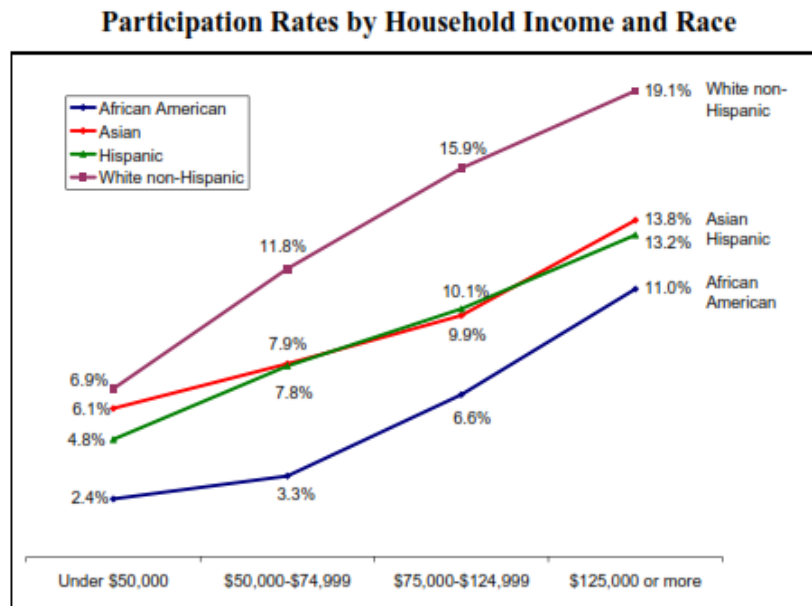
River Ridge GC – Local Area Golf Demand 2014						
River Ridge GC	5 miles	10 miles	15 miles	Ventura County	California	U.S.
Golf Demand Indicators						
Total Households	81,927	118,598	152,643	272,417	12,869,097	118,845,620
Number of Golfing Households	10,382	15,123	20,438	41,818	1,636,619	17,947,280
Projected Golfing Households (2018)	11,090	16,070	21,863	44,667	1,753,873	18,902,380
Projected Annual Growth Rate	1.30%	1.20%	1.40%	1.30%	1.40%	1.00%
Seasonal Golfing Households	283	335	402	536	44,683	752,499
Latent Demand Households	12,190	17,052	21,549	38,165	1,884,086	15,453,010
Household Participation Rate	12.70%	12.80%	13.40%	15.40%	12.70%	15.10%
Number of Golfers	17,062	24,292	32,197	64,461	2,437,871	25,375,010
Rounds Demanded (Golfer-based)	270,809	399,701	543,545	1,111,636	41,858,130	489,496,204
Rounds Played (Facility-based)	404,015	567,713	760,847	1,632,030	48,574,110	489,495,784
Demand Indices						
Golfing Household Participation Rate	84	84	89	102	84	100
Seasonal Golfing Households	55	45	42	31	55	100
Latent Demand Households	114	111	109	108	113	100
Rounds Demanded per Household (Golfer-based)	80	82	86	99	79	100
Rounds Played per Household (Facility-based)	120	116	121	145	92	100

The table above also includes data labeled “latent demand.” These potential golfers are persons who express an interest in playing golf but do not currently participate. This includes beginners, former golfers (gave it up) and those who have never tried. The demographic profile of latent demand tends to be more female and younger than the population as a whole. Surveys show these golf-interested non-golfers cite several barriers to entry in golf, including the cost and social aspects (no one to play with). As we can see, the number of latent demand households is nearly equal to those actually participating. This suggests that improvements in marketing golf, retaining existing golfers, and appealing to former golfers can have a significant positive impact on the number of rounds being played.

Local Neighborhood

One of the issues to consider in reviewing potential demand for River Ridge is the immediate area around that surrounds the golf course. Ideally, golf courses tend to perform best when they are located in neighborhoods with a high concentration of golfers. As noted above, the immediate area around the golf course (5-mile radius) has demographic characteristics that are not consistent with strong demand for golf. Among the key factors observed:

- **Lower Golf Participation:** With lower-than-average golf demand in the immediate local market, the subject River Ridge GC MUST draw from a larger geographic area. Generally speaking, the higher the quality the course, the larger the market area it can draw from.
- **Minority Golf Participation:** The immediate area has a very high percentage of populations that do not have a strong tradition in golf participation, even when income is factored in (see chart below). Again, this has two implications. The first is that the course must draw from a larger area. The second is that it should be adept at generating a higher level of participation from all demographic groups.



Source: NGF

Corporate Market Demand

As we note in our economic overview, the broader Ventura County MSA and Oxnard in particular have a considerable number of large corporate and public employers. Although potential corporate demand for golf rounds is difficult to quantify, it is clear that River Ridge GC could target this market by emphasizing high quality facilities and the willingness of the staff to accommodate large corporate events and outings.

Golf Supply Factors

There are five total golf facilities totaling 99 holes, within five miles of River Ridge GC, and nine total facilities with 171 holes within 10 miles. Of the facilities within 10 miles, 6 are public (4 municipal) and 3 are private clubs. Ventura County is home to 28 total golf facilities (19 public and 9 private), totaling 540 holes.

A key measure of supply benchmark used by NGF is the ratio of households to golf courses, and is used to establish the level of support (households) that is available for each 18 holes of golf in the market. A Household /Supply index is derived from these ratios and compared with the base national figure of 100. When compared to the number of households, the River Ridge market area and all of Ventura County have a much higher proportion of households per 18-hole golf course than the national average, an indication that the golf course supply in this part of California is generally favorable to golf operators, compared to the nation as a whole.

River Ridge GC – Local Area Golf Supply Summary 2014						
	5 mi	10 mi	15 mi	Ventura County	California	U.S.
Number of Golf Facilities						
Total	5	9	13	28	914	15,516
Public	5	6	9	19	635	11,695
Public: Daily Fee	1	2	5	11	458	9,226
Public: Municipal	4	4	4	8	177	2,469
Private	0	3	4	9	279	3,821
Number of Golf Holes						
Total	99	171	243	540	16,272	262,161
Public	99	117	171	369	10,953	192,681
Public: Daily Fee	18	36	90	225	7,857	151,380
Public: Municipal	81	81	81	144	3,096	41,301
Private	0	54	72	171	5,319	69,480
Non-Regulation (Executive & Par-3)	0	0	0	45	2,475	22,284
Households per 18-Holes						
Households per 18 Holes: Total	14,896	12,484	11,307	9,081	14,236	8,160
Households per 18 Holes: Public	14,896	18,246	16,068	13,289	21,149	11,102
HH per 18 Holes: Public (Daily Fee)	81,927	59,299	30,529	21,793	29,482	14,131
HH per 18 Holes: Public (Muni)	18,206	26,355	33,921	34,052	74,820	51,796
Households per 18 Holes: Private	0	39,533	38,161	28,675	43,550	30,789
Household/Supply Index						
Households Supply Index: Total	183	153	139	111	174	100
Households Supply Index: Public	134	164	145	120	190	100
Households Supply Index: Private	0	128	124	93	141	100

Comparative Golf Supply

In comparing the surrounding golf course supply characteristics of the City of Oxnard's River Ridge facility to the City of Ventura's two golf courses, we find very similar household/supply ratios, yet these facilities are showing different operating results (more later in this report). This is an indication that there is something inherent in River Ridge operation and condition that may be affecting its performance, as opposed to just a competitive market. Ventura County overall shows a positive household/supply ratio, although this is somewhat lower than the immediate local market and California as a whole, further supporting the necessity of in-migration of golf activity to the County.

Golf Facility Supply 2014				
5-mile Rings	No. of Golf Facilities	Total No. of Golf Holes	Households per 18 holes	HH / 18H Index (US=100)
River Ridge Golf Club	5	99	14,896	183
Buenaventura Golf Course	4	81	16,906	207
Olivas Golf Course	3	72	15,152	186
Ventura County	28	540	9,081	111
State of California	914	16,272	14,236	174
Source: National Golf Foundation.				

Change in Supply – Ventura County has seen some new golf course construction over the last decade, leading to an overall net increase in the number of holes since 2003. In addition to the 36 holes of golf noted earlier that have closed in the County since 2003, 45 new holes of golf have been added to Ventura County. This includes the new 18 holes at the subject River Ridge GC (2004), a new 9-holes at Moorpark CC (2004) and the newer Sherwood Lake Club that added 18 new holes in 2006. The NGF has no record of any new facilities in planning or under construction in Ventura County as of July 1, 2014.

Golf Course Market Supply and Demand Summary

Using the most basic measures of golf demand and supply, the Oxnard / Ventura County golf market would appear to be “inactive,” with a generally favorable per capita supply of golf courses when compared to the national benchmark, coupled with lower demand. Further, these measures can be enhanced somewhat by the large visitor markets that contribute significant golf demand during the year, and will have to be a strong source of rounds volume for River Ridge in the future. While the immediate area’s demographics do not favor golf, Ventura County as a whole has significant golf demand, assuming appropriate conditions are present.

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 golf course. 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. As shown in the table below, the River Ridge GC is in a market with fewer golfers per golf course than the identified threshold. This finding, coupled with the above-noted favorable household/supply ratio, suggests that the demand side of the supply/demand balance is the greater problem for the subject River Ridge GC, and more needs to be done to stimulate greater golf activity from the Oxnard population.

Market	Est. No. of Golfers	Total 18-H Equivalent	Golfers per 18 holes
River Ridge GC	24,292	9.5	2,557
Buenaventura GC	23,888	9.5	2,514
Olivas Park GC	21,918	8.5	2,578
Total U.S. “Threshold” for Successful Public Golf			4,000
Aggregate Ventura County MSA	64,461	30.0	2,149
Aggregate State of California	2,437,871	904.0	2,696
Source: National Golf Foundation			

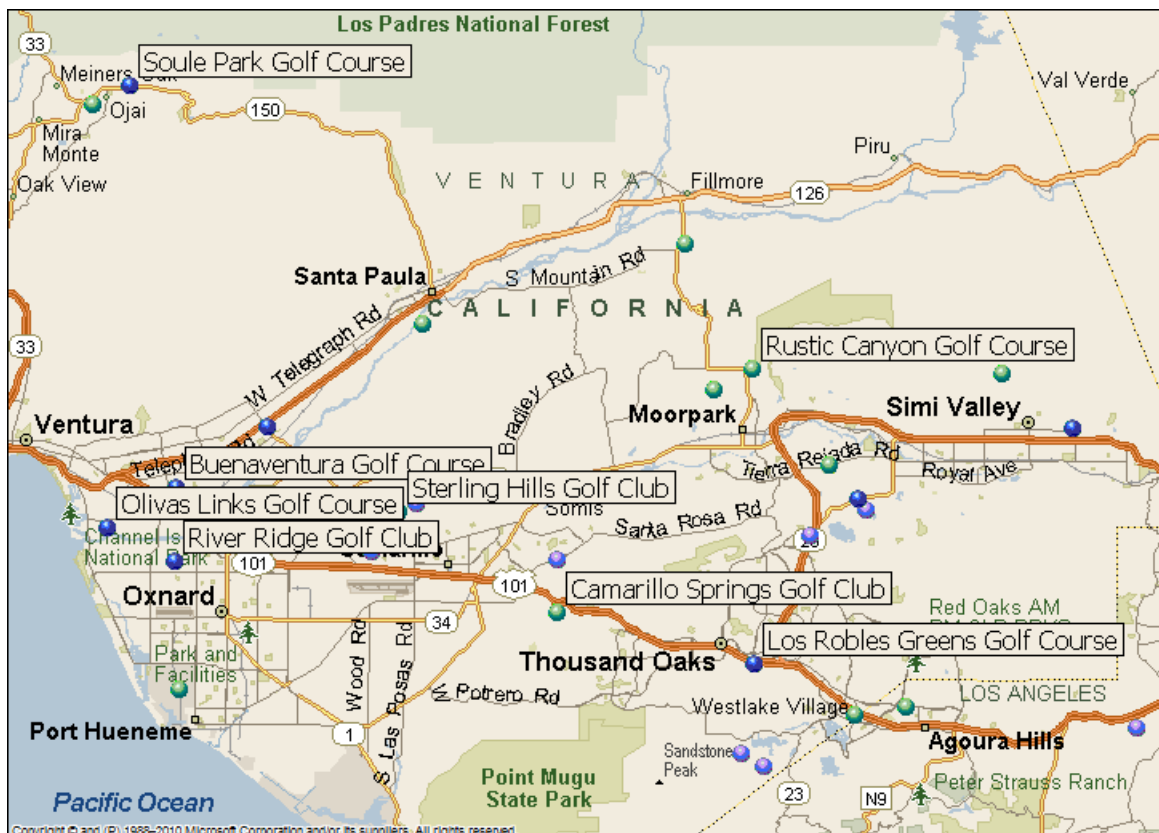
LOCAL COMPETITIVE GOLF MARKET

Though the predictive demand model and supply ratio analysis is very useful in evaluating the relative strength of golf markets, it cannot stand on its own in determining the status or health of a golf market. Rather, these analyses must be considered in the context of what is actually happening “on the ground” in the market, in terms of price point and activity level trends at existing golf courses.

On the following pages, we list summary operating information for a group of selected golf facilities in the defined market area for comparison to River Ridge GC. Since River Ridge is a Municipal golf course, we focused on the area’s other Municipal golf courses, particularly the City of Ventura’s golf courses, to detail key aspects of management and operations, as well as actual rounds and economic performance. As the City of Ventura’s two golf courses – Olivas Links and Buenaventura – are easily the two most important competitors, we provide a more detailed profile of that city’s golf system.

The market for public golf courses in the Oxnard area is highly competitive, with 28 total golf facilities operating in Ventura County, of which 19 are public. Below is a map illustrating the relative locations of River Ridge and its primary and secondary competitors. NGF chose these facilities based on our experience, local market knowledge, and the input of River Ridge management and other market operators.

Competitive Public Access Golf Facilities Map



Summary Information - Primary Market

The tables below provide summary information for River Ridge and its primary and secondary competitors. Following the tables, we provide key finding regarding the competitive market, as well as a profile of the city of Ventura golf system.

River Ridge GC Primary Competitive Facilities						
Facility	Type	Location	Year Open	Par / Slope*	Front Tee/ Back Tee	Location Relative to River Ridge GC
River Ridge GC (Vineyard Course)	MU	Oxnard	1986	72 / 121 ¹	5232 / 6761	--
River Ridge GC (Victoria Lakes Course)	MU	Oxnard	2004	72.6 / 130	5202 / 7170	--
Sterling Hills Golf Club	DF	Camarillo	1999	72 / 126	5482 / 6813	6.7 mi
Camarillo Springs Golf Club	DF	Camarillo	1968	72 / 128	5297 / 6921	12.7 mi
Rustic Canyon Golf Course	DF	Moorpark	2002	72 / 128	5275 / 7044	19.9 mi
Olivas Links Golf Course	MU	Ventura	1960**	72 / 127	5348 / 6818	2.5 mi
Buenaventura Golf Course	MU	Ventura	1949**	70 / 113	4491 / 5826	1.0 mi
Soule Park Golf Course	MU	Ojai	1962	72 / 124	5433 / 6806	15.3 mi
Los Robles Greens Golf Course	MU	Thousand Oaks	1964	70 / 119	5206 / 6274	19.3 mi

* 2nd to back tee ¹ Used Blue Tees. **Original open dates are shown – Buenaventura re-built in 2004 and Olivas re-built in 2005.

Summary Operating Information – Primary Market Competitors

While there are 10 public golf courses within 15 miles of River Ridge, the City of Ventura's two 18-hole golf courses – Buenaventura and Olivas Links – are clearly the two most direct competitors to the subject facility for market share. Each of these courses was redesigned and renovated in the mid-2000s and, while positioned differently, together offer appeal to various segments of the golfer population, including those seeking a high quality public golf experience (Olivas Links), seniors (Buenaventura), and those looking to play only 9 holes (each course has returning nines). We offer a more in-depth profile of the city of Ventura municipal golf system later in this section.

The table below shows summary fee information for the NGF-identified primary competitors to River Ridge Golf Club. Fees represent 18-hole walking rates, unless otherwise noted. Cart fees shown are per person (shared cart) for 18 holes prime time.

Fee Information – Primary Market Competitors

Key Competitors								
Facility	WD/WE 9-Hole GF	WD/WE 18 Hole GF	WD/WE Twilight GF	WD/WE Super Twilight	WD/WE Senior GF	Per Person Cart Fee	Unlimited Membership Indiv./ Couple	Loyalty Program Yearly Pass
River Ridge GC	\$25 / \$30	\$37/\$49	\$25/\$30	\$16/\$16	\$27/\$30 after 10am	\$15	\$3,500 / NA \$1,725 ⁴ / NA	\$50, savings based on day and time.
Sterling Hills GC	1/2 off going rate & cart	\$41/\$59	1pm \$27/\$39	3pm \$17/\$24	55 yrs + \$27/\$39	\$15 / \$10 Twi	\$4,150 / \$6,900 \$2,750 ⁴ / \$3,850 ⁴	\$89, \$10 GF savings
Camarillo Springs GC	\$15 Walk \$22 w/cart (WD - 1 hr of light)	\$30/\$55* *WE rate includes cart	\$24/\$34	\$15/\$22	\$20 ¹ / NA	\$13 Regular \$10 TWI \$7 Super TWI	\$2,890 / \$4,790 \$2,190 ⁴ / \$3,490 ⁴	Sr (60+ yr) \$50 Junior \$50
Rustic Canyon GC	NA	\$43 / Fri \$46 / \$66	\$28 / Fri \$31 / \$44	\$18/\$25	\$28 M-F w/ RCGC Card	\$15 / \$10 TWI	NA	NA
Olivas Links GC ³	\$50/\$60 Cnty Resident \$41/\$50 City Resident \$33/\$42		\$29/\$33	\$21/\$21	\$29 ² / NA	\$15 Regular \$13 Senior (M-F) \$10 9Hole & TWI \$8 Super TWI	NA	Senior (60+ yr) \$25 TWI \$39 LoyalTee Program ⁵
Buenaventura GC ³	\$40/\$50 Cnty Resident \$33/\$43 City Resident \$29/\$37		\$24/\$27	\$17/\$17	\$26 ² / NA	\$15 Regular \$13 Senior (M-F) \$10 9Hole & Twi \$8 Super TWI	NA	Senior (60+ yr) \$25 TWI \$39 LoyalTee Program ⁵
Soule Park GC	\$19 / \$27	\$28 / \$40	\$19 / \$27	\$12 / \$12	\$25 /\$45 w/cart	\$15 \$10 (9-hole & TWI)	\$1700 / NA \$1300 ⁴ / NA	NA
Los Robles Greens ³	\$25 / \$30 w/cart only available mornings off back	\$41/\$50	Mid Day \$35/\$43 TWI \$28/33	\$18/\$22	\$28/NA	\$15	NA	Club Programs (per Mo) EAGLE = \$49 ⁶ EAGLE's Nest = \$99 ⁷
¹ With Senior Card (\$50) Mon-Thu only. ² With Senior Card (\$25) Mon-Fri only. ³ Offers reduced rates for county and city residences. ⁴ WD anytime membership/restricted weekend play ⁵ Golf reward points earned by anyone who registers. ⁶ Unlimited range balls, \$20 green fees one hour prior to super twilight w/ cart, discounts in Pro shop ⁷ Practice off of grass, \$20 green fees one hour prior to super twilight w/ cart, 1 hour early twilight rates, half price cart fees anytime, 10% off merchandise. NA – Does not Apply.								

Secondary Competition

River Ridge's secondary competitors comprise several 18-hole daily fee clubs, including two clubs in Camarillo under the same ownership, Sterling Hills and Camarillo Springs, as well as Rustic Canyon GC in Moorpark. Excluding River Ridge's Victoria Lakes course, Sterling Hills (1999) and Rustic Canyon (2002) are the two newest public clubs among the competitive set. Sterling Hills is the most proximate facility to River Ridge among the secondary competitors, while the Gil Hanse-designed Rustic Canyon (land lease from Ventura County) is a picturesque facility that is highly rated as a strong value, even though it is the highest priced (\$81 riding rate on weekend mornings) among the secondary competitors. River Ridge has an advantage over these inland facilities during the hottest summer months, as golfers seek relief at courses that are located in cooler climates closer to the coast.

In addition to the daily fee competitors, there are two municipal 18-hole tracks that compete secondarily with River Ridge. Los Robles Greens Golf Course in Thousand Oaks is an aesthetically beautiful course located in the foothills of the Conejo Valley. Los Robles is operated under management agreement by EAGLE Golf (\$115,000 base management fee plus NOI-based incentives, which totaled \$43,000 in FY 2014). The course has hosted just under 80,000 annual rounds in recent years, and its total revenues of about \$4.6 million are boosted by food & beverage revenues of about \$1.5 million.

The other secondary municipal competitor is Ventura County's Soule Park Golf Course in Ojai, also operated under management contract. Soule Park is a picturesque course cradled in a low valley amid high mountains. The course has a reputation as a "hidden gem" and a strong value in the greater Los Angeles market, and at \$55 riding rate for weekend mornings is the lowest priced facility competing with River Ridge. Activity levels at Soule Park have reportedly dropped in recent years, and now stand at about 40,000. The course has been heavily affected by the drought, as fairways have gone brown due to lack of irrigation.

General Findings –Competitive Market

- **Rounds:** After a decline that began in the early 2000s and continued through the recession, golf rounds activity in the River Ridge market area appears to have stabilized in recent years, and may be trending slightly upward. Both River Ridge and the city of Ventura courses saw rounds and revenues increase in both FY 13 and FY 14. However, as is the case in the rest of the nation, rounds remain far below the peak activity levels of the late 1990s and early 2000s. For example, the city of Ventura system had total rounds of about 160,000 in FY 03, while the River Ridge Vineyard course hosted 83,000 rounds in FY 99, before a steady decline prior to the opening of the Victoria Lakes in 04-05.
- **Rack Green Fees:** Weekday 18-hole walking green fees range from \$28 at Soule Park to \$50 at Olivas Links (non-resident rate), while weekend rates range from \$40 at Soule Park to \$66 at Rustic Canyon. River Ridge's fees fall in the middle of these ranges. However, while River Ridge's rates are similar to the Ventura County resident rates at Olivas Links, they are considerably higher than the county resident rates at Buenaventura and the city resident rates at both Olivas Links and Buenaventura, leaving little incentive for Ventura city or county residents to play at River Ridge.
- **Discounting and Specials:** As with most golf markets across the country, there are a variety of ways to play discounted golf in the River Ridge market. Aside from normal discounts based on time of day (e.g., twilight, supertwilight), senior/junior status, etc., there are loyalty programs, online e-specials, and third party tee time

providers such as *GolfNow* and *EZLinks* offering discounted rates. The presence of these arrangements make the overall comparison of green fees difficult, as the majority of tee times are sold at less than “rack”.

- **Cart Fees:** The most common per person cart fee in the market is \$15 – the fee at River Ridge. River Ridge, like most clubs, including the city of Ventura courses, offer discounted cart rates for twilight and supertwilight (Ventura also has discounted senior carts).
- **Unlimited Play Memberships:** Of the seven competitive clubs profiled, three offer unlimited play annual memberships. Individual seven-day unlimited programs range in cost from \$1,700 at Soule Park to \$4,150 at Sterling Hills (River Ridge is at \$3,500). These facilities also offer weekday-only unlimited memberships.

City of Ventura Municipal Golf System

As noted, the city of Ventura municipal golf system comprises the 18-hole Olivas Links and Buenaventura Golf Courses. The system is accounted for as an Enterprise Fund by the City, within the Parks, Recreation & Community Partnerships Department. The facilities are operated under management contract with KemperSports. The management fee for FY 14 amounted to about \$161,000. As these facilities are the key competitors to River Ridge, we present a profile below.

Olivas Links Golf Course opened in 1960 and was redesigned (Forrest Richardson, ASGCA) and rebuilt between October 2005 and March 2007. Conveniently located off the 101 freeway, the golf course is within 3 miles of sister course Buenaventura. Olivas Links was named on the Top Municipal Courses in the Country rankings by *Golfweek* in 2014, marking the 6th year in a row Olivas Links has been named on the list. Olivas Links is a links-style course that offers four sets of tees. The practice facility is an acre and a half featuring grass tees, with five bunkered target greens and a pair of bent grass greens to allow players to practice a variety of short shots.

Olivas Links Golf Course offers online tee time booking and special rate pricing for Ventura County and city of Ventura residents. There are also special value memberships for seniors and for twilight play. Anyone can register for free for the LoyalTee Points Program. Points are earned per dollar spent, \$1 = 1 point. Points can be redeemed for green fees, cart fees, & range balls. Olivas Links Golf Club offers Stay and Play Golf Packages with 4 local hotel properties: Crowne Plaza Ventura Beach, Holiday Inn Express Hotel & Suites Ventura Harbor, Four Points by Sheraton Ventura Harbor, and Marriot Ventura Beach.

Buenaventura Golf Course, a William Bell design originally established as a 9-hole course in the late 1920's, underwent a \$6.5 million dollar remodel/rebuild (also Forrest Richardson) in 2004, including complete re-routing of the golf course and new playing surfaces. The course, which features large bent grass greens, re-opened in March 2005. Buenaventura features many mature trees, and white sand bunkers border the greens. The design enhances the parkland feel of the original Buenaventura. In 2012, new platinum paspalum fairways were added, further upgrading the playability and consistency of the turf. Buenaventura Golf Course offers the same programs as its sister course, though it lacks a driving range. The Wedgewood Banquet Center, operated via lease agreement with Z-Catering, generates a \$116,000 flat fee payment to the city each year (the city pays for their potable water through the golf course budget; totaled \$24K in FY 14).

Summary Operating Data – Olivas Links GC

The tables below illustrate key rounds played data and operating metrics for Olivas Links for FY 14, as supplied by KemperSports.

FY 14 Rounds by Type - Olivas Links		
Category	Rounds	Percent of Total
Total	59,822	100%
Total Paid Rnds	53,336	89%
Non-Res. "Rack"	2,209	4%
County Resident	3,124	5%
City Resident	5,355	9%
Senior	13,209	22%
Twilight	12,148	20%
Misc. Discount	13,731	23%
Comps	6,486	11%
Outings/Tourn.	3,560	6%

Olivas Links Operating Metrics - FY 14	
	Operating Measure
Total Paid Rounds	53,336
Green & Cart Revenue	\$1,989,000
Total Gross Revenue	\$2,560,000
Total Operating Expense*	\$1,746,000
EBITDA	\$814,000
Green & Cart per Paid Round	\$37.29
Total Gross Revenue per Paid Round	\$48.00
*Excludes direct City costs, cart/equip leases; includes COG's, Payroll, Dept. Operational	

Olivas Links GC generated nearly \$2.56 million in total revenue in FY 14, on 53,336 paid rounds. Total contract services operating expenses (including COGS; excludes direct City expenses) totaled about \$1.75 million, resulting in earnings before interest, taxes, depreciation and amortization (EBITDA) of \$814,000. Total green & cart revenue per paid was \$37.29, while total gross revenue per paid round was \$48.

Summary Operating Data – Buenaventura GC

The tables below illustrate key rounds played data and operating metrics for Buenaventura for FY 14.

FY 14 Rounds by Type - Buenaventura		
Category	Rounds	Percent of Total
Total	65,917	100%
Total Paid Rnds	58,755	89%
Non-Res. "Rack"	1,401	2%
County Resident	3,116	5%
City Resident	5,305	8%
Senior	13,019	20%
Twilight	15,834	24%
Misc. Discount	16,530	25%
Comps	7,162	11%
Outings/Tourn.	3,550	5%

Buenaventura Operating Metrics - FY 14	
	Operating Measure
Total Paid Rounds	58,755
Green & Cart Revenue	\$1,901,000
Total Gross Revenue	\$2,067,000
Total Operating Expense*	\$1,279,000
EBITDA	\$788,000
Green & Cart per Paid Round	\$32.35
Total Gross Revenue per Paid Round	\$35.18
*Excludes direct City costs, cart/equip leases; includes COG's, Payroll, Dept. Operational	

Buenaventura GC generated nearly \$2.1 million in total revenue (excluding Wedgewood lease payment) in FY 14, on just under 59,000 paid rounds. Total contract services operating expenses totaled about \$1.28 million, resulting in EBITDA of nearly \$790,000. Total green & cart revenue per paid was \$32.35, while total gross revenue per paid round was \$35.18.

Combined Results – Key Findings

Some observations regarding the combined results for Buenaventura and Olivas Links (source: KemperSports):

- Total rounds played for the two courses were 125,739 in FY 14, compared to 123,759 in FY 13.
- Total *paid* rounds increased by just over 2,500, an increase of 2.3%.
- Total revenues were up by more than \$400,000, and EBITDA (excluding depreciation and other direct City expenses) increased by more than 14%.
- Total revenue per round increased by nearly \$3, from \$34 to just under \$37.
- Contract services expenses were up by about \$200,000 in FY 14, primarily due to increase in water expense of \$60K and unexpected cart battery expense of about \$70K.

- Complimentary rounds totaled 13,648, or 11% of total rounds. Management attributes the high level of free rounds, in part, to accommodating three high schools and two colleges.
- Other rounds by type findings:
 - Non-resident (county or city) “rack” rounds were only 3% of total rounds.
 - Rounds under resident categories totaled 13% (5% county, 8% city).
 - Senior rounds were 21% of play.
 - Miscellaneous discount categories accounted for nearly 1 out of every 4 rounds.
 - GolfNow and EZLinks – third party tee time providers - accounted for the majority of discounted tee times, and account for about 20% of total play. However, management reports that the average green fee per round for these two providers increased by about \$6 in FY 14.
 - Outings/tourneys totaled 7,110, an increase of 14% over FY 13. These rounds were 6% of total system rounds.
 - 9-hole rounds totaled 11,316 (accounted for under Misc. Disc. Category), accounting for 9% of play.

Key Performance Indicator Comparison: Oxnard-Ventura-Thousand Oaks

The table below provides a summary comparison of key operating performance metrics for the municipal golf systems of the cities of Oxnard, Ventura, and Thousand Oaks.

Fiscal Year 2013			
	City of Oxnard	City of Ventura	City of Thousand Oaks
Holes	36	36	18
Rounds Played	94,861	123,759	78,000
Total Revenues	\$4,137,017	\$4,328,089	\$4,639,017
Avg. Rev / Round	\$43.61	\$35.16	\$56.00
City Expenses			
Salaries & Benefits	\$66,261	\$194,936	\$0
Contractual Services	\$3,986,485	\$3,154,765	\$4,233,831
General & Admin.	\$192,973	\$411,422	\$3,170
Other Operating	\$36,134	\$19	\$0
Depreciation	\$590,588	\$899,389	\$380,004
Total Operating Expense	\$4,872,441	\$4,660,531	\$4,617,005
Net Interest Expense	(\$1,277,539)	(\$1,169,148)	(\$104,861)
Net Transfers	\$1,323,345	\$400,157	(\$60,108)
Change in Net Position	(\$668,967)	(\$1,101,104)	(\$142,967)
Note: City of Ventura Transfer In of \$400,157 comprises \$128,380 General Fund transfers to Enterprise Fund and \$271,777 Certificate of Participation Debt Obligation transfer to Enterprise Fund. Both are for reimbursement of funding provided for improvement projects financed through prior debt financing and for golf improvements.			

Below are some key findings based on the comparison provided above. We caution that there are variables that preclude a direct “apples to apples” comparison, though we believe the exercise is valuable to the overall analysis.

- The City of Oxnard lags behind the other two cities in terms of rounds per 18 holes, at only 47,430 compared to Ventura's 61,880 and Thousand Oaks' 78,000.
- Total revenues and revenue per round are highest at the 18-hole Los Robles Greens GC (city of Thousand Oaks), thanks to food & beverage revenues of about \$1.5 million. However, Oxnard outpaces Ventura in terms of total revenue per round, at \$43.61 and \$35.16, respectively.
- Contractual services are 26% higher at Oxnard than they are at Ventura, while salaries & benefits (city perspective) are about three times higher at Ventura than at Oxnard. General & Admin. charges for Ventura are more than twice those of Oxnard.
- Despite having only 18 holes, contractual services at Thousand Oaks are the highest among the three cities, at least partly attributable to the large clubhouse and F & B operation. However, Thousand Oaks incurs virtually no expenses directly paid by the city outside of the management contract, other than depreciation of about \$380,000.
- Depreciation is highest at Ventura – about \$900,000 - compared to just under \$600,000 at Oxnard. This difference is due to recent renovations at Ventura courses.
- Excluding depreciation expense and debt service, total operating expense for Oxnard is about \$550,000 higher than that of Ventura.
- Both Oxnard and Ventura golf systems are heavily laden with debt. Oxnard's annual debt service of nearly \$1.3 million, and Ventura's \$1.17 million payment, result in large annual net negative positions.

Banquet Revenue Potential

As noted in this report, banquet & meeting revenue is constrained at River Ridge due to the limitations of the clubhouse. While a formal feasibility study, addressing both construction costs and potential incremental revenues, would need to be conducted before any clubhouse modification should be undertaken, NGF's research for this report does provide some guidelines for banquet revenue growth potential at River Ridge with better and larger facilities.

The operator of the Wedgewood Banquet Center at Buenaventura GC, *ZGolf*, operates many food & beverage and/or banquet operations in California and the western U.S. Wedgwood generates about \$1.0 million in revenue at Buenaventura, on a capacity of about 300 with 70% of events being larger parties (weddings). *ZGolf* management suggested the potential for banquet revenues at River Ridge, with expanded capacity of 300, would be about 20% less than the Ventura Wedgewood site, based on a more price sensitive clientele in Oxnard. If true, banquet revenues at River Ridge could grow to about \$800,000.

As we noted earlier, food & beverage revenues at Los Robles Greens GC are reported (source: EAGLE Golf) to be about \$1.5 million, at least \$1 million of which comes from banquets and meetings. Los Robles features a 22,000 square foot clubhouse with banquet capacity of 250. The city earlier this year enhanced its capabilities to host weddings and other events by opening its new Gardens at Los Robles Greens outdoor event center, which includes bride's room, catering kitchen, stage, and outdoor patio & dining area. The \$1.6 million improvement was self-financed by the Golf Fund. Management reports that total banquet revenues are expected to increase by about \$400,000 in year one of operation of the expanded facilities.

MARKET ANALYSIS SUMMARY

Some summary points about the overall market environment within which the River Ridge GC is operating, and factors affecting this golf operation that are generally uncontrollable by the golf course and the City include:

- The City should understand that the external golf market will present challenges for strong economic performance of River Ridge GC. National trends in the golf industry are generally not favorable for operators of golf courses. The total number of “core” golfers is declining and total spending on golf is declining along with them. Similarly, the total number of golf facilities has expanded since 2000, leading to a decline in per-course rounds and revenues. NGF has also documented a rapid inflation in expenses to operate golf facilities nationwide.
- The basic demographic profile of the market area for River Ridge GC shows characteristics that tend to coincide with lower-than-average participation in golf. The residents of Oxnard have lower incomes than other surrounding communities, and there are large segments within the Oxnard/Ventura population without a strong tradition in golf.
- On the positive side, NGF has observed a growing trend of golf facility closures, the result of which would be a more favorable environment for surviving golf facilities. In addition, the longer term trend shows the generation of future seniors moving towards retirement with a higher level of disposable income than any previous generation. In addition to more traditional golf demand segments, the keys to growth in golf activity at River Ridge will be increasing participation among younger people (under age 35) and from minorities and females. Facilities that have broader appeal to multiple segments (including beginners) tend to perform better in this market.
- The greater Ventura County metro area and the City of Oxnard in particular have many favorable attributes related to economic activity that can translate to high golf activity, but there are also negative factors, especially related to local Oxnard demographics and income. The Oxnard area is close to key economic drivers such as the local Oxnard residential community, local beaches, a major highway (101) and the large Residence Inn hotel located on-site at River Ridge.
- The overall golf market in Ventura County area is large, with upwards of 64,000+ golfers living within the County potentially demanding as many as 1.6 million rounds of golf. Overall participation in golf is predicted to be lower than average in the Ventura County market, indicating an “inactive” golf population that could be stimulated by growth in organized activities such as player development programming, schools, camps, leagues and tournaments.
- Along with potential demand come lots of golf courses, including nine within 10 miles of River Ridge and 28 in Ventura County. However, the population in the area is also large and the overall ratio of golf courses to population is favorable for golf facility operators when compared to other markets and the nation as a whole. While the ratio of households to golf courses is favorable in the Ventura County market, more is needed to stimulate greater activity from the “inactive” households as noted.
- The subject RRGCC has several key competitors, but a few municipal facilities stand out in the area market due to proximity and similar operation. Municipal golf operations in the Cities of Thousand Oaks and Ventura provide the most immediate and direct competition to the subject River Ridge GC. These facilities tend to be achieving slightly better on-site revenue and expense performance, but comparable indirect City expenses ultimately result in golf system economic loss for these Cities.
- The primary River Ridge competitors have several advantages over the subject, including better quality golf courses (in some cases), newer clubhouses, greater variance in fees, and somewhat superior local market demographics. Still, River Ridge has a favorable location from which to draw from a wide geography, with immediate local access to a major highway (101).

Review of Facility Improvement Options

A summary of the NGF team's physical recommendations follow below. These recommendations focus on ways the City of Oxnard could enhance revenue and/or reduce direct expenses in the operation of River Ridge GC. In addition, we also identified and reviewed reconfiguration options for the River Ridge GC property that could be considered by the City as a way to improve facility desirability, efficiency and potentially free up land that may have a higher and better use for the community.

REVENUE ENHANCEMENT CONSIDERATIONS

Specific areas where NGF Consulting sees potential for the City to make improvements to River Ridge that are expected to lead directly to improved revenue include (in priority order):

- Practice Range Upgrades
- Reconfiguration to Accommodate 9-hole Rounds
- Increased Player Development Opportunities
- Major Clubhouse Expansion (addition and retrofit)
- Upgrades to The Vineyard Course (creating more demand for that course)

COST EFFICIENCY CONSIDERATIONS

Specific areas where NGF Consulting sees potential for the City to make improvements to River Ridge that are expected to lead directly to reduced operating expenses (in priority order):

- Practice Range Upgrades (to make ball retrieval more efficient)
- Reduce Managed Turf Footprint
- Water Source Conversion

COURSE AND PRACTICE AREA RECONFIGURATION CONCEPTS

The following concepts are presented as options to the City for reconfiguring the River Ridge property to potentially improve operations and allow for some upgrades as noted previously. These concepts are presented graphically in **Appendix A** ("River Ridge Golf Club Conceptual Improvement Plan" dated 6-23-14 by Forrest Richardson & Associates). Some of the concepts may be independently pursued, while others are dependent on changes to accommodate new areas and uses. NGF Consulting has put forth the concepts with a phased approach as further outlined in our report.

New Full-length Practice Range

Create a new 320-yard range in the area of existing Hole No. 1 of the Vineyard Course. This new driving range would then be ideally situated with a northwesterly direction, elevated tees and full visibility to hitting/landing areas. Target greens and aiming features would be integrated to the new area. Fencing and barrier netting could be entirely eliminated. The new area would be state-of-the-art and would go a long way toward defining River Ridge as a major destination golf facility with a world class practice venue and more attractive range target area.

New Short Game Learning Area

Consolidate short game and practice bunker area to a more intensive area immediately near the practice range tees. This “Learning Area” would feature greens, bunkers and training aids, all accessible within easy reach of the major practice area.

Course Reconfigurations

In order to make room for the new practice range, the concept shows realignment of Hole Nos. 1 and 18 of Victoria Lakes Course and Hole No. 1 of Vineyard Course. These changes use existing turf and fairway areas with the being a shift of holes that accommodates the range area of approximately 500 feet (width).

Further adjustments to The Victoria Lakes Course involve eliminating Hole Nos. 12 and 13 from the layout, replacing these holes by using areas now occupying Hole Nos. 3, 4 and 5 of The Vineyard Course. Finally, Hole No. 17 is expanded into a par-4. The net result of change to The Victoria lakes Course is a regular tee yardage of 6,600-yards and a back tee yardage equaling that of the present yardage, approximately 7,100-yards. Par is retained at 72. Approximately 15.5 acres of land is freed up for future uses, plus land area occupied by the existing lakes at what are now Hole Nos. 12 and 13. This area on the accompanying conceptual plan is shown as potential use as a neighborhood park.

The Vineyard Course is shown with re-routing at existing Hole Nos. 3, 11, 12 and 15. At No. 3 a new par-3 is created. At Nos. 11 and 12 holes are reconfigured to form three new holes with portions of the old practice area utilized. At No. 15 the par-5 is shortened to create a new, short par-3 across the pond. The result is an 18-hole layout with nines returning to the clubhouse. While there is still a distance between No. 9 to No. 10, this distance is unavoidable in any potential reconfiguration of the current course area. The net result of changes to The Vineyard Course is a modest yardage reduction to 6,000-yards with a back tee length of approximately 6,500-yards. Par is reduced from 72 to 70 (par-35 on each nine.)

Future Kids Course Development

Instigate long range planning for a designated “Kids Course” that may be comprised of nine short holes, or some other desirable alternative “course” layout. Envisioned are pitching holes of lengths from 50- to 100-yards with small sized greens and a few bunkers. The area conceptually planned for this amenity is contiguous to the practice range and Short Game Learning Area. NGF Consulting has not provided a cost analysis for such a development and recommends that this concept be explored with the intent of attracting funding from outside parties.

Clubhouse Enhancement Concept

Independent of a full architectural study and plan, NGF Consulting feels that certain enhancements may be realized to the existing clubhouse structure. These include building out a major upper level meeting space to hold 350 people and extension of this area to the north to form an outdoor deck space for events and a grill/bar space. By forming these new spaces with independent load bearing to the foundation, it may be practical to use the now unusable open space of the building to the City’s advantage. Obviously this concept will require further study and feasibility analysis. However, if the improvements can be realized at the very rough probable costs indicated, this approach may prove among the most attractive to the City and its golf operator with increased use of the facility for banquets, group functions and as a nearby meeting space for the Marriott Residence Inn.

Summary of the Conceptual Improvement Plan

The Conceptual Improvement Plan prepared by Forrest Richardson, ASGCA sets the stage for a win-win for the City. With limited reconfiguration of golf holes it is practical to get a world class practice area for the City. Additionally, a returning nine is accomplished and the City is able to landbank approximately 15.5 acres for future use. Not included is additional land comprised of existing lakes and what is shown as a potential neighborhood park area.

The conceptual plan is preliminary in nature, but based on significant site inspection and information provided by the City and golf operator. The golf course architect considered givens, constraints and criteria provided by NGF Consulting.

Benefits of the plan include:

- Differentiation of the two courses (Par-72 and Par-70 with distinctive yardages)
- Full-length Practice Area
- Short Game Area (concentrated into one location)
- Returning Nines (The Vineyard Course)
- Future Kids Course Area
- 15.5 Acres of Future Land Use
- Future neighborhood Park (plus adjacent lakes)

ECONOMIC IMPACT

While an economic impact analysis was beyond the scope of this study, some discussion is warranted. Traditionally, Municipalities only viewed golf courses as an amenity that it provided to its citizens, in much the same manner as tennis courts, pools, and parks. However, that attitude began to change in the 80s and 1990s. Cities began to understand that the golf course can be a lot more than a simple amenity. There are several ways in which a golf course, especially a higher quality course, can add to a community. These include:

- **Industry/Business:** Other NGF reviews have shown that golf courses are an important component for businesses considering areas to relocate.
- **Development:** Golf courses can serve as a focus point/catalyst for development or redevelopment.
- **Property Values:** A good quality golf course can have a significant impact on area property values, which increases the tax base.
- **Residential Development:** Golf courses can also be a catalyst for additional residential development. This was very much the case in the 2000s when River Ridge was expanded to its current 36-hole configuration.

OTHER STUDIES AND ANALYSIS

Per request of the City, NGF Consulting contemplated other approaches to the physical golf facility that would result in a reduction of golf holes from the current 36-hole operation. These possibilities are summarized below.

Reduction of Holes from 36-holes to 18-holes

Initial study suggests that, in order to preserve residential golf frontage along established neighborhoods, **there is** no ideal means to reduce the golf holes from 36- to 18-holes. Sixteen holes are required to accommodate The Victoria Lakes Course and associated residential frontage. Combined with the five holes of the Vineyard Course south of Vineyard Avenue that wind through the residential area, there is **no practical way to accomplish this without leaving residual open space that would not be used as part of the golf course.**

Reduction of Holes from 36-holes to 27-holes Regulation Length

Initial study suggests that this would be possible, but would yield an awkward golf facility comprised of one 18-hole course with non-returning nines, and one 9-hole course. The management efficiencies of such a configuration would not, in the opinion of NGF Consulting, be in the best interests of the City or operator. This configuration could also facilitate removing existing Hole Nos. 12 and 13 from The Victoria Lakes Course as shown on the conceptual plan.

Reduction of Holes from 36-holes to 18-holes Regulation and 9-holes Par-3

Initial study suggests that this would be possible by using The Victoria Lakes Course as the primary course and configuring the existing five holes of The Vineyard Course south of Vineyard Avenue to reconstruct a 9-hole course made up of all par-3 holes. This configuration could also facilitate removing existing Hole Nos. 12 and 13 from The Victoria Lakes Course as shown on the conceptual plan. While an alternative course offering may be appealing to local residents, NGF Consulting hesitates to recommend this to the City based on the strong history of operations, even with 36-holes.

Summary of Golf Course Reduction Considerations

The drawbacks of the above approaches are that the landfill would, in places, be rendered back to non-turf covered state. This will invite native grasses and vast non-managed areas where borrowing animals will compromise the landfill soil cap. Alternative measures would need to be considered. In the end, the City will have costs associated with such management and yet will not receive any revenue to offset that cost. Our conclusion is that better configuration of the golf asset will provide a stronger long term solution, especially if it is closely tied to enhanced revenue and making costs more efficient.

NGF Recommendations for River Ridge Golf Club

Based on our physical, operations and market review of the River Ridge GC, NGF has formulated recommendations that the City and its Contractor can use to enhance the River Ridge GC for the future. The NGF team finds a generally well-run golf facility, with an operator that has many of NGF Consulting's recommended "industry best practices" already in place. Thus, there is not a high level of significant change recommended by the NGF Consulting, although there are a few areas where some change could lead to improved financial condition of the facility.

The NGF recommendations contained in the review for the City of Oxnard include: (1) considerations for the basic operating structure of the facility; (2) improvements/ changes that could be made to the physical plant of the facility; (3) Food and Beverage / Clubhouse recommendations; and (4) other recommendations to improve the operation and marketing of the golf and food/beverage operations.

NGF RIVER RIDGE OBSERVATIONS

The key NGF observations on the River Ridge GC operation that form the basis for NGF recommendations include:

- The City of Oxnard has an agreement in place for the operation of River Ridge GC that includes a qualified vendor in place through the end of FY2019. Any change in this structure would require direct negotiation between the City and the Contractor, and potentially involve a "buy-out" of the remaining years on the contract.
- The City of Oxnard has a high level of direct expense on the River Ridge GC in addition to the large on-site expense to operate the facility. These expenses include General Services Allocations, Depreciation, Amortization, General & Admin indirect expenses, landfill-related repair and maintenance and interest. All combined, these expenses totaled in excess of \$2.1 million in FY2013.
- The interest expense noted above totals \$1.28 million in FY2013. The City reported to NGF that this expense will be retired at the end of FY2016, thus reducing the City's direct expense on River Ridge by 61%.
- The River Ridge GC is capable of producing a higher level of rounds and revenue. However, much of this enhancement will require capital investment in the property to improve the routing, clubhouse and practice amenities present at the facility.
- The total on-site expense to operate the River Ridge GC is high, especially in the maintenance of the golf course playing area. There may be opportunity to reduce some of these on-site expenses, but the overall quality of the facility and service to customers may also have to be reduced.
- The facility is proximate to key economic drivers of the Oxnard area – the Oxnard beaches, local area residences, the Residence Inn and the Ventura Freeway. These areas must become the primary focus of marketing efforts for the River Ridge facility.
- City has no formal citizen advisory group to provide advice to the City and operator, and assist with observations and recommendations for improving the golf course.

STRUCTURE CONSIDERATIONS

In reviewing the long term operations of River Ridge GC, the City could consider options to replace the existing management agreement structure with a new form of operation. After FY2019, the City will be free to consider new forms of operation, or could consider new forms of operation in the present structure if some form of “buy-out” of the existing operator were to take place. As part of our study review for the City of Oxnard, the NGF has identified five (5) basic operational structures for the City to consider in the continued operation of River Ridge GC. Each of these options has advantages and disadvantages, but the overriding issue with this particular property is the location and the need for extensive marketing, promotion and customer service (staffing). Our summary review of the options includes:

1. **Self-Operation.** Self-managed would mean that ALL employees and managers are direct employees of the City. The main advantage is that the City retains total control over the facility and its operation, retains all revenue and is responsible for all expense. The biggest disadvantage of this structure is that employees would likely become subject to City labor policies and benefits, and there may be limitations on paying incentives to public employees. This structure is common in municipal golf nationwide but far less common at municipal golf courses in California.
2. **Concession Agreements or Personal Services Contract.** A Personal Services Contract is very similar to a management contract, with an individual as opposed to a company. A concession contract is similar and can function more like a lease agreement. The key areas of operation include Pro Shop, Food and Beverage, and/or Maintenance. At present, the City has one single contract to cover all three areas, although it was reported to NGF that in previous years the City did have three separate contracts in place for the operation of River Ridge GC. Although a personal services contract could be just for the services of the individual, the contract could also be structured to where the employees of the operation become employees of the contractor. This type of contract is popular among municipalities in other areas of the country, but much less popular among California municipalities.
3. **Full-Service Management Contract.** Hire a management company to operate all aspects of River Ridge, much the same way the City of Ventura operates its two facilities. This structure can come in several forms and include combinations of all areas of operation as noted. This type of third-party management is also usually acceptable in Revenue Bond financing. The greatest disadvantage of Oxnard switching to this option is that the operational risk would return entirely to the City. The City is responsible for paying the management fee to the operator provided all terms of the agreement are being met, even if the golf course financial performance does not improve. These contracts work best when they are incentive-based. Ideally, the City will want to create an “alignment of interests” so that if the management company is doing well, the City is doing well and vice versa.
4. **Lease.** In 2016 and beyond, after the existing revenue bond is retired, River Ridge could be leased to a private golf company (or individual), who would be responsible for all operating expenses as well as capital upkeep. The lease can be structured to provide an annual lease payment to the City, and the lease could be established to include certain lessee requirements, including capital investment in facility improvements maintenance standards and/or restrictions regarding green fees. This structure is actually similar to the system in place at River Ridge today, but would include a much higher risk burden on the operator of the facility.

The key disadvantage is the loss of control in the operation and the growing difficulty in finding a qualified vendor willing to accept the risk, especially when large-scale

capital investment is required. Other disadvantages include limitations on financing (probably not compatible with Municipal bonds), long-term contracts, and maintaining appropriate contract compliance.

5. **Hybrid Contract.** A hybrid contract combines some of the advantages of a lease with those of a management contract and is essentially how River Ridge is operated at the time of the NGF review. Hybrid contracts, such as the one in place at River Ridge, typically do not include large-scale capital improvement on the part of the contractor, but some management companies may be willing to include some of the capital improvement recommendations contained in this report in exchange for a longer-term contract and higher management fees. The advantages and disadvantages to the hybrid contract are basically the same as the management contract, except that the arrangement is generally more flexible and provides for a greater sharing of revenues and assumption of risk by the operator – as is the case with River Ridge.

NGF Recommendation on Basic Structure / Oversight

The NGF recommendation for basic structure at River Ridge GC is to continue with the present model of hybrid management contract. This structure is the system most often recommended for municipal golf courses by NGF due to:

- **Shared Risk:** The ideal management agreements include some form of provision for both parties to share in the risk of the golf operation. The City's existing agreement with the Contractor at River Ridge GC includes a provision for the parties to share losses on the operation 50/50 between the Contractor and City.
- **Balanced Revenue Sharing:** Many cities make the mistake of dividing the revenue by type – for example, the management company gets the cart fees, the City retains the green fees, etc. Unfortunately, this can create situations of divergent interests where the vendor will not necessarily act in the City's best interest. The existing River Ridge GC agreement treats all revenue equally, which is recommended by NGF.
- **Professional Operator:** The City has a competent and professional operator in place who is working to maximize the economic performance of the facility while at the same time protecting the integrity of the City's asset.
- **Incentives:** The contract should not be based on a flat fee, but should incentivize the contractor to maximize performance in a way that is best for the City. The existing agreement assumes all revenue treated equally and then subject to revenue split.
- **Oversight:** The contract includes an adequate oversight mechanism that allows the City to inspect the operation on a regular basis and have set standards to which the contractor must adhere.
- **Include Some Capital Investment:** The existing agreement encourages the private contractor to contribute capital to the property, which would be in their interest given the investments are likely to enhance revenue.

SPECIFIC PHYSICAL RECOMMENDATIONS

As noted in our physical review presented earlier, much of the River Ridge GC physical plant is fixed and thus major change to this property is not practicable nor would it likely lead to any dramatic change in the revenue/expense equation. However, the NGF has identified some areas of modest change to the property that could lead to a more efficient operation and possible increases in revenue. These changes are listed below in NGF's recommended order of importance:

1. **Forward Tee Program** – Integrate more forward tees into the design of both golf courses, creating a most forward golf layout of less than 4,700 total yards. These new tees should be formal tee boxes with comparable design to existing tee boxes. River Ridge operators are encouraged to then have the new forward course rated by the USGA. **NGF estimated cost = \$10,000 per tee box, totaling \$200,000 for an estimated 20 new tee boxes.**
2. **Managed Turf Area** – River Ridge GC operators should continue the program to reduce the maintained acreage of the golf course by 30% to approximately 175 acres. This would be a continuing effort with projects completed one-by-one over time. **NGF estimated cost = \$280,000 (\$150,000 for 20-25 acres on the Lakes and \$130,000 for 15-20 acres on Vineyard).**
3. **Re-Routing Courses** – The City and Contractor should consider the re-routing plan submitted by NGF as part of this review (**Appendix A**). The program essentially provides for a slight rearrangement of holes on both courses, frees up area for expanded practice amenities, and creates a slightly modified Vineyard course that has the 1st tee, 9th green and 18th green located close to the clubhouse, changing the present hole #14 to hole #10. **NGF estimated cost = \$675,000, including soft costs and contingency (Appendix A).**
4. **Expand / Re-Develop Practice Facility** - Create a new 320-yard driving range in the area of existing Hole No. 1 of The Vineyard Course. This new facility would be ideally situated with a northwesterly direction from elevated tees with full visibility to hitting/landing areas. Target greens and aiming features would be integrated to the new area. Consolidate short game and practice bunker areas to be more proximate to the new practice range. This "Learning Area" would feature greens, bunkers and training aids, all accessible within easy reach of the major practice area. **NGF estimated cost = \$560,000, including \$340,000 for the new range and \$220,000 for the new short game/learning area (Appendix A).**
5. **Improve On-Course Services** - Permanent restroom facilities should be added to the Vineyard Course, replacing the temporary portable toilets now used by #7 tee (may involve new sewer lines and a post-landfill amendment). **NGF estimated cost = \$240,000.**
6. **Re-Develop Clubhouse** - Independent of a full architectural study and plan, NGF Consulting feels that certain enhancements to the existing clubhouse structure could be completed to enhance the facility and expand interior gathering spaces. Obviously this concept will require further study and feasibility analysis. However, if the improvements can be realized at the very rough probable costs indicated, this approach may prove among the most attractive to the City and its golf operator with increased use of the facility for banquets, group functions and as a nearby meeting space for the Marriott Residence Inn. **NGF estimated cost = \$1.4 million, for an upper level build-out and adding a deck/overlook.**

Projected Cost of Physical Changes

The specific capital upgrade projects as presented by NGF are shown again in the table below. Action on several of these items are expected to help increase activity and revenue, while others (item #2) should help reduce ongoing expense. **The total cost of the enhancements, including the clubhouse renovation, is expected \$3,335,000 (excluding any lost revenue due to an closure of facility that may occur during the renovation).**

River Ridge Golf Club NGF Recommended Facility Enhancements	
	Estimated Cost
Forward Tee Program	\$200,000
Managed Turf Area	280,000
Golf Course(s) Re-Routing	675,000
Practice Facility Enhancements	540,000
On-Course Services	240,000
Total Facility Primary Enhancements	\$1,935,000
Clubhouse Upgrade	1,400,000
Total Facility Enhancements w/Clubhouse	\$3,335,000
Source: National Golf Foundation	

SPECIFIC FOOD AND BEVERAGE RECOMMENDATIONS

The NGF sees a significant opportunity to dramatically increase food and beverage revenue at River Ridge GC by expanding both the menu and service. Some recommendations may require capital investment, but most involve a slight change in focus from the Contractor to seek maximization of concession income in the food and beverage operation.

- **Snack Bar** - Maximizing the opportunity for snack bar sales may require some capital investment. To maximize potential, the operator will have to create a more inviting environment to entice golfers to stay longer and eat and drink more. Towards this end, the NGF encourages the purchase of new furniture and multiple large-screen TVs. In addition, the Contractor should expand the menu, especially concerning healthy choices including fruit, salads and wraps.
- **Beverage Cart** - Beverage cart service can be highly profitable. We typically see beverage cart service (when beer sales are allowed) as generating between \$2 and \$3 per round, and often more at premium facilities. We recommend beverage cart service be present seven days per week, 52 weeks per years. However, one cart for both courses will probably suffice on most days, except certain periods when NGF recommends two separate beverage carts – one each for the Vineyards and Victoria Lakes courses on weekends and holidays, and during all large golf events and tournaments.
- **Banquets/Weddings** – The Contractor should promote the newly completed upgrades to the banquet area (underway during NGF's visit). Even without clubhouse expansion, the River Ridge GC facility can be a suitable attraction for larger events, including weddings, banquets, and business meetings. We can see where an improved banquet facility at River Ridge could become an attractive location for weddings in the Ventura County, not only because of its great view, but also its accessibility and its location close to a major highway.

OTHER OPERATIONAL RECOMMENDATIONS

In addition to the larger management, physical and marketing recommendations, NGF Consulting offers the following list of additional recommendations that we consider to be potentially helpful in growing River Ridge Golf Club business and lowering expenses. These recommendations are based on the lead consultant's experience and expertise and stem from a limited review of the operation and facilities. Our recommendations include:

- **Improved Hotel Tie-In** - River Ridge GC would benefit from improved cooperation with the adjacent Residence Inn hotel property. Information presented to NGF for this study suggested that this hotel has a high level of occupancy, and thus not as motivated to offer discounts or specials to the golf course. However, NGF has documented locations where the golf course and adjacent hotel derive direct benefits from a greater tie-in for golf packages, corporate retreats, family reunions, etc. This will require some "face-to-face" marketing, but the effort would benefit the facility.
- **FootGolf** – As noted, River Ridge GC is on a leading edge when it comes to its embrace of FootGolf. The facility should strive to enhance its promotion of the activity, become more involved in formal FootGolf leagues, enhance its selection of FootGolf-related merchandise in the pro shop and finally, work to develop a plan for better transition of FootGolfers to become Golfers.
- **Player Development** – We note that new player development will be one of the critical elements to the long-term viability of River Ridge GC, and this should be a point of emphasis at the facility, especially a strong Junior Program. Also, because of today's difficult climate for golf operations, tapping latent demand among groups that traditionally have shown relatively low golf participation – such as women and minorities – is more important than ever.
- **Leagues/Clubs** – The City should promote the creation of new, and expansion of existing, River Ridge clubs and leagues. We encourage the course to post upcoming events, especially tournaments. We also recommend adding a page to the website for leagues, including league results. This is not only appealing to the leagues, but makes the course appear more "friendly".
- **Signage** –NGF recommends the signage in the Oxnard area and around the golf course be improved so as to make finding the golf course as easy as possible, but stay within coded guidelines. A large billboard on Highway 101 (in both directions) would help dramatically. All signage should promote the fact that all facilities (golf and clubhouse) are "open to the public." While this may seem unnecessary, NGF surveys of non-golfers have consistently found that those less familiar with golf assume that golf courses are "private" and not available unless you are a member.
- **Merchandising** – River Ridge should improve its selection of soft goods and apparel, focusing on the River Ridge logo and improving the selection for women. The course could also improve its selection of goods related to FootGolf.
- **Pace-of-Play** –The most common NGF recommends that can help improve golf course pace include better training of marshals, simpler course maintenance (shorter roughs, slower green speeds), and the addition of a new forward tee (as recommended) leading to all golfers moving up (tee it forward).
- **Citizen Advisory Group** – The City should create a new citizen advisory group to assist with providing advice and counsel to the golf operator and City on matters related to the golf course operation. It is important that this group remain an advisory body only, as these types of citizen groups can do more harm than good when they begin to "micro-manage" golf operations. Instead, the group can be the "eyes and ears" for the City and an intermediary between the City and operator.

Increasing Participation from Women and Minorities

Increasing Participation from Women and Minorities - Increasing participation among women and minorities is very important, not only for the community but for the future of golf. We know that 50% of the population is female. We also know that about 41% of the County's population is Hispanic. Further, the minority population is growing at a much faster rate. (In the last 10 years, 91.7% of the total US population growth was from minorities.

Becoming More “Female Friendly”

Recent NGF studies have been related to women and golf, and the NGF has documented that increased participation in the female segment is a key to improving golf facility rounds and revenue performance. In our review, NGF found several facets that female golfers conveyed to our researchers that were key in their consideration of where and how much to participate in golf. As a result, NGF has identified several common characteristics that female-friendly golf facilities exhibit, such as:

- Golf courses that are not too overly difficult, and have a most forward tee of less than 4,600 yards with, with no “forced carries” of over 60 – 80 yards.
- Restrooms (cleaned several times a day) at least every six holes on the golf course; features and items should include mirror, soap, lotion, sunscreen, Band-Aids, etc.
- Ball washers on the forward tees.
- At least one female instructor and a golf staff that takes a consistent approach to all players regardless of gender.
- Help with selecting equipment and even women-only demo days and/or women-only custom fitting days.
- The availability of women's club rental sets.
- Programs that allow more social and/or family involvement.

Improving Minority Golf

To increase participation among minority populations that have a lower tradition in golf, we note a few observations and recommendations:

- **Perception of Golf in the Community:** Golf is often perceived as “elitist,” especially among minorities. Young people rarely associate it with being “cool” or “fun.” It is also perceived as being very expensive, with some justification; and difficult, again with some justification.
- **Staff attitudes:** We encourage River Ridge staff to make it easier for potential customers less familiar with golf to bring friends and family to the game by providing free clinics, low-cost equipment, and other incentives. Not only will this help spread golf within the community, but it should improve the quality of the service and maintenance as workers will take a greater degree of pride and understanding to their job.
- **Lack of Peers:** Golf is a social activity. If a person is not able to identify with others that are playing, it is difficult to entice that person to play. Thus, providing a social atmosphere and welcoming mentality will improve the attraction of less traditional golf populations.
- **FootGolf Transition:** As noted above, working to transition those interested in FootGolf to golf, will help to increase demand for golf among less traditional customers.

River Ridge Golf Club Basic Operations and Preliminary Financial Projections

Given its location, quality of golf course, and pricing structure, River Ridge GC has the potential to improve its performance and be the clear market leader for public golf in this market. The facility can attract value-conscious golfers seeking a high quality round of golf at an affordable price from a much wider geography than presently attracted to River Ridge GC. The facility could be able to handle a much larger volume of golf rounds than is presently being served, with activity reduced due in part to course design and operation, but also due to a comparatively lower level of awareness (compared to some key competitors) in the broader market.

It is clear that the key issues facing the City of Oxnard in the River Ridge operation are: (1) how to maximize the facility offering to the broadest segment of golfers possible; (2) how to maximize the organized event schedule of tournaments, outings, charity functions, player development, etc. as a key to improving economic performance; and (3) how to best operate the facility to maximize potential return to the City while still retaining appropriate on-site management and oversight. As the facility has a generally high quality and accessible location, it is expected that revenue can grow considerably with any increase in activity.

In completing this review for the City of Oxnard, the NGF has reviewed two scenarios for future performance at River Ridge GC: (1) 'As-is' economic performance, assuming no change in the fundamentals of the operation; and (2) an enhanced scenario that shows NGF projected performance assuming all NGF recommendations are enacted, including the golf course re-routing, enhanced practice facility and upgraded clubhouse.

CURRENT ECONOMIC PERFORMANCE AT VARIOUS ROUNDS

The estimates in this section show The River Ridge GC's performance at various rounds played totals (worst case, previous years, 'as-is,' and modest growth), assuming expected 2014 inputs for revenues and expenses. The table shows that The River Ridge GC can cover all on-site obligations with rounds as low as 82,000 total (69,000 paid), with net income before other City charges exceeding \$24,000. If the facility can generate rounds totals in excess of 105,000 (total – 94,000 paid), the net revenue available for split between the operator and the City should be around \$800,000, leaving a \$400,000 payment from the Contractor to the City. NGF has prepared these projections noting that there is variability in expenses at higher rounds (i.e., more maintenance needed when more rounds are played – figures rounded to nearest \$100).

River Ridge Golf Club Estimated Economic Performance at Various Rounds Totals				
Total Rounds	82,000	87,000	96,000	105,000
Paid Rounds	69,000	75,000	82,000	94,000
Revenue				
Carts	\$750,000	\$795,700	\$878,000	\$960,300
Green Fees	1,990,000	2,163,100	2,364,900	2,711,000
Merchandise	223,400	237,000	261,500	286,100
Range	151,700	161,000	177,600	194,300
F & B	376,400	399,300	440,600	481,900
Banquets	221,200	234,700	258,900	283,200
Other	49,900	52,900	58,400	63,900
Total Revenue	\$3,762,600	\$4,043,700	\$4,439,900	\$4,980,700
Less:				
Direct Cost of Sales	\$387,900	\$411,600	\$454,100	\$496,700
Operating Margin	\$3,374,700	\$3,632,100	\$3,985,800	\$4,484,000
On-Site Facility Expenses:				
Salaries & Benefits	\$1,800,000	\$1,900,000	\$2,000,000	\$2,100,000
Utilities	320,000	335,000	360,000	380,000
Parts/Supplies	580,000	620,000	650,000	670,000
Outside Services	250,000	275,000	300,000	325,000
Other	250,000	275,000	300,000	325,000
Fee to City*	150,000	180,000	275,000	400,000
Total Expense	3,350,000	3,585,000	3,885,000	4,200,000
*NGF Consulting estimate				

‘AS-IS’ NGF PROJECTIONS FY2015-2019

NGF Consulting has created a cash flow model for the continued operation of River Ridge GC, through FY2020 under its present configuration, operating structure and contracted operator. The NGF projection shows the on-site cash flows for the full operation through FY2020, assuming a “standard” market environment over the next five years. Base assumptions in preparing this financial performance estimate include:

- The overall economic condition remains stable, without any sizable increase or decrease in the Oxnard area economy, employment, or visitation.
- No other major changes to the local golf market (addition or subtraction of facilities).
- Normal weather patterns, with no dramatic negative or positive weather-related changes to performance, except a stronger “El-Nino” in FY2015 with reduced winter activity.
- Expenses are estimated based on current levels as provided by the operator, with mild inflation of 3.5% per year for all labor expenses and 2.0% per year for all other expenses.
- Cost of Sales: 72% for merchandise and 38% for food & beverage.
- Activity assumes a slight reduction to 93,000 total rounds (81,000 paid rounds) in FY2015, stabilizing at 96,000 total rounds (83,000 paid rounds) through FY2020.

- All revenue centers are assumed to remain stable at the operator experienced average revenue per round (per paid round for green fees), with 1.5% inflation assumed for all average revenues.

The projections are from a *golf course perspective*. That is, they demonstrate the operating profit and loss of the *golf course* irrespective of revenue streams to the City. This is done to provide a better understanding of how the course's profitability is affected by operations in a 'status-quo' environment. The projections assume all on-site revenues and expenses, except the operator's payment to the City, which is included on the last line item and based on the contract provisions.

'As-Is' NGF Projections FY2015-2019

The NGF projections for performance of River Ridge GC from FY2015 through the end of FY2019 are shown in the table that follows. As the NGF projections are estimates of future results, all figures have been rounded to the nearest \$100 for simplicity:

The River Ridge Golf Course Projected Economic Performance 'As-Is' Operation FY2015-2019					
	FY2015 (Projected)	FY2016 (Projected)	FY2017 (Projected)	FY2018 (Projected)	FY2019 (Projected)
Total Rounds	93,000	96,000	96,000	96,000	96,000
Paid Rounds	81,000	83,000	83,000	83,000	83,000
Revenue					
Carts	\$850,600	\$891,200	\$891,200	\$891,200	\$891,200
Green Fees	2,336,100	2,429,700	2,429,700	2,429,700	2,429,700
Merchandise	253,400	265,500	265,500	265,500	265,500
Range	172,100	180,300	180,300	180,300	180,300
Golf F & B	426,900	447,200	447,200	447,200	447,200
Banquets	250,900	262,800	262,800	262,800	262,800
Other	56,600	59,300	59,300	59,300	59,300
Total Operating Revenue	\$4,346,600	\$4,536,000	\$4,536,000	\$4,536,000	\$4,536,000
Direct Cost of Sales	\$440,000	\$461,000	\$461,000	\$461,000	\$461,000
Operating Margin	\$3,906,600	\$4,075,000	\$4,075,000	\$4,075,000	\$4,075,000
River Ridge Expense					
Salaries & Benefits	\$1,900,000	\$1,966,500	\$2,035,300	\$2,106,500	\$2,180,200
Utilities	360,000	367,200	374,500	382,000	389,600
Parts/Supplies	600,000	612,000	624,200	636,700	649,400
Outside Services	250,000	255,000	260,100	265,300	270,600
Other	250,000	255,000	260,100	265,300	270,600
Total Operating Expense	\$3,360,000	\$3,455,700	\$3,554,200	\$3,655,800	\$3,760,400
Net Operating (Loss)	\$546,600	\$619,300	\$520,800	\$419,200	\$314,600
Estimated Payment to City	\$273,300	\$309,650	\$260,400	\$209,600	\$157,300
Source: NGF Consulting projection - 2014					

ENHANCED NGF PROJECTIONS FY2015-2019

The second scenario created for River Ridge GC assumes the completion of several physical changes as recommended by NGF. The most significant of these include the re-routing of golf holes to add a more playable and walkable 9-hole loop with proximity to the clubhouse, the expansion and upgrade of the practice range and expansion of the clubhouse. All assumptions in the previous scenario are included in this review, except:

- Activity assumes a slight reduction to 93,000 total rounds (81,000 paid rounds) in FY2015, increasing to 100,000 total rounds (88,000 paid rounds) in 2016 and maximizing at 110,000 total rounds (97,000 paid rounds) by FY2018. The rounds increases assume an increase in overall activity driven by increased demand for 9-hole rounds that can be accommodated more easily in the new design.
- All revenue centers are assumed to remain stable at the operator experienced average revenue per round (per paid round for green fees), with 1.5% inflation assumed for all average revenues. Key changes include:
 - Average green fee per paid round and average cart revenue per round is reduced to reflect more 9-hole rounds.
 - Banquet revenue is increased to \$400,000 in FY2016, growing to \$500,000 by FY2018.
 - Average revenue per round for golf F & B is increased to reflect clubhouse improvements, including snack bar improvements and improved menu.
- All expenses are increased over the 'As-Is' scenario beginning in FY2016 based on additional expenses required to maintain the expanded golf operation. NGF assumes inflation of 3.5% per year for all labor expenses and 2.0% per year for all other expenses.

Enhanced NGF Projections FY2015-2019

The NGF projections for performance of River Ridge GC from FY2015 through the end of FY2019 are shown in the table that follows. As the NGF projections are estimates of future results, all figures have been rounded to the nearest \$100 for simplicity:

The River Ridge Golf Course Projected Economic Performance Enhanced Operation FY2015-2019					
	FY2015 (Projected)	FY2016 (Projected)	FY2017 (Projected)	FY2018 (Projected)	FY2019 (Projected)
Total Rounds	93,000	100,000	105,000	110,000	110,000
Paid Rounds	81,000	88,000	92,000	97,000	97,000
Revenue					
Carts	\$850,600	\$928,300	\$974,700	\$1,021,200	\$1,021,200
Green Fees	2,336,100	2,545,600	2,661,300	2,806,000	2,806,000
Merchandise	253,400	276,500	290,400	304,200	304,200
Range	172,100	203,000	213,200	223,300	223,300
Golf F & B	426,900	472,800	496,400	520,000	520,000
Banquets	250,900	400,000	460,000	500,000	550,000
Other	56,600	61,800	64,800	67,900	67,900
Total Operating Revenue	\$4,346,600	\$4,888,000	\$5,160,800	\$5,442,600	\$5,492,600
Direct Cost of Sales	\$440,000	\$530,700	\$572,500	\$606,600	\$625,600
Operating Margin	\$3,906,600	\$4,357,300	\$4,588,300	\$4,836,000	\$4,867,000
River Ridge Expense					
Salaries & Benefits	\$1,900,000	\$2,035,300	\$2,106,500	\$2,180,200	\$2,256,500
Utilities	360,000	374,500	382,000	389,600	397,400
Parts/Supplies	600,000	624,200	636,700	649,400	662,400
Outside Services	250,000	260,100	265,300	270,600	276,000
Other	250,000	260,100	265,300	270,600	276,000
Total Operating Expense	\$3,360,000	\$3,554,200	\$3,655,800	\$3,760,400	\$3,868,300
River Ridge Net Operating (Loss)	\$546,600	\$803,100	\$932,500	\$1,075,600	\$998,700
Estimated Payment to City	\$273,300	\$401,550	\$466,250	\$537,800	\$499,350
Source: NGF Consulting projection - 2014					

DISCUSSION

The results of the NGF projections models show that if River Ridge GC were to continue “as-is,” it is likely that the net facility income, and subsequently the operator payment to the City, will likely peak in the near term (FY2016), and then decrease steadily through the remainder of the decade. This is due to a common issue with golf courses where the inflation in expenses is more rapid than the growth in revenue.

If the City can complete the facility enhancements as recommended by NGF, leading to expanded banquet capacity and the sale of more 9-hole rounds, the net facility income and operator payment to the City will increase dramatically, peaking at over \$537,000 in FY2018. The total capital investment required to complete the recommended enhancements would total at least \$3.2 million, and NGF has assumed that could be financed through a new revenue bond issue, thus replacing the existing debt (retired in FY2016) with a new smaller bond payment. Still, a close look at this figure shows it is only about \$215,000 higher than the payment actually paid to the City for strong FY2014 performance, and an amount that is still not able to cover indirect City expenses, but should be sufficient to cover the new annual bond payment needed for the new improvements.

LIMITING CONDITIONS

The income estimates presented by NGF Consulting 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 reality of Municipal golf facility performance in the local area where several Municipalities have been struggling to generate enough golf rounds to meet their obligations, even though revenues are much higher than NGF has projected here. Proper uses of these estimates include:

- Establishing reasonable parameters for expected performance for the subject facility
- Determining an appropriate level of capital investment that the facility can support
- Establishing the basis for financing determinations
- Providing guidelines for realistic expectations of income and expense

NGF Consulting is confident that some growth in activity and revenue can be achieved at the subject facility. From a practical standpoint, those managing the facility will need to respond to variable market conditions as well as unforeseen maintenance needs. NGF Consulting is confident that the facility will be able to continue to achieve similar results beyond the next five years of operation.

MARKET SHARE CONCLUSIONS

When projecting a realistic market share of the subject facility, 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. It is typical for an existing public access golf facility to achieve only a portion of its total potential. Our estimates of performance for River Ridge Golf Club could change should the following conditions occur:

Stronger Performance	Weaker Performance
Future course closings	New course openings
Faster population growth than projected	Incorrect price levels
Positive regional publicity	Poor customer service
Lack of loyalty to existing courses	Low quality facility
Unforeseen surge in golf interest	Poor yearly weather conditions
Excellent yearly weather conditions	Regional economic recession

It is important to measure the performance of the City's Municipal golf asset in such a way as to help the City make financial decisions based on realistic expectations. It is obviously possible that either more or fewer rounds will be realized. We note that the NGF opinion on future performance of River Ridge Golf Club anticipates the competitive environment in the Ventura County metro area and the possible difficulties in growing activity and revenue.

Appendices

A: Golf Facility Improvement Plan

B: Industry Standards and Norms

C: Golfer Survey

D: Rounds Played Report Year-End 2013

APPENDIX A – GOLF FACILITY IMPROVEMENT PLAN

NGF Consulting studied at ways that the City of Oxnard could enhance revenue and better manage expenses relative to the physical golf facility. The NGF team studied concepts for reconfiguring the golf courses and practice areas to accomplish these goals, and to potentially free up land that may have a higher and better use for the community.

Two Primary Goals

Revenue Enhancements - Areas where NGF Consulting sees a potential to enhance revenue include:

- Practice Range Upgrades
- Increased Player Development Opportunities
- Upgrades to The Vineyard Course (creating more demand for that course)
- Reconfiguration to accommodate 9-hole Rounds
- Major Clubhouse Expansion (addition and retrofit)

Cost Efficiencies - Areas where NGF Consulting sees a potential to reduce or reprioritize costs associated with the golf facilities include:

- Practice Range Upgrades (to make ball retrieval more efficient)
- Reduce Managed Turf Footprint
- Water Source Conversion

River Ridge Reconfiguration Concept Exhibit

The following ideas are conceptually shown in the accompanying exhibit (“River Ridge Golf Club Conceptual Improvement Plan” dated 6-23-14 by Forrest Richardson & Associates). Some of the concepts may be independently pursued, while others are dependent on changes to accommodate new areas and uses. NGF Consulting has put forth the concepts with a phased approach as further outlined in our report.



RIVER RIDGE GOLF CLUB

Conceptual Improvement Plan

Vineyard Course

HOLE	PAR	YDS	HOLE	PAR	YDS
1	5	510	10	4	415
2	4	380	11	5	480
3	3	160	12	3	115
4	4	300	13	4	360
5	3	165	14	4	380
6	4	425	15	3	170
7	4	175	16	4	320
8	4	425	17	3	180
9	5	560	18	5	500
35		3100	35		2920
			70		6020

Victoria Lakes Course

HOLE	PAR	YDS	HOLE	PAR	YDS
1	4	400	10	4	380
2	4	390	11	3	160
3	4	370	12	5	550
4	5	520	13	3	130
5	3	175	14	4	380
6	4	370	15	4	375
7	3	155	16	4	390
8	4	500	17	4	410
9	5	520	18	5	520
36		3310	36		3295
			72		6605

Regular tee yardages shown

1"=600'

Flight: 12-10-13

Drawn: 6-23-14

North



NGF CONSULTING

Concept Description

A summary of key aspects of the proposed reconfiguration plan are presented below:

New Full-Length Practice Range

Create a new 320-yard range in the area of existing Hole No. 1 of The Vineyard Course. This new facility would be ideally situated with a northwesterly direction from a elevated tees with full visibility to hitting/landing areas. Target greens and aiming features would be integrated to the new area. Fencing and barrier netting could be entirely eliminated. The new area would be state-of-the-art and would go a long way toward defining River Ridge as a major destination golf facility with a world class practice venue.

New Short Game Learning Area

Consolidate short game and practice bunker areas to a more intensive area immediately near the practice range tees. This “Learning Area” would feature greens, bunkers and training aids, all accessible within easy reach of the major practice area.

Course Reconfigurations

In order to make room for the new practice range, the concept shows realignment of Hole Nos. 1 and 18 of The Victoria Lakes Course and Hole No. 1 of The Vineyard Course. These changes use existing turf and fairway areas with the being a shift of holes that accommodates the range area of approximately 500 feet (width).

Further adjustments to The Victoria Lakes Course involve eliminating Hole Nos. 12 and 13 from the layout, replacing these holes by using areas now occupying Hole Nos. 3, 4 and 5 of The Vineyard Course. Finally, Hole No. 17 is expanded into a par-4. The net result of change to The Victoria lakes Course is a regular tee yardage of 6,600-yards and a back tee yardage equaling that of the present yardage, approximately 7,100-yards. Par is retained at 72. Approximately 15.5 acres of land is freed up for future uses, plus land area occupied by the existing lakes at what are now Hole Nos. 12 and 13. This area on the accompanying conceptual plan is shown as potential use as a neighborhood park.

The Vineyard Course is shown with re-routing at existing Hole Nos. 3, 11, 12 and 15. At No. 3 a new par-3 is created. At Nos. 11 and 12 holes are reconfigured to form three new holes with portions of the old practice area utilized. At No. 15 the par-5 is shortened to create a new, short par-3 across the pond. The result is an 18-hole layout with nines returning to the clubhouse. While there is still a distance between No. 9 to No. 10, this distance is unavoidable in any potential reconfiguration of the current course area. The net result of changes to The Vineyard Course is a modest yardage reduction to 6,000-yards with a back tee length of approximately 6,500-yards. Par is reduced from 72 to 70 (par-35 on each nine.)

Future Kids Course Development

Instigate long range planning for a designated “Kids Course” that may be comprised of nine short holes, or some other desirable alternative “course” layout. Envisioned are pitching holes of lengths from 50- to 100-yards with small sized greens and a few bunkers. The area conceptually planned for this amenity is contiguous to the practice range and Short Game Learning Area.

Clubhouse Enhancement Concept

Independent of a full architectural study and plan, NGF Consulting feels that certain enhancements may be realized to the existing clubhouse structure. These include building out a major upper level meeting space to hold 350 people and extension of this area to the north to form an outdoor deck space for events and a grill/bar space. By forming these new spaces with independent load bearing to the foundation, it may be practical to use the now unusable open space of the building to the City's advantage. Obviously this concept will require further study and feasibility analysis. However, if the improvements can be realized at the very rough probable costs indicated, this approach may prove among the most attractive to the City and its golf operator with increased use of the facility for banquets, group functions and as a nearby meeting space for the Marriott Residence Inn.

Summary of the Conceptual Improvement Plan

The Conceptual Improvement Plan prepared by Forrest Richardson, ASGCA sets the stage for a win-win for the City. With limited reconfiguration of golf holes it is practical to get a world class practice area for the City. Additionally, a returning nine is accomplished and the City is able to landbank approximately 15.5 acres for future use. Not included is additional land comprised of existing lakes and what is shown as a potential neighborhood park area.

The conceptual plan is preliminary in nature, but based on significant site inspection and information provided by the City and golf operator. The golf course architect considered givens, constraints and criteria provided by NGF Consulting.

- Benefits of the plan include:
- Differentiation of the two courses (Par-72 and Par-70 with distinctive yardages)
- Full-length Practice Area
- Short Game Area (concentrated into one location)
- Returning Nines (The Vineyard Course)
- Future Kids Course Area
- 15.5 Acres of Future Land Use
- Future neighborhood Park (plus adjacent lakes)

While no formal real estate analysis was conducted as to the value of the 15.5 acres of land potentially removed from the golf course, NGF Consulting places a preliminary estimate on this land, if approved for residential use, at \$280,000 to \$400,000 per acre, or approximately \$5 million. Depending on the nature of future development, a ground lease could prove to be in the best interests of the City as opposed to an outright sale of the land. A ground lease may allow a long term revenue stream that could be earmarked for parks, golf and other recreation funding.

APPENDIX B – GOLF INDUSTRY STANDARDS, NORMS, AND OPERATIONAL ISSUES

NGF has presented a selection of basic golf industry information designed to help educate the City of Oxnard on “reasonable expectations” for public golf operations in the U.S. Information provided includes operational norms for public golf courses (rounds, revenues, expenses, staffing) as well as some other “standards” consistent with successful public golf courses.

Public Golf Operational Norms

For purposes of comparing the performance of the River Ridge GC, we present a review of selected NGF data from our bi-annual surveys of golf facilities, supplemented by data provided by the PGA of America through its “*Performance Trak*” data collection. This includes data from the aggregate of all golf courses in the U.S. (by category), as well as data from selected sub-categories of golf facilities including mid-range (middle fee) public golf facilities. These data are detailed in the National Golf Foundation publication, *Operating & Financial Performance Profiles of 18-hole Golf Facilities in the U.S.* These figures were included and used for this effort as they represent “reasonable estimates” for comparison to River Ridge GC. In addition, NGF Consulting has added estimates from the “*Future of Public Golf in America*” study completed in 2012 and presented at the annual NGF Golf Business Symposium.

Public Golf Facility Rounds Expectations

NGF research indicates that the average number of rounds played per 18-hole golf course has been declining in the last 25 years. The totals now stand at an average of 31,527 rounds for Municipal golf courses, 26,071 for all daily fee (privately-owned, open to the public), and 19,402 for private (member only) clubs. We note these figures all represent significant declines since 1985, with acceleration of decline since 2001. As a benchmark comparison, average rounds per 18-hole Municipal golf course was around 42,000± in 2000 and just over 36,000± rounds in 2005.

The NGF uses a golf industry standard that defines a round of golf as “one individual beginning a round in an authorized start.” As such, the NGF is essentially counting “starts” as a round. During the course of this study, NGF has used the industry standard of “starts” to count rounds played and recommends the City continue to use this counting method for all future reporting.

Average Total Rounds Played By Facility Type 2009, 2011 + 2012			
	2009	2011	2012
Daily Fee	26,009	24,394	26,071
Municipal	32,497	29,681	31,527
Private	17,748	18,323	19,402
Source: National Golf Foundation and PGA <i>Performance Trak</i> .			

Public Golf Facility Revenue Expectations

NGF research indicates that the total of all golf facility revenues in the U.S. represents a \$22.3 billion industry, down from a peak of \$29.1 billion in 2005. The section below shows the NGF estimate for total golf facility revenue (public and private combined) in the United States for recent years.

Revenue Detail for 'Standard' Public Golf Courses

Further detail on 'standard' public golf facility operations in the United States has been collected by NGF over the years, a summary of which is presented below for 2009 and 2012. 'Standard' public golf courses are those with green fees between \$30 and \$70 (including carts). The NGF consultants feel that this represents the best measure of comparison to performance at River Ridge GC, and is used for this purpose throughout this engagement.

Public Standard Average Revenues			
	2009	2012*	% change
Green fees, cart fees and member/passholder revenue	\$679,280	\$666,100	-1.9%
All other golf revenue	\$76,930	\$75,000	-2.5%
F&B revenue (incl. banquets)	\$214,400	\$192,200	-10.4%
Merchandise revenue	\$80,080	\$78,300	-2.2%
All other operating revenue	\$37,560	\$35,400	-5.8%
Total Revenue	\$1,088,250	\$1,047,000	-3.8%
Source: <i>Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.</i> , 2011 edition, National Golf Foundation, and "Future of Public Golf in America" study – 2012. *Estimated totals derived from sample research in 2012.			

Public Golf Facility Expense Expectations

NGF research indicates that all golf facilities in the U.S. had a total of \$21.3 billion in direct operating expenses, down 20.5% from a high of \$26.8 billion in 2001. The section below shows the NGF estimate for total golf facility expenses (public and private combined) in the United States for recent years.

Operating Expense Detail for 'Standard' Public Golf Courses

Further detail on 'Standard' public golf facility operational expenses in the United States from 2005 and 2012 are displayed below. NGF will use these figures for comparison to River Ridge GC throughout the NGF engagement for the City of Oxnard.

Public Standard Average Expenses			
	2005	2012*	% change
Total maintenance costs	\$377,160	\$442,300	17.3%
Golf car fleet costs	\$31,120	\$32,500	4.4%
COGS F&B	\$86,360	\$77,400	-10.4%
COGS merchandise	\$56,450	\$55,200	-2.2%
Other expenses	\$315,280	\$389,800	23.6%
Total Expenses	\$866,360	997,200	15.1%
Notes: "Total maintenance costs" includes payroll, supplies, and equipment. "Other expenses" is a large category because it includes all non-maintenance payroll and all other operating expenses. Source: National Golf Foundation 2013.			

Other Expense Findings

NGF has also included basic information on golf industry 'standards' for golf courses of all types in all climates. Industry standards can vary depending upon specific courses, but as a "rule of thumb," allocated spending in key areas coincide with the percentages displayed below. The two most significant of these figures for the

analysis of River Ridge GC are the percentage of labor expense and utilities, as addressed by NGF for each individual facility.

Key Area	Allocated Spending
Labor	50%
Products, Supplies & Repair	15%
Services (Incl. Equipment)	10%
Utilities	5%
Other	20%
Source: Golf Course Superintendents Association of America (GCSAA) and NGF. Expense totals do not include non-recurring capital expenses, amortization, or depreciation.	

Public Golf Facility Average Revenue and Expense per Round

The following section provides NGF estimates for revenues and expenses per round of golf played for each of 'Standard' golf facilities.

Public 'Standard' Revenue and Expense per Round

NGF research indicates that public golf courses in the U.S. with green and cart fees between \$30 and \$70 average \$33.21 in total facility revenue per round of golf in 2012. Of this figure, \$23.51 (70.8%) is derived from "golf" sources (green, cart, pass fees and driving range), with the remaining \$9.70 (29.2%) per round derived from "ancillary" (mostly merchandise, food + beverage) sources. Overall, this figure has increased by almost 10% between 2005 and 2012, although we note that 2012 was a particularly strong year for golf in much of the U.S. due to outstanding winter weather.

Standard Public Golf Courses Average Revenue Per Round			
	2005	2012	% change
Total Revenue	\$30.23	\$33.21	9.9%
Golf Revenue	\$21.01	\$23.51	11.9%
F&B revenue (incl. banquets)	\$5.96	\$6.10	2.3%
Merchandise revenue	\$2.22	\$2.48	11.7%
All other operating revenue	\$1.04	\$1.12	7.7%
Source: <i>Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.</i> , 2011 edition, National Golf Foundation, and "Future of Public Golf in America" study – 2010			

Middle fee public golf courses in the U.S. average \$31.63 in total facility expenses per round of golf. Of this figure, \$14.03 (44.4%) is derived from golf course maintenance, with the remaining \$17.60 (55.6%) per round derived from all other expenses. Overall, this figure increased by about 31.5% between 2005 and 2012.

Golfer Expectations of Better Quality Public Golf Facilities

Golf consumers have developed certain expectations about the package of amenities they expect at golf courses of various levels of quality. These expectations extend to both the physical attributes (maintenance) of a facility as well as the level of service provided. In this section, NGF will provide a basic “checklist” of amenities and services that are expected at various levels of golf course quality and should be considered within the overall program for River Ridge GC. This includes a review of golf course facilities, support amenities, and service.

Golf Course Expectations

A summary of categories of expectations for golfers at middle-to-better quality golf courses includes:

- Clean carts
- Good scenery
- Appropriate length and challenges (see below)
- Well maintained conditions
- Well maintained greens
- Well maintained fairways
- Well maintained tees
- Well maintained bunkers
- Clearly marked and visible yardage and hazard indicators
- Rough that is not too difficult and ball can be found
- Practice facility
- On-course facilities / water fountains

Golf Course Standards (Length of Tees)

The length of tees on a golf course can significantly affect course performance in three ways: Marketing (inherent appeal), playability, and pace of play. All three areas are important, but are often overlooked when a course is initially laid out.

From a marketing perspective, the length of tees that means the most is the one from the back tee. Any course that does not measure at least 7,000 yards from the back tee is at a disadvantage to be marketed as a true upscale “championship” facility. This is especially true for courses in resort areas or who count a lot on non-local play, especially tourists. The reason the back yardage is so important is not because golfers will actually play from there (fewer than 4% of golfers will play from tees over 7,000 yards), but because golfers have come to equate distance with quality -- a perception that is fed by the media. The Victoria Lakes course at River Ridge GC certainly fits this criterion.

While the back tee yardage is important to get golfers to the course for the first time, the length from the other tees is critical in getting them to return. This is because playability is crucial to generating return play. Golfers tend to prefer courses where they can score at their “normal” level. If a course is perceived as being too easy, it is considered inferior. On the other hand, few golfers want to get “beaten up” every time they play. Ideally, a course would appear challenging but allow most golfers to be able to score at their normal level.

The most commonly preferred yardage for male golfers is around 6,250 yards plus or minus 250 yards. Psychologically the “6” is critical. The average male golfer (who typically will shoot anywhere from 90 to 105) will normally choose the shortest tee that is at least 6,000 yards long. You will find this tee, regardless of color, will be the most popular tee on almost every course -- typically receiving 40-50% or more of the play. There is some logic to this yardage as it will allow most male golfers to use almost every club in their bag when they play. At this yardage, most male golfers will typically be able to reach every hole in regulation at most courses.

However, as golfers age, they are no longer able to hit the ball as far. As a result, they are no longer able to reach all the holes in regulation at 6,000 plus yards. So for seniors, the most comfortable and preferred

yardage tends to be from 5,400 to 5,800 yards. Women, on the other hand, tend to hit the ball about 80% as far as men. So the equivalent distance of a 6,000 yard tee would be 4,800 yards. Thus, women tend to prefer yardage of 4,800 or less.

When these yardages are not present, golfers are forced to play from a length where they are not comfortable. In reviewing the yardages at River Ridge GC, it seems that yardages at both the middle and forward tees are too long, hence NGF recommendation to add a new forward tee as the fifth tee box.

Golf Facility	Longest Tee Yardage	Middle Tee Yardage	Forward Tee Yardage
Vineyards Course	6,761	6,299	5,232
Victoria Lakes Course	7,170	6,351	5,202

Clubhouse Expectations

Basic expectations of golf course clubhouses from golf consumers at middle-to-better quality public golf courses include:

- Visually appealing entrance and landscaping
- Area to drop golf bags directly from auto
- Clean and clearly marked entrance
- Appropriate and visible art and decorations
- Visually appealing pro shop area
- Room to shop and view items for sale + ease of purchase
- Convenient restrooms cleaned twice daily
- Clear logistics and ergonomics (where do I go to check in?)
- Space and comfortable chairs to sit and relax
- Space for gatherings / tournaments (at least 72 patrons on 18 holes)
- Wi-Fi and cell service available
- Space to privately change clothes/shoes (if necessary)
- Nice views of the golf course
- Good food and beverage service
- Alcohol service (at least beer) and a comfortable place to go to enjoy food and drinks and reflect on their round with friends
- Big screen TVs in the lounge/bar and/or grill area that are always tuned to sports

The above items represent the basic package of clubhouse amenities expected by golfers to complete a better quality golf experience. Attention to these details will help produce repeat customers and strong “word-of-mouth” recommendations. In general, River Ridge GC meets these expectations (except for Wi-Fi), but could be improved in some areas as noted by NGF.

Service Expectations

Basic service expectations from golf consumers at middle-to-better quality public golf courses include:

- Availability of, and accommodation for booking tee-times
- Ease of parking and assistance with golf bag drop
- Friendly/courteous staff at check-in counter
- Pro shop stocked with appropriate basic items (balls, tees, gloves, umbrellas, etc.)
- Carts cleaned and fully charged for a round
- Courteous starter attentive to golfer needs

- Management/staff attention to pace-of-play
- Courteous ranger moving play along
- Beverage cart service
- On-course restroom / drinking stations
- Ability to conveniently consume snacks/beverages after 9th hole (the “turn”)
- Assistance with golf bag after the round
- Ability to conveniently consume snacks/beverages after 18th hole (“19th hole”)
- Pro shop open when round complete

The above items represent the basic service package expected by golfers to complete a better quality golf experience. Attention to these details will help produce repeat customers and strong “word-of-mouth” recommendations. NGF notes there are few deficiencies in these areas at River Ridge GC, but service overall tends to match the fee structure.

Food and Beverage Operations

The food and beverage (F&B) operation at most golf courses is critical to the facility’s profitability, either positively or negatively. The F&B operation, though, is more important to the success of a golf course than simply its direct contribution to the bottom line. What is often undervalued, perhaps because it is so hard to measure, is the F&B’s impact to the overall desirability of a golf course and thus its effect on rounds performance.

There is no question that for most golfers a golf course’s F&B operation significantly impacts the overall golfing experience. Given that an 18-hole golf round usually takes four to four and half hours to play, a golf round is inevitably going to affect at least one meal for a golfer. Further, many golfers enjoy relaxing after a round of golf, preferably while eating and/or drinking. This is an important social time as the golfers reflect on the round, settle bets, and often discuss various issues that may have nothing to do with golf. (Notably, a golf course is a popular spot to conduct business).

As a result, a facility’s F&B operation can be either an asset or a detriment to a facility. If the quality of food is excellent and the atmosphere and service are good, there is no doubt that the operation will have a positive impact on golf course performance. However, if the F&B is lacking (or even non-existent) it can deter a lot of players from even coming to the course. This is true if for no other reason than convenience. Given that the golfer is likely to need a place to eat either before, after or even during a round, if the golf course cannot provide the meal, the golfer must find another place – adding additional time and inconvenience to the round. Further, a golfer tends to want to satisfy thirst and hunger immediately. If this cannot be done at the golf course, the round can be much less pleasant.

On the other hand, if the food quality and service are good, it adds to the golf experience and increases the desirability of the golf course as a place to play. A high quality F&B operation can help make up for any deficiencies of the golf course. Similarly, a poor F&B operation can drag even a good golf operation down.

Successful Food and Beverage Operations at Golf Facilities

From a golf perspective, the F&B operation does not need to be elaborate; a simple grill operation is often sufficient. Golfers are looking mostly for tasty items that can be prepared and delivered quickly in an inviting and friendly atmosphere. Hot dogs and hamburgers are still the overwhelmingly most popular items served. However, with healthy selections becoming more socially acceptable and appealing and with the desire to expand the market to include women and seniors, other menu items are required. There should be salad and healthy sandwich choices as well as fruit offerings. To increase appeal to regulars, there should be daily specials. A “signature” item is always desirable.

It is also important to understand that the F&B operation is not limited to the grill or restaurant, but definitely extends to the golf course. Many golf operators have discovered that offering a good beverage cart operation not only creates a new profit center, but also increases total rounds performance. Golfers tend to enjoy

beverage cart service, when the operators are well-trained and personable and the prices and selection reasonable. It is not uncommon for a mid-level facility to average more than \$1 to \$2 per round from beverage cart sales alone. However, to be successful, a beverage cart operation needs to have the following:

- **Good Servers.** The attendants need to be friendly and helpful.
- **Beer.** Beer is the beverage of choice for a large percentage of golfers. Having beer readily available will significantly help performance – both for the F&B operation and for the golf course.
- **Good Selection.** Savvy operators track what golfers are buying and do their best to keep these items in stock and available on the golf cart.
- **Consistency.** This is perhaps the most important ingredient of all. To be successful, the beverage cart must be present consistently. It cannot be operated only during “peak” days and at “peak times.” Golfers need to be trained to expect that the beverage cart will be there in order to leave their coolers behind and for the beverage cart to have a positive impact on the golf course rounds.

Where F&B operations tend to create fiscal problems for a golf facility is when they start offering dinner services that go beyond the typical golf course fare and try to compete with restaurants.

APPENDIX C – GOLFER SURVEY



River Ridge Golf Club

Your Golf

- 1) About how many rounds have you played at River Ridge Golf Club in the past 12 months? _____ rounds
- 2) Do you play most of your golf at River Ridge Golf Club? ☐ Yes ☐ No
- 3) What other courses in the area, if any, have you played on a somewhat regular basis in the past 12 months?
- 1) _____ rounds
- 2) _____ rounds
- 3) _____ rounds

Your Experience at River Ridge Golf Club

- 4) How satisfied are you, overall, with River Ridge Golf Club?
Very dissatisfied ☐1 ☐2 ☐3 ☐4 ☐5 ☐6 ☐7 ☐8 ☐9 ☐10 Very satisfied
- 5) Given the cost to play here, do we meet your expectations?
We fall short of your expectations ☐1 ☐2 ☐3 ☐4 ☐5 ☐6 ☐7 ☐8 ☐9 ☐10 We exceed your expectations
- 6) How does your overall satisfaction with River Ridge Golf Club compare to your satisfaction with other similarly priced courses you have recently played?
Unfavorably ☐1 ☐2 ☐3 ☐4 ☐5 ☐6 ☐7 ☐8 ☐9 ☐10 Favorably
- 7) In the next 12 months, are you likely to play here more often, less often or about the same?
Much less often ☐1 ☐2 ☐3 ☐4 ☐5 ☐6 ☐7 ☐8 ☐9 ☐10 Much more often
- 8) If asked, how likely would you be to recommend River Ridge Golf Club to another golfer?
Not at all likely to recommend ☐0 ☐1 ☐2 ☐3 ☐4 ☐5 ☐6 ☐7 ☐8 ☐9 ☐10 Extremely likely to recommend
- 9) Please tell us what it would take for you to rate it a 9 or 10? (If rated 0-8 on question 8)

- 10) What do you like most about River Ridge Golf Club?

Playing History & Referrals at River Ridge Golf Club

- 11) Approximately how long have you been playing golf at River Ridge Golf Club?
☐ Less than one year
☐ Over one year (list total years) _____
- 12) Have you recommended River Ridge Golf Club to anyone in the past 12 months? ☐ Yes ☐ No
If yes, how many? _____
- 13) Have you advised anyone against playing at River Ridge Golf Club in the past 12 months? ☐ Yes ☐ No
If yes, how many? _____

Survey continued on opposite side

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Your Level of Satisfaction

For each factor below, select a number from 1 to 10 indicating your level of satisfaction.

Factors	Very Dissatisfied										Very Satisfied	Don't Know/ Can't Rate
14) Overall Value	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 8	<input type="radio"/> 9	<input type="radio"/> 10		<input type="radio"/>
15) Overall Course Conditions	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 8	<input type="radio"/> 9	<input type="radio"/> 10		<input type="radio"/>
16) Pace of Play	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 8	<input type="radio"/> 9	<input type="radio"/> 10		<input type="radio"/>

Your Spending

- 17) What would you estimate is your **average cost per round** (including green fee, golf car if used, range balls, etc. – but excluding merchandise and food & beverage) at River Ridge Golf Club? \$_____
- 18) About how much would you say you have spent in total on **merchandise** (e.g., apparel, golf balls, clubs and other items) over the past 12 months at River Ridge Golf Club? \$_____
- 19) About how much would you estimate you spend, on average, on **food & beverage** each time you visit the course? \$_____

Other

What would you say is the primary reason that you do not play more frequently at River Ridge?

Do you play 9-hole rounds of golf at River Ridge GC?

- ☐ Yes
- ☐ No

If you answered "No" to the above question please explain why.

If you play 9-hole rounds, at which market golf course do you play most of your 9-hole rounds?

Would you host a golf tournament or event at River Ridge GC?

- ☐ Yes
- ☐ No

If you answered "No" to the above question please explain why.

Survey continued on opposite side

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Do you reserve tee times at River Ridge using the internet?

- ☐ Yes
- ☐ No

If you answered "No" to the above question please explain why.

Do you think the length of time it takes to play a round of golf at River Ridge GC (pace-of-play) is appropriate?

- ☐ Yes
- ☐ No

If you answered "No" to the above question what do you think should be done to improve pace-of-play?

Your Demographics

Please enter zip code of your primary residence:

Please select your gender:

Please enter your age:

Please enter your average 18-hole score:

Which of the following best describes you? (Check all that apply)

- ☐ Daily fee player
- ☐ Royalty club member
- ☐ Annual pass holder
- ☐ Senior
- ☐ Young adult

Your Contact Information

First name: _____

Last name: _____

Address: _____

City: _____

State: _____ Zip: _____

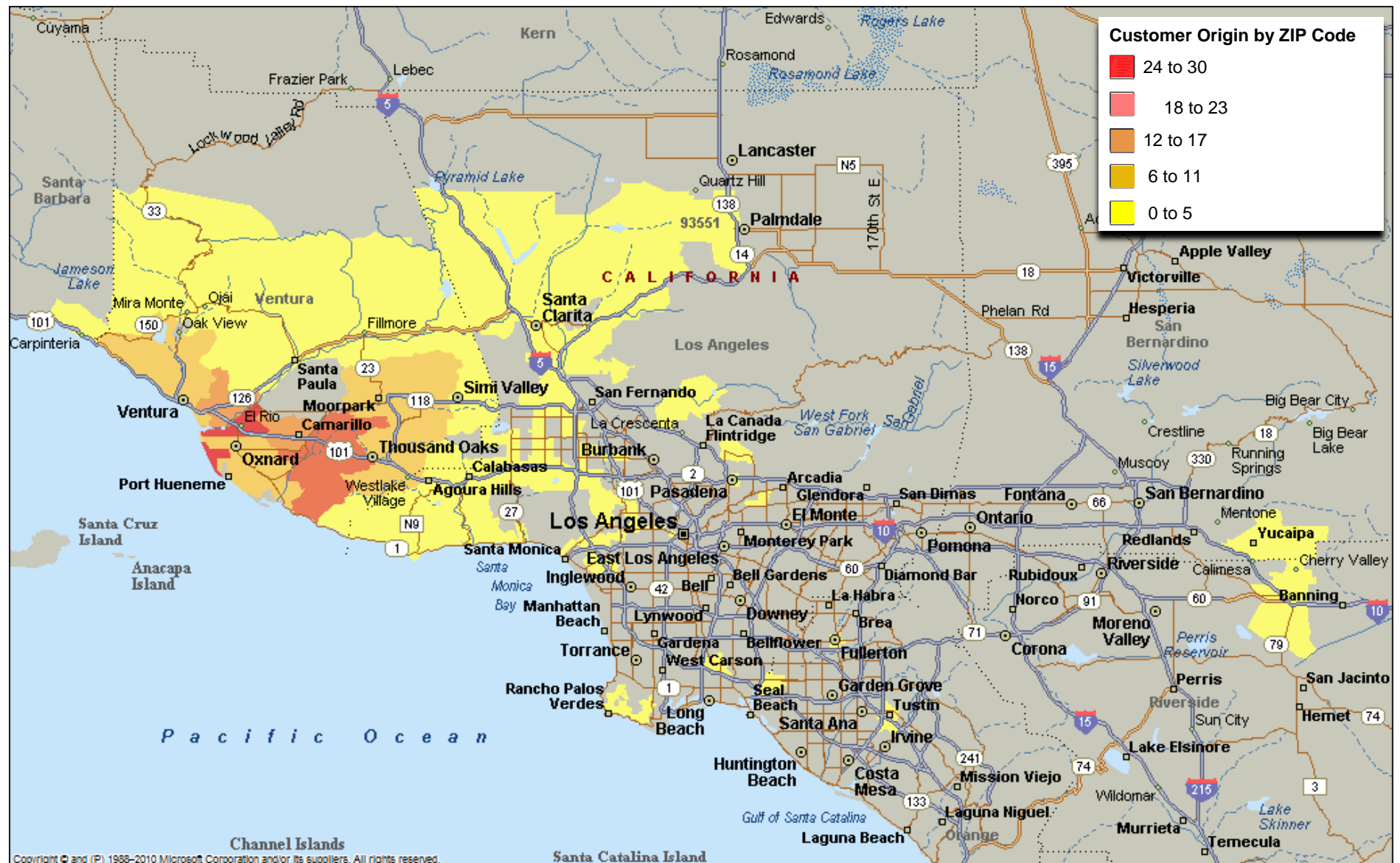
Phone: _____

Email: _____

Thank you for your time and input!

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Golfer Origin Zip Code Map



APPENDIX D – ROUNDS PLAYED REPORT YEAR-END 2013



PGA PerformanceTrak in cooperation with NGCOA, the joint financial benchmarking initiative of the PGA of America and the National Golf Course Owners Association, supports the National Rounds Played Report by supplying data included in this report.

NATIONAL GOLF ROUNDS PLAYED REPORT

POWERED BY



	DEC	YTD
PACIFIC	18.5%	4.1%
CA	24.4%	5.0%
Los Angeles	10.0%	-0.2%
Orange County	16.4%	4.5%
Palm Springs	7.3%	0.6%
Sacramento	56.1%	7.3%
San Diego	17.2%	6.7%
San Francisco/Oakland	54.2%	10.0%
HI	9.3%	3.0%
OR	-16.4%	2.0%
Portland	-24.5%	0.3%
WA	-21.8%	1.2%
Seattle	-20.3%	-2.2%
MOUNTAIN	-7.0%	-4.4%
AZ	-1.7%	-0.3%
Phoenix	-0.6%	-0.3%
CO	-8.9%	-14.2%
Denver	-11.7%	-13.2%
ID, WY, MT	-75.9%	-1.7%
NM	-28.6%	-5.2%
NV	-12.4%	-3.5%
Las Vegas	-10.4%	-4.1%
UT	-34.3%	-3.7%
WEST NORTH CENTRAL	-51.4%	-11.9%
IA	-67.3%	-15.2%
KS	-38.4%	-16.1%
NE	-41.2%	-6.3%
ND, SD	-72.2%	-14.3%
MN	-77.4%	-9.6%
Minneapolis/St. Paul	-74.9%	-11.7%
MO	-54.2%	-10.4%
St. Louis	-54.1%	-11.0%
Kansas City	-54.5%	-16.5%

	DEC	YTD
UNITED STATES	-9.0%	-4.9%
PUBLIC ACCESS	-6.2%	-3.6%
PRIVATE	-16.8%	-9.7%

EAST NORTH CENTRAL	-62.7%	-8.8%
IL	-64.6%	-10.9%
Chicago	-55.8%	-9.3%
IN	-56.4%	-9.2%
MI	-54.3%	-6.4%
Detroit	-54.9%	-7.4%
OH	-60.2%	-8.5%
Cincinnati	-46.3%	-8.3%
Cleveland	-74.1%	-11.5%
Columbus	-62.0%	-7.2%
WI	NA	-9.9%
Milwaukee	NA	-10.7%
SOUTH CENTRAL	-26.5%	-7.0%
AL	-22.5%	-6.7%
Birmingham	-29.3%	-10.4%
AR	-55.9%	-19.7%
KY	-44.5%	-8.2%
LA	-17.1%	-6.1%
MS	-16.1%	-8.5%
OK	-34.0%	-10.2%
Oklahoma City	-30.3%	-10.3%
TN	-30.2%	-8.3%
Nashville	-20.8%	-6.5%
TX	-23.7%	-4.1%
Dallas/Ft. Worth	-33.7%	-5.8%
Houston	-21.0%	-2.5%
San Antonio	-13.3%	-2.1%

SOUTH ATLANTIC	-4.0%	-2.8%
DE, DC, MD	-25.8%	-3.1%
Washington/Baltimore	-29.4%	-6.7%
FL	3.3%	0.7%
Jacksonville/Daytona	1.0%	-0.4%
Orlando	-1.3%	2.7%
Tampa	0.9%	-1.3%
Palm Beach	-1.2%	-0.9%
Sarasota	12.0%	-1.2%
Naples/Ft. Myers	7.1%	1.6%
Miami/Ft. Lauderdale	4.6%	2.8%
GA	-21.6%	-9.5%
Atlanta	-24.8%	-8.6%
NC	-15.9%	-5.9%
Greensboro/Raleigh	-14.1%	-5.9%
SC	2.6%	0.0%
Charleston	5.1%	0.8%
Hilton Head	2.5%	-1.1%
Myrtle Beach	4.0%	0.7%
VA	-27.0%	-8.5%
WV	-47.3%	-6.8%
MID ATLANTIC	-43.1%	-6.7%
NJ	-25.3%	-5.9%
NY	-30.6%	-5.3%
New York City	-23.7%	-4.8%
PA	-60.7%	-8.6%
Philadelphia	-46.7%	-7.3%
Pittsburgh	-68.6%	-9.8%
NEW ENGLAND	-47.3%	-3.0%
CT	-48.9%	-4.0%
Hartford	-55.6%	-1.8%
MA, RI	-31.1%	-3.9%
Boston	-27.5%	-4.1%
ME, NH, VT	NA	-0.7%

The percentages represent the differences in number of rounds played comparing December 2013 to December 2012.
For more information contact Golf Datatech, golfroundsplayed@golfdatatech.com or call 407-944-4116