

Jekyll Island Golf Club - Assessment and Recommendations for Jekyll Island Authority Golf Program



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**Jekyll Island Golf Club -
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Authority Golf Program**

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Introduction and Executive Summary

PURPOSE

National Golf Foundation Consulting, Inc. (“NGF”) was retained by the Jekyll Island Authority (“JIA” or “Authority”) to assist in evaluating the operational and economic performance of the Authority’s public-access golf facility. This four-course, 63-hole golf facility is known collectively as the “Jekyll Island Golf Club” (“Jekyll Island GC” or “JIGC”), and includes the Pine Lakes, Oleander and Indian Mound 18-hole golf courses, plus a historic 9-hole Great Dunes course. JIA is seeking to have a strategic review of the golf club, along with the McCormick’s Grill, and evaluate the long-term potential of this facility and review options to enhance economic performance. The following report details findings and recommendations on the Jekyll Island GC, with analysis of the physical and economic condition of the club and the market environment within which it operates. The NGF has provided a set of recommendations to the JIA that we believe will improve overall operations and economics of the popular golf facility.

BACKGROUND

The JIA is operating a single golf facility with four separate and unique golf courses. The courses are all located on one 600± acre site in the central portion of Jekyll Island, located approximately 12 miles east of Brunswick, Georgia. The golf facility is part of the JIA amenity offerings, and is operated as two separate enterprise accounts (golf and McCormick’s), all under the supervision of the JIA Executive Director and Senior Director of Facilities. The Jekyll Island GC is operated as an affordable, high-quality public golf facility that serves year-round and seasonal residents of Jekyll Island, as well as a large number of Island visitors on a daily fee basis. In reviewing the Jekyll Island GC, it is clear that this golf facility is important to the overall Island offering, and adds value to the Island’s appeal as a vacation destination.

As a whole, the Jekyll Island GC and McCormick’s Grill combined to produce total top-line revenue of just over \$2.6 million in 2016, the vast majority of which comes from green fees, power cart rentals and F&B sales. The on-site operating expenses at the facility totaled around \$3.25 million, resulting in a roughly **(\$625,000)** loss on operations (excluding other necessary costs such as administrative overhead, capital upgrades and new investment in infrastructure). The Current financial condition is generally worse than most public sector golf operations in the U.S, where 67% of municipal golf course operations are able to cover on-site expenses, but not able to cover both on-site expenses and capital costs (only about 33% can cover both).

The Authority’s golf facility has declined in performance for a number of reasons, some of which are not controllable by JIA or JIGC. Factors such as weather, the recent recession, the declining interest in golf, the growth in the number of competing golf courses and even JIGC conditions have all contributed to the recent decline. It is clear to the NGF that the JIA will now have to become more active in addressing the issues related to golf operations and may even have to accept a “new reality” for the performance of this facility. One key aspect that the NGF has reviewed is the sheer size of this facility, 63 holes, at a time when golf demand is on the decline and the cost to maintain premium conditions is on the rise. The NGF has also documented a divided customer base for this facility, with regular-play customers placing a higher importance on affordability, and a more transient, tourist golfer seeking a higher level of quality with less concern about price. The review and recommendations contained in this report from NGF are designed to help the JIA understand what actions it can take to help maximize the performance of the facility, in light of market realities and facility limitations.

NGF REVIEW – 2016

In 2016, the NGF was retained by Jekyll Island Authority to assist with evaluating the golf club and grill, and to make recommendations to help ensure the long-term viability of the facility. This includes a thorough review of JIGC on an 'as-is' basis, as well as an examination of the facility's capital needs and effects of deferred maintenance. It is expected that the results of this NGF study will be used by the JIA as a guide for the future of golf, and to help prepare a more formal design plan of needed improvements and the priority and sequencing of such improvements. The review includes an evaluation of the system as it is presently operated, potential changes that could be made to the operation, and ideas for physical changes that could also be made to help improve overall performance.

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 Jekyll Island GC facility. NGF completed tours, meetings with key personnel and stakeholder groups, and collection of insights and opinions during the August 2016 through January 2017 period.

NGF activities completed to date include meetings with JIA staff, golf course staff, staff at other area golf courses and comprehensive review of data. The meetings involved substantive discussions about all key aspects of Jekyll Island GC operations, and included significant insight from key user groups at the facility through open meetings and the use of a NGF golfer survey. The NGF team also completed a comprehensive tour of the facility and all its components, and complete interviews of the on-site manager and golf superintendent.

The key components and issues of this report include:

- Overall condition and operating efficiencies of Jekyll Island GC
- A review of golf industry standards and norms of operation
- Status of the broader Jekyll Island / southeast Georgia market area, with focus on external issues that can affect public golf operations, including the balance between demand and supply
- A comprehensive review of the subject JIGC and its present physical condition and capital needs
- A careful estimate of the cost of improvements that may be needed at JIGC
- Benchmarking Jekyll Island GC golf operations with industry standards and norms
- Provide recommendations on the appropriate mix of facilities in relation to facility size, number of holes, amenities offered, quality of services and pricing
- Provide recommendations to help expand the customer base for JIGC, and provide strategic guidance to ensure golf's continued viability on Jekyll Island

The NGF consulting engagement was managed by Richard B. Singer, Director of Consulting Services, with assistance from other NGF staff including: Barry S. Frank, Senior Associate Consultant and Kevin Downing, GCSAA, Associate Agronomic Consultant; and Jodi Reilly, Consulting Administrator. In addition to meetings with JIA 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. NGF also collects considerable information and data on the golf industry as a regular part of our organization's work, and much of this information and data is presented throughout this report.

SUMMARY OF KEY FINDINGS

Jekyll Island Authority is operating a popular golf facility with a mix of amenities that is marketable in the local area. However, it is clear that the overall condition of the golf club is declining, due in part to age and deferred maintenance. JIGC is offering a large “footprint” of three 18-hole courses and the 9-hole Great Dunes course, all maintained with a budget better suited for a smaller golf facility. The JIGC is set up to be an enterprise operation where the club and grill are expected to cover 100% of all operating expense and capital upgrades, but in reality the facility is operating at a substantial loss that must be covered by other JIA activities.

This executive summary provides an “at-a-glance” summarization of the NGF review, detailing the main findings and NGF recommendations for the JIA golf facility. Additional details and support data can be found in the full body of our report and its appendix.

Key Findings on Jekyll Island Golf Club

Jekyll Island GC is located proximate to key Island attractions and reasonably close to major roadways such as I-95 and US Highway 17. With four golf courses, JIGC can provide service to a wide range of customers with a variety of golf layouts, but the club is having difficulty filling up all three 18-hole courses. The clubhouse is small given the number of courses it serves, and is in declining condition due to age and deferred maintenance. Other findings from NGF’s review of Jekyll Island GC:

1. The overall condition of the golf club does not match other amenities and services available on Jekyll Island, and now some level of renovation/upgrade will be required for both the golf course and clubhouse. NGF has estimated a total of \$1.4 to \$1.7 million in required repairs over the next few years, possibly increasing to \$14 million if a full renovation and new clubhouse is considered. This investment also includes upwards of \$170,000+/- in annual recurring items. Of particular concern to NGF is:
 - a. The oldest 18-hole course, Oleander, is especially challenging in that it sits too low, is prone to flooding, has antiquated irrigation and is the least played of the three courses at JIGC, even though it has a strong local following.
 - b. The JIGC clubhouse is in poor condition with deficiencies noted in restrooms, fixtures, flooring, windows, furniture and overall presentation.
 - c. The total of 63 holes is a lot of golf to maintain and manage effectively. The JIA may find that some reduction in golf holes at JIGC could lead to the facility becoming more manageable and more appealing to golfers.
2. The NGF finds JIGC to be well-run, with competent management and staff. The NGF does not believe that JIGC is being mismanaged in any way.
3. The JIGC would benefit from improvements to marketing and promotion of the facility. JIGC has a wide reach as shown in the NGF golfer survey that had respondents from as far away as California and Canada. However, the NGF agrees that extensive marketing and promotion should be deferred until the overall product is improved satisfactorily.
4. The playing fees and concession prices at JIGC are generally appropriate for the market and the overall quality of the facility offering. However, some adjustment to match variable demand (time of day, season of year, day of week, etc.) is recommended by NGF.

5. Total earned revenue per round of golf does not match the fee structure, indicating a large share of discounted and complementary rounds being played at JIGC. The NGF estimates realized average golf revenue (green fees, cart fees, memberships) is about 38% of peak green fee, compared to a national success target of about 65%.
6. JIGC produces strong pro shop and F&B revenue. The strong merchandise revenue is a reflection of changes and investment made previously to improve the pro shop, showing the JIA that improvements can lead to enhanced revenue.
7. The total on-site JIA operating loss was **(\$623,725)** in 2016, before depreciation or capital improvements. While losses on operations are common in municipal golf, the depth of this loss is less common. **At present, all other revenue sources within the JIA (leases, parking fees, summer waves, camping, tours, etc.) are used to support the operation at JIGC and McCormick's Grill.** It is clear that this level of economic performance is not sustainable for the long term and change in performance is going to be necessary to keep this club open and operating.
8. The operating metrics for JIGC are generally lower than industry norms, showing the challenges in this operation. The NGF has provided a summary matrix of key operating measures on pg. 63, showing much lower rounds, revenue and maintenance expenses but higher ancillary (F&B, shop) revenue.
9. The NGF completed a survey of golfers at JIGC in the winter of 2016-17. This survey showed that JIGC has two distinct user groups (regulars and tourists), and that these groups see the club differently. The survey shows that JIGC has a national reach (plus Canada) and that upgrades to both the golf courses and clubhouse is desired.

Key Findings on Market and External Factors

The NGF market analysis shows that golf is an important component in the southeast Georgia coast and Jekyll Island offering. While there is strong demonstrated demand for golf in the area, there are also a lot of golf courses available to service the demand. As such, the NGF has a reasonable expectation that while the market will provide support for continued operation of a golf facility on Jekyll Island, the full complement of 63 holes may be too much to sustain in an economically efficient way. Other key findings from NGF's market analysis include:

- The overriding trends in the golf industry are not favorable for facility operators. The total number of golfers has declined and the number of golf courses had expanded in previous decades, leading to a decline in per-course rounds and income.
- The Jekyll Island and greater Brunswick area economy is driven largely by tourism and tourist related activities. There were an estimated 2.0 million visitors to Jekyll Island in 2016, which NGF estimates could include 150,000+ golfers demanding 35,000+ rounds annually. Generating golf from these visitors will be key to sustaining golf operations at JIGC and providing adequate facilities a key factor in their attraction, as local resident demand is not enough to sustain operations.
- Hotel facilities are an important factor for feeding golfers to the JIGC, but our review shows a shift in focus from hotels and peak seasons that do not match. Hotel operators are focused on family visitation in the summer when JIGC needs support, and have capacity in winter to sell golf packages when the golf course is full (or close to full). JIGC will have to do more to accommodate hotel operators in the hopes of attracting a greater share of play, especially among the estimated 20,000-30,000 convention attendees.

- The overall demand/supply balance for golf in southeast Georgia is unfavorable, and rounds activity is generally low in this market. The most active golf course in the area is the City of Fernandina Beach's 27-hole municipal golf course hosting close to 50,000 rounds. The fewest rounds per 18 holes are at the subject Jekyll Island GC, which is hosting fewer than 20,000 rounds per 18 on its main three courses.
- The golf courses in the local competitive market are operating within a tight range of pricing, but the quality of facilities does not match. JIGC has clearly fallen behind some of its main competitors in overall quality due to a lack of upkeep over the last few years and other competitors investing in improvements. The current conditions at JIGC appear to be adequate to serve the local and more budget-conscious golfer, but are inadequate to expand the market and attract Island visitors, hotel guests and convention attendees.

NGF RECOMMENDATIONS

The NGF has prepared a comprehensive list of recommendations designed to help improve the JIGC and make the facility more efficient and profitable. The recommendations contained in this review include: (1) considerations on operating structure of the system; (2) changes and/or improvements that could be made to the physical plant so as to best match demand and supply; and (3) specific ideas for improving the operation, growing the game and thus rounds and revenues. The NGF recommendations are summarized here, with full detail on specific action steps detailed in the body of this report.

Basic Oversight and Structure

JIA has chosen to operate its golf facility in-house, with the golf club and grill staff employed by the Authority and direct oversight by the JIA Executive Director. This form of "self-operation" is still the most common form of structure in public sector (municipal) golf operations nationwide, although there is a growing trend towards privatization, especially in food and beverage service. As another form of operation could be considered by the Authority, NGF prepared a review of alternative options that are available to JIA. However, upon review of the pros and cons of each option, the NGF found that the present form of self-operation is the best option for the short and intermediate future as facility enhancements are contemplated and then enacted.

Physical Improvement Recommendations

In recommending upgrades to the physical plant at Jekyll Island GC, NGF has divided our suggestions into three considerations: (1) base improvements that should be completed regardless of any "big picture" changes; (2) annual recurring items that should be adjusted to improve on-going maintenance; and (3) an alternative program to reduce the number of golf holes at Jekyll Island GC.

NGF Physical Improvement Recommendations – Base Option

The base improvements identified by NGF for Jekyll Island GC were divided into base level improvements, annual recurring items and other more comprehensive renovation of the golf courses and clubhouse. A key decision in the improvement plan is whether the JIA will continue to operate 63 holes of golf, or reduce the facility to 45 holes. The costs of these considerations are summarized in the table below:

Jekyll Island Golf Club NGF Recommended Upgrades – by Type		
Initial Capital Investments	Low Estimate	High Estimate
Clubhouse Fix-Up	\$200,000	\$250,000
New Artificial Tee Line for Range	75,000	85,000
Turf Enhancement	150,000	200,000
Greens Resurfacing (Oleander + Indian Mound - optional)	450,000	540,000
Oleander Drainage Upgrade	200,000	240,000
Basic Irrigation Improvements/Repairs	125,000	150,000
Cart Path Improvements	100,000	125,000
Great Dunes Enhancement	100,000	120,000
Total of Base Level Improvements	\$1,400,000	\$1,710,000
Recurring Annual Items	Recommended Annual Budget Increase	
Staff Enhancement	\$50,000	
Tree Trimming	\$15,000	
Tee Boxes	\$20,000	
Bunker Program	\$10,000	
Other Maintenance Items	\$75,000	
Total of Annual Recurring Items	\$170,000	
Large-Scale Capital Enhancement	Low Estimate	High Estimate
Full Clubhouse Renovation or New Clubhouse	\$800,000	\$3,600,000
Full Oleander Renovation	\$4,000,000	\$6,000,000
Full Indian Mound Renovation (Optional)	\$2,000,000	\$4,000,000
Total of Large-Scale Renovation	\$6,800,000	\$13,600,000
All figures are NGF Consulting estimates based on architect's input and other similar projects completed in the last 3 years that have been provided to allow for preliminary planning. These amounts may or may not reflect actual costs for Jekyll Island GC, and the JIA should engage appropriate research to cost out specific projects.		

Project Sequencing Recommendation

The NGF has presented two options for JIA in completing the golf facility improvements:

1. Complete **basic improvements** / repairs to the golf course for \$1.4 to \$1.7 million. If selected, these items should be completed immediately.
2. Undertake a **more comprehensive renovation** of the JIGC, with significant upgrades to the Oleander course (and possibly Indian Mound course), and a fully renovated (or new) clubhouse. The estimated cost of this program could be as high as \$13.6 million and take several years to implement in phases (Years not necessarily consecutive):
 - a. **Phase I (Year 1)** – clubhouse fixes, range improvement, course upgrade design and planning
 - b. **Phase II (Year 2)** – renovate Oleander and operate w/two 18-H courses
 - c. **Phase III (Year 3)** - will have two options – to continue with 63 holes or reduce to 45 holes – thus Indian Mound will either be renovated or combined with Pine Lakes into one course
 - d. **Phase IV-V (Year 4-5)** – Renovate clubhouse and operate with 45 or 63 holes of high quality golf and a new clubhouse.

Summary of Phases

A summary of the above-noted enhancement program is shown in the tables below:

Jekyll Island GC Projected Timeline of Improvements						
Schedule of Action Step Phases	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Phase I: Fix CH & GD; new range tee; design planning						
Phase II: Renovate Oleander; operate on IM & PL; evaluate capacities						
Phase III: Re-open Oleander and:						
Option A – Renovate Indian Mound						
OR						
Option B – Combine IM + PL into one 18-hole course						
Phase IV: close clubhouse for renovation or replacement						
Phase V: Operate on a 45- or 63-hole course w/new clubhouse						

Jekyll Island GC Schedule of Physical Improvements						
	Year 1	Year 2	Year 3*	Year 4	Year 5	
Projects	CH fix, GD fix, range, design, environmental	Renovate O, evaluate capacities	IM/PL Renovation	Clubhouse renovation	Full Operation	
Facility Status	O, PL, IM, GD, CH open as-is	O closed for renovation. PL, IM, GD, CH open as-is	IM closed for renovation*. PL, O, GD, CH open as-is	CH closed for renovation. PL, IM, GD, O open as-is	TBD – if 45 or 63 holes	
Jekyll Island GC Summary of Annual Investment (Year 1-6)						
	Year 1	Year 2	Year 3*	Year 4	Year 5	Total
Annual Investment	\$455,000	\$6,000,000	\$4,000,000*	\$3,600,000	TBD	\$14,055,000
*Assumes full renovation of Indian Mound (optional). Key: CH = clubhouse; O = Oleander; IM = Indian Mound; PL = Pine Lakes; GD = Great Dunes						

Basic Operational Recommendations

Additional recommendations regarding basic operations that apply regardless of “big picture” changes that may occur are provided and detailed in the NGF report. Key suggestions include:

- **Enhancing Technology:** The JIA must continue to maximize its use of technology in areas such as POS, email, databases, financial reporting and, of course, its website.
- **Enhancing Marketing:** This recommendation is widespread and covers many items, but should be postponed until a physical improvement plan is undertaken. Ultimately, the future success of JIGC will be the ability to attract tourist and convention golfers.
- **Attracting Less-Traditional Segments:** The NGF has documented the changing demographics and the fact that southeast Georgia has large populations that do not have strong tradition in golf. The NGF has offered ideas for helping JIGC bring new segments into golf, focusing on younger adults (18-35), minorities and women.

FINANCIAL OVERVIEW SUMMARY

As part of this NGF study effort, the consultants have prepared an economic evaluation to show the potential economic performance of the Jekyll Island GC under certain operational and/or performance scenarios. In this section of our report, the Jekyll Island GC's economic potential is evaluated and summarized (including McCormick's). All NGF projections are based on a set of assumptions that may or may not become reality. We feel that these estimates represent the best effort to create a "fair estimate of performance" for this facility based on our complete review of the operation and market environment. NGF has projected performance under three scenarios of operation, including: (1) Continue "as-is" with no major changes but only repairs and minor improvements; (2) completion of a full course and clubhouse renovation over five years resulting in 63 holes of golf; and (3) completion of a full course and clubhouse renovation over five years resulting in 45 holes of golf.

Summary Discussion – NGF Projections

The results of the NGF financial projection shows that even with modest growth of rounds and revenues, we still expect Jekyll Island GC to see challenges in the next few years. **Continued operation with rounds at or near current levels (under 70,000) will not lead to profitability for JIGC, even if fees can be increased.** The NGF has estimated that with "as-is" operation the level of rounds required to meet all expense obligations would be 81,760, or about 24% more rounds than are currently hosted at JIGC. Other findings from financial projections:

- If JIGC continues "as-is," without facility enhancement, there is no driver to create increased rounds or revenue per round. The result will be even larger losses on operations in the coming years as expense inflation out-paces revenue increases, possibly growing as large as **(\$850,000)** within five years - **unacceptable for JIA.**
- If the club is upgraded with two new 18-hole courses (Oleander & Indian Mound) and a new clubhouse, the 63-hole facility would see improvement in economic performance through production of increased play and the ability to sell "premium" rounds of golf. However, the expense required to maintain "premium" conditions on 63 holes will likely off-set any new revenue, leading to continued economic loss.
- If the club is upgraded and reduced to 45 holes, the NGF projects better economic performance, but still a loss on operations. The net income will improve because the revenue drivers derived from enhanced facilities noted above would still be present, but the total golf maintenance expense for a "premium" facility with only two 18-hole golf courses would be cheaper. A summary of the three scenario results in year 5 is shown below:

Jekyll Island Golf Club Review of Scenarios – Year 5			
Summary in Year 5	Base	Upgrade 63H	Upgrade 45h
Total Golf Revenue	2,276,000	2,810,000	2,730,000
McCormick's Revenue	637,000	761,000	680,000
Combined Facility Revenue	2,913,000	3,571,000	3,410,000
Total COS	\$496,600	\$567,200	\$506,600
Combined Facility Gross Margin	\$2,416,400	\$3,003,800	\$2,903,400
Total Expenses	\$3,267,000	\$3,519,000	\$3,077,000
Facility Net (EBITDA)	(\$850,600)	(\$515,200)	(\$173,600)

SUMMARY CONCLUSION

The Jekyll Island Authority has been operating a popular 63-hole golf facility on Jekyll Island for many years. This facility is aging and has seen declines in activity and is now operating at a significant deficit, reaching as high as **(\$625,000+)** that must be funded by other JIA activities – adding stress to the Authority. The loss on operations is a result of several influences, some of which are not controllable by JIA. Factors such as a recent recession, increasing competition, declining interest in golf and declining physical condition of JIGC have contributed to the loss on operations. The last factor is particularly important as other services and amenities on Jekyll Island have upgraded substantially, while the golf course facility has lagged behind.

The JIGC facility has four unique golf courses with potential for strong appeal to a wide variety of golf consumers. The Great Dunes course is historic, Oleander a wonder of nature and the Pine Lakes / Indian Mound courses with classic Dick Wilson/Joe Lee designs. However, golf has changed dramatically in the last decade and as we look to the future of golf on Jekyll Island, there is genuine concern that the full 63-hole allotment may not be a good match for the current state of golf demand. The cost to properly maintain a complement of 63 holes of golf is large and growing. The NGF review in 2016-17 shows that the money being spent to maintain the property is not sufficient to uphold the desired quality, and the actual money spent is much closer to a proper 36-hole or 45-hole budget. **Given this and the change in demand, the NGF sees a 45-hole golf facility that includes Great Dunes as a much better option for JIGC to provide a more sustainable golf facility for the longer term going forward.**

JIGC has a mix of customers, with regular-play golfers seeking affordable golf, supplemented by additional visiting / tourist golfers seeking a higher quality round of golf to match the quality they see in other amenities and services on Jekyll Island. The golfer survey conducted by NGF as part of this study effort shows the difference between the two groups and the differing expectations on quality. **If the JIGC is to grow its activity and revenue, an improvement in quality is going to be necessary**, and maintaining this quality over many years will be vital to attracting the tourist/visitor golf segment and improving the club's economic position.

Given the above-noted findings, it is clear that the JIA will not be able to continue the operation “as-is,” and changes will be required. In summary, the most important and actionable recommendations made by NGF are listed below, noted in priority order:

1. Improve the physical condition of the JIGC by:
 - a. Fix up the clubhouse (basic repairs) – Year 1
 - b. Renovate Oleander GC and improve Great Dunes – Year 2
 - c. Renovate or combine Indian Mound and Pine Lakes – Year 3
 - d. Renovate or replace the clubhouse – Year 4
2. Commit to maintaining premium conditions through appropriate maintenance budget.
3. Work to maintain strong rate integrity, and reduce excessive discounting through memberships and complementary rounds.
4. Enhance marketing (upon undertaking renovations) to focus on tourists and visitors.
5. Embrace and implement new activities that appeal to less traditional golfer segments, especially female golfers.
6. Adjust facility pricing to add summer and weekday discounts, and add new classes of premium fees after renovations.

External Factors Affecting the Operation of Public Golf Courses

In this section of the report, NGF will provide a summary of important external factors that have direct effect on the operation of Jekyll Island Golf Club. This includes a review of local demographics and the economy, national golf industry trends, and a specific estimate of golf demand on Jekyll Island. NGF will also provide a review of other golf courses in the market area that compete with JIGC for market share. We will then provide a summary of these factors and how they relate to the continued operation of the JIGC.

DEMOGRAPHICS, ECONOMY AND WEATHER

The JIGC is a key amenity for residents and visitors to Jekyll Island, Georgia, a small resort Island of about 5,700 acres on the Georgia coast. The Island is largely void of any large-scale industry or employment, and thus is dependent on the influx of seasonal residents and visitors to its hotels or for day-trips. As such, the NGF expects that the continued support of the golf club amenity on Jekyll Island will also rely on participation from the large visitor market to the Island, in addition to the permanent resident population. The main economic driver within the JIA is the collection of income from leases and bed taxes on hotels, but also from income derived from activities, all of which is supported by the amenity package present on the Island.

Demographic Analysis – Local Permanent Residents

The table in **Appendix B** provides detailed demographic data on selected market definitions, including 10-mile, 30-mile and 50-mile market rings from the center of Brunswick, GA. For comparison, the NGF also shows the Brunswick MSA, State of Georgia and total U.S. A summary of key findings on local resident demographics is shown below:

- There is a small permanent population in and around Jekyll Island, but over 468,000 residents within 50 miles of the Island.
- Although the market is seasonal, the permanent population in southeast Georgia is younger with lower incomes than the State of Georgia and the nation as a whole.
- Median Income in the local market rings is 25% lower than the State of Georgia and 31% lower than the total U.S. In general, lower income residents are less likely to actively participate in golf than higher income residents.
- Median Age in southeast Georgia is moderately lower than the state and national medians. In general, golf participation and frequency tends to increase with age.
- The basic demographic profile of the local permanent population is generally consistent with modest golf participation. The NGF expects that this population will have lower golf participation rates and more modest demand for golf service. The NGF would also expect that golf demand from these local residents would be at a green fee (or membership fee) rate that is on the lower end of established rates for this market area.

Key Economic Factors

Jekyll Island is a small island on the southeast coast of Georgia, with a small permanent population and a local economy driven largely by tourists and seasonal residents. Below, the NGF provides observations on the key economic drivers of the Island and the potential impact on golf activity at JIGC.

Climate

As with any outdoor recreation, weather will have impact on golf participation. NGF data estimates that almost all golf is played with temperatures between 50 and 90 degrees Fahrenheit.

Understanding local weather patterns helps determine the number of golf playable days. The data suggests that golf is a year-round activity on Jekyll Island, with only a few days of temperatures too low each winter. In summer, high afternoon temperatures and a rainy season can limit activity. The following table presents a summary of monthly weather data for Jekyll Island area based on 50-year recorded trends:

Climatological Data – Jekyll Island, GA					
Month	Temperatures			Precipitation Inches	Average Length of Day (Hours)
	Average	High	Low		
Annual	68.6	78.3	58.9	51	12.6
January	53	64	43	3.1	10.8
February	56	66	45	3.4	11.5
March	61	72	51	3.8	12.4
April	68	78	58	2.9	13.4
May	75	85	65	3.4	14.2
June	80	90	71	5.7	14.6
July	82	92	73	6.5	14.4
August	82	91	73	6.7	13.7
September	79	87	70	7.2	12.7
October	71	80	61	3.7	11.8
November	62	72	52	2	11
December	55	65	45	2.8	10.6
Source: Weatherbase.com, Jekyll Island, GA					

Jekyll Island Economy

The Jekyll Island economy is driven by the attraction of tourists and visitors, and has seen significant increase in visitation in the last few years. The Island has many attractions that draw visitation, including its natural setting, beaches, activities (biking, golf, camping, fishing, etc.), mini golf, playgrounds, plus an improving inventory of high quality hotels a village center, historic area (including the Jekyll Island Club) and the Summer Waves water park. Combined, these attractions draw an estimated 2.0 million visitors to the Island each year. These visitors clearly impact the local economy and are a key demand driver for the JIGC. A summary of key findings and data related to the Jekyll Island Economy that have direct impact on the golf club is noted below:

- **Transportation** – The primary access to Jekyll Island is through automobile transportation, and all autos must come through the Island's main gate. JIA data shows

more than 1.2 million autos passed through the gate in 2016, up 10% from 2015 and up 20% over 2013. The monthly totals show a strong seasonality in auto traffic to Jekyll, with the May-August summer as peak season and January-February the slowest months. As we will note later, this is the opposite of the golf club's peak seasons. Jekyll Island also has a small general aviation airport with a very modest volume of activity, but with some impact reported at JIGC.

- **Hotels and Lodging** – Jekyll Island has eight defined hotel properties with 1,059 hotel rooms open and operating in 2016, with at least four (4) additional properties planned (under construction or in planning) to be added in the next few years. In addition, the JIA reports that upwards of 50% of the 750+/- private residence inventory applies for rental license each year to add to the visitor lodging inventory. Key data on Island hotels and lodging from various JIA reports show:
 - Jekyll Island has seen a significant enhancement to the quality and quantity of its hotel inventory in the last few years, as several properties have been knocked down and replaced with much higher quality resorts, while others have enhanced amenities and features.
 - Overall annual hotel occupancy is between 60% and 65% the last three years. The monthly total shows a peak in July at over 84% and a low point in January under 40%.
 - Occupancy generally peaks in the May-August summer, with June and July consistently the strongest months.
 - Total hotel room revenue is up 10% in 2017, after a 10% increase in 2016, showing the increased visitation to Jekyll Island.
 - Hotel operators report to NGF that golf package demand has declined, while family vacation demand has increased. As such, hotels are now more focused in their marketing on family travel.
 - Hotel operators also noted that the peak seasons between golf and lodging do not match. Hotels have capacity to sell golf packages in winter, but golf club members take up much of the tee times. JIGC needs support in the summer when hotels are already full with families.
- **Convention Center**– Jekyll Island has added a new convention center in 2012, and has seen steady increases in its use and attraction of meetings. JIA data shows the center has grown from 100 bookings in 2012 to 242 in 2016, with 117 in 2017 and 31 for 2018. The center also has 11-12 events already booked for 2019 and 2020. These events are attracting as many as 20,000 to 30,000 convention attendees each year. These event attendees can be a significant driver for golf activity and should be a target of enhanced marketing (more in recommendations).
- **Tourism Awareness Study** – Jekyll Island undertook a tourism awareness study in 2015. Key findings included:
 - Jekyll Island draws day-trips primarily from the Jacksonville and Savannah markets, and overnight trips from the greater Atlanta metro area.
 - Jekyll's greatest appeal is as a family vacation destination.
 - Golf was low on the list of desired activities to be available on Jekyll Island.
 - Jekyll competes with Amelia Island, Hilton Head and Destin for vacation destinations. These locations also provide strong golf appeal.

Greater Brunswick / Southeast Georgia Area Economy

Jekyll Island is part of the Brunswick, Georgia MSA, which is the major urban and economic center of southeast Georgia, and is the second-largest urban area on the Georgia coast after Savannah. Unlike Jekyll Island, Brunswick has a more substantial economy and specific economic drivers that could impact demand for golf at the JIGC. Some general findings on the broader Brunswick, Georgia area include:

- **Population** - Brunswick has a population of around 51,000+ in its primary urban area, and over 112,300 in the MSA. The recent trends are for growth in population at levels comparable to the national and state average.
- **Brunswick Economy** – Brunswick supports a progressive economy, with greater diversification than Jekyll Island, but still driven by tourism and logistics. Key aspects of the Brunswick/SE Georgia economy:
 - The Port of Brunswick handles approximately 10 percent of all U.S. roll-on/off trade, which is third largest in the U.S. It is the main export facility for Ford and GM, and an important import facility for Hyundai, Jaguar, Kia, Land Rover, Mitsubishi, Porsche, Volvo, Audi, BMW, and Volkswagen.
 - Southeast Georgia Health System is the largest private employer in Brunswick. Other major employers in Brunswick include King & Prince Seafood, GSI Commerce, Pinova and Gulfstream Aerospace.
 - The Georgia-Pacific mill in Brunswick is an important timber production resource and is also a large employer in the area. Hercules and Gulfstream Aerospace are other employers with a large presence in the area.
- **Tourism** – In addition to Jekyll Island, tourism is also an important component in other parts of the Brunswick region. Brunswick and the Golden Isles are a year-round resort community. Other islands in addition to Jekyll also have beaches, resorts, shops, and historic sites that annually attract visitors from around the world.

GOLF MARKET SUPPLY AND DEMAND INDICATORS

Golf Industry Overview - 2016

Despite significant negative press, the golf industry remains healthy and golf continues its macro trend toward stabilization in 2016. Considering the severity of the most recent recession and its lingering effects on discretionary income and time, golf has held up rather well. Multiple NGF studies of golfers since 2008 attribute the gradual decline in golfers and rounds since peak participation primarily to the impact of lower job security and concern over personal finances, **not waning appeal for the game**. Total spending on golf and club memberships will always be vulnerable to outside forces such as the economy, but the game remains popular and is fortunate to have a deep well of interested prospects. Some findings from NGF:

- **Participation** - The national golfer number (participation) appears to be continuing a stabilization trend in 2016 after nearly a decade of decline. The total golfer population now stands at 24.1 million, down from a peak of 30 million in 2005 (19.7% decline). Total rounds volume has also declined a comparable amount over the same period. The year 2016 was the fifth consecutive year at approximately 24+ million golfers that played at least one round of golf. Over 2.5 million people took up golf for the first time in 2015, the highest annual total in more than 16 years.

- **Golf Course Supply** - The correction in golf course supply continued in 2015 at a level comparable with the previous three years. According to NGF data, since the market correction in golf course supply began in 2006, there has been a cumulative net reduction of 679.5 golf courses (18HEQ), which represents a drop of about 5% off the peak supply year of 2005. For perspective, golf supply grew by 40% in the previous 20 years (1985-2005). This much-needed move toward supply/demand equilibrium is expected to continue for the next several years.
- **“Millennials”** - Also, despite reports to the contrary, interest in the game remains strong among 18-34 year-old “Millennials.” More than 28 million Americans who don’t play are “very” or “somewhat” interested in playing golf now. More than 12 million of those are of Millennial age. Millennials make up 25% of all golfers (6.2 million) and spend more than \$5 billion annually on playing fees, equipment and apparel.

Comparative Market Data

The table below details basic demographic and golf market data indicating the magnitude of the local golf demand (additional support data in **Appendix B**). We note that much of this data is based on the permanent resident population, and is not reflective of the retiree, seasonal resident and visitor populations in the market area (more later in this section).

Summary of Club Market Indicators	10-Mile Ring	30-Mile Ring	50-Mile Ring	State of Georgia	United States
Demographics					
Population 2010 Census	55,462	159,842	447,659	9,687,653	308,745,538
Population Estimate 2016	57,859	166,647	468,078	10,244,889	322,736,220
Population 2021 Projected	60,162	171,246	485,987	10,777,354	335,779,240
CAGR 2016-2021	0.49%	0.34%	0.47%	0.64%	0.50%
Median HH Income (2015 Estimate)	\$38,641	\$48,341	\$48,866	\$51,096	\$56,106
Median Age (2015 Estimate)	37.8	37.8	37.4	36.5	38.0
Golfers					
Number of Golfing Households	2,265	8,396	23,641	460,904	17,094,500
Seasonal Golfing Households	96	1,235	2,399	9,665	737,636
Rounds Potential (resident golfers)	60,488	267,802	714,591	11,418,950	465,791,320
Estimated Rounds (in-market supply)	274,407	495,227	1,107,826	11,182,306	465,791,320
Latent Demand/Interested Non-Golfers	5,477	16,336	44,233	1,107,044	37,346,480
Golf Indices					
Golf Participation Index	78	93	93	86	100
Golf Rounds Activity Index	77	109	104	78	100

Source: Tactician, Inc. and NGF Consulting. CAGR = Compound Annual Growth Rate.

- The permanent population in the JIGC market areas is relatively small, with lower median age and median household income. These figures tend to coincide with lower-than-average participation in golf.
- Despite the smaller permanent population, there is a high proportion of higher income households in the greater Brunswick market. An estimated 18% of households in the 30-mile ring show incomes over \$100,000 annually, while 4.5% show income in excess of \$200,000, both a key “sweet spot” for high golf participation and activity:

Higher Income Households	10-Mile Ring	30-Mile Ring	50-Mile Ring
No. of Households over \$100,000 Income	3,305	11,583	32,514
No. of Households over \$200,000 Income	680	2,590	5,405

- The NGF estimates about 8,400 golfing households, plus an additional 1,200 seasonal households, in the 30-mile market around Brunswick. Further, the NGF estimates a total of over 23,600+ golfing households and 2,400+ seasonal golfing households in the 50-mile ring (comparable to SE Georgia and the northern edge of the Jacksonville market). This is a large market of permanent and seasonal golfers capable of supporting a large market of golf facilities, and this does not include the even larger market of transient / visiting golfers who come to the area each year.
- NGF estimates the residents in the 30-mile ring could demand upwards of 267,800 rounds of golf annually, but the golf courses in this market ring are hosting over 495,000 rounds annually, indicating a strong demand from non-residents at area golf courses. The 1.1 million rounds played in the 50-mile market represent about 10% of all golf rounds played in Georgia, further documenting the strength and importance of this golf market and helping to confirm the expectation that there is demonstrated demand for golf service in the Jekyll Island market.
- Overall golf demand is lower per household in the JIGC market when compared to the rest of the State and nation overall. The area also shows a high level of latent demand, with almost 16,000 non-golfers expressing interest in becoming golfers in the 30-mile ring.
- As population growth is not expected to be significant, the change in number of golfers is also not expected to increase significantly by 2020.

Visitor Golf Demand

Earlier we noted about 2 million visitors to Jekyll Island in 2016. These visitors are contributing to the golf course activity on the Island and elsewhere in the region. NGF research shows that roughly one-third of all golfers participate in the activity while traveling, playing 0.557 rounds per day of travel. Based on current golf participation rates, the estimate for potential tourist golf rounds that are coming to Jekyll Island is 35,000 to 40,000 rounds annually. Though JIGC is not likely to capture all of these rounds from visiting golfers, as the only golf facility on Jekyll Island it is certainly reasonable to expect the subject course to capture almost all of the visiting golf activity that is generated from Island tourists. As such, it is important for the JIA to maintain a strong marketing presence, especially through digital/website channels, as a couple of thousand visitor rounds could make a big difference in the bottom line.

Latent Demand

People who express an interest in playing golf but have not yet started include former golfers 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). The latent demand population is comparable to the golfer population, and NGF estimates as many as 16,300 interested non-golfers within 30 miles of Brunswick. Given golf's tenuous participation situation, all golf courses should have active programming aimed at inviting and "onboarding" prospective new golfers.

Local Golf Supply

The following are some summary NGF observations regarding key golf supply measures for the local golf market. Please see the supporting tables in **Appendix B**.

- There are 6 total golf facilities (3 public access), totaling 171 holes, within 10 miles of Brunswick, GA. There are a total of 13 golf facilities (8 public) within 30 miles and 30 golf facilities (19 public) within 50 miles. Ratio analysis based on national benchmarks shows that all three market rings are vastly over-supplied, as there are about 75% **fewer** households available (unfavorable) to support each 18 holes of golf than the nation overall. For 'standard' price point (peak fee \$40-\$70) public courses such as JIGC, there are 86% **fewer** golfing households per 18 holes compared to the national benchmark (unfavorable).
- There was a lot of new construction of golf courses in the last 20 years, with 11 of the 30 golf courses within 50 miles constructed between 1993 and 2006. This rapid increase in supply included local facilities such as Sanctuary Cove (2006) and Frederica GC (2005), both offering newer amenities and in proximity to JIGC.
- The NGF estimates that a net of 18 holes were closed in the 30-mile market since 2011, the equivalent of one 18-hole golf course (Coastal Pines GC). This is consistent with broader national trend of golf course contraction as a reaction to declining national demand for golf.
- The NGF database shows no new golf courses either in planning or under construction in the Jekyll Island market area, although two key competitors (heritage Oaks and Sanctuary Cove) have undergone or are planning renovation.

Golf Course Market Supply / Demand Summary

Using the most basic measures of golf demand and supply, we note four possible combinations for any given market area: (1) favorable demand and favorable supply ("potential growth market"); (2) favorable demand and unfavorable supply ("active"); (3) unfavorable demand and favorable supply ("inactive"); and (4) unfavorable demand and unfavorable supply ("saturated"). The review of data for southeast Georgia suggests a "saturated" market for golf, with relatively weak demand from resident households and an unfavorable household/supply ratio. It is clear that the influx of visiting golfers is key to sustaining golf course operations in this market, especially for a remotely-located club like Jekyll Island GC.

Golfers per 18 holes

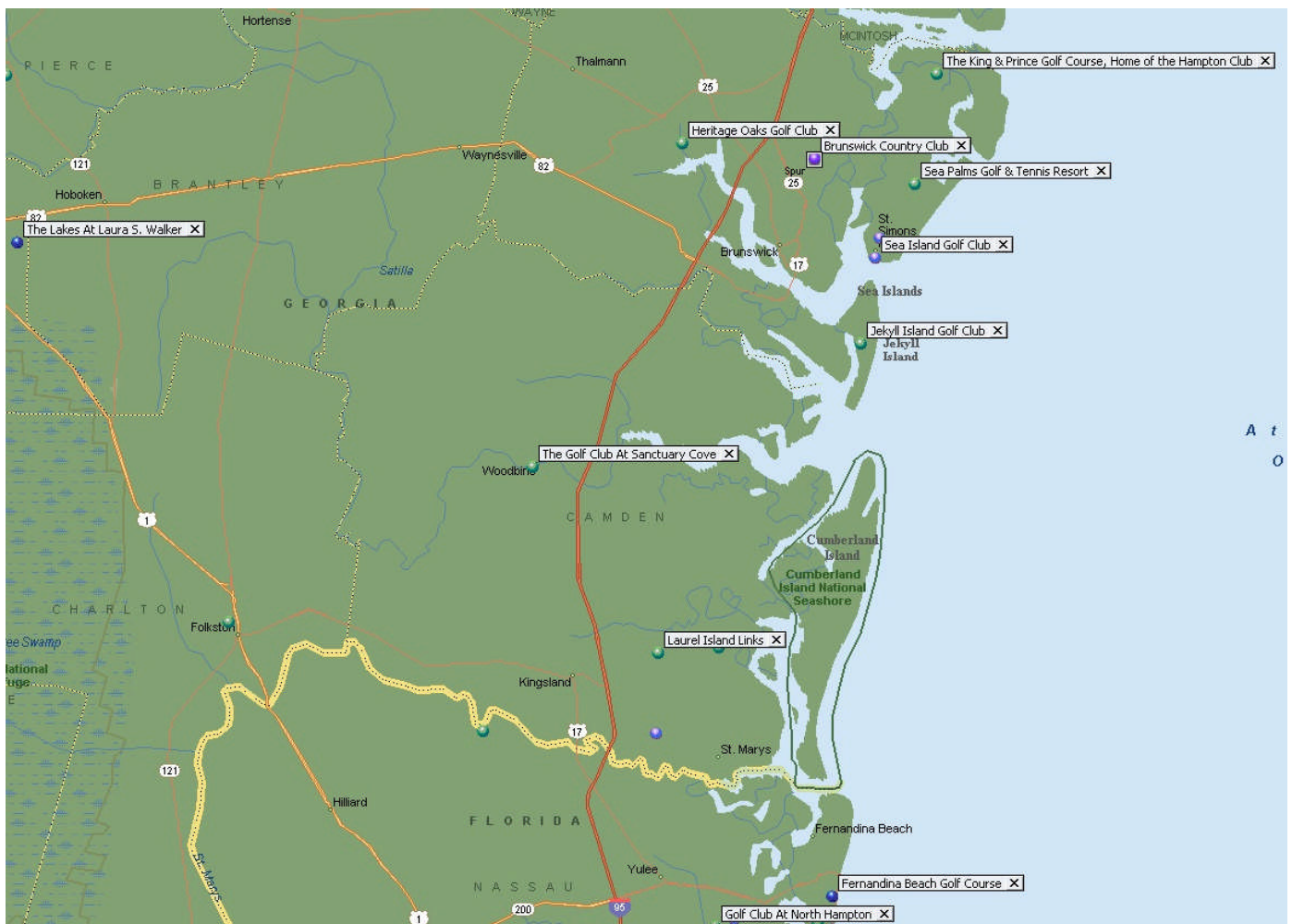
NGF has also evaluated the relative strength of the market with a comparison to a national "threshold" of golfers per golf course within 10 miles of a facility. In its 2009 publication *"The Future of Public Golf in America,"* NGF hypothesized that the best predictor of a public golf course's success was the number of golfers per 18 holes within a 10-mile radius, with 4,000 identified as the key number for projected financial stability. The NGF has estimated that there are only a few hundred (>500) golfers per 18-hole course in the Brunswick market, thus lowering chances for successful golf operations, all other factors being equal. The importance of this metric is mitigated somewhat in markets with a high annual influx of visiting golfers, but further stresses the importance of continued support from non-resident golfers.

LOCAL COMPETITIVE GOLF MARKET

NGF has analyzed the public access golf market in the Jekyll Island / Brunswick / SE Georgia market area, with particular emphasis on determining the current position of JIGC and prospects for sustaining and/or building market share in the future. On the following pages, we list operating information for a group of selected competitive golf facilities. This list was not meant to be totally exhaustive or to account for all of the potential competition to JIGC, but rather, to offer a frame of reference in evaluating actual performance of the subject as compared to other golf facilities noted by JIGC staff and golfers in the NGF survey as key competition.

Competitive Public Access Golf Facilities Map

The map below shows the relative locations of the facilities selected as comparable to the Jekyll Island Golf Club. The list of facilities is intended to be representative, but not exhaustive.



Summary Information

The following tables provide summary information for Jekyll Island GC and a selection of other comparable / Competitive golf facilities.

Jekyll Island Golf Club and Primary Key Competitors – Summary Information						
Golf Facility	Location	Type	Year Open	Par / Slope	Front Tee/ Back Tee	Location Relative to JIGC*
Jekyll Island Golf Club	Jekyll Island	DF - 63H	1970			-
Great Dune Course				72 / 117	4,538 / 6,458	
Indian Mound Course				72 / 127	4,838 / 6,408	
Pine Lakes Course				72 / 125	3,497 / 6,700	
Orleander Course				72 / 122	4,913 / 6,521	
Sea Island Golf Club	Saint Simons Is.	DF-36H	1928			4.8
Seaside Course		18H		70 / 131	4,978 / 6,657	
Plantation Course		18H		72 / 135	5,194 / 6,687	
Sea Palms Golf & Tennis Resort	Saint Simons Is.	DF-27H	1967			9.5
Championship Course		18H		71 / 130	5,102 / 6,658	
West 9 Course		9H		34 / -	2,044 / 2,460	
Brunswick Country Club	Brunswick	PR-18H	1936	72 / 130	5,008 / 6,802	10.7
Heritage Oaks Golf Club	Brunswick	DF-18H	1993/2016	72 / 132	4,817 / 6,944	15.1
The King & Prince Golf Course, Home of the Hampton Club	Saint Simons Is.	DF-18H	1989	72 / 137	4,929 / 6,462	15.7
The Club At Sanctuary Cove	Waverly	DF-18H	2006	71 / 127	5,387 / 7,003	19.7
Laurel Island Links	Kingsland	DF-18H	1996	72 / 135	5,372 / 7,029	20.8
Fernandina Beach Golf Course	Fernandina Bch.	MU-27H	1953			31.8
West to South				73 / 118	5,290 / 6,999	
South to North				71 / 119	5,100 / 6,412	
North to West				74 / 117	5,638 / 6,777	
Golf Club At North Hampton	Fernandina Bch.	DF-18H	2001	72 / 138	4,697 / 7,080	33.4
The Lakes At Laura S. Walker	Waycross	MU-18H	1995	72 / 122	4,734 / 6,595	47.7
*Air miles from subject site, rounded to half-mile; actual driving distances will likely be greater. Type: DF – Daily Fee; MU – Municipal						

Summary Operating Data – Jekyll Island Golf Club and Primary Competitors

Golf Facility	Peak Season 18 Prime Time Green Fees & Carts WD/WE	Peak Season 18H Midday Green Fee & Carts WD/WE	Peak Season 18H Twilight Green Fee & Carts WD/WE	Monthly Membership Dues w/cart (Single/Family)	Peak Season 18H Juniors Green Fee WD/WE
Jekyll Island Golf Club					
Indian Mound, Oleander & Pine Lakes	\$59 / \$59	NA	\$39 / \$39	\$185 (Single)	(age 15 and under) \$18 / \$18
Great Dunes (9H course)	\$25 / \$25 Replay \$12	NA	NA	\$260 (family)	NA
Sea Island Golf Club					
Seaside Course	\$235 ¹	NA	NA	NA	Under 19 don't pay green fee (\$66)
Plantation Course	\$185 ¹	NA	NA	NA	
Sea Palms Golf & Tennis Resort ²	\$57 / \$67	\$45 / \$45	\$35 / \$35	\$215 (single) / \$375 (family) ³	NA
Brunswick Country Club	\$90 (Guests)	NA	NA	\$300/\$375 + \$3,500 initiation	NA
Heritage Oaks Golf Club ²	\$59 / \$69	\$59 / \$69	\$59 / \$69	\$245/\$350	NA
The King & Prince Golf Course, Home of the Hampton Club	\$115	NA	NA	\$340/\$340 + Init. fee	NA
The Golf Club At Sanctuary Cove	\$59 / \$69	\$59 / \$69	\$59 / \$69	\$240 + \$40 for range	NA
Laurel Island Links	\$50 / \$55	\$45 after 1pm	NA	NA	\$25 / \$25
Fernandina Beach Golf Course	\$39* / \$44*	NA	NA	\$56/\$85 residents \$65/\$95 non-residents	NA
Golf Club At North Hampton ²	\$58 / \$68	\$40 / \$45	\$32 / \$32	NA	NA
The Lakes At Laura S. Walker	\$27 / \$29	NA	\$18 / \$20	\$25 / NA	\$5 / \$5 after noon

* Tax is additional

1. Fees include Greens and cart fees, range balls, forecaddie and club cleaning. Tax and gratuity are additional

2. Use online Dynamic pricing - rates are based on highest advertised online rate during study (Feb 2017)

3. Does not include cart. Cart plan is additional \$154/mo. (single) / \$200 / mo. Family

Key Findings – Competitive Golf Market

A summary of general findings regarding the competitive market for Jekyll Island Golf Club:

- Based on discussions with club staff and supported by the NGF golfer survey, the NGF has identified Brunswick CC, Heritage Oaks and Sanctuary as the primary competition to JIGC, with King & Prince and Fernandina Beach GC also included as secondary competitors.
- Total rounds activity among golf courses in this market has declined since a recent peak around 2008, and the long term peak around 1999-2000. Rounds activity is now much lower in this market area than the U.S. as a whole. The NGF estimates average rounds per 18-holes in the U.S. now stands at 31,500. Rounds data in this market shows that JIGC is vastly under-performing, but only Fernandina Beach GC is exceeding the national average. Reported rounds totals for 2015-16:
 - Fernandina Beach GC (27h) – 48,700 (32,466 per 18)
 - Laura S. Walker (18h) - 23,100
 - Sanctuary Cove (18h) – 28,000
 - Heritage Oaks GC (18h) – 28,000
 - Laurel Island Links (18h) – 28,000
 - Jekyll Island GC (54h) – 58,800 (19,600 per 18)
- Green fees among the competitive set we profiled were generally within a tight range, with peak rates at key competitors between \$50 and \$70 and twilight rates under \$40. All comparable courses except JIGC have a higher rate for weekends (or a discount for weekdays), which is a common pricing convention in golf.
- Memberships that include golf and carts are common in the market, and JIGC pricing is the lowest in the local market area. Fernandina Beach has a very low-priced membership, but it does not include cart rental. Brunswick CC is an older private club with slightly higher fee and about 600+ members. The club includes a swimming pool, workout room, new clubhouse and recently renovated golf course.
- The competitive nature of the regional golf market places constraints on the ability to raise fees. This is evident in the fee structures of the primary competitors; despite some high quality and well maintained golf courses, the majority of courses keep their peak weekend rates at or below \$70. There is a large gap between the mid-level courses and the high-end resorts. Premium facilities like Sea Palms (\$235 in season), and King & Prince (\$115) have much higher price points for green fees.
- Several golf courses in this market have undergone, or are planning to complete, upgrades to the golf course and adjacent facilities. As a result, JIGC may be lagging behind its competitors in terms of quality of facilities. Changes noted by NGF:
 - Fernandina Beach GC completed a “mini” renovation with new greens surfaces and clubhouse upgrades in 2014.
 - Heritage Oaks underwent a full renovation recently, costing about \$4 million and providing new greens, tees, bunkers, fairways and cart paths.
 - Sanctuary Cove was acquired by the same group that owns Heritage Oaks and a comparable \$4 million renovation is planned for this facility as well.
 - Brunswick CC has undergone a full renovation providing new greens, tees, bunkers, fairways and cart paths.

EXTERNAL FACTORS SUMMARY

The NGF market analysis shows that golf is an important component in the southeast Georgia coast and Jekyll Island offering. While there is strong demonstrated demand for golf in the local market, there are also a lot of golf courses available to service the demand. As such, the NGF has a reasonable expectation that while the market will provide support for continued operation of a golf facility on Jekyll Island, the full complement of 63 holes may be too much to sustain in an economically efficient way. Other key findings from NGF's market analysis include:

- The overriding trends in the golf industry will present challenges to Jekyll Island Authority in continuing golf course operations. The total number of “core” golfers is declining and total spending on golf is declining along with them. Similarly, the total number of golf courses had expanded in previous decades, leading to a decline in per-course rounds and revenues collected. NGF has also documented rapid inflation in expenses to operate golf facilities nationwide.
- The Jekyll Island and greater Brunswick area economy is driven largely by tourism and tourist related activities. There were an estimated 2.0 million visitors to Jekyll Island in 2016, which NGF estimates could include 150,000+ golfers demanding 35,000+ rounds annually. Generating golf from these visitors will be key to sustaining golf operations at JIGC and providing adequate facilities a key factor in their attraction, as local resident demand is not enough to sustain operations.
- Hotel facilities are an important factor for feeding golfers to the JIGC, but our review shows a shift in focus from hotels and peak seasons that do not match. Hotel operators are focused on family visitation in the summer when the golf course needs support, and have capacity in winter to sell golf packages when the golf course is full (or close to full). JIGC will have to do more to accommodate hotel operators in the hopes of attracting a greater share of play, especially among the estimated 20,000-30,000 convention attendees.
- The overall demand/supply balance for golf in southeast Georgia is very unfavorable to golf courses. There are far fewer permanent households and resident golfers available to support each 18 holes of golf in the market, and as a result the golf courses in this area tend to host fewer rounds than average. The most active golf course in this broad market area is the City of Fernandina Beach's municipal golf course hosting close to 50,000 rounds. The fewest rounds per 18 holes are at the subject Jekyll Island GC, which is hosting fewer than 20,000 rounds per 18 on its main three courses.
- The golf courses in the local competitive market are operating within a tight range of pricing, but the quality of facilities does not match. JIGC has clearly fallen behind some of its main competitors in overall quality due to a lack of upkeep over the last few years and other competitors investing in improvements. The current conditions at JIGC appear to be adequate to serve the local and more budget-conscious golfer, but are inadequate to expand the market and attract Island visitors, hotel guests and convention attendees.
- Finally, all golf facilities face a couple of other factors beyond their control: First, a high fixed expense structure and operating expenses that tend to rise more rapidly than revenues (e.g., ability to raise fees is constrained); this dynamic appears to be particularly acute in the public sector. Second, golf will always be at the mercy of the weather. In a market such as southeast Georgia, with hot summers and 51 inches of precipitation a year, the weather can be a key factor in determining the economic success of a golf facility.

Subject Facility – Jekyll Island Golf Club

The subject property is the Jekyll Island Golf Club, a four-golf-course facility owned and operated by Jekyll Island Authority (JIA). The facility includes four separate golf courses – The Oleander (the first course in the system – opened 1968), Pine lakes (opened 1972), Indian Mound (opened 1975), and the Great Dunes (remaining 9 holes from a 1909+/- seaside 18-hole golf course). The courses are all located on approximately 600+/- acres in the central portion of the 5,700+/- acre Jekyll Island State Park, located approximately 12 miles east of Brunswick, Georgia. The golf facility is part of the Jekyll Island Authority community offering, and is operated as two separate enterprise accounts with the JIA (golf and McCormick's), all under the supervision of the JIA Executive Director and Senior Director of Facilities. The Jekyll Island GC is operated as an affordable, high-quality public golf facility that serves year-round and seasonal residents of Jekyll Island, as well as a large number of Island visitors on a daily fee basis.

As a whole, the Jekyll Island GC and McCormick's Grill combined to produce total top-line revenue of just over \$2.6 million in 2016, the vast majority of which comes from green fees, power cart rentals and F&B sales. The on-site operating expenses at the facility totaled around \$3.25 million, resulting in a roughly (\$625,000) loss on operations (excluding other necessary costs such as administrative overhead, capital upgrades and new investment in infrastructure). Staff reports to NGF that there was time in the early 2000s when the golf courses were profitable. The Current financial condition is generally worse than most public sector golf operations in the U.S, where 67% of municipal golf course operations are able to cover on-site expenses, but not able to cover both on-site expenses and capital improvement costs (only about 33% can cover both). The golf courses type, year open and other notes are shown below:

Golf Course	Type	Year Open	Notes
Oleander Course	18-H Regulation + Championship	1968	First JIGC course designed by Dick Wilson. The course was re-modeled slightly with new greens and other improvements in 1981 (last upgrade of any kind). This course has the most challenging golf layout and was host to several important State golf tournaments in years past.
Pine Lakes Course	18-H Regulation	1972*	Original design by Dick Wilson/Joe Lee. This is now the "newest" golf course with a complete re-construction of greens, tees, irrigation, bunkers, and cart paths led by Clyde Johnston in 2001. It is now the premier course and the longest of the three 18H courses.
Indian Mound Course	18-H Regulation	1975	This is still set up as the original golf course designed by Joe Lee. The course retains much of its original charm and character, but lacks some of the more modern design features such as newer infrastructure, irrigation and greens.
Great Dunes Course	9-Hole Regulation	1909	Shorter, 9-hole, par 36 golf course located adjacent to the JIGC but with a separate pro shop and entrance on Beach View Dr. The course represents an old style "links" course with direct ocean views and a short, walkable layout that is inexpensive to play and popular with walkers.

*Renovated in 2001 – the last upgrade for any JIGC golf course.

In our review of the JIGC, the NGF Consulting team found a well-located and affordable resort-style golf facility that includes the basic design and amenities to be successful in the "value" segment of the golf market, but was not in good condition due to a variety of factors. The most significant factor appeared to be deferred maintenance items and a lack of investment in facility upgrades, mainly a result of a decline in golf rounds hosted and reduced revenue performance.

OVERVIEW OF JEKYLL ISLAND

Jekyll Island is one of the Sea Islands off the southeast coast of Georgia, and is a popular tourist destination with beaches that are frequented by vacationers. The Island also offers a Historic District, bike trails, a water park (Summer Waves), hotel properties a central village and, of course, a golf club with four separate golf courses (63 holes). The island is also full of wildlife, consisting of many different mammals, reptiles, and birds living in the island's inland marshes.

The Island was initially managed by the State of Georgia as a State Park, but switched to an authority form of operation around 1950. As such, all parts of the Island are now operated directly by the Jekyll Island Authority (JIA), and the Island is a separate entity from the Georgia State Parks system. All revenues generated from activities and enterprises on the Island are used to fund all JIA operations, including the golf course and McCormick's. **The JIA is not a taxing authority and the JIA does not receive any regular appropriation from State government**, although as an authority, the JIA does have access to grants and bonding capacity from the State of Georgia. As a result, any economic losses that may occur on the Jekyll Island golf and grill operation must be covered by other JIA activities, showing the importance of long-term economic sustainability in the golf and grill operation.

Jekyll Island Authority (JIA)

The JIA is the governing body for the Island and golf facility. Key findings on the JIA that are directly relevant to the JIGC and McCormick's operation include:

- **Governance:** JIA is governed by a Board of Directors that are appointed by the State Governor for 4-year terms. Day-to-day operations are overseen by the JIA Executive Director and JIA operating staff. All employees are JIA employees, including the golf and grill staff.
- **Income:** JIA had a total operating budget of \$27 million in FY2017, derived from leases, licenses, bed tax and operating revenues. Operating revenues include parking fees, summer waves, camping, tours and few other activities including the \$2.6 million from golf and grill operations.
- **Deferred Maintenance:** JIA staff reports a total of +/- \$50 million in deferred capital items that are in need of attention on Jekyll Island as of January 2017.
- **Recent Enhancements / Upgrades:** JIA has undertaken an aggressive program of Island improvements in the last 10 years, adding new elements to the Island and repairing/renovating/replacing older infrastructure. Among the key upgrades include:
 - A new convention center
 - A new village center with retail and Westin Hotel
 - Several new hotels, replacing older motels that have been torn down
 - Continued private investment in new lodging, retail and recreation
- **Residences:** Of the 5,529 acres on Jekyll Island, a maximum of 1,675 acres can be developed. There are a total of 613 permanent residential lots on the Island, most are owner-occupied. JIA staff reports that upwards of 50% of these apply for rental licenses each year to put their homes in vacation rental pools.
- **Future Improvements:** The JIA continues to proceed in efforts to upgrade the Island and its infrastructure. There are several new hotels planned as part of a second phase of improvements to increase the total capacity of lodging units on the island.
- **Golf Club:** The golf club has not been enhanced in more than 15 years, although improvement to the golf courses and adjacent clubhouse is being reviewed by the JIA, in part based on recommendations made by NGF in 2016-17.

GOLF CLUB SITE OVERVIEW

The Jekyll Island Golf Club is located in the central portion of Jekyll Island, with main entrance to the club along Captain Wyly Rd. This road runs from the eastern beach road of the Island to Riverview Rd on the west end of Jekyll Island, bisecting the golf club property with Oleander and Ocean Dunes to the south and Pine Lakes and Indian Mound to the north. The golf club is located approximately one mile from the Jekyll Island Rd bridge and seven miles from the Jekyll Island Rd intersection with Highway 17. There is an additional 5.5 miles from this intersection to the interchange with Interstate-95, the main north-south highway in the southeastern United States. The location of the Jekyll Island GC is generally rural, with some new and emerging commercial elements (hotels, retail, convention center) recently developed on Jekyll Island, but still 5-10 miles away from any large population center like Brunswick (12 miles away) or Jacksonville, FL (50 miles away). The immediate adjacent properties to the golf courses include residences (mostly single-family dwellings) and parks.

The three golf courses are evenly split within the facility, with the primary three golf courses (Oleander, Pine Lakes and Indian Mound) all operating out of one single facility clubhouse. The entrance and parking configuration comprise a 4.5-acre clubhouse and parking area that includes about 280± parking spaces. The typical public golf course requires about 140 parking spaces per 18-holes, so Jekyll Island Authority should have ample parking to cover all but the very busiest days of the year. The entrance area also includes three practice greens and an adjacent and convenient driving range. In all, the basic logistics and way flow of the entrance is good for a public golf course and no changes should be required. Parking is convenient for the clubhouse, driving range and cart staging area.

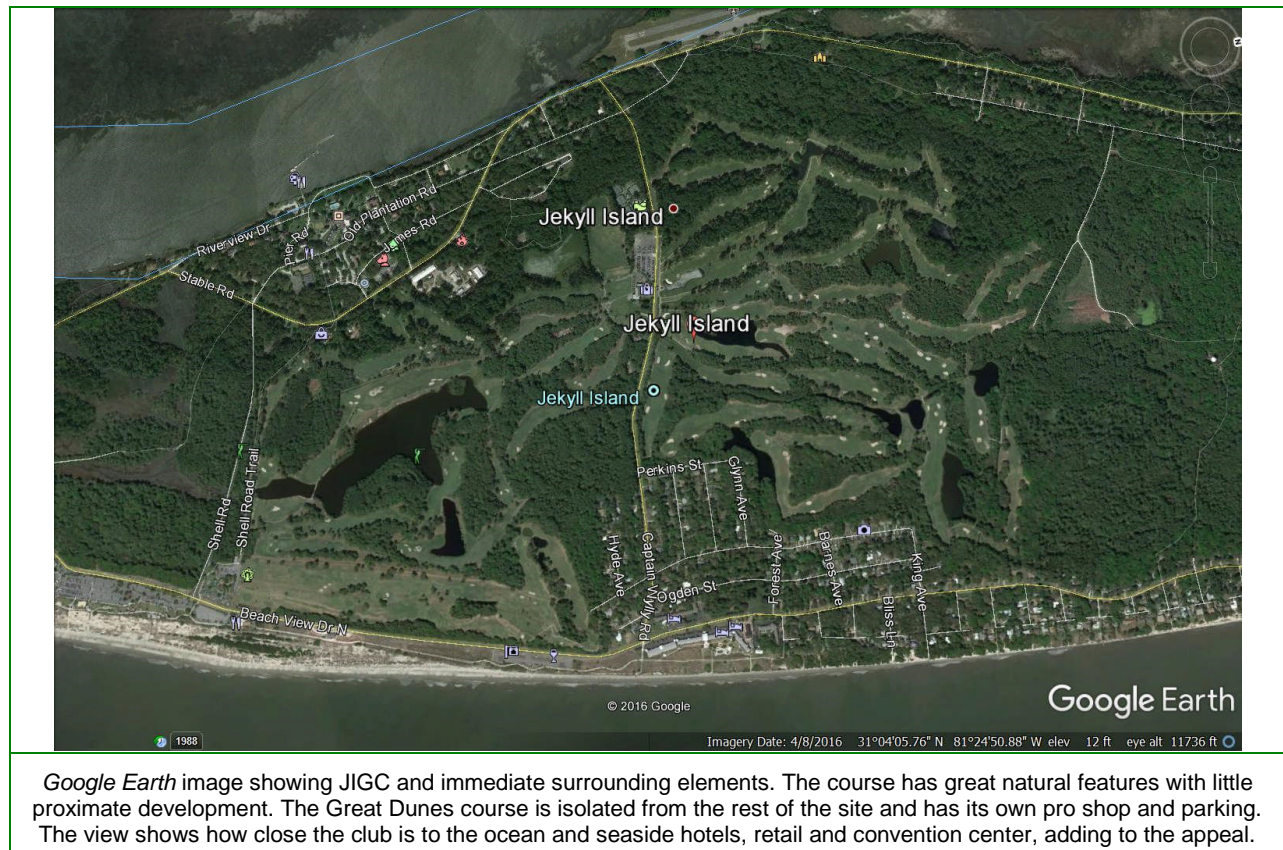
Site Positives

- **Location:** The positive aspect of JIGCs' location is the lack of adjacent large-scale development, and the feel of a more rural, country-type environment.
- **Access:** The facility is convenient for Island residents and other locals.
- **Aesthetics:** The generally rural and open nature of the golf courses allows for high quality aesthetics on the golf courses with abundant natural foliage, wildlife and pleasant views. The course includes a wide variety of golf experiences, from the narrow and challenging Oleander Course, to the more modern Pine Lakes design and rugged Indian Mound courses.

Site Negatives

- **Location:** Jekyll Island GC is not immediately proximate to a large population center, and thus will always be dependent on the attraction of visitors, hotel guests and convention attendees to sustain operations. This requires golfers less familiar with the property to find it (need good signage and directions on internet). We also note the \$6 parking fee that all Island guests (including golfers) must pay to come on the island (year pass available).
- **Spread Out:** The configuration of the property is wide and physically diverse, leading to challenges in managing the full 63-hole property. There are four separate #1 tees and significant expanses of golf holes not visible from the pro shop, clubhouse or starter shack. Thus the JIGC will always require a strong management presence and larger-than-standard operating staff.
- **Environmental Concerns:** The golf club (particularly Oleander and Great Dunes courses) occupies some environmentally sensitive property that could impact the maintenance and continued operation of the golf club under present configuration.

Aerial View – Jekyll Island GC



Aerial View – Clubhouse, Range, Parking



INVENTORY OF FACILITIES – JEKYLL ISLAND GOLF CLUB

The Jekyll Island Golf Club facility includes the following elements:

- 18-Hole regulation par-72 Pine Lakes Golf Course
- 18-Hole regulation par-72 Oleander Golf Course
- 18-Hole regulation par-72 Indian Mound Golf Course
- 9-Hole regulation par-36 Great Dunes Golf Course
- 12,300 square foot (sf) clubhouse on two levels (small banquet room on upper level)
- Separate starter shack Pine Lakes/Indian Mound
- 2.75 acre maintenance compound with equipment storage and maintenance offices
- Driving range with golf learning center and range kiosk
- Three practice greens, including one practice chipping area

The above mix of elements offers a good variety for a golf course facility in a resort setting, allowing for appeal to all segments of golfers from beginners to seasoned players. The original 18-hole course (Oleander) dates back to 1968 and was designed to be a “championship-quality” golf course with challenging length, multiple hazards and narrow hole-corridors. The 18-Hole “Indian Mound” Course offers a more modern golf design that remains popular with golfers. The newest Pine Lakes (renovated in 2001) course provides a much more stringent challenge for golfers and has become popular with competitive golf events and other outings and tournaments. Jekyll Island GC includes a driving range and golf learning center.

Pine Lakes Course

- Pine Lakes course was an original 1972 design by Dick Wilson and Joe Lee, a design team with several popular golf designs in the southeast U.S. The 2001 remodel was overseen by Clyde Johnston, another popular golf designer. Pine Lakes is the longest of the three 18-hole courses, with a total of 6,700 yards from the longest tee. There are 50 bunkers on the course and water is in play on seven holes.
- The course has golf design features and conditions that are typically associated with high quality golf courses that are also active in hosting important competitions. The course starts and ends close to the clubhouse, with holes #1, #9, #10 and #18 all in proximity to the clubhouse. Staff has reported to NGF that since the remodel in 2001, Pine Lakes has been the most popular of the JIGC golf courses.
- Pine Lakes plays 6,700 yards from its longest tee and to a par of 72. The course has a total of six tees, allowing for play from 6,700 yards to 4,975 yards from the most forward regulation tee (not counting “family” tees). The course has a USGA slope rating of 131 from its Blue tee, which represents that the golf course is 12% “harder” than the standard slope of 117. The other shorter-length tees are also higher than the “standard” for difficulty, meaning that Pine Lakes course is considered harder to play and thus appropriate for skilled golfers and golf competitions.
- Pine Lakes has the newer TifEagle greens added in 2001. As such, the maintenance requirements and attention will likely be greater on PL than the others at JIGC.
- The irrigation system is from the redesign in 2001, well within the 30-year expected useful life. This is the newest irrigation system of the four JIGC golf courses.
- The course does include almost full coverage with asphalt cart paths, a feature that is desirable for achieving a maximum volume of rounds.

Oleander Course

- The Oleander course is the first course at JIGC, dating back to 1968 and its original Dick Wilson design. Dick Wilson was a very popular golf designer in this part of the country, with many very successful golf course designs in the southeast U.S. The Oleander course was traditionally the most popular of the three courses and had hosted important statewide and national golf tournaments before falling out of favor in the last 15-20 years and after the remodel of Pine Lakes.
- This course has design features that make it more appealing to better skilled players with tighter hole-corridors and more hazards. This golf course features a layout with 43 sand bunkers, including several holes with three or more bunkers. Water is in play on seven of the holes, with holes #11-13 being especially affected by water around a central lake that is a key appeal feature for the golf course.
- The Oleander course plays 6,521 yards from its longest tee and to a par of 72. A total of five tees are on the course, allowing for play down to 4,913 yards from the most forward tee. The course has a USGA slope rating of 126 from its Blue tee, which represents that the golf course is slightly “harder” than the standard slope of 117. The other shorter-length tees are comparable to the “standard” for difficulty, and the mix of yardages give a nice selection for all players.
- The Oleander golf course is lower lying than the other 18-hole courses and has a tendency to retain water and wet conditions, thus limiting activity and desirability. There are also other environmental concerns expressed by JIA staff (more later in this section). JIGC staff estimates that Oleander hosts the lowest volume of rounds activity among the three 18-hole courses at JIGC.
- All of the grass surfaces on the course are the original dating back to 1968. The irrigation system was improved most recently in 1981, well beyond the 30-year expected useful life of golf course irrigation systems.

Indian Mound Course

- While slightly shorter than its sister Pine Lakes course, Indian Mound has a very similar look, feel and features to Pine Lakes, but without the more modern grass, irrigation and other features (older bunkers, cart paths, etc.). This course is easier to play than Pine Lakes despite having more bunkers (63) and more water holes (9), mostly due to shorter length.
- Indian Mound is the shortest of the three courses at 6,408 yards from its longest tee. A total of five tees are on the course, allowing for play from as short as 4,838 yards from the most forward tee. The course has a USGA slope rating of 129 from its Blue tee, which represents that the golf course is slightly “harder” than the standard slope of 117. The other shorter-length tees are comparable or just slightly “harder” than the “standard” for difficulty.
- Indian Mound has good quality turf but with older greens that have shrunk and are impacted by a variety of turf types. The course is very similar to Pine Lakes and staff is working to try and create greater differentiation between the two courses with mowing patterns and overseeding programs.
- The irrigation system is the oldest of the three, dating back to 1975 and well past the expected useful life cycle.

Great Dunes Course

- The Great Dunes is the historic 9-hole course designed by Walter Travis. The course is a “links” style seaside golf course with appealing characteristics and beautiful ocean views along some of its higher vistas. The course has been a 9-hole layout since the 1950s when beach erosion and other factors led to the closure of the back-9. The 9-hole course has great appeal for golfers seeking a simpler, shorter round of golf and for those seeking a piece of history.
- Great Dunes has four sets of tees, ranging from 2,269 to 3,229 yards. The course only 14 sand bunkers and only one hole with a water hazard. Great Dunes has a wide open feel with few trees, few golf hazards and very small greens. The course has a USGA slope rating from 107 to 122, which represents that the golf course is generally “easier” than the standard slope of 117.
- As on older design course, many of the holes are close together with some greens in close proximity to the next tee (was common of that era). The course also lacks some modern features such as cart paths, elevated tee boxes and services (restroom, drinking fountain, etc.). Another consideration as an older course is that Great Dunes is historic and has requirements related to its preservation and/or restoration.
- The irrigation system on Great Dunes is antiquated and very challenging to operate. Irrigation controls and on course irrigation boxes are not in good working order and hands-on maintenance activities are required to keep the course properly irrigated.
- Great Dunes has great potential to add interest to the Jekyll Island GC. The course is highly desirable among golfers due to the seaside experience and to a growing segment of players seeking to experience and preserve the rich history and tradition of the game on historic golf courses. The course also provides a leisurely walking round of golf on a wide open course that is not too difficult, which is popular with less-skilled golfers.

Clubhouse Review

The support structures at JIGC include the approximately 12,300 sf clubhouse facility that is generally separated into two sections – a pro shop area and food and beverage service area (includes restrooms). In addition, there is smaller banquet area on the second level that includes some uncovered outdoor space that could be utilized. All elements appear to be generally functional, but the facility is deteriorating and has certain space limitations for a 63-hole facility. The building is a mix of components and includes a newer pro shop area that was recently upgraded, but the remainder of the building is in need of improvement in both appearance and functionality. Staff reports problems with key infrastructure items such as HVAC, storage and an aging kitchen. The NGF believes that improvement to the physical condition of the JIGC clubhouse is key for improving economic performance of the facility, as the clubhouse is important for creating the initial impression and a match to other JIA facilities (such as the convention center) would be ideal. Key NGF observations regarding the Jekyll Island GC clubhouse include:

- **Pro Shop** – The pro shop area includes adequate retail space, offices and storage. This space was re-opened after renovation in January 2014 and offers the most modern and functional portion of the golf clubhouse. The pro shop location is good, with proximity to the main entrance and lounge areas, the cart staging area and the driving range. There is some visibility to control key golf areas such as the beginning holes on the three main golf courses (Oleander, Pine Lakes and Indian Mound).

- **Food and Beverage Service Area** - The service area for F&B is of modest size, with seating for about 80+/- patrons inside the snack bar area. There is additional seating in the upstairs banquet room that is available, but most golfers will not use this thinking it is not available to them. The area includes both a walk-up counter/bar for service, or full tableside wait service. Overall, the space is limited when compared to the number of holes, but is mostly out of date and looking “stale,” which can impact the overall impression of the facility for newer golfers.



Photos showing the space allocated for the snack area at JIGC.

- **Kitchen Space** - The JIGC clubhouse has a small kitchen, but there is enough space to adequately service the McCormicks Grill and the upstairs banquet area for most days except only the largest events and banquets. Still, the kitchen and banquet space available limits the size of parties that can be adequately served at the JIGC.
- **Bag and Cart Storage Area** - The clubhouse at JIGC has two areas for club and bag storage for member golfers. The larger of the two is a former cart storage area that is currently used for storage of private pull carts and golf bags. The JIGC is collecting a fee from golfers to use these storage areas, as is common in the golf industry.
- **Banquet Room Area** – The JIGC also includes a second level banquet room with capacity of up to 125 patrons. This setup is ideal for a public golf course and can help maximize F & B revenue with increased appeal for both golf events (tournaments) and non-golf activity such as weddings, parties, banquets, etc. However, this space has challenges including very poor acoustics (for music and meetings) and the kitchen space may be too small to expand and grow this side of the business in any large-scale and meaningful way.
- **Outside Space** – JIGC has an outdoor space on the upper level of the clubhouse surrounding the banquet area. This space is mostly underutilized and is not covered to protect from the sun. Covered outdoor spaces with ceiling fans and flat screen TVs have become popular with golfers at nicer golf facilities.



Photos showing the 2nd floor banquet area and the adjacent outdoor space.

- **Restrooms** - The JIGC has only one men's and one ladies restroom, located in the hallway past the snack bar on the far side of the building from the pro shop. These restrooms appeared to be too small to accommodate a 63-hole facility, especially on busy days or for large party or gathering from a tournament. These facilities were originally designed to be "locker rooms," and have been redesigned over the years even though a shower stall is still present (and never used). There are two additional smaller restrooms upstairs with the banquet room. The NGF also found both restrooms to be in need of upgrade, with all fixtures, sinks, counters, toilets, etc. in need of improvement and modernization.

Driving Range/Golf Academy

The driving range could be an outstanding feature at JIGC, but the facility may not be large enough to accommodate the demand from golfers on a three-course facility. The range is only 85 yards wide, thus allowing for only about 20-25 hitting stations to be used at any one time. When the three courses are full (or during larger events) this size is not adequate to accommodate the demand from all golfers. The range also lacks depth in the hitting area, which leads to poor hitting conditions for golfers. Good driving ranges provide at least 30 separate tee line positions so each line is used only one day per month to ensure turf health. Many courses with smaller range tee depth have gone to adding a line of artificial turf for use 1-2 days per week to let the other turf heal and recover (more later in this report). Adjacent to the range is the 650sf golf Academy/training center. This small building houses a teaching area for golf that can open out to hit on the range. This amenity is growing in popularity and can be a catalyst to help develop new players and grow golf in Jekyll Island.



Photos showing the driving range and golf academy building. The range is surrounded on three sides by dense woods, sometimes making the loss of range ball a problem and added expense to replace.

Other Structures

Great Dunes Pro Shop

The Great Dunes course has a very small pro shop /starter shack adjacent to the 1st and 9th holes on the course. The building is close to the Beach View Dr. and Shell Rd intersection, near the miniature golf, bike rentals and pizza restaurant. The area has a separate parking lot making the Great Dunes GC a potentially separate golf operation. This space was very small, but appeared to be well organized and efficient for its intended use.

Cart Storage Building

JIGC also has two separate buildings to house and charge the carts for the golf facility operation located on the Oleander course between the 9th and 10th holes. Staff is required to bring up carts via tow each morning for the day's activities. JIGC is storing 184 carts in total, although about 20 are stored in the Great Dunes site.



Photos showing the two cart storage buildings at JIGC. The photos show some deteriorating condition, but the facilities remain functional. The space is small for a 63-hole facility with 184.

On Course Facilities

Each of the JIGC 18-hole golf courses includes two comfort stations with restrooms and drinking fountains. Each of the three courses is set up with these services on the front nine and the back nine holes. These facilities appeared to be in good working order with a good appearance, and are providing the basic restroom and water drinking stations typically associated with better quality golf courses.



Photos showing the on-course restroom stations on each course with Oleander (l), Indian Mound (c) and Pine Lake (r). These images show the difference in quality and condition between the courses, with Indian Mound's stations looking to be in the best condition.

Indian Mound/Pine Lakes Starter Shack

JIGC also has a separate service kiosk for the Indian Mound and Pine Lakes golf courses. The space is located on the north side of Captain Wyllly Rd and in proximity and view of the 1st, 9th, 10th and 18th holes of both courses. The building includes vending and restrooms for golfer use. The kiosk can help JIGC operators control access and pace-of-play on Pine Lakes and Indian Mound by staffing this building during periods when golfer activity is high. There is also a small starter booth for the Oleander course between the practice greens and hole #1.

Maintenance Compound

The maintenance facilities at JIGC include four separate buildings used to house all maintenance equipment, staff offices and other repair and maintenance service areas. Structurally, the maintenance buildings and compound do not appear to be an issue for the JIGC. It appeared to NGF that the maintenance compound included all of the basics required for adequate golf course maintenance, including appropriate chemical storage, employee areas and equipment repair areas. This space appeared to be well organized and efficient.

Other Issues – Conservation and Preservation

Other key issues related to the physical plant at JIGC brought to the attention of NGF consultants include environmental concerns of the Oleander course, the possible historic preservation of Great Dunes and the Audubon status of Pine lakes and Indian Mound courses.

Oleander Environmental Concerns

JIA staff conveyed to NGF consultants that the Oleander course is their most problematic golf course from an environmental standpoint. The course sits too low and creates its own freshwater wetlands. The JIA finds it important to maintain and preserve freshwater on the Island wherever it can, so Oleander site is important. This also means that the JIA engineers would like to improve the wetland drainage program on Oleander, which would have to be a part of any changes to the course. Other issues such as increasing tides and increasing pressure for natural preservation has increased concern about the Oleander course and its future.

Great Dunes Course Preservation

The Great Dunes course is historic and the JIA is considering ways to preserve the course and possibly restore it to its original condition and setting. JIA commissioned a study to review the Great Dunes course in 2011 and this report considered the historical significance of restoring the course and repairing its infrastructure. The JIA has considered this restoration as part of a program to promote an increase in interest in the Great Dunes course and JIGC overall. The NGF is aware of ideas to change the course and/or incorporate into the overall JIGC layout, and this historic preservation effort will impact any decision regarding this proposed future.

Audubon Society Status

All four courses at JIGC are part of the **Audubon Cooperative Sanctuary Program for Golf**, an education and certification program that helps golf courses protect the environment and preserve the natural heritage of the game of golf. JIGC includes four of the total of 26 courses certified in the State of Georgia. The Audubon group assists golf courses to enhance the natural areas and wildlife habitats that golf courses provide, improve efficiency, and minimize potentially harmful impacts of golf operations. Audubon International has developed Standard Environmental Management Practices that are generally applicable to all golf courses. These standards form the basis for ACSP for Golf certification guidelines and are in place at JIGC.

REVIEW OF GOLF COURSE CONDITION AT JIGC

The NGF review of the subject property documented the general condition of the golf courses and the inputs required (staffing, budget, equipment, etc.) to maintain the golf courses. The turf maintenance and setup of the golf courses has a great deal to do with the satisfaction of golfers/customers. The NGF is mindful of the challenge at JIGC to utilize the maintenance resources as effectively as possible. The condition of facilities is evaluated by NGF in this report, with the team mindful of the fact that the facility has only had a professional Class-A superintendent in place for one year after decades of a reported lower level of maintenance expertise.

Background Information

The NGF has based our review of the condition of golf courses on several factors, the most important of which were several on-site inspections by the lead NGF consultant and NGF Agronomist in the second half of 2016. The NGF review of JIGC condition was based on:

- **NGF Inspections** - Three (3) separate NGF inspections in 2016 (includes interview of superintendent and golf professional)
- **USGA Turfgrass Advisory Reports from 2008, 2011, and 2015** – These reports were generally consistent with each other showing little change from 2008-2015. Key issues noted by the USGA included:
 - The need to reduce the influence of shade from trees on the greens
 - Dealing with an aging infrastructure (specifically irrigation and older turf)
 - Refining cultural programs and operational techniques
 - The challenges faced by maintenance staff due to insufficient and/or inadequate maintenance equipment
 - The pros and cons of continuing a strong over-seeding program at JIGC
- **Long Range Master Plan by Clyde Johnston in 2001** – In this report, the architect primarily addressed issues related to the Pine Lakes course that was to be renovated, but also addressed some global issues including several noted by the USGA (like shade) and also:
 - The declining condition of cart paths
 - An introduction to new turfgrass varieties that could help improve turf conditions on all three courses
 - The style of bunkers on the three courses and ideas for general care
 - Dealing with an aging pump system and the water quality on site
 - Ideas for design and changing some of the concepts (mostly on Pine lakes)

Global Review of General Golf Course Conditions

The broader NGF observations about the general condition of the three golf courses include items noted below. Issues specific to each golf courses are presented later in this section:

- **Greens:** JIGC has a mix of greens turf, with the newest TifEagle on Pine Lakes and older Bermudas on the other two courses and Great Dunes. Well-built golf course greens typically have an expected lifespan of about 15-30 years, indicating that

some of the older greens on Oleander and Indian Mound are past their useful life. Issues reported by staff and observed by NGF include increasing encroachment of invasive turf on the greens and the shrinking of the greens. With Pine Lakes as a model, the other two courses could be enhanced significantly with upgraded greens built to modern standards of sub-surface and turf.

- **Tees:** The tees on the course are reported to have some problems in size and leveling, particularly on the par-3 holes. There are also just a few tee boxes on the Oleander course in need of significant upgrade due to shading and/or pest issues.
- **Bunkers:** The full 63-hole facility has a total of 170 bunkers, with all but the 50 on Pine Lakes being over 30 years old. Some of these bunkers have been re-built in recent years, but problems have arisen and golfers report that the sand in the bunkers is very thin and the older bunkers are not lined. As a result bunkers are not in good condition and lack appeal for golfers who find the challenge to be “unfair” for the play of golf. Bunkers have the shortest life cycle of any feature on a golf course (5-7 years) and need to be improved and updated frequently.
- **Fairways:** The fairways include a mix of turf types. All fairways appeared to be in improving condition during the NGF review. Golfers responding to the NGF survey in 2016-17 indicated general satisfaction with fairway conditions, but noted improvement are still needed.
- **Cart Paths:** Paths are a mix of older asphalt surface and some areas with newer concrete. The paths show a mix of conditions, with most areas in good condition and many older spots showing cracks and bumps. Staff has been active in working to improve the paths on a piecemeal basis, and this seems to be effective as the paths generally provide a smooth ride with only a few exceptions. A good quality cart path system can help improve rounds of golf by allowing carts out on the golf course even when there are concerns about turf. NGF research has shown that some golfers will not play golf if carts are not allowed on the course, thus a good cart path system will help the course with more playable days, even when other conditions are problematic.
- **Trees:** JIGC has considerable tree cover on all three courses, and these trees are creating shade that can negatively impact the condition of turf, especially on the greens. Although recent storms have helped to thin out some trees at the facility, more reduction would be helpful to the health of JIGC turf.



Photos showing a sample of on-course cart paths with mostly concrete (L) on Pine Lakes and a mix of asphalt and concrete in adjacent sections on Indian Mound (R).



Additional showing staff activities to improve failing cart paths in sections. This strategy leads to inconsistent path conditions but works well for JIGC considering the budget limitations. These projects are conducted in-house by maintenance staff when time is available.

- **Bridges:** There are several bridges on property, all of which are constructed with a concrete base and wooden plank overlays. While the concrete base tends to last on golf cart bridges, the wood plank surface wears out rapidly in the coastal Georgia climate and will need to be repaired and/or replaced frequently (5-7 years).



Photos showing a sample of bridges at JIGC. The generally good condition shows staff is active in maintaining these structures, as all wood planks are in place and no obvious need for replacement. This suggests active maintenance is ongoing, which is a good sign to NGF.

- **Drainage – Pine Lakes/Indian Mound:** The drainage at JIGC is highly varied, depending on the course. On the north side of Captain Wyll Rd the drainage on Indian Mound and Pine Lakes is mostly good, but some problem areas do exist that can be addressed with some form of organized drainage (French drains), improved swales and/or other fixes.
- **Drainage Oleander:** The Oleander course is much more problematic. JIA engineers report to NGF that the entire Oleander course sits too low and that it creates its own freshwater wetlands. The large lake in the center of the course (mostly around hole #11-13) is easily topped and standing water after heavy rains is prevalent through much of the remaining 18-hole course. Solutions to improve the Oleander drainage may prove expensive to the Authority as the course will either have to be enhanced with some form of sophisticated “siphon” drainage system with an expanded center lake, or the entire site raised 2-3 feet with fill (or both). Both options are extremely expensive.

Poor drainage characteristics lead to a reduction in the number of days available to play golf on a course, and thus limit rounds and revenue potential. This is affecting

the total revenue of the four-course facility on its busiest days. In the meantime, some ideas for maximizing play on the Oleander course include:

- Improved cart path system and increased use of “cart path only” designations
- Enhanced signage at key areas to remind golfers what cart pattern to follow
- Encourage all golfers wishing to walk to play on Oleander, perhaps with a discount on pull-cart rental
- Have friendly signage so golfers know that you are protecting future playing conditions

Irrigation Systems

- The source for irrigation at JIGC is wells on property. Water is pumped from these wells into storage ponds and then distributed around the golf course. As the expected useful life of a golf course irrigation system is 25 to 30 years, much of the JIGC irrigation program is beyond this threshold and replacement should be part of any future planning.
- Each course has its own pumping and irrigation system:
 - The two stations for **Indian Mound and Pine Lakes** appear to be in good working order with no urgent issues observed or reported. Pine Lakes has the newer in-ground piping from the 2001 renovation, while Indian Mound is still using the original in-ground piping from 1975.
 - The **Oleander** Course pumps are more difficult to maintain and thus have some problems reported to NGF that should be addressed with investment and upgrades. The irrigation pipes on Oleander are breaking, mostly due to sinking and soil shifting. Not only is this an added expense, but it is very time consuming, which is problematic given the small maintenance staff.
 - The **Great Dunes** course has an antiquated system that appears to be falling apart and is very challenging to operate.



Photos showing a sample of irrigation boxes on Great Dunes in 2016. These conditions are not ideal for a golf course operation and require staff time and budget to operate properly.

Maintenance Staffing and Budget

The NGF has reviewed the staffing and budget for maintaining the 63-hole, 360-acre JIGC in 2016. Documentation provided by the Club and the JIA show a total golf course maintenance budget of \$1.78 million in FY2016 with a total of 16 golf maintenance staff, mixed between full-time and part-time employees. When compared to industry standards the NGF finds the JIGC to be well below expectations in both measures, with better quality public golf courses spending between \$650,000 to \$800,000 per 18 holes on maintenance with a staff of 8 to 12 employees per 18 holes. When adjusted for size, we see that **JIGC is spending around \$500,000 per 18 holes on maintenance with 5.4 employees per 18 holes, both well below standard.**

Golf Maintenance Staffing

JIGC is operating with a small golf maintenance staff, and this appears to be affecting the condition of the golf courses. It seems the staff is just enough to provide mowing and only the most basic golf course maintenance services, leaving important projects (bunker maintenance, tees, applications, equipment repair) un-completed. Unforeseen events are also causing problems, as they divert limited staff resources away from needed maintenance activities (e.g. storm in October 2016).

The basic staffing for JIGC includes the positions shown in the table below. Full-time (FT) positions include salary and benefits. The NGF estimates a comparative total of 19 full-time equivalent (FTE) positions, although only 16 are in the golf system:

Golf Maintenance Positions
Grounds Superintendent
Asst. Superintendent
Irrigation Specialists (2)
Spray Technicians (2)
Equipment Operator (8 positions)
Total Staff = 16
Mechanics (3 positions – report to Fleet dept. not in Golf)

Golf Maintenance Budget

As noted, the NGF data shows golf course maintenance budgets between \$650,000 and \$800,000 per 18 holes for better quality golf courses. The traditional mix of expense proportions are shown in the table below derived from NGF research. It is important to realize that so many components can impact the final appearance of the course. Utilization of the facility, weather patterns, grass types, design characteristics, infrastructure limitations are all part of the variables affecting the maintenance costs. A good rule of thumb to for financial comparison is:

Maintenance Cost	
Function	Percentage
Labor/ Benefits	50 to 55%
Materials	15 to 20%
Power (equip, irrig, fuel, electricity, leases)	15 to 20%
Subcontract services	5 to 10%
Other	5%

The NGF has reviewed the detailed golf maintenance expenses for the JIGC for FY2017. Our review of these expenses shows the following totals and proportions:

1. Labor Costs	Amount	Summary/ Notes
Salaries	\$493,000	* Labor totals on the number of people are very low. They should range .5 person per hole (the very least), JI currently .29 person per hole
Health insurance	\$204,000	
Retirement	\$121,000	* Hourly rate number in line
FICA	\$37,000	
Workers Comp	\$29,800	* Future planning to bring in temporary labor at various times of the year will be very helpful on course grooming. Bunker care will improve
Uniforms	\$14,000	
Unemployment Ins.	\$12,000	
Part time labor	\$10,000	
Fidelity bonds	\$8,000	
	\$928,800	52.2%
2. Materials	Amount	Summary/ Notes
Fertilizer/ Chemical	\$387,000	* Materials are on comparison with the lower budget.
Seed/ Sod/ Plants	\$51,500	Better signage through golf supplies would give course visual lift.
Soil/ Sand	\$43,000	
Golf Course Supplies	\$16,600	
Small Tools	\$6,200	
Hand Tools	\$4,900	
Path Repairs	\$17,000	
	\$526,200	29.6%
3. Power	Amount	Summary/ Notes
Lease/ Rental	\$88,300	* In this section, there is concern. With the small crew it is imperative to have efficient equipment working well.
Equipment Repair	\$46,000	
Eqpt. Repair Grounds	\$17,000	* Continuing with a lease program is extremely important for the future.
Electricity	\$38,700	
Irrigation Supplies	\$36,800	
Repair Vehicles	\$2,700	
Fuel	\$30,100	
	\$242,600	13.6%

4. Services	Amount	General Summary/ Notes
Insurance	\$40,000	* With respect to overall financial condition of the operation, the expenses of golf maintenance probably need to stay at the current number.
Contracts	\$11,900	
Service	\$7,100	* If revenue were to trend up then possibly some increased spending could elevate the course conditioning and appearance.
Trash	\$5,600	
Dues	\$2,400	* Without any dramatic changes to the facility, slow improvement continues to be implemented by decisions of current management.
Building	\$6,600	
Phone	\$1,600	
Post/ Supplies	\$1,300	
Cleaning	\$1,800	
Shop	\$4,200	
	\$82,500	4.6%
TOTAL	\$1,780,100	100%

Maintenance Equipment

The NGF team reviewed the quality and condition of the JIGC golf maintenance equipment. We note that it is important to have quality equipment on an operation that has limited personnel. Each employee needs to utilize machines that are prepared to cut properly when they are assigned to those tasks. Lost time to poor equipment is extremely detrimental to the overall staff efficiency. The following is a summary of JIGC golf maintenance equipment inventory:

Maintenance Equipment Inventory - JIGC	
Transport vehicles – 8 Tractors/ loaders/ backhoe – 7 Reel Mowers: - Triplex (10) - Splex (6) - Pull Unit (2) Rotaries - Small (48-60") sized (4) - Larger (4)	Grooming - Trap Rakes (3) - Blowers (3) - Rollers (1) Renovation - Aerifiers Small (2) - Aerifer Large (1) - Verticutter/ dethatcher (1) Applicators - Sprayer (2) - Topdresser (1) - Spreaders (2)

The vast majority of equipment used to maintain the golf course at JIGC is newer and in good condition, having been acquired as part of a recent lease arrangement. The equipment is reported to be rarely breaking down and fleet maintenance is keeping everything in good working order. Some of the pieces are "mission critical" to a golf course operation, including greens mowers, tractors and carryalls and must be kept in good working order.

Upgrade Considerations – Jekyll Island GC

The NGF team has identified the following key areas of recommended physical plant improvement (investment) at JIGC that can be completed over the next several year. NGF ideas to improve the JIGC stem from the JIA desire to provide a high level of service to match other Island infrastructure like the new Beach Village, upgraded (and new) hotels and the new convention center. If the JIGC is to attract a higher volume of hotel and convention play, the facility will have to be enhanced significantly.

This enhancement involves a combination of both annual recurring items like increased maintenance staff and budget, as well as one-time projects to be completed over the next few years. For the one-time capital upgrade projects, the NGF has considered a “base level” of improvements that can be completed to provide enhanced conditions and better marketability, and a “large-scale” capital enhancement program to change the facility profile and become a more upscale golf resort facility. A summary of the improvements identified by NGF are summarized below:

Annual Recurring Items

- **Staff** – Increase the golf course maintenance staff by at least two FTEs (e.g., one full-time + two part-time) to help improve golf course conditions. JIA should consider adding around 1,500± hours of part-time labor to aid in golf maintenance. **NGF estimated cost = \$50,000 per year.**
- **Tree Trimming** – Begin a program to trim back the tree canopy and remove dead trees and tree stumps. **NGF estimated cost = \$15,000 per year through 2020.**
- **Tee Boxes** – Several tee boxes are in need of improvement, particularly on the par-3 holes. **NGF estimated cost = \$20,000 per year through 2020.**
- **Bunker Program** – begin a program to upgrade bunkers with new sand and lining. **NGF estimated cost = \$10,000 per year through 2020.**
- **Other Maintenance Budget Items** – add new materials for top-dress and/or overseed programs to improve turf health and provide a better golf course appearance and condition. **NGF estimated cost = \$75,000 per year.**

Base Level Improvements

- **Clubhouse Fix-Up** – JIGC would complete a general fix up of the clubhouse, in lieu of full renovation or replacement. Key areas in need of upgrade include restrooms, flooring, windows, furnishings and fixtures. **NGF estimated cost = \$250,000.**
- **Turf Enhancement** – Begin a program to improve the fairway turf on all three golf courses, with special focus on Oleander and Indian Mound. Improvements include new soil, sod and seed in key areas. **NGF estimated cost = \$200,000 (\$1,000 per acre for 200 acres of turf).**
- **Greens Resurfacing (Indian Mound / Oleander)** – Begin a program to upgrade the greens on Indian Mound and Oleander, focusing on the surface turf replacement and without sub-surface rebuilding. **NGF estimated cost = \$540,000 (\$15,000 per green for 36 greens).**
- **Oleander Drainage Upgrade** – Complete a program to improve Oleander drainage without a full renovation or raising the elevation. JIA could improve key drainage systems with French drains and culverts, as well as lake edge improvements to help improve water flow on wet days. **NGF estimated cost = \$240,000.**

- **New Artificial Turf Line for Range** – add approximately 250 feet of a new concrete-based artificial turf line top the back of the range and then use it to reduce wear on the range. **NGF estimated cost = \$85,000.**
- **Basic Irrigation Improvements** - Begin a program to improve irrigation pump stations, control boxes, new irrigation heads and pipe repairs as needed. **NGF estimated cost = \$150,000**
- **Cart Path Improvements** – Improve the cart paths for continuous service through all three courses. **NGF estimated cost = \$200,000.**
- **Great Dunes Enhancement** - Begin a program to upgrade the Great Dunes course infrastructure and turf. **NGF estimated cost = \$100,000.**

Large-Scale Capital Enhancement

In addition to the annual recurring items and base level improvements noted above, the JIA will have to consider some large-scale capital investment in the JIGC. Some of these large-scale capital items can be completed in lieu of the above-detailed repair items. For example, the JIA may opt to undertake basic repairs to Oleander if the Authority decides to complete a comprehensive renovation of that course. Ultimately, the large capital investment decisions facing the JIGC include the following (to be addressed more closely in recommendations):

- **Clubhouse** – Jekyll Island Authority should commence with basic cosmetic upgrades to the clubhouse as soon as is practical (**NGF Estimated cost = \$250,000**). The NGF notes the urgency of these improvements, and recommends that these **repairs be completed immediately**, regardless of the longer-term improvement of the JIA clubhouse. The NGF sees two options with needed upgrades to the JIGC clubhouse. These concepts are mutually exclusive and include:
 - **Clubhouse Renovation** – JIA can complete a comprehensive renovation of the interior of the clubhouse, completing all repairs, improvements and modernizing the form and function of the facility. A more comprehensive design would need to be created, but this option assumes continued operation from within this existing structure. **NGF estimated cost = \$800,000 to \$1.0 million (12,300sf x \$65 to \$80 per sf).**
 - OR
 - **New Clubhouse and Site Plan** – JIA could undertake a major change to JIGC, with an entirely new site program that involves a new clubhouse with a modern design and larger profile. The cost of this is yet-to-be-determined, but would likely be **proximate to \$3.6± million (16,000sf @ \$250/sf).**
- **Oleander Renovation** – Once established that Oleander is environmentally sustainable, the JIA can complete a full renovation comparable to Pine Lakes, including improvements to site drainage and irrigation. The cost of this is yet-to-be-determined, but would likely be **proximate to \$6± million.**
- **Indian Mound Renovation (optional)** – Upon completion of the Oleander Renovation, the JIA will then have to decide if JIGC will continue with 63 holes or reduce to 45 holes. If JIA determines that three courses are supportable at JIGC, then the next action would be to renovate the Indian Mound course, comparable to Pine Lakes, with new greens and irrigation. The cost of this is yet-to-be-determined, but would likely be less than Oleander, or **proximate to \$4.5± million.**

REVIEW OF GOLF OPERATIONS

In the following section, the NGF provides a review of key areas of the JIGC operation, including staffing, technology, fees, ancillary centers, organized activities, marketing and other issues key to the future of the operation.

Organizational Structure

As noted, the Jekyll Island Golf Club facility is operated directly by the Jekyll Island Authority, with two separate enterprises (Golf and McCormick's) within the Authority structure. The basic structure of the golf operation is comparable to the vast majority of municipal golf courses nationwide, of which approximately 56% are fully self-operated, 15% are managed by a third party and the remainder are managed by a mix of various lease and/or concession components. The most common concession component is in the food and beverage area, where growing majority of municipal golf courses employ a private F&B vendor via contract.

Staffing

All staff at JIGC (including McCormick's) is employed directly by JIA, with a total of 17 full-time positions and upwards of 24+ additional part-time positions, with some seasonal variation. JIGC had a lengthy period with senior management positions staffed by long-tenured employees, with a Director of Golf for 45 years and the Head Superintendent for 39 years. This has changed within the last six years and the current senior management positions include:

- **Director of Golf (DOG):** The DOG is responsible for the entire golf operation, including pro shops and all golf services. This position is compensated by a salary with benefits plus a lesson commissions. The current DOG possesses a key industry designation of Class A-1 PGA certification.
- **Grounds Superintendent:** Maintenance for all four golf courses is overseen by the GCSAA Class-A Golf Superintendent, who has been with JIGC for less than 2 years. This position is also full-time with benefits. The previous superintendent (2004-2015) was a former long-time assistant to the preceding superintendent (1975-2004), neither of which had a GCSAA certification.

The basic staffing for JIGC includes the positions shown in the table below. Full-time (FT) positions include salary and benefits. There are fewer part-time positions at JIGC, but the PT staff tends to work more hours than is typical in golf, and are more like full-time hourly positions. The NGF estimates a comparative total of 40+/- full-time equivalent (FTE) positions in golf system staffing (includes McCormick's):

Golf Maintenance Positions	Pro Shop / Operations Positions
Grounds Superintendent (FT)	Director of Golf (FT)
Asst. Superintendent (FT)	Head Golf Professional (FT-Vacant)
Irrigation Specialist (FT- 2 positions)	First Assistant Golf Professional (FT)
Spray Technicians (FT – 2 positions)	Second Assistant Golf Professional (FT)
Equip Operators (8 – PT/Seas.)	Golf Shop Supervisor (FT)
<i>Mechanic (FT – 3 positions – in 'Fleet' Dept.)*</i>	Membership Coordinator (PT)
	Staff – pro shop, outside serv., etc. (8 – PT)
Food & Beverage / Concessions	
Food & Beverage Supervisor (FT); Staff - (8 – PT/Seas.)	
*3 Mechanic positions in Fleet department and not in golf maintenance budget	

Staffing Summary

The staffing for JIGC appears to have fewer employees than is “typical” for public golf courses in the U.S., even when part-time employees are considered. There are no industry standards that can be referenced to determine the appropriate staffing levels for a golf operation. The number of staff needed for a particular golf operation depends on several factors, not the least of which is budget considerations. Personnel costs typically represent the largest single expense item in a golf course operation, as is the case for JIGC. The NGF data on public golf operations in 2016 show averages for full-time staffing at 18-hole public golf courses nationwide (table below). This level of staffing represents a reduction from 2009 figures as a result of declining income and the need to reduce expense.

Jekyll Island Golf Club Total Facility Staffing – 2016			
Facility	Operations Staff (FT / PT)*	Maintenance Staff (FT / PT)	Total Staff (FT / PT)
Jekyll Island GC	6.0 / 16	11.0 / 8	17.0 / 24
Avg. per 18-H	1.7 / 4.6	3.1 / 2.3	4.9 / 6.9
Industry “Standards” (per 18 holes)			
Total U.S. Average	3.0 / 24.0	4.0 / 16.0	7.0 / 40.0
* Includes F&B.			

Technology and Systems

JIGC is presently using a new Point-of-Sale (POS) system called Resort-Suite just installed in 2016. Previously, the club was using the *Fore! Reservations* system that is very popular in public golf. The current Resort-Suite system is primarily a resort-based system that has been modified to meet the specific needs of JIGC. This review of the POS and other technology systems at JIGC shows the club is concerned that the new system is lacking in some key features, such as accepting on-line tee times and marketing (tracking customers / data mining). The club uses only two (2) POS stations, which can be a challenge for check-in on busy days. More comprehensive use of the efficient systems already in place with Resort-Suite will help JIGC understand its business better with improved reporting and sales data, while also providing assistance in marketing and customer tracking (more in recommendations section):

- Loyalty program modules
- Customer database segmentation through enhanced reporting
- Direct email-to-the-consumer marketing and integration with social media
- Web site remodeling to become the central focus of the golf marketing

Marketing

Review of the JIGC financial history shows \$41,000 was spent in FY2016 on advertising and promotion, a figure that has been consistent the last few years. In addition, McCormick’s Grill spent about \$12,000 on advertising and promotion in 2016, and this was a significant increase over the +/- \$200 that had been spent in previous years. In addition, the JIA employs a full-time marketing coordinator to advertise and promote the whole Island, including golf. Traditionally, NGF recommends marketing budgets for golf courses of 1-2% of total gross facility revenue, or between \$26,000 and \$52,000 for JIGC in 2016. A review of the marketing initiatives and materials show strong efforts to draw activity to JIGC, through print, mail, web and other efforts. The key areas of focus for increasing activity and revenue at JIGC include:

- **Island Promotion** – The overall JIA marketing program includes three salespeople and \$475,000 in ad buys in 2016. The focus has been on the convention center, hotels and summer family visitors. Other activities from overall JIA marketing:
 - Print Materials - JIA produces a large volume of printed promotional materials to advertise various Jekyll Island activities, including golf (Island Guide, etc.)
 - One-on-one sales to 3rd-party event planners
 - Convention attendee packets
 - Focus is on Atlanta market, plus other southeast regional MSAs
- **Email** – JIGC staff has collected 800+/- email addresses from golfers and is active in using the platform for marketing and advertising events and specials. This is a key “best industry practice” for public golf in 2016 and is very effective.
- **Membership** – JIGC is active in promoting its new membership in the Brunswick area. This activity has been successful in adding over 150 new members to JIGC.
- **Internet** – The website supporting JIGC is a series of pages on the JIA main website www.jekyllisland.com, with the golf courses listed under “activities,” which may make them a little difficult to find. The dedicated golf pages include many key pieces typically associated with successful golf websites, such as fees, member information, special events, tournaments, instruction and McCormick’s Grill. The site also does not include a module for on-line booking of tee times (key for increased sales in 2017 – more in NGF recommendations).
- **Mobile App** – JIGC is experimenting with new mobile apps to allow golfers various services on their smartphones (tee times, info, etc.). The new Yamaha carts also include a mobile app.

Golf Playing Fees

JIGC offers a simple golf fee program, with a set rate for 18-holes, 9-holes and repeat plays. There are also discounts for juniors (age 15 and under) and there is a walking rate (w/o cart). Based on our market review, the fees seem generally appropriate, but JIGC does not offer any segmentation to match peak demand, which is common in public golf. Fees are set for seven days per week with limited afternoon or twilight discounts, which is the convention in this market. There is also no distribution between the courses, which may not be the most ideal given the premium demand for Pine Lakes over the other two courses. We note that staff reported that just after the Pine Lakes renovation in 2002, the club tried a segment program with \$63 fee on Pine Lakes with \$50 on the other two courses. The program did not work and was scrapped within a year. JIGC staff reports recent increases in playing fees from \$45 in 2011 to \$55 in 2015-16 and an increase in October 2016 to \$59 for a premium round with cart.

Jekyll Island Green Fee & Cart Rates				
	18 Hole Courses (IM, PL & O)		9 Hole Course Great Dunes	
	Green Fee	GF+1/2 cart	Green Fee	GF+1/2 cart
18 Holes	\$32.00	\$59.00	\$15.00	\$25.00
Juniors	\$18.00	\$29.00		
Replay 18H		\$25.00		
Replay 9H		\$13.00	\$8.00	\$12.00
2:00 p.m. +	\$20.00	\$39.00		
Driving Range Fees (per token)			\$3.00	

Membership

JIGC offers an annual membership program that entitles holders to pre-paid green fees, unlimited cart rental, unlimited range balls, a Jekyll Island gate pass and 10% discounts in merchandise and McCormick's. The membership sells for \$185/month for a single and \$260/month for a family (annual agreement). The club reports a total of 150 members in late 2016, up from around 90+/- in 2014. The JIGC members are a very active group and comprise a lot of activity in local associations (more later in this section). This membership replaces a "punch card" program (3-month or 6-month) that was in place for many years prior.

This practice is common at municipal golf courses nationwide (NGF research shows 70% of municipal courses still make pre-paid green fee arrangements available). These memberships have been very popular with players as a means of providing inexpensive golf on an annual basis. However, the data clearly shows the strong discount that the club is providing to regular players. Records show 150 members in place in 2016, producing 19,395 rounds and \$247,157 in revenue. This produces an estimated \$12.74 per member round in revenue to the JIGC, including carts, compared to the non-member average golf revenue per round (green + carts) of \$33.58. The resulting rounds and activity from memberships is summarized below:

Jekyll Island GC Membership Pass Analysis				
Memberships	2014	2015	2016	Average
Total Members	92	115	150	119
Member Rounds	14,908	16,193	19,395	16,832
Total Member Revenue	\$201,923	\$223,456	\$247,157	224,179
Avg. Rounds per Member	162.0	140.8	129.3	144
Revenue per Member Round	\$13.54	\$13.80	\$12.74	\$13.32
Non-Member Revenue per Round	\$25.47	\$29.44	\$33.58	\$28.32

JIGC Relationship with Jekyll Island Hotels

Overnight visitation is a key facet of the Jekyll Island experience and it impacts the JIGC operation. The NGF noted 1,059 total hotel lodging units on the Island, plus additional private residences that are put into a rental pool. This segment will impact golf activity at JIGC and is an important factor in JIGC operations. Staff reports that only about 10% of total play is coming from hotels, compared to upwards of 40% of play around the year 2000. JIGC provides a "passport" program to allow discounted rounds to hotels. Review of the JIGC financial history shows the club collected \$182,000 in passport fees in FY2016, hosting about 4,700 rounds (8.1% of rounds on the 18-hole courses) for an average of \$38 per round.

Issues and ideas raised by Hotel operators about why the golf package market has declined and what can be done to enhance activity in this area included:

- Golf package demand has declined, while family vacation demand has increased. As such, hotels are now more focused on family travel.
- The overall condition of the golf courses, clubhouse and amenities (rental clubs) were not good and did not match the quality of newly upgraded hotels.
- Hotel operators noted service issues with F&B and hours of operation.
- Peak seasons do not match – Hotels can sell golf packages in winter, but golf members take up much of the tee times and golf needs support in the summer when hotels are already full with families.

Concession Operations (McCormick's and Pro Shop)

Food and Beverage Operations

The food and beverage operation at JIGC consists of McCormick's Grill, the banquet room and on-course beverage cart service. The Grill is operated by JIA with a separate enterprise account from Golf. McCormick's is a basic snack bar service area with full-liquor bar service, all supported by a wait service staff. The Grill serves golf customers, but has also attracting a considerable non-golf lunch business. Breakfast items include breakfast sandwiches at about \$4.00 with platters at \$6 to \$9. Lunch items include hamburgers and sandwiches all under \$10.00. Overall, this is a full menu operation with pricing that is appropriate for a public golf course in this market area.

JIGC serves breakfast and lunch seven days a week, with hours from 7:30-10:30 (11:00 on WE) for breakfast and 10:30 (11:00 on WE) to 3:00 (4:00 on WE). These hours of operation are a concern for golfers (more in our survey section) and golf staff, as the hours are not fully consistent (sometimes close early) and there are many golfers out on the course well past 4:00 PM. Golf course F&B concessions work best when the hours of operation closely match the hours of operation for the golf course, both in the morning and afternoon. McCormick's provides beverage cart service, but this too is inconsistent, with most service only on weekend and during tournaments.

McCormick's is also responsible for managing the banquet space available in the upstairs are of the clubhouse. The facility offers flexible event space to accommodate groups from 10 to 120 people with rental rates ranging from \$250-\$500, with all revenue to the McCormick's enterprise account. The golf club is just one of many available event spaces on Jekyll Island, including historic spaces, hotels, outdoor pavilions and the golf club. As the condition of the golf clubhouse has deteriorated, the event space at McCormick's Grill has become much less popular, especially when compared to space available at the other venues as noted.

Merchandise Operations

NGF Consulting sees potential and recent growth in the merchandising operation at JIGC. Pro shop sales have increased steadily since 2013, growing from \$280,000 to \$360,000 in just four years (29% increase). The remodeling of the pro shop in 2014 has been a key catalyst in the recent increases, and shows how new investment in improving facilities can lead to improved revenue. Total merchandise revenue per round has grown from around \$4.26 in 2014 to \$5.61 per round in 2016. This is compared to the industry standard of \$2.48 per round for merchandise.

The strong performance in pro shop sales may be reflective of the customer segments that come to Jekyll Island, the selection of logoed merchandise prominently featuring the "Jekyll Island" brand, and the use of pro shop credits in prize activity among golfer clubs. The items that tend to sell best at facilities like the JIGC are the obvious "impulse" items (balls, gloves, hats, towels, socks, etc.), but also logoed merchandise like shirts and outerwear. The Jekyll Island logo is very marketable on shirts and jackets.

The direct cost of merchandise sold has been in the range of the industry "standard" of 70% cost of sales on merchandise, with JIGC recording around 60% in each of the last two years. A key to improving sales may be increasing the volume of outing, event and tournament rounds and doing more to promote key soft items that feature the Jekyll Island logos. However, as the total margin on merchandise is only around 30%-40%, the total net to JIA 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.

Summary of JIGC Concessions

The pro shop and F&B concession operations at JIGC represents approximately 35% of total gross revenue at the facility, a figure which is well above the Industry standard of 27%. A summary of Concessions at JIGC in 2016 is shown below:

Jekyll Island Golf Club Pro Shop / F&B Concession Operations							
Course	Basic Features	2016 Total Gross Revenue	2016 Revenue/ Round	U.S. Std. Rev./ Round*	Direct Cost of Sales	COS % of Revenue	U.S. Std. COS*
Food & Bev.	McCormick's Grill, banquet area and beverage cart	\$563,000	\$8.73	\$6.10*	\$230,500	40.9%	40%
Merchandise	Large and modern retail space with a wide selection of golf merchandise and apparel.	\$362,000	\$0.19	\$2.48*	\$217,200	60.0%	70%
Total System		\$925,000	\$14.33	\$8.58*	\$447,700	48.4%	50%
*U.S. Standard for 18-hole courses.							

Golf Cart Operations

JIGC is operating a fleet of 184 total carts, of which 160 are for the three 18-hole courses and include GPS and a GeoFence (keep golfers away from restricted areas), 20 carts w/o GPS for use at Great Dunes and four utility carts for starters and rangers. The carts are electric-powered Yamaha vehicles that are stored in older cart storage facilities on the Oleander course, not immediately proximate to the clubhouse, thus requiring staff to bring carts to the clubhouse for staging each morning. A brand new cart fleet was delivered to JIGC in October 2016. The total lease for the carts is \$165,000 per year (4 year lease), which equates to about \$900 per cart per year or very well within the industry standard of \$1,000 per cart per year.

The total operating fleet of 160 carts for the three 18-hole courses equates to 53 golf carts per 18 holes, which is below the industry standard of 72 golf carts per 18 holes. However, JIGC does service a lot of walking rounds so the smaller number appears adequate for this operation, especially at the activity level currently produced. If activity were to increase in the coming years, the number of carts may be inadequate to fully serve the club on its busiest days. The cart lease also included two beverage carts, which should be adequate to serve this club given current activity, but typically NGF recommends one beverage cart per 18-hole course.

Driving Range Operations

Driving range operations represent a minor part of JIGC income, with only \$30,900 in income reported for 2016 (\$0.48 per round). The JIGC range is smaller, with a narrow hitting area that leads to a small tee line and does not allow turf to recover fast enough for the next time of use. This may contribute to the generally low range revenue at JIGC. As golfers appreciate good quality turf to hit from, improvement in this area should help range activity and revenue. Driving ranges are important amenities to golf courses for two reasons:

- **Direct Revenue** – Driving ranges are a profit center with low associated costs and realistic revenue levels approaching \$2.00 per round of golf. Total range revenue at JIGC could be as high as \$140,000+ if you apply this industry standard.
- **Indirect Revenue** – The presence of a good range at a golf course can also improve revenue indirectly by improving merchandise and F & B sales (golfers stay longer), and ranges can help attract more rounds of golf, group events and tournaments.

As the driving range segment at JIGC is very small, the NGF recommendations related to range operations center around ways to expand the amenity and improve use and revenue (more in recommendations section), possibly with a new artificial turf tee line. NGF also sees the driving range as a potential catalyst for growing golf activity and developing new golfers that can then consume and support other golf rounds income.

Player Development / Teaching Academy

Cultivating new golfers is not only key to the future of golf, it has also proven to be an immediate generator of revenues for facilities and it is in the JIA's interest to continue to be aggressive in its player development program and maintain activity in key "grow-the-game" initiatives. Player development activity at JIGC is provided by golf professionals staffs who have hosted over 500+ lessons during the last full year. The top two golf management positions at JIGC are staffed by PGA golf professionals who are active in player development programming, camps and lessons for all ages. The club hosts weekly clinics every Wednesday in winter, three summer camps (all were full in 2016) and six golf schools (Rhodes). Despite being a "vacation destination," JIGC is very active in junior golf, with a First Tee program and an active PGA Junior League.

Player development programs at golf courses are important for generating interest in golf and creating new future customers, and thus total revenue derived from the programs is much less important (more in recommendations). Still, the PGA of America has estimated that actively engaging in new player development programs can develop as many as 200 to 350 new golfers per year for a golf course. The PGA goes on to estimate that if each new golfer produced 10 rounds of golf per year, it could add upwards of 2,000 to 3,500 new rounds of golf per facility, or as much as \$50,000 to \$87,500 in new revenue per year at an average of \$25 per round of golfer spending.

Teaching Academy

JIGC has a dedicated teaching academy facility on property adjacent to the driving range, as noted. This 650sf golf training center houses a teaching area for golf that can open to hit directly on the range. The academy is used for both training new golfers and club fitting, which allows the club to sell properly-fitted new equipment to golfers. This amenity is growing in popularity at golf courses nationwide and can be a catalyst to help develop new players and grow golf in Jekyll Island. One avenue of potential growth that can fit with the nature of Jekyll Island is the 2-3-day golf school concept, where golfers come for a "stay-and-play" package that includes lessons and instruction. As this activity grows, the JIA may find that additional staff is needed to properly host golf training sessions and golf schools.

Organized Golf Activities

One of the keys to successful public golf operations and generating green fee revenue is the continued promotion and hosting of group activities such as leagues, outings and tournaments. These activities are a key to maximizing rounds activity at public golf courses and NGF has shown strong correlation between an active calendar of organized events with strong economic performance. These events tend to stimulate activity and encourage repeat play, generating more rounds per golfer than without the event calendar.

Tournaments and Outings

JIGC does emphasize the tournament and outing business, and has developed a specific contract and terms/conditions for hosting tournaments. This venue is particularly appealing for very large events and tournaments as JIGC has three golf courses to accommodate large groups. Also, having the three courses allows for more modest tournaments to be held while still servicing regular golfers.

Records show about 50-60 large tournaments held each year, with some as large as two-day, two-course events hosting over 200 players. The annual Florida-Georgia (*or Georgia-Florida for y'all!*) event hosted 288 players on two courses in 2016, down from a peak of over 570 players on three courses 10 years ago. There are also three major “member” tournament events in the January-March season, including a welcome back event, Member-Member event and a Super Bowl tournament (open to non-members). JIGC recorded 7,200 tournament rounds and \$95,000+ in tournament income in 2016, up from 5,100 rounds and \$82,000 in 2014. JIGC also hosts several 25-30 player outings that are not recorded as tournament rounds.

Leagues

JIGC appears to be a leader in planning, promoting and organizing group activities and leagues, providing a high level of service (scorecards, prizes, etc.) to two primary league participants:

- **Jl Men’s Golf Association (JIMGA)** – 50-65 per week in season (25-30 in summer).
- **Jl Ladies’ Golf Association (JILGA)** – 45-60 per week in season (15-25 in summer).

Other Operational Issues

Other key issues related to the JIGC operation observed by NGF Consulting:

- **Employee Golf** – JIGC hosts a large volume of “comp” rounds with no green fee. The NGF review shows upwards of 8% of total rounds in the last three years were “comp” rounds (11.6% in 2014 alone). The program is primarily for full-time JIA employees who have a full family Amenity Pass and part-time staff with more limited benefits. This program has come under better control in the last few years. NGF finds it appropriate to have this policy, so long as employees play at off-peak times and do not take up what can otherwise be sold as premium rounds at a higher fee.
- **Club Rentals** - One key to increasing the volume of visitor and corporate golf rounds is to have high quality rental golf club sets available, and communicating this fact to potential customers. Many better quality golf courses in tourist markets are showing success by purchasing newer, brand name rental sets and renting them for 1 to 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 the key revenue source for the JIGC is green + cart fees, rental sets can help the facility to sell more rounds and the rental sets are not viewed as a strong profit center.
- **Great Dunes** – The shorter 9-hole Great Dunes Golf Course is the remnants of an older, historic golf course on Jekyll Island. The course is now run through a separate pro shop / kiosk and is not directly tied to the JIGC operation. Although the course does not have a separate line-item in the golf budget for revenue or expense, the rounds at Great Dunes are recorded. As many as 8,000+ rounds are played on the 9-hole course, reaching about 11% of total activity for the JIGC.
- **Putt-Putt** - Although not in the golf enterprise, the putt-putt course generates over \$300,000 in revenue for the JIA and has a profit of over \$100,000 annually. The putt-putt course is proximate to the Great Dunes clubhouse operation and the First Assistant Golf Professional has responsibilities in this area.
- **Signage** - The signage (directional and informational) for JIGC could be improved to help golfers less familiar with the property find the golf club (on and off the Island), and find their way around at the golf course (directional signage and hole markers). Additional signage can help improve access for golfers from various points within the region and for golfers in carts once at the golf course.

SYSTEM-WIDE OPERATIONAL PERFORMANCE

NGF has completed a full review of the performance of the Jekyll Island Authority golf facility. This review is summarized in the paragraphs that follow with comparison to golf industry “Standards and Norms” where appropriate. In summary, it appears that Jekyll Island Golf Club is performing with activity, revenue, and maintenance expenses that are much lower than standard for the total U.S. This is significant given the size of the facility (63 holes) and the level of quality that exists at the facility in 2016-17. The review below covers rounds activity, revenues and operating expenses over the last few years.

Rounds

The tables below show total rounds by type and by month from FY2014 through FY2016. We note that over this timeframe, JIGC has shown a steady decline in rounds of about 3.6% per year (7.1% total over 2 years). Staff reports rounds totals exceeded 125,000 as recently as 2000. In comparison, the total U.S. golf industry has experienced a 9.7% decline in municipal golf course rounds between 2005 and 2010, with a 3% decline from 2010 to 2014, and 2.0% increase from 2014-2016. The total U.S. average rounds (“starts”) per 18 holes now stand at 31,527 for municipal golf courses, **showing that Pine Lakes, Oleander and Indian Mound golf courses are well below the U.S. Standard at between 20,500 and 19,500 per course.**

The table also shows the much lower rounds total for Great Dunes, which is clearly the least popular of the Jekyll Island courses. While rounds total by course is not collected, staff indicates that Pine Lakes is the most popular, followed by Indian Mound, Oleander and then Great Dunes.

Rounds by Type

The data shows that the daily fee rounds are declining while member rounds are increasing. In 2014, daily fee rounds represented 42% of total with members accounting for 21.5%. By 2016, daily fee rounds were 37% and member rounds are 30%, with change in mix occurring as many former daily fee players purchase memberships. The tournament rounds at 9.1% show a strong performance in this area, as the NGF standard for a public golf course is 5.0%. Rounds identified as “Complimentary” are rounds with no green fee charged, and are for JIA employees, JIA retirees and “courtesy” cards used for hotels and marketing. These “comp” rounds account for 8% of total over the last three years, and 11.6% in 2014. The NGF typically sees public golf courses have around 3.0% of rounds as complimentary (mostly for marketing), but we recognize that JIA has a program, for employees.

Jekyll Island Golf Club Total Rounds Played by Type (2014 – 2016)					
	FY14	FY15	FY16	Avg. 14-16	% of total
Daily Fee	29,741	26,906	24,305	26,984	40.3%
Member	14,908	16,193	19,395	16,832	25.1%
Tournament	5,136	6,052	7,189	6,126	9.1%
Passports	4,134	4,383	4,716	4,411	6.6%
Great Dunes	7,499	8,139	6,251	7,296	10.9%
Comp	8,064	5,250	2,672	5,329	8.0%
Total Rounds	69,482	66,923	64,528	66,978	100%
Annual Change		-3.7%	-3.6%		
Total Change (2014-16)			-7.1%		
Source: Jekyll Island Authority					

Rounds by Month

The rounds-by-month data shows the strong seasonality of the JIGC operation. About 29.5% of all rounds occur in the two months of March and April, and almost half of all play (48.4%) is played in the four months between February and May. Strong seasonal golf facilities like this tend to be more challenged economically due to the compaction of rounds and the limited time available to earn necessary revenue. If something happens to limit demand in these periods (bad weather, economic downturn), the course will suffer more than if the demand was spread more evenly around the year.

The monthly review also shows some variation in rounds by type during the year. While February and March are the strongest months for both member and daily fee play, the member play drops off more significantly in the off season and daily fee demand, while less than Feb-Mar, still remains somewhat strong through the summer months and into the fall. This shows some difference in play patterns between the members and daily fee golfers. Complimentary rounds show the highest totals in June and July, indicating that the JIA employees and other “comp” rounds are weighted towards the off-season, which is preferable for JIGC.

Jekyll Island Golf Club Total Rounds Played by Month (2014 – 2016)					
Monthly Total	FY14	FY15	FY16	Avg. 14-16	% of total
July	4,669	4,521	3,956	4,382	6.5%
August	3,927	3,271	3,172	3,457	5.2%
September	3,921	3,603	3,573	3,699	5.5%
October	4,937	4,763	5,016	4,905	7.3%
November	5,711	5,711	4,822	5,415	8.1%
December	4,004	3,569	3,894	3,822	5.7%
January	4,681	5,453	4,673	4,936	7.4%
February	7,228	5,493	6,149	6,290	9.4%
March	10,797	11,422	11,062	11,094	16.6%
April	8,521	8,404	9,016	8,647	12.9%
May	6,893	6,893	5,375	6,387	9.5%
June	4,193	3,820	3,820	3,944	5.9%
Total	69,482	66,923	64,528	66,978	100.0%
	March-April		29.5%		
	Feb - May		48.4%		

Revenue

The tables below show the total revenue derived from all sources at Jekyll Island Golf Club. We note that the facility has seen an increase in revenue in the last few years as average revenue per round has improved. Still, the total revenue of just over \$2.06 million for 3.5 golf courses is well below the industry standard of \$1.1 million per 18 holes, although we note that the \$1.1 million “standard” figure includes food and beverage. When the additional \$563,000 for McCormick’s Grill is included in the total (more analysis later in this report), the total of \$2.625 million is still about \$750,000, or only 75% of the industry standard. In summary, on a per course basis, Jekyll Island GC is operating with revenues well below the average for ‘standard’ courses (between \$30 and \$65 green + cart fee), which shows average total revenue (from all operating sources) to be around \$1.1 million per 18-hole course per year.

Jekyll Island Golf Club
Total Revenue by Category (2013 – 2016)

Revenue	FY2013	FY2014	FY2015	FY2016	Average	Pct. Of Total
Golf Memberships	\$191,477	\$201,923	\$223,456	\$247,157	\$216,003	12.0%
Daily Greens Fees	409,051	431,368	477,368	528,000	461,447	25.6%
Driving Range	23,936	25,242	27,933	30,896	27,002	1.5%
Pull Cart Rental	13,331	14,059	15,558	17,208	15,039	0.8%
Elect. Cart Rental	450,886	475,485	526,190	582,000	508,640	28.2%
Pro Shop Sales	280,448	295,748	327,286	362,000	316,371	17.5%
Golf Cards	140,999	148,691	164,547	182,000	159,059	8.8%
Tournaments	82,120	86,600	95,835	106,000	92,639	5.1%
Other	5,870	6,190	6,850	7,577	6,622	0.4%
Total Revenue	\$1,598,119	\$1,685,306	\$1,865,024	\$2,062,838	\$1,802,822	100.0%
Annual Change		5.5%	10.7%	10.6%		
Total Change 2013-2016					29.1%	

McCormick's Grill Revenue (2013 – 2016)

	FY2013	FY2014	FY2015	FY2016	Average
Total Gross Revenue	\$502,097	\$551,607	\$583,495	\$563,021	\$550,055
Total Combined Gross (for Comparison to Industry)	\$2,100,216	\$2,236,913	\$2,448,519	\$2,625,859	\$2,352,877

Source: Jekyll Island Authority

Average Revenue Analysis

The total facility-wide average revenue per round of golf was \$40.69 in FY2016 (including F&B), higher than the overall golf industry average of \$33.21 per round. The 2016 figure represents an increase of \$8.50 over 2014 (26.4% increase). As total revenue per round at JIGC is above the standard, average golf revenue per round is well below expectations, showing the importance of F&B and merchandise revenue to this golf operation. JIGC earned \$21.30 on golf fees and memberships in 2016, up \$5.14 since 2014 (32% increase). The average for standard public golf courses in the U.S. was \$23.51 for total golf revenue per round (green, cart, membership), plus an additional \$9.70 in ancillary spending for a total of \$33.21 per round. In general, the JIGC is hosting a lower total volume of rounds per 18-holes than the standard, but earning a higher level of per-round income compared to the total U.S. standard.

Jekyll Island Golf Club
Total Average Revenue per Round (2014 – 2016)

	FY2014	FY2015	FY2016	Average	U.S. Industry Standard
Total Rounds	69,482	66,923	64,528	66,978	
Total Revenue per Round (including F&B)	\$32.19	\$36.59	\$40.69	\$35.13	\$33.21
Green/Cart/Pass per Round	\$16.16	\$18.57	\$21.30	\$18.68	\$23.51
Range Revenue per Round	\$0.36	\$0.42	\$0.48	\$0.42	\$0.75
Merchandise Rev per Round	\$4.26	\$4.89	\$5.61	\$4.92	\$2.48
Food & Beverage (McCormick's)	\$7.94	\$8.72	\$8.73	\$8.46	\$6.10

On-Site Operating Expenses

The table below shows the total on-site operating expenses by category since 2013. The table does not include any direct cost of goods sold (not an operating expense). These on-site operating expenses have seen increases in 2013-2015, with reduction in 2016 in effort to bring the system into balance. A key reduction has come in total golf maintenance, although a significant increase was budgeted for FY2017 as noted previously. The overall expenses to operate Jekyll Island Golf Club facilities are lower than expense averages for standard public golf courses in the nation of \$1.03 million per 18 holes (including F&B). By comparison, JIGC is spending approximately \$800,000 per 18 holes, about 80% of the standard.

Jekyll Island Golf Club Total Expenses by Category (2013 – 2016)						
	FY2013	FY2014	FY2015	FY2016	Average	Pct. Of Total
Golf Course Maintenance						
Total Personnel	\$764,952	\$804,672	\$856,413	\$834,378	\$815,104	34.6%
Supplies & materials	456,613	480,323	511,208	498,055	486,550	20.7%
Repairs & Maintenance	86,009	90,475	96,293	93,815	91,648	3.9%
Utilities	52,682	55,417	58,981	57,463	56,136	2.4%
Motor Vehicle	48,123	50,622	53,877	52,491	51,278	2.2%
Other	107,763	113,359	120,648	117,544	114,829	4.9%
Total GC Maintenance	\$1,516,142	\$1,594,868	\$1,697,420	\$1,653,746	\$1,615,544	68.6%
Operating Expenses						
Total Personnel	\$339,392	\$357,015	\$379,972	\$370,195	\$361,643	15.4%
Supplies & materials	15,267	16,060	17,093	16,653	16,268	0.7%
Repairs & Maintenance	11,387	11,979	12,749	12,421	12,134	0.5%
Utilities	69,072	72,659	77,331	75,341	73,601	3.1%
Insurance	62,979	66,249	70,509	68,695	67,108	2.8%
Advertising & Promotion	37,824	39,788	42,347	41,257	40,304	1.7%
Other	158,183	166,396	177,096	172,539	168,553	7.2%
Total Operating	\$694,105	\$730,146	\$777,096	\$757,101	\$739,612	31.4%
Total JIGC Expenses	\$2,210,247	\$2,325,014	\$2,474,516	\$2,410,847	\$2,355,156	100.0%
Annual Change		5.2%	6.4%	-2.6%		
Total Change 2013-2016			9.1%			
McCormick's Grill Expenses (2013 – 2016)						
	FY2013	FY2014	FY2015	FY2016	Average	
Total Expenses	\$333,113	\$333,426	\$392,917	\$391,072	\$362,632	
Total Combined Expense (for Comparison to Industry – excludes COS)	\$2,543,360	\$2,658,440	\$2,867,433	\$2,801,919	\$2,717,788	
Source: Jekyll Island Authority						

Expense by Function

Direct expenses by function are shown below for 2014 (excluding direct cost of sales). The figures show 57.6% of total expenses is for golf course maintenance, which is within the range of industry standards. However, the \$1.65 million in golf maintenance equates to around \$500,000+/- per 18 holes for golf course for maintenance, which is well below the industry standard of between \$650,000 and \$800,000 per 18 holes for maintenance on a regulation 18-hole golf course.

Jekyll Island Golf Club Total Expenses by Function (2016)		
Function	2014	Pct. Of Total
Golf Maintenance	\$1,653,746	59.0%
Golf Operations	\$757,101	27.0%
Food & Beverage	\$391,072	14.0%
Total Expenses	\$2,801,919	100.0%

Personnel Expense

Direct expenses for personnel are the largest for golf facility operations, as is the case with Jekyll Island Authority. The standard threshold for the ratio of personnel expenses to total expenses is between 50% and 60%, excluding cost of sales and inter-departmental charges. For comparison, Jekyll Island GC personnel expenses are at the lower range of this standard, but as NGF has previously noted, the facility appears to be under-staffed, especially in golf maintenance.

Jekyll Island Golf Club (incl. McCormick's) Labor Expense Proportion (2013-2016)						
JIGC Expenses	FY2013	FY2014	FY2015	FY2016	Average	Pct. Of Total
Total Payroll	\$1,302,118	\$1,382,233	\$1,495,072	\$1,456,709	\$1,409,033	51.8%
Total Operations	1,241,242	1,276,207	1,372,361	1,345,210	\$1,308,755	48.2%
Total Expense	\$2,543,360	\$2,658,440	\$2,867,433	\$2,801,919	\$2,717,788	100.0%
Payroll %	51.2%	52.0%	52.1%	52.0%	51.8%	

Food and Beverage Operation (McCormick's Grill)

The food and beverage operation at Jekyll Island GC includes the McCormick's Grill operation, the banquet room and on-course beverage cart service. The JIA is recording McCormick's as a separate accounting center, so the revenue and expense for the F&B is not included in the golf operation. As noted above, the NGF has included the operation into the revenue and expense totals so as to make appropriate industry comparisons.

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. The industry standard for direct cost of sales at golf course F & B operations is around 40%. A summary of the food and beverage revenue and expense performance at JIGC:

McCormick's Grill at Jekyll Island Golf Club Summary of Revenue and Expense (2013 – 2016)					
	2013	2014	2015	2016	2013-16 Avg
Revenue					
Gross Revenue	\$502,097	\$551,607	\$583,495	\$563,021	\$550,055
Total Revenue	\$502,097	\$551,607	\$583,495	\$563,021	\$550,055
Less Cost of Sales: (COS)					
Food/Bev.	\$175,801	\$204,435	\$230,049	\$230,465	\$210,188
COS %	35.0%	37.1%	39.4%	40.9%	38.2%
Gross Margin	\$326,296	\$347,172	\$353,446	\$332,556	\$339,868
Operating Expenses					
Payroll	\$197,774	\$220,546	\$258,687	\$252,136	\$232,286
Supplies & Materials	21,170	22,696	32,794	35,170	27,958
Repairs & Maintenance	50,619	26,815	30,450	23,854	32,935
Utilities	38,176	41,861	46,476	45,255	42,942
Advertising & Promotion	193	16	238	12,353	3,200
Insurance	5,187	6,710	11,199	8,365	7,865
Credit Card Fees	7,555	7,565	8,772	8,457	8,087
Other	12,439	7,217	4,301	5,482	7,360
Total Expenses	\$333,113	\$333,426	\$392,917	\$391,072	\$362,632
Facility Net (EBITDA)	(\$6,817)	\$13,746	(\$39,471)	(\$58,516)	(\$22,765)
Source: Jekyll Island Authority					

Combined Facility Summary and Discussion

The table on the following page shows the full summary of the JIGC golf operation, including McCormick's Grill. A summary of NGF findings related to the revenue and expense performance of the Jekyll Island Golf Club follows below.

Overall Performance

The overall review of JIGC shows total revenue in 2016 of around \$2.626 million, which represents a 25% increase over 2014. The total on-site JIA operating expenses total \$3.25 million (including cost of sales), for a net operating loss of **(\$623,725)** before depreciation or capital improvements. While losses on operations are common in municipal golf nationwide, the depth of this loss is not common and speaks to the depth of the economic problem at JIGC. **At present, all other revenue sources within the JIA (leases, parking fees, summer waves, camping, tours, etc.) are used to support the operation at JIGC and McCormick's Grill.**

Further, the losses are on operations only. The figures reviewed do not include other key items in a golf operation such as reserve for replacement, depreciation or direct JIA expenses in administering the golf / grill operation. In total, the NGF sees both total revenue and total expense being more commensurate with a 36-hole golf operation, as opposed to a 63-hole operation. It is clear that this level of economic performance is not sustainable for the long term and change in performance is going to be necessary to keep this club open and operating. The NGF sees increases in revenue as the best opportunity to improve economic performance, as total expenses on the operation are probably as low as they can be without jeopardizing the integrity of the golf courses and clubhouse.

Performance Summary

Jekyll Island Golf Club/McCormick's Grill Combined Summary of Revenue and Expense (2013 – 2016)					
	2013	2014	2015	2016	2013-16 Avg
Revenue					
Golf Facility Revenue	\$1,598,119	\$1,685,306	\$1,865,024	\$2,062,838	\$1,802,822
McCormick's Revenue	\$502,097	\$551,607	\$583,495	\$563,021	\$550,055
Total Revenue	\$2,100,216	\$2,236,913	\$2,448,519	\$2,625,859	\$2,352,877
Less Cost of Sales: (COS)					
Merchandise	\$162,666	\$135,375	\$219,249	\$217,200	\$183,623
Food/Bev.	\$175,801	\$204,435	\$230,049	\$230,465	\$210,188
Total COS	\$338,467	\$339,810	\$449,298	\$447,665	\$393,810
Gross Margin	\$1,761,749	\$1,897,103	\$1,999,221	\$2,178,194	\$1,959,067
Operating Expenses					
Payroll	\$1,302,118	\$1,382,233	\$1,495,072	\$1,456,709	\$1,409,033
Operating Expense	\$1,241,242	\$1,276,207	\$1,372,361	\$1,345,210	\$1,308,755
Total Expenses	\$2,543,360	\$2,658,440	\$2,867,433	\$2,801,919	\$2,717,788
Facility Net (EBITDA)	(\$781,611)	(\$761,337)	(\$868,212)	(\$623,725)	(\$758,721)
Source: Jekyll Island Authority					

JEKYLL ISLAND AUTHORITY GOLFER SURVEY

NGF's Golfer Survey Program was distributed in November 2016 through January 2017 seeking opinions on the Jekyll Island Golf Club. The survey was web-based and emailed out to customers of the Jekyll Island GC. A total of **437 surveys** were collected by NGF, an amount well in excess of the 250+/- NGF usually requires for statistical accuracy. The survey group was mixed, with 30% identifying themselves as JIGC members or guest of member, 18% as "local residents," 29% as hotel guest/golf vacation package/business meeting, and 23% as "other." There were only three (3) surveys filled out by JIA employees (included as other).

This survey is not intended to be a scientific study of Jekyll Island GC golfers. Rather, the NGF is viewing a small sample of golfers who use JIGC to get a general opinion on some of the factors in this golf operation. The NGF survey is used by hundreds of courses across the country, allowing us to compare results from JIGC with other similarly priced courses nationwide (except for custom questions). The survey for JIGC shows the variety of customers who use the facility, as play is divided between two major groups – regular play customers (local residents and members) who use the course frequently and transient visitors (hotel guests) who play only one or two rounds.

It is also important to remember that the survey is from golfers *that currently play Jekyll Island GC*. So these are the golfers who are *happiest* with the courses and their ratings are generally going to be more favorable than golfers who may have played the courses in the past but stopped playing. A copy of the survey instrument is displayed in **Appendix C** to this report, with general findings shown below:

Jekyll Island Golf Club Satisfaction Scores

Jekyll Island Golf Club Satisfaction Measures						
Number of Responses			437			
	Regular Players (n=211)		Hotel / Visitors (n=126)		All Golfers (n=437)	
Factors	Raw Score	Pct.*	Raw Score	Pct.*	Raw Score	Pct.*
Overall Customer Satisfaction	8.1	55	7.5	53	7.9	55
Satisfaction Compared to Expectations	8.3	86	7.7	48	8.1	75
Satisfaction Compared to Other Courses	8.4	81	7.6	45	8.1	74
Likelihood to Recommend	8.8	88	7.9	43	8.5	74
* 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.						

Jekyll Island Golf Club Satisfaction Factors						
	Regular Players (n=211)		Hotel / Visitors (n=126)		All Golfers (n=437)	
Factors	Raw Score	Pct.*	Raw Score	Pct.*	Raw Score	Pct.*
Overall Value	8.6	94	7.8	55	8.4	84
Overall Course Conditions	8.1	63	6.9	13	7.7	39
Pace of Play	7.8	90	7.5	75	7.8	88
Friendliness/Helpfulness of Staff	9.2	98	8.5	64	8.9	90
Golf Course Design/Layout	8.7	80	8.2	42	8.6	70
Convenience of Course Location	9.2	98	8.2	51	8.9	87
Tee Time Availability	8.7	96	8.0	50	8.5	80
Condition of Greens	8.0	62	6.5	6	7.5	33
Scenery / Aesthetics of Course	9.1	91	8.7	71	9.0	80
Condition of Golf Cars	9.3	99	9.4	87	8.9	94
Amenities (clubhouse, pro shop, etc.)	6.7	20	6.1	7	6.7	16
Food & Beverage Service	5.8	2	6.1	3	6.2	3
On-Course Svcs. (restrooms, drinking)	6.8	20	6.4	10	6.7	20
Overall Experience	8.6	85	7.8	27	8.4	74
Affordability	8.5	95	8.1	81	8.3	91
Condition of Tees	7.7	51	6.6	5	7.4	31
Condition of Bunkers	6.9	48	6.2	20	6.8	44
Condition of Fairways	7.8	40	6.8	9	7.5	28
Overall Quality of Practice Facility	7.9	72	6.8	27	7.6	60
Overall Quality of Golf Shop	8.5	93	7.6	61	8.2	80
Overall Quality of Golf Shop Apparel	8.5	99	7.5	68	8.1	82
Overall Quality of Golf Shop Merchandise	8.4	98	7.5	66	8.1	81
* 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

- Overall satisfaction with the JIGC is close to the middle when compared to a competitive set. Regular players tend to be much more satisfied with the JIGC than the transient visitors. The condition of facilities (both course and clubhouse) rated lower than standard among both groups, with the clubhouse condition standing out as very poor. The site, golf shop, golf carts and staff rated higher than the standard among both groups. The food and beverage service was rated particularly low in both survey sub-groups.
- Competition:** The survey indicated that JIGC has many competitors, with golfers noting the Golf Club at Sanctuary Cove (18% mentioned as “another course they play”), Heritage Oaks GC (12%) and Sea Palms Resort (11%) as the most often played other golf courses. Again, the two survey sub-groups showed differing opinions, with local players and members noting the three courses above plus King & Prince GC and Brunswick CC as the most played other courses, while transient golfers noted GC at Amelia Island, Fernandina Beach GC, Sea Island and Sapelo Hammock as competition.

- The profile of the Jekyll Island GC golfer is predominantly male and generally older than the national benchmarks of 85% male and 60% over 50. A review of the JIGC customers with regular players (local residents and members) and hotel guests shown separately, along with the full survey group is displayed below. The demographics are slightly different between the two groups, with regular play customers being older with a larger female share, while younger and less frequent players are among the hotel group.

Jekyll Island Golf Club Customer Profile			
	Regular Players (n=211)	Hotel / Visitors (n=126)	All Golfers (n=437)
Percent Male/Female	71% / 29%	91% / 9%	77% / 23%
Age			
Percent Age 50+	95%	77%	89%
Percent Age 60+	81%	53%	71%
Percent Age 70+	43%	27%	38%
Activity			
Only 1-7 Rounds at JIGC	15%	75%	38%
More than 25+ rounds at JIGC	69%	3%	42%
More than 50+ rounds at JIGC	46%	0.5%	24%

- Customer Origin** – JIGC draws customers from all over the U.S. and Canada. Zip codes collected as part of this survey show a local cluster in the 31527, 31522, 31525, 31523 and 31520 zip codes (30% of all golfers). In addition, zip codes were collected from all over the country, with minor clusters in New York, Massachusetts, Connecticut, Ontario and Quebec. JIGC also draws from the Midwest U.S. (Illinois and Indiana) and the west with golfers from Oregon, Nevada and California completing surveys.

General Open-Ended Comments

- In review of the general open-ended comments survey respondents made about **what they like most about Jekyll Island Golf Club**, the NGF noted several key themes that were common, including:

Regular Play Golfers

- The variety of three different courses
- Appealing golf layouts with scenery and no homes on course
- Reasonably priced
- Easy to walk
- Great service and friendly staff

Infrequent Hotel Players

- Great scenery and aesthetics / by the water
- Challenging golf courses
- Natural setting
- History and tradition
- Close / convenient to hotel / lodging

6. In review of the general open-ended comments survey respondents made about **what needed improvement at Jekyll Island Golf Club**, the NGF noted many more comments with a variety of topics, the most common included:

Regular Play Golfers

- Improve clubhouse condition
- Improve golf course conditions overall / attention to detail
- Improve F & B service
- Expand F & B hours of operation
- Improve driving range tee area
- Reduce membership fees

Infrequent Hotel Players

- Improve golf course conditions, especially greens and tees
- Improve clubhouse condition, especially restrooms
- Improve signage on the Island and at the course
- Improve the restaurant quality and service
- Provide a shorter course with shorter tees

Custom Questions – Jekyll Island Authority

1. When asked to rate the clubhouse at JIGC, approximately 36% of all golfers rated the facility as bad or very bad, while only 4% rated it as excellent. There was not much difference on this question between the regular players and transients, as both groups tended to be negative about the JIGC clubhouse.
2. When asked to rate the food and beverage service at JIGC, approximately 39% of all golfers rated the facility as bad or very bad, while only 9% rated it as excellent. There was also not much difference between the regular players and transients.
3. When asked if golfers would utilize Jekyll Island GC more often if the main driving range was expanded and upgraded, 23% of respondents indicated they would use the course more often and 58% said they would not. There was very little difference between the two main sub-groups in the survey, but regular players (locals / members) tended to be more supportive of driving range improvements.
4. Approximately 62% of respondents indicated that they would host a golf tournament at Jekyll Island GC, while 38% indicated that they would not. Among those saying “no” the most common reasons noted were the limited size of the clubhouse, the condition of the clubhouse and the lack of confidence in McCormick’s Grill.
5. When asked about the golfers’ experience in booking tee times, most all golfers were satisfied that they never have an issue getting the time they want (69%), or only sometimes have trouble getting a preferred time (30%). Almost no one (only 1%) indicated any difficulty in getting tee times.
6. When asked about which of the JIGC golf courses were their favorite and least favorite, there was a slight mix between the regular players and transient golfers. Overall, Pine Lakes is the favorite course (37%), followed by Oleander (36%), Indian Mound (16%) and Great Dunes (11%). The least favorite course was Great Dunes (38%), Oleander (35%), Indian Mound (14%) and Pine Lakes (13%). We note that Oleander ranks second on both lists, mostly due to a large number of regular players noting it as their favorite and the transient golfers noting it as their least of second least favorite.

7. When asked specifically about the Great Dunes course, the survey group was somewhat consistent in their view that the course should be improved in some fashion (over 80% noted this). Only 6% of respondents indicated the course should be closed. There was a lot of comment (mostly from transients) about not being familiar with the course or knowing that it existed, and/or its history. There was much comment about improving Great Dunes and making the course a more significant part of the JIGC experience.

Key Survey Takeaways

In reviewing the results of the NGF golfer survey completed in the winter season 2016-17, the NGF has noted several key takeaways to share with the JIA leadership. Our summary of findings shows:

1. The JIGC has two very distinct primary user groups:
 - A transient user group of infrequent visitors, hotel guests and meeting attendees. These golfers are seeking a much higher quality round of golf than what is provided by the club and are probably willing to pay more to see that level of service.
 - A regular-play user group made up of local residents and/or club members. These golfers are using JIGC as their local “municipal” golf course, and generally oppose improved conditions if it will lead to higher fees. This group appears resistant to change and is primarily seeking to maintain an affordable public golf setting.
2. All user groups are concerned about the condition of the clubhouse and the quality of F&B service. These areas of the JIGC golf operation are rated very low, and are in all likelihood negatively impacting the overall revenue potential of the facility.
3. The overall condition of the golf course playing area seems to be improving, as many regular play golfers noted in their comments. Still, the ratings on golf course conditions were below industry standards and were especially low from the transient group. As golf course condition is a key factor in the overall service provided, it is expected that improvement in this area will lead to improved rounds and revenue performance at JIGC.
4. The JIGC has a national (and international) presence in the golf traveler market. This course draws patrons from all over the U.S. and this survey suggests that if the property was enhanced and marketed better, the golf traveler would come and utilize the facility, thus leading to improved rounds and revenue performance at JIGC.
5. The numerous hotels and lodging components on Jekyll Island represent a significant market opportunity for the Jekyll Island GC. The total volume of visitation to Jekyll Island provides a wealth of potential golfers coming to the Island, many of which would participate in golf if the facility were to be enhanced.
6. The survey results clearly suggest that the overall physical plant of Jekyll Island GC needs to be enhanced, at least to a level comparable to industry standards, if not to a high level comparable to nearby high-end resorts. As the level of personal service provided and scenery/aesthetics are already strong, the key piece for improvement in performance at JIGC will be the improvement of facility conditions, both in the clubhouse and on the golf course.

SUMMARY – JEKYLL ISLAND GOLF CLUB

Jekyll Island GC is well located in the center of Jekyll Island, proximate to key Island attractions and reasonably close to major roadways such as I-95 and US Highway 17. With three golf courses, JIGC can provide service to a wide range of golf customers by providing a variety of golf layouts, but the club is having difficulty filling up all three 18-hole courses. The clubhouse facility is small given the number of golf courses it serves, and is in declining condition due to age and deferred maintenance. Other findings from NGF's review of Jekyll Island GC:

- JIGC offers a mix of amenities that is marketable in the local area. However, it is clear that the overall condition of the golf facility is declining, due in part to age and inadequate maintenance budget. Each of the four golf courses offers a unique playing experience, although the newest course – Pine Lakes – is the most popular of the courses.
- The overall condition of the golf club does not match the other amenities and services available on Jekyll Island, such as the new convention center and newer hotels. As the Island has improved dramatically over the last 10 years, the golf club has not changed and now some level of renovation/ upgrade will be required for both the golf course and clubhouse in the next few years. NGF has estimated a total of \$1.4 to \$1.7 million in improvements over the next few years, possibly increasing to \$14 million if a full renovation and new clubhouse is considered. This investment will also include upwards of \$170,000+/- in annual recurring items.
- JIGC has three different 18-hole courses and the historic 9-hole Great Dunes course. Each of these courses is offering a different golf experience and a variety of challenges to the operation. The oldest 18-hole course, Oleander, is especially challenging in that it sits too low, is prone to flooding, has antiquated irrigation and is less popular among golfers, especially non-regular, transient golfers.
- The JIGC clubhouse is in poor condition with deficiencies noted in restrooms, fixtures, flooring, windows, furniture and overall presentation. The JIA will find that the JIGC would benefit from some short-term investment in clubhouse upgrades, even if the facility is to undergo a more comprehensive renovation or replacement in the longer term.
- The total of 63 holes is a lot of golf to maintain and manage effectively. Coupled with the market analysis findings, the JIA may find that some reduction in golf holes at the JIGC would make the remaining operation more manageable and more appealing and attractive to golfers, especially non-regular transient golfers.
- The NGF finds the JIGC to be well-run, with strong and competent management and staff. The NGF does not believe the facility is being mismanaged in any way, and uncontrollable factors such as increased competition, changes in the economy and declining demand for golf are more impactful to this operation than its management. The recent change to a professionally-accredited new golf superintendent appears to be working well for the facility. Considering the smaller maintenance budget, the NGF is impressed with the quality that is offered at JIGC.
- The JIGC would benefit from improvements to marketing and promotion of the facility. JIGC has a wide reach as shown in the NGF golfer survey that had respondents from as far away as California and Canada. However, the NGF agrees that extensive marketing and promotion should be deferred until the overall product is improved satisfactorily. It would be a mistake to promote the golf club in its current condition and risk alienating new customers who could potentially become regular visitors to the Island and the golf club.

- The playing fees and concession prices at JIGC are generally appropriate for the market and the overall quality of the facility offering. NGF review of the recent fee history at JIGC shows increases in the last few years, but little variance for time of year, day of week, time of day or golf course played. Later in this report, the NGF will propose ideas to better segment golf fees to match demand, possibly increasing some golf fees but also lowering other golf fees.
- JIGC produces strong ancillary revenue in merchandise and F&B. The strong merchandise revenue is a reflection of changes and investment made previously to improve the pro shop, showing the JIA that improvements can lead to enhanced revenue. The revenue from McCormick's is higher than standard despite rating very low in NGF's golfer survey. The grill does a lot of non-golf business and banquets helping to enhance revenue above and beyond the service of golfers.
- The total on-site JIA operating loss was **(\$623,725)** in 2016, before depreciation or capital improvements. While losses on operations are common in municipal golf, the depth of this loss is less common. **At present, all other revenue sources within the JIA (leases, parking fees, summer waves, camping, tours, etc.) are used to support the operation at JIGC and McCormick's Grill.** It is clear that this level of economic performance is not sustainable for the long term and change in performance is going to be necessary to keep this club open and operating.
- The operating metrics for JIGC are generally lower than industry norms, showing the challenges in this operation. A summary of key metrics with comparison to JIGC:

Matrix of Key Operating Metrics Jekyll Island Golf Club (2016)			
Metric	JIGC in 2016	Industry Target	NGF Comments
Rounds per 18 Holes*	19,425*	31,527	Total rounds are well below the standard. This is especially concerning given the Georgia climate. Activity is also highly seasonal, with 50% of play coming in the 4-month winter season.
Total Facility Revenue /18H**	\$750,200	\$1,000,000	Revenue is much lower than standard, but GD is counted as a 0.5 golf course, affecting the estimate. NGF still expects this to be lower than standard even if GD is excluded from the calculation.
Total Facility Expense/18H**	\$800,600	\$1,000,000	Expenses well below standard.
Golf Maintenance Expense/18H	\$472,500	At least \$650,000	Maintenance expenses are well below standard and this is impacting golf course condition. In addition, staff is dealing with sub-standard irrigation on 2.5 courses which is impacting staff time and reducing other needed maintenance activities.
Total Facility Revenue/Round	\$40.69	\$33.21	Total revenue per round is above standard, mostly a reflection of enhanced ancillary revenue from merchandise and F & B.
Golf Revenue/Round	\$21.30	\$23.51	Golf revenue per round is below the standard, mostly a reflection of a high volume of member rounds at \$13+/- per round and comp rounds (8% of play). An increase in daily fee rounds will help to improve this number and improve overall revenue.
F&B Revenue/Round	\$8.73	\$6.10	F&B revenue is higher than standard despite rating very low in NGF's golfer survey. The grill does a lot of non-golf business and banquets helping to skew this figure away from the industry norm.
Golf Revenue/Round % of Peak Fee	38%	65%	JIGC is offering too many discounts and comp rounds, which is affecting the realized average rate per round
Merchandise Revenue/Round	\$5.61	\$2.48	The recent renovation of the golf pro shop has improved performance. The high quality shop and high quality merchandise selection has led to improved sales, now higher than the standard.
*Rounds for Pine Lakes, Oleander and Indian Mound only. **Includes McCormick's Grill + expenses exclude COS.			

NGF Recommendations for the Jekyll Island GC and Jekyll Island Authority

Based on our evaluation of the Jekyll Island GC, as well as our operations review and market analysis, NGF has formulated recommendations that the JIA can implement to enhance or supplement its existing business and marketing plan for its golf courses. The goal of this phase of the study was to help the Authority identify the physical configuration and operating structure that will maximize the activity to capacity ratio and net revenues for the golf club, while maintaining or enhancing the golfer experience at the Jekyll Island GC. Many of NGF Consulting's recommendations involve the implementation of "industry best practices" that can be employed by the Authority at this golf facility.

The NGF recommendations for Jekyll Island Authority include: (1) considerations on operating structure of the system; (2) changes and/or improvements that could be made to the physical plant so as to best match demand and supply; and (3) specific ideas for improving the operation, growing the game and thus rounds and revenues within the system.

NGF OBSERVATIONS ON JEKYLL ISLAND GOLF CLUB

The NGF team offers a quick summary review of the most important findings and observations on the Jekyll Island GC that form the basis for NGF recommendations:

- The Jekyll Island GC offers a mix of amenities that is consistent with successful golf facilities, but is not in ideal physical condition in 2016. Each of the golf courses offers a unique playing experience, although the newest course – Pine Lakes – is the most popular of the courses. The facility hosts a combination of regular-play, value-conscious golfers plus supplemental support from tourist patrons who are mostly seeking a higher quality golf experience than is being offered at JIGC.
- Data shows a facility that has experienced a significant recent decline in rounds, with only 19,000 rounds per 18-holes hosted at JIGC in 2016. A decline in rounds is consistent with national trends, and has been exacerbated at JIGC due to a recent recession, increased competition, declining interest in golf, a change in focus for Island visitation and the deteriorating condition of JIGC compared to its direct competitors.
- The club is earning low average revenue-per-round on golf, with an estimated \$21.30 earned per round in membership, green fees and carts. This figure is about 38% of the stated rack green fee rate (\$55 in 2016), compared to a national success target of 65% for public golf courses. However, the club is earning stronger-than-average ancillary revenue per round (merchandise, F & B).
- The recent upgrades to other amenities on Jekyll Island provide an opportunity to complete golf club improvements so as to better match other Island services.
- The JIGC maintenance budget is too low to cover all needed items, especially when considering the aging infrastructure in place at JIGC, where irrigation and other systems are 40+ years old. The NGF finds the \$1.78 million golf maintenance budget is better suited for a 45-hole facility than a 63-hole facility.
- The external market environment is not favorable for strong economic performance of golf facilities. The basic ratio of golfers to golf courses is unfavorable and this is reflected in rounds activity at JIGC. The JIA may find that the full 63-holes of golf at JIGC are not market supportable for the long term.

BASIC OVERSIGHT AND STRUCTURE

Jekyll Island Authority has chosen to operate its golf facility in-house, with the golf club and grill staff employed by JIA and direct oversight by the JIA Executive Director. This form of “self-operation” is still the most common form of structure in public sector (municipal) golf operations nationwide, although there is a growing trend towards privatization, especially in food and beverage service. As another form of operation could be considered by the Authority, NGF has prepared a review of options that are available to JIA should it decide to alter the operation. Management contracts, operating leases, and concession agreements are the most commonly used terms to describe a contract between a golf course owner and a private operator. A general discussion of the common structures, along with advantages and disadvantages, is presented.

Structure Options

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

1. **Self-Operation.** This is the “status-quo” option. A key challenge in this option is finding and retaining qualified personnel, especially in key management positions such as manager and superintendent. The NGF review shows this has been an issue in previous years with almost 40+ years of a superintendent retained without the industry-preferred “GCSAA Class-A” designation. The key advantage to this structure is direct Authority control of the operation for maximum benefit to the Community, while the disadvantage is mostly economic, as the JIA must absorb the risks associated with low revenue and rising expenses.
2. **Concession Agreements:** These are similar to lease agreements and can come in several types or combinations. The advantage is shifting some risk and payroll to a private entity. The key areas of operation include Pro Shop, Food and Beverage, and/or Maintenance, and involve JIA contracting for one, some, or all of these services. One subset of this concept includes multiple concessions, a system in which JIA creates multiple contract agreements with separate entities for each facet of the operation. The most common concession agreements for municipal golf include:
 - a) **Contract for Food / Beverage Services** involves direct JIA control of golf management and maintenance while contracting F & B operations.
 - b) **Contract for Maintenance and Food / Beverage Services** involves direct JIA control of the pro shop function, while contracting with a private entity to provide golf course maintenance and food / beverage services.
 - c) **Multiple Concessions** involves creating multiple agreements for separate entities for each facet of the golf operation (pro shop, F&B, and maintenance).
3. **Full-Service Management Contract.** Hire a management company to operate all aspects of Jekyll Island GC. The JIA would continue to earn all revenues, be responsible for all expenses and pay a management fee to an operator. Some advantages to this strategy are a shifting of labor expense from a public to a private structure, and the expected benefit of professional management, including access to purchasing and marketing programs. The main disadvantages are some loss of JIA control and the fixed fee for service, regardless of yearly variations in performance.

4. **Hybrid Contract.** A hybrid contract combines some of the advantages of a lease with those of a management contract. The most common difference from the management contract is that a variable management fee is included, allowing the operator and JIA to share in the risk of the operation. Advantages are similar to the management contract with a shifting of payroll, adding expertise, but reducing some JIA control of the operation.
5. **Operating Lease(s).** The JIA could lease the golf facility to a private operator in exchange for an annual (or monthly / quarterly) lease payment. The lease could be established to include certain requirements, including capital investment in facility improvements, maintenance standards and/or restrictions on green fees. The advantage of this option is a total privatization of the golf operation, assuming a lease partner can be found, and the theoretical shifting of economic risk away from JIA and onto the private operator. The key disadvantage is the nearly complete loss of JIA control on not just the operation, but likely policies, procedures and fees as well.

Structure Considerations

The NGF review of the various operational considerations for Jekyll Island Authority golf leads to a few key findings on several options. In consideration of the options presented, we note:

- **Full-Service Management Contract or Hybrid.** The NGF review shows this option has appeal, but would be very difficult to implement in the near-term given uncertainties about the future of the physical plant of JIGC (more below). This option could also allow JIA to obtain golf management expertise through payment of a fixed annual management fee, but NGF did not find deficiencies in this area under its current structure. A key consideration in either the management agreement or hybrid is the fixed portion of any management fee that will be required whether the new private management partner can improve revenues and/or expenses enough to cover any new fixed expense to JIA (new management must cover its cost).
- **Traditional Concession.** This option will likely produce too many “working parts” that require attention and shift the Authority from managing golf courses to managing multiple contracts. The JIA will likely still be responsible for capital expenditures and thus the Self-Operation alternative would be more appropriate. Any form of concession is not likely to bring the JIGC into a more favorable economic position than it is at present.
- **Lease.** An outright lease of the facility would be an attractive option if JIA’s objectives in municipal golf were purely financial, and if a suitable partner could be found that would be willing to take on all operational risk. However, NGF notes that if the JIA opts to pursue a lease agreement for the golf course, it should be pursued only if the new lease partner will bring capital to the agreement and complete some (or all) of the upgrades identified by NGF.

NGF Recommendation

In light of operational and physical recommendations that NGF believes will improve the economic performance of the golf facility, the JIA is likely to find that continued self-operation (as-is) is the most viable operating structure, at least for the short term. Jekyll Island GC is in need of physical upgrade in order to increase its revenue potential, and changing management or operations while this is being planned or underway would not be ideal.

The NGF team recommends that Jekyll Island Authority continue with its self-operation (with modifications) as the best option for the short and intermediate term as golf club improvements are contemplated and enacted. This structure will offer JIA the greatest chance for success in the operation and provide a level of hands-on control so as to maximize the implementation of the physical and program changes that will be required for the JIA to succeed in golf. The key modifications to the JIA golf operation oversight include:

- Begin planning for the funding of needed capital improvements at JIGC, including enhancements to Oleander (and possibly Indian Mound) golf courses, improved clubhouse conditions and improved practice amenities (among other items). Consider renovation of the property to accommodate new amenities, possibly even considering the reduction from 63 to 45 holes under one of two options and retaining Great Dunes.
- After renovation, improve the marketing, focusing on improved attraction of non-local (tourist) golfers, a large portion of which can be done through the JIA marketing program and in conjunction with Island hotel and lodging properties.
- Increase the golf maintenance staff by at least one additional FTE (2,000 hours), either with additional full-time or part-time staff, to help improve golf conditions.

PHYSICAL UPGRADE RECOMMENDATIONS

Previously, the NGF team identified deficiencies in the physical condition and amenities offered at Jekyll Island GC. This included identification of both on-going deficiencies and deferred capital expenditures. As the goal of the NGF review is to help JIA improve the economic condition of the golf club, improving the facilities will be high on the list of needed changes at JIGC and should not be ignored or postponed for too long. We also note that some of the recommendations are interdependent with each other and thus should be coordinated as part of a master plan (i.e. repair Oleander / Indian Mound or complete a full renovation of these courses).

The NGF has also considered more substantial changes to the physical plant at Jekyll Island GC in consideration of key findings noted above, most importantly the reality that 63 holes of golf may not be market supportable for the long term at this location. In recommending changes to the physical plant at Jekyll Island Golf Club, NGF has divided our suggestions into three considerations: (1) base improvements that should be completed regardless of any “big picture” changes; (2) annual recurring items that should be adjusted to improve on-going maintenance; and (3) an alternative program to reduce the number of golf holes at Jekyll Island GC.

NGF Physical Improvement Recommendations – Base Improvements

The base improvements identified by NGF for Jekyll Island GC were divided into base level improvements, annual recurring items and other more comprehensive renovation of the golf courses and clubhouse. A key decision in the improvement plan is whether the JIA will continue to operate 63 holes of golf, or reduce the facility to 45 holes. The costs of these considerations are summarized in the table below:

Jekyll Island Golf Club NGF Recommended Upgrades – by Type		
Initial Capital Investments	Low Estimate	High Estimate
Clubhouse Fix-Up	\$200,000	\$250,000
New Artificial Tee Line for Range	75,000	85,000
Turf Enhancement	150,000	200,000
Greens Resurfacing (Oleander + Indian Mound)	450,000	540,000
Oleander Drainage Upgrade	200,000	240,000
Basic Irrigation Improvements/Repairs	125,000	150,000
Cart Path Improvements	100,000	125,000
Great Dunes Enhancement	100,000	120,000
Total of Base Level Improvements	\$1,400,000	\$1,710,000
Recurring Annual Items	Recommended Annual Budget Increase	
Staff Enhancement	\$50,000	
Tree Trimming	\$15,000	
Tee Boxes	\$20,000	
Bunker Program	\$10,000	
Other Maintenance Items	\$75,000	
Total of Annual Recurring Items	\$170,000	
Large-Scale Capital Enhancement	Low Estimate	High Estimate
Full Clubhouse Renovation or New Clubhouse	\$800,000	\$3,600,000
Full Oleander Renovation	\$4,000,000	\$6,000,000
Full Indian Mound Renovation (Optional)	\$2,000,000	\$4,000,000
Total of Large-Scale Renovation	\$6,800,000	\$13,600,000
All figures are NGF Consulting estimates based on architect's input and other similar projects completed in the last 3 years that have been provided to allow for preliminary planning. These amounts may or may not reflect actual costs for Jekyll Island GC, and the JIA should engage appropriate research to cost out specific projects.		

Project Sequencing Recommendation (FY2017-2021)

The NGF has presented two options for the JIA to consider in completing the necessary golf facility improvements:

1. Complete **basic improvements** / repairs to the golf course for \$1.4 to \$1.7 million. If selected, these items should be completed immediately.
2. Undertake a **more comprehensive renovation** of the JIGC, with significant upgrades to the Oleander course (and possibly Indian Mound course), and a fully renovated (or new) clubhouse. The estimated cost of this program could be as high as \$13.6 million and take several years to implement in phases (Years not necessarily consecutive).

If the JIA decides on the second option of a comprehensive club renovation, the project would have to be implemented in phases, with each new project following on completion of a previous project. This sequencing program will also allow the JIA to review the size of the JIGC by providing opportunity after Phase II to see if the facility works with 45 holes, or if the full 63-hole facility is truly needed. The NGF–recommended sequence of the proposed upgrade program is detailed as followed in the review of Phases I – V:

Phase I

These are items that can be undertaken immediately, and include:

- Complete a base repair of the existing clubhouse.
- Basic repairs to the Great Dunes GC.
- Add a new artificial tee-line to the driving range.
- Make final determination if Oleander GC is suitable for renovation and clear all environmental concerns.
- Prepare of golf course design/renovation plans for Oleander and Indian Mound.
- The total cost in this phase would be \$455,000, plus additional expense for environmental studies and/or design / renovation plans.

Phase II

The items for completion Phase II include:

- Close Oleander course for renovation and operate on two courses – Indian Mound and Pine Lakes (plus Great Dunes) for the full year.
- Evaluate capacities and operational issues of having 45 holes available for play
- Make final determination of number of holes to be included in final JIGC design.

Phase III

Phase III will have two options – to continue with 63 total holes or reduce to 45 holes. This phase should include a review of all pricing and establish segmented pricing between the three (or two) 18-hole course. A review of the Phase and activities in FY2019:

Option A

- Re-open Oleander.
- Close Indian Mound for renovation and operate on two courses – Oleander and Pine Lakes (plus Great Dunes) for the full year.

Option B

- Re-open Oleander.
- Complete a redesign of Pine Lakes and Indian Mound into one single premier 18-hole golf course, with the best 18 holes of par-72 and holes #1, #9, #10 and #18 proximate to the clubhouse and staging area. It is expected that most holes and irrigation pump station would come from Pine Lakes, as this course has the newest infrastructure.

Phase IV-V

Items for completion in Phase IV include.

- Re-open Pine Lakes/Indian Mound as one or two courses north of Cpt. Wyllly Rd.
- Close the clubhouse for renovation or replacement
- Re-open the clubhouse in FY2021 and operate with two or three 18-hole courses.
- The entire 63- or 45-hole JHIGC will be fully renovated to match the quality of other amenities on Jekyll Island

Summary of Phases (FY2017 - 2021)

A summary of the above-noted enhancement program is shown in the tables below. Following our summary of other operational recommendations the NGF will present the financial model to show the implications of this sequencing on activity and economic performance for both the golf course and McCormick's operations.

Jekyll Island GC Projected Timeline of Improvements						
Schedule of Action Step Phases	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Phase I: Fix CH & GD; new range tee; design planning						
Phase II: Renovate Oleander; operate on IM & PL; evaluate capacities						
Phase III: Re-open Oleander and:						
Option A – Renovate Indian Mound or						
OR						
Option B – Combine IM + PL into one 18-hole course						
Phase IV: close clubhouse for renovation or replacement						
Phase V: Operate on a 45- or 63-hole course w/new clubhouse						

Jekyll Island GC Schedule of Physical Improvements						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Projects	CH fix, GD fix, range, design, environmental	Renovate O, evaluate capacities	IM/PL Renovation	Clubhouse renovation	Full Operation	
Facility Status	O, PL, IM, GD, CH open as-is	O closed for renovation. PL, IM, GD, CH open as-is	IM closed for renovation*. PL, O, GD, CH open as-is	CH closed for renovation. PL, IM, GD, O open as-is	TBD – if 45 or 63 holes	
Jekyll Island GC Summary of Annual Investment (Year 1-6)						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Annual Investment	\$455,000	\$6,000,000	\$4,000,000*	\$3,600,000	TBD	\$14,055,000
*Assumes full renovation of Indian Mound. Key: CH = clubhouse; O = Oleander; IM = Indian Mound; PL = Pine Lakes; GD = Great Dunes						

BASIC OPERATIONAL RECOMMENDATIONS

Additional recommendations regarding basic operations at Jekyll Island GC include ideas for improving technology capabilities, upgrading the marketing, improving the appeal of golf to less traditional segments, food and beverage operations, and other general operating ideas to help stimulate new activity.

Recommendations to Better Employ Technology

Technology is one of the most important tools available to a golf course management team to create incremental revenue, and proper deployment of technology is critical in golf operations in 2017 and beyond. Technology defines and guides the marketing strategy to build a larger customer database, create customer loyalty and boost revenue. The JIGC golf operation would benefit from maximizing the new POS technology that is in use at the courses today. Better golf systems will have access to tools for initiatives recommended by NGF, and could become a large part of improved marketing activities. In general, the JIA should seek to maximize technology by:

- Allow customers to secure on-line tee times as per JIGC policy.
- Using the POS system to identify specific customers and spending patterns to help maximize effective targeted email marketing campaign (i.e. data mining).
- Allowing for increased direct purchases from the online portal. Items such as gift cards, memberships, passports can be purchased directly from the website and would help expand revenue.
- Allowing for social media tools to be integrated into email marketing. This can be done automatically through delivery tools that automatically integrate to the leading social media forums, i.e. Facebook, Twitter, Instagram, etc.
- Expand and use the smartphone application to include yardage guides and allow golfers to receive text alerts broadcast from the email system. Having a mobile application facilitates connecting with the customer.

E-mail – E-mail databases are essential in today's golf market place, as a means of staying in touch with the golfer customer base. E-mail marketing, with the exception of word-of-mouth and free advertising, is the most cost-effective advertising possible. Management reports about 800 records in the Jekyll Island golf database. Augmenting this database should be a top priority of management, possibly working in conjunction with hotel operators, so that email marketing can be optimally implemented.

Website and Internet – We noted that the Internet is the most cost-effective form of advertising for golf facilities. The www.jekyllisland.com website for JIGC should be improved and include:

- A separate dedicated website for golf.
- More pictures of the golf courses.
- A scorecard for each course.
- More information on the banquet room and its availability.
- Email Club / Email Specials section to capture customer emails, possibly using periodic deals on rounds or other specials.
- Notes on progress and pictures of upgrades as they are being completed (future).

Social Networking - Social networking is the fastest growing marketing tool in golf. The JIA should become more active with Facebook and Twitter, which should be used to communicate “what’s going on” type of messages (who won a tournament, who had a hole-in-one, etc.). This tends to help build loyalty and repeat activity.

You Tube - You Tube is the second most utilized search engine on the internet. Jekyll Island GC could develop a presence, including informational videos of the facility and golf course, as well as activities such as league play, tournaments, & instruction.

Marketing Recommendations

Few things can positively affect performance more than marketing. A marketing emphasis is critical to creating awareness, correcting misperceptions and increasing daily fee and tournament play. Strategies may include advertising to create a brand image around Jekyll Island, maintain awareness and develop a public relations campaign to tout the high quality of this facility. An effective and comprehensive marketing plan must incorporate research, planning, strategy, market identification, budget, advertising, timetable, and follow-up. Advertising should be tracked adequately to gauge its effectiveness.

However, the NGF recommends that many of these recommended promotional activities be postponed until after some of the physical enhancements are underway. It would be a mistake to aggressively promote the JIGC under its current conditions.

Efforts to enhance golf activity at Jekyll Island GC after improvements should include both advertising and branding, as well as direct selling. While some of these activities are ongoing at the time of the NGF review, it is clear that these efforts, particularly web and e-mail, could be enhanced in the coming years of operations, especially if recommended facility enhancements occur. The NGF recommendations for marketing Jekyll Island GC involve: (1) maintaining or building loyalty and “wallet share” from existing regular-play golfers; (2) improving the messaging to attract greater participation from golfers not residing near Jekyll Island; and (3) expanding the “face-to-face” marketing to potential target groups, convention planners and travel groups.

Direct Selling

Jekyll Island Authority has a marketing staff in place to market the Island, as well as the Jekyll Island GC. In addition to the “digital” marketing to be undertaken by this position, NGF recommends that JIA and JIGC staff complete other activities related to selling the golf course directly, especially in the outing, tournament, convention and non-golf banquets and parties.

Tournaments and Outings – The senior golf staff should expand direct marketing to tournament and outing prospects to bring in a larger share of that business to the courses. NGF recognizes that the market for these events is highly competitive, but that JIGC has special advantages for super-large tournaments and outings, even if the course is reduced from 63 to 45 holes. Prospects that should be proactively contacted include charities, churches, civic organizations, corporations and small companies, especially those that have hosted tournaments in the past and have not been contacted recently.

Banquets & Meetings – JIGC should do more to actively promote the improved banquet room at Jekyll Island GC through solicitation to groups for meetings & banquets. This will be especially important if the JIA upgrades and/or expands the banquet room capacity.

Area Lodging Properties - The Authority and golf staff should become more active in creating new cross-promotions and package deals with Island lodging and other attractions. JIGC should continue to promote its Passport rate with hotels and work to better accommodate winter golf packages for hotels. This may involve allowing for a special booking privileges that can be exclusive to lodging partners, and making adjustments with members and leagues accordingly.

Other Marketing Recommendations

The overall JIA golf marketing strategy should include (some items already in place):

- **Print Media:** Print media is not dead. It is still a good way to reach your customer base, especially with seniors. While this should NOT be the focus of your media campaign, we would encourage spot ads in the local paper and image ads in regional golf publications.
- **Brochure:** Jekyll Island GC should have its own fold-out brochure for use in racks and other locations. Have the word “Golf” be in LARGE print on the top 1/3 of the front page. The piece should include nice pictures and basic information about each golf course. If rates are included, the piece must be updated at each rate change period.
- **Public Relations/Grand Re-opening:** PR announcements are free and can be effective. Make sure to send out press releases, particularly on details related to the any completed upgrades/renovations. This is highly cost effective, as most media will allow free publication of public notices. As improvements are made, the reporter(s) should be invited back to see what has changed.
- **Tracking Ads:** Savvy marketers realize it is important to constantly monitor the effectiveness of their marketing campaigns to identify which campaigns are actually working and allow for appropriate adjustments. Redemption ads (coupons) are always easy to track. Internet ads that require a “click” that can be monitored are also easy to track. Tracking phone calls with a separate dedicated phone number may also help as well. More difficult are general ads, such as billboards or print ads, which do not provide a discount or other easily trackable item.
- **Signage:** The signage for JIGC should be improved, to the extent that is allowable by local guidelines. It is recommended that any signage to Jekyll Island Golf Club include the course logo, and make the location of the facility as clear as possible and note that the facility and its clubhouse is “open to the public.”

Fee Recommendations

Playing fees at JIGC are generally appropriate given the market, but may be high for certain periods when considering competition. The NGF recommends the following few items to consider for future fees, both in the near term (later in FY2017) and for the future and after renovations:

- Introduce a new summer rate with peak daily fee at \$49.
- Introduce a weekday daily fee rate in winter at \$49.
- Consider segmenting rates by course as renovations are completed (despite a previous attempt that was unsuccessful). As each course is renovated and re-introduced to the market, the newest course should have the highest fee.
- Continue the ongoing program of pushing up members fees, especially after renovations are completed.
- Reduce fees on Great Dunes to under \$20 with cart for weekdays and in summer.
- Commit to a program of yearly increases at an average of at least 1.5% to reflect inflationary fee increases
- Consider a program to offer reduced or free pull cart rentals to walkers to encourage activity on a certain course at certain peak demand times (e.g. Oleander after a heavy rain).

Recommendations for Increased Participation from Less-Traditional Segments

Increasing participation among less traditional golfer populations is generally about three groups – younger adults, women and minorities. We know that 50% of the population is female. We also know that about 15% of the MSA's population is considered minority, and the median age in the metro region is younger than the nation as a whole. As a result, the longer-term future of public golf in this part of Georgia will be dependent on the ability of this golf system to engage and grow these less traditional golfer segments.

Player Development

We note that new player development will be one of the critical elements to the long-term viability of Jekyll Island GC, and this should be a point of emphasis at the facility. Direct selling, advertising, and public relations are key to any successful attempts at building market share in the market. However, one of the critical elements to the long-term viability of public golf courses is player development, especially a strong Junior Program, although we suspect this will always be small at this location for a number of reasons. 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. PGA data shows every new golfer developed could be worth as much as \$550 per year (10 rounds at \$55), and the common successful player development program produces at least 200 new golfers per facility.

Key recommendations for player development programming include:

- Work directly with the PGA for specific descriptions of programs that work, and how to properly implement and promote these programs (i.e. "Get Golf Ready," "Hook a Kid on Golf," "Drive Chip & Putt," "PGA Junior League," and LPGA's "Teaching Her" program). Add focus on transitioning new players from learning to playing golf.
- Expand and improve the practice / golf learning amenities at Jekyll Island GC, as noted in NGF's physical recommendations.
- Encourage and provide incentives for staff to provide golf lessons during off hours.
- Create programs to provide older, used golf equipment to always be available free of charge for beginners, and possibly for other needy prospects via donation or at a deep price discount.

Increased Women's Participation - This represents a major "industry best practice" and is recommended by NGF to every golf course we review. At present, women account for about 20% of golf participants, but 40% of beginners. There are many reasons why female golf participation is low, but increasing participation from women is one of the keys to maximizing revenue. The most common issues relate to golf course difficulty (could be an issues for Oleander), retail selection, on-course services (restrooms, drinking fountains), food / beverage selection, and customer service.

Financial Analysis of Expected Jekyll Island Golf Club Performance

As part of this NGF study effort, the consultants have prepared an economic evaluation to show the potential economic performance of the Jekyll Island GC under certain operational and/or performance scenarios. In this section of our report, the Jekyll Island GC's economic potential is evaluated and summarized (including McCormick's). All NGF projections are based on a set of assumptions that may or may not become reality. We feel that these estimates represent the best effort to create a "fair estimate of performance" for this facility based on our complete review of the operation and market environment.

The NGF projections have been prepared under three separate scenarios of operation, based on the NGF's preliminary recommendations to the JIA on future changes that may (or may not) occur at the facility. The three scenarios considered include: (1) Continue "as-is" with no major changes but only repairs and minor improvements; (2) completion of a full course and clubhouse renovation over five years resulting in 63 holes of golf; and (3) completion of a full course and clubhouse renovation over five years resulting in 45 holes of golf.

All three scenarios generally assume that Jekyll Island GC will adopt other recommendations related to improved marketing, enhancing event and banquet operations and actively seeking to grow non-resident and non-regular-play golf activity. With many golf facilities competing at the similar 'standard' price points, revenue growth based on increasing average rates cannot be relied upon, so most growth must be derived from increases in rounds activity. Market conditions and other factors likely dictate that Jekyll Island Golf Club will remain a modest volume producer for the foreseeable future, but rounds activity and other revenues can be enhanced with strategic marketing, increased awareness of the excellent value these courses offer, and improved amenities to make the facilities more competitive for larger outings, banquets, etc.

SUMMARY OF JEKYLL ISLAND GOLF PROJECTIONS

NGFC has made projections for each of the three scenarios based on expected performance in a "normal" environment and the implementation of NGF recommendations. In the tables that follow, NGF has summarized the projections for JIGC under each scenario with estimates of performance by revenue and expense line items. The NGF has not reviewed or projected any direct capital cost to complete the enhancements, as this is assumed to be provided separately from the golf operation, and that no additional cost such as debt service will be applied to the golf and McCormick's enterprises. We note that these projections are based on NGF estimates for future performance in consideration of recommendations made for JIGC under the three scenarios as noted above.

Basic Assumptions – "As-Is" Scenario

The projections we have made include the completion of modest improvements to the facility over five years totaling \$1.4 to \$1.7 million, and that annual recurring items totaling \$170,000 have been added to golf maintenance expense. Other key assumptions in the NGF projections:

- The overall economic condition remains stable, without any sizable increase or decrease in the Jekyll Island area economy, employment, or visitation.
- Jekyll Island Golf Club will continue to operate in similar fashion to today, with JIA self-operation and greater emphasis on attracting non-resident rounds.

- The basic pricing structure will remain, plus implementation of new summer and weekday rates. Memberships will continue to be offered at the same rate and privilege as today.
- The decline in rounds observed is assumed to stabilize with 69,000 total rounds becoming the new “stable” level of activity, with some years falling below and some years rising above this expected ‘average’ figure. The projected rounds by type through Year 5:

Jekyll Island GC	Year 1	Year 2	Year 3	Year 4	Year 5
No of Members	150	150	150	150	150
18-Hole Course Paid Rounds (all types)	38,500	38,500	38,500	38,500	38,500
Member Rounds	19,000	19,000	19,000	19,000	19,000
Great Dunes Rounds	8,500	8,500	8,500	8,500	8,500
Total Paid Rounds	66,000	66,000	66,000	66,000	66,000
Comp Rounds	3,000	3,000	3,000	3,000	3,000
Total Rounds	69,000	69,000	69,000	69,000	69,000

- The average revenue per round for green fees is projected at FY2017 levels for Year 1 of the JIGC projection, with 1.5% annual increases through Year 5. This is reflective of a program to retain basic fee levels and implement some summer and weekday discounts. Average revenue for carts, merchandise and other revenues are projected at 2017 levels for Year 1. Direct cost of sales for merchandise is held at 60%. Average revenue for McCormick’s Grill is projected at 2017 levels for Year 1. Total cost of sales on F & B is estimated at the historical 40%.

Blended Average Fees	Year 1	Year 2	Year 3	Year 4	Year 5
Average Member Rate	\$1,650.00	\$1,674.75	\$1,699.87	\$1,725.37	\$1,751.25
Average Rate for 18h Courses	\$13.50	\$13.70	\$13.91	\$14.12	\$14.33
Average GD rate	\$6.00	\$6.09	\$6.18	\$6.27	\$6.37
Average Range Rev	\$0.60	\$0.65	\$0.66	\$0.67	\$0.68
Average cart rental	\$8.50	\$8.63	\$8.76	\$8.89	\$9.02
Average pro shop	\$5.50	\$5.58	\$5.67	\$5.75	\$5.84
Average cards	\$2.75	\$2.79	\$2.83	\$2.88	\$2.92
Average tournaments	\$1.45	\$1.47	\$1.49	\$1.52	\$1.54
Average other	\$0.38	\$0.39	\$0.39	\$0.40	\$0.40
Average F & B	\$8.70	\$8.83	\$8.96	\$9.10	\$9.23

- Operating expenses in Year 1 are retained at 2017 levels (already includes the \$170,000 recommended increase). All labor-related and other expenses are projected to grow annually at 3.0% based on historical records and recent trends.

Economic Performance Projections – “As-Is” Scenario

NGF Consulting has utilized the previously mentioned assumptions to create the cash flow statement in the following exhibit. Each category of revenue has been listed separately, and an estimate of the total facility average revenue per round has been provided. All figures have been rounded to the nearest \$1,000 for simplicity.

**Projected Cash Flow Analysis
Jekyll Island Golf Club
“As-Is” 63-Hole Operation**

Golf Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Golf Memberships	\$248,000	\$251,000	\$255,000	\$259,000	\$263,000
Daily Greens Fees	571,000	579,000	588,000	597,000	606,000
Driving Range	41,000	45,000	46,000	46,000	47,000
Elect. Cart Rental	587,000	595,000	604,000	613,000	622,000
Pro Shop Sales	380,000	385,000	391,000	397,000	403,000
Golf Cards	190,000	193,000	195,000	198,000	201,000
Tournaments	100,000	102,000	103,000	105,000	106,000
Other	26,000	27,000	27,000	27,000	28,000
Total Golf Revenue	\$2,143,000	\$2,177,000	\$2,209,000	\$2,242,000	\$2,276,000
McCormick's Revenue	\$600,000	\$609,000	\$618,000	\$628,000	\$637,000
Less Cost of Sales: (COS)					
Merchandise	\$240,000	\$243,600	\$247,200	\$251,200	\$254,800
Food/Bev.	\$228,000	\$231,000	\$234,600	\$238,200	\$241,800
Total COS	\$468,000	\$474,600	\$481,800	\$489,400	\$496,600
Combined Facility Gross Margin	\$2,275,000	\$2,311,400	\$2,345,200	\$2,380,600	\$2,416,400
Operating Expenses					
Golf Course Maintenance					
Total Personnel	\$920,000	\$948,000	\$976,000	\$1,005,000	\$1,035,000
Supplies & materials	525,000	538,000	551,000	565,000	579,000
Repairs & Maintenance	95,000	97,000	99,000	101,000	104,000
Utilities	60,000	62,000	64,000	66,000	68,000
Motor Vehicle	55,000	56,000	57,000	58,000	59,000
Other	125,000	128,000	131,000	134,000	137,000
Total	\$1,780,000	\$1,829,000	\$1,878,000	\$1,929,000	\$1,982,000
Operations					
Total Personnel	\$380,000	\$391,000	\$403,000	\$415,000	\$427,000
Utilities	75,000	77,000	79,000	81,000	83,000
Insurance	68,000	70,000	72,000	74,000	76,000
Advertising & Promotion	40,000	41,000	42,000	43,000	44,000
Other	200,000	205,000	210,000	215,000	220,000
Total Operations Expense	\$763,000	\$784,000	\$806,000	\$828,000	\$850,000
McCormick's					
Payroll	\$250,000	\$258,000	\$266,000	\$274,000	\$282,000
Supplies & Materials	35,000	36,000	37,000	38,000	39,000
Repairs & Maintenance	24,000	25,000	26,000	27,000	28,000
Utilities	45,000	46,000	47,000	48,000	49,000
Other	33,000	34,000	35,000	36,000	37,000
Total McCormick's Expense	\$387,000	\$399,000	\$411,000	\$423,000	\$435,000
Combined Facility Expense	\$2,930,000	\$3,012,000	\$3,095,000	\$3,180,000	\$3,267,000
Facility Net (EBITDA)	(\$655,000)	(\$700,600)	(\$749,800)	(\$799,400)	(\$850,600)

Basic Assumptions – Full Renovation w/63 Holes

The projections made for the upgrade scenario assume all of the base assumptions in the “as-is” scenario, with the following exceptions:

- The capital upgrade program recommended by NGF is completed according to the following schedule, with both capital projects and annual recurring items:

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Projects	Oleander closed for renovation	Oleander re-open, Indian Mound closed for renovation	3 courses open and clubhouse closed for renovation	Annual recurring only	

- The maintenance condition of Jekyll Island Golf Club is improved to retain a “premium” quality on newly renovated courses (63 total holes).
- The decline in rounds observed in previous years is halted, with clubhouse and course improvements leading to improved rounds activity and the addition of a new “premium” rounds category. NGF expects the course to stabilize with 75,000 total rounds (22,300 per 18-hole course) becoming the new “stable” level of activity, with some years falling below and some years rising above this expected ‘average’ figure. The projected rounds by type through Year 5:

Jekyll Island GC	Year 1	Year 2	Year 3	Year 4	Year 5
No of Members	120	140	145	150	175
18-Hole Course Paid Rounds (all types)	33,500	35,000	33,000	36,000	37,500
Member Rounds	15,200	17,500	18,100	19,000	21,500
Great Dunes Rounds	8,000	8,000	8,000	8,000	8,000
Premium Rounds	0	3,000	4,000	5,000	6,000
Total Paid Rounds	56,700	63,500	63,100	68,000	73,000
Comp Rounds	2,000	2,000	2,000	2,000	2,000
Total Rounds	58,700	65,500	65,100	70,000	75,000

- Average revenue per round has been adjusted to reflect an improved JIGC, with enhanced facilities and a slightly higher basic fee structure. NGF assumes a better control of rate integrity on green fees and memberships (fewer discounts and comp rounds). The average range, food, beverage and banquet revenue is also enhanced.

Blended Average Fees	Year 1	Year 2	Year 3	Year 4	Year 5
Average Member Rate	\$1,650.00	\$1,674.75	\$2,000.00	\$2,030.00	\$2,060.45
Average Rate for 18h Courses	\$13.50	\$14.50	\$15.00	\$17.00	\$18.00
Average GD rate	\$6.00	\$6.50	\$6.60	\$6.70	\$6.80
Average Range Rev	\$0.60	\$0.65	\$0.66	\$0.67	\$0.68
Average cart rental	\$8.50	\$8.63	\$8.76	\$8.89	\$9.02
Average pro shop	\$5.50	\$5.58	\$3.00	\$5.75	\$5.84
Average cards	\$2.75	\$2.79	\$2.83	\$2.88	\$2.92
Average tournaments	\$1.45	\$1.47	\$1.00	\$1.50	\$1.52
Average other	\$0.38	\$0.39	\$0.30	\$0.40	\$0.41
Average F & B	\$8.70	\$8.83	\$3.50	\$10.00	\$10.15
Premium Round Fee	\$30.00	\$30.45	\$30.91	\$31.37	\$31.84

Economic Performance Projections – Full Renovation w/63 Holes

NGF Consulting has utilized the previously mentioned assumptions to create the cash flow model for the JIGC upgrade scenario in the table below. All figures have been rounded to the nearest \$1,000 for simplicity.

**Projected Cash Flow Analysis
Jekyll Island Golf Club
"Full Renovation w/63 Holes"**

Projects/Courses	Oleander closed	Indian Mound closed	Clubhouse closed	Annual Recurring Items Only	
	Year 1	Year 2	Year 3	Year 4	Year 5
Golf Revenue					
Golf Memberships	\$198,000	\$234,000	\$290,000	\$305,000	\$361,000
Daily Greens Fees	500,000	651,000	671,000	822,000	920,000
Driving Range	35,000	43,000	43,000	47,000	51,000
Elect. Cart Rental	499,000	565,000	570,000	622,000	677,000
Pro Shop Sales	323,000	366,000	195,000	403,000	438,000
Golf Cards	161,000	183,000	184,000	201,000	219,000
Tournaments	85,000	96,000	65,000	105,000	114,000
Other	22,000	25,000	20,000	28,000	30,000
Total Golf Revenue	\$1,823,000	\$2,163,000	\$2,038,000	\$2,533,000	\$2,810,000
McCormick's Revenue	\$511,000	\$578,000	\$228,000	\$700,000	\$761,000
Less Cost of Sales: (COS)					
Merchandise	\$204,400	\$231,200	\$91,200	\$280,000	\$304,400
Food/Bev.	\$193,800	\$219,600	\$117,000	\$241,800	\$262,800
Total COS	\$398,200	\$450,800	\$208,200	\$521,800	\$567,200
Combined Facility Gross Margin	\$1,935,800	\$2,290,200	\$2,057,800	\$2,711,200	\$3,003,800
Operating Expenses					
Golf Course Maintenance					
Total Personnel	\$920,000	\$920,000	\$1,150,000	\$1,185,000	\$1,221,000
Supplies & materials	525,000	525,000	600,000	615,000	630,000
Repairs & Maintenance	95,000	95,000	125,000	128,000	131,000
Utilities	60,000	60,000	70,000	72,000	74,000
Motor Vehicle	55,000	55,000	65,000	67,000	69,000
Other	125,000	125,000	150,000	154,000	158,000
Total Maintenance	\$1,780,000	\$1,780,000	\$2,160,000	\$2,221,000	\$2,283,000
Operations					
Total Personnel	\$380,000	\$380,000	\$400,000	\$412,000	\$424,000
Utilities	75,000	75,000	77,000	79,000	81,000
Insurance	68,000	68,000	70,000	72,000	74,000
Advertising & Promotion	40,000	40,000	41,000	42,000	43,000
Other	200,000	200,000	205,000	210,000	215,000
Total Operations Expense	\$763,000	\$763,000	\$793,000	\$815,000	\$837,000
McCormick's					
Payroll	\$250,000	\$250,000	\$120,000	\$250,000	\$258,000
Supplies & Materials	35,000	35,000	18,000	35,000	36,000
Repairs & Maintenance	24,000	24,000	15,000	24,000	25,000
Utilities	45,000	45,000	30,000	45,000	46,000
Other	33,000	33,000	17,000	33,000	34,000
Total McCormick's Expense	\$387,000	\$387,000	\$200,000	\$387,000	\$399,000
Combined Facility Expense	\$2,930,000	\$2,930,000	\$3,153,000	\$3,423,000	\$3,519,000
Facility Net (EBITDA)	(\$994,200)	(\$639,800)	(\$1,095,200)	(\$711,800)	(\$515,200)

Basic Assumptions – Full Renovation w/45 Holes

NGF has prepared a projection for the Jekyll Island GC under the assumption that upon completion of the Oleander upgrade in Year 3, the club will move to merge Pine Lakes and Indian Mound into one 18-hole golf course, resulting in a 45-hole golf facility operation. The projections made for the 45-Hole scenario assume all of the base assumptions in the “as-is” scenario, except:

- The capital upgrade program recommended by NGF is completed, with some modifications. It is assumed all capital would go into the remaining two 18-hole courses, with improvements only occurring on those courses.
- The maintenance condition of Jekyll Island Golf Club is improved to retain a “premium” quality on newly renovated courses (45 total holes), thus total maintenance expense can be about 18% lower than on a premium 63 holes, but still higher than in FY2017.
- The clubhouse and course improvements lead to improved rounds activity and the addition of a new “premium” rounds category. NGF expects the course to host a higher percentage of “premium” rounds on its 45-hole configuration. A total of 67,000 rounds will be the new “stable” level of activity through Year 5:

Jekyll Island GC	Year 1	Year 2	Year 3	Year 4	Year 5
No of Members	120	140	150	160	175
18-Hole Course Paid Rounds (all types)	33,500	35,000	30,000	29,000	28,000
Member Rounds	15,200	17,500	19,000	20,000	21,000
Great Dunes Rounds	8,000	8,000	8,000	8,000	8,000
Premium Rounds	0	3,000	6,000	7,000	8,000
Total Paid Rounds	56,700	63,500	63,000	64,000	65,000
Comp Rounds	2,000	2,000	2,000	2,000	2,000
Total Rounds	58,700	65,500	65,000	66,000	67,000

- Average revenue is a match from the 63-hole scenario. The NGF assumes that fees and charges would be the same under both upgrade scenarios (63 or 45 holes).

Blended Average Fees	Year 1	Year 2	Year 3	Year 4	Year 5
Average Member Rate	\$1,650.00	\$1,674.75	\$2,000.00	\$2,030.00	\$2,060.45
Average Rate for 18h Courses	\$13.50	\$14.50	\$15.00	\$17.00	\$18.00
Average GD rate	\$6.00	\$6.50	\$6.60	\$6.70	\$6.80
Average Range Rev	\$0.60	\$0.65	\$0.66	\$0.67	\$0.68
Average cart rental	\$8.50	\$8.63	\$8.76	\$8.89	\$9.02
Average pro shop	\$5.50	\$5.58	\$3.00	\$5.75	\$5.84
Average cards	\$2.75	\$2.79	\$2.83	\$2.88	\$2.92
Average tournaments	\$1.45	\$1.47	\$1.00	\$1.50	\$1.52
Average other	\$0.38	\$0.39	\$0.30	\$0.40	\$0.41
Average F & B	\$8.70	\$8.83	\$3.50	\$10.00	\$10.15
Premium Round Fee	\$30.00	\$30.45	\$30.91	\$31.37	\$31.84

Economic Performance Projections – Full Renovation w/45 Holes

NGF Consulting has utilized the previously mentioned assumptions to create the cash flow model for the JIGC 45-hole scenario in the table below. All figures have been rounded to the nearest \$1,000 for simplicity.

**Projected Cash Flow Analysis
Jekyll Island Golf Club
“Full Renovation w/45 Holes**

Projects/Courses	Oleander closed	45 holes open	Clubhouse closed	Annual Recurring Items Only	
	Year 1	Year 2	Year 3	Year 4	Year 5
Golf Revenue					
Golf Memberships	\$198,000	\$234,000	\$300,000	\$325,000	\$361,000
Daily Greens Fees	500,000	651,000	688,000	766,000	813,000
Driving Range	35,000	43,000	33,000	50,000	67,000
Elect. Cart Rental	499,000	565,000	569,000	726,000	754,000
Pro Shop Sales	323,000	366,000	195,000	380,000	391,000
Golf Cards	161,000	183,000	184,000	190,000	196,000
Tournaments	85,000	96,000	65,000	116,000	119,000
Other	22,000	25,000	20,000	28,000	29,000
Total Golf Revenue	\$1,823,000	\$2,163,000	\$2,054,000	\$2,581,000	\$2,730,000
McCormick's Revenue	\$511,000	\$578,000	\$228,000	\$660,000	\$680,000
Less Cost of Sales: (COS)					
Merchandise	\$204,400	\$231,200	\$91,200	\$264,000	\$272,000
Food/Bev.	\$193,800	\$219,600	\$117,000	\$228,000	\$234,600
Total COS	\$398,200	\$450,800	\$208,200	\$492,000	\$506,600
Combined Facility Gross Margin	\$1,935,800	\$2,290,200	\$2,073,800	\$2,749,000	\$2,903,400
Operating Expenses					
Golf Course Maintenance					
Total Personnel	\$920,000	\$920,000	\$938,000	\$957,000	\$976,000
Supplies & materials	525,000	525,000	533,000	541,000	549,000
Repairs & Maintenance	95,000	95,000	96,000	97,000	98,000
Utilities	60,000	60,000	61,000	62,000	63,000
Motor Vehicle	55,000	55,000	56,000	57,000	58,000
Other	125,000	125,000	127,000	129,000	131,000
Total Maintenance	\$1,780,000	\$1,780,000	\$1,811,000	\$1,843,000	\$1,875,000
Operations					
Total Personnel	\$380,000	\$380,000	\$388,000	\$396,000	\$404,000
Utilities	75,000	75,000	76,000	77,000	78,000
Insurance	68,000	68,000	69,000	70,000	71,000
Advertising & Promotion	40,000	40,000	41,000	42,000	43,000
Other	200,000	200,000	203,000	206,000	209,000
Total Operations Expense	\$763,000	\$763,000	\$777,000	\$791,000	\$805,000
McCormick's					
Payroll	\$250,000	\$250,000	\$120,000	\$250,000	\$258,000
Supplies & Materials	35,000	35,000	18,000	35,000	36,000
Repairs & Maintenance	24,000	24,000	15,000	24,000	24,000
Utilities	45,000	45,000	30,000	45,000	46,000
Other	33,000	33,000	17,000	33,000	33,000
Total McCormick's Expense	\$387,000	\$387,000	\$200,000	\$387,000	\$397,000
Combined Facility Expense	\$2,930,000	\$2,930,000	\$2,788,000	\$3,021,000	\$3,077,000
Facility Net (EBITDA)	(\$994,200)	(\$639,800)	(\$714,200)	(\$272,000)	(\$173,600)

Summary Discussion – NGF Projections

The results of the NGF financial projection analysis show that even with NGF recommendations and the modest growth of rounds and revenues, we still expect Jekyll Island GC to see challenges in the next few years. Continued operation with rounds at or near current levels (under 70,000 total) will not lead to profitability for JIGC, even if fees can be increased. A quick look at the “break-even” level of rounds shows the increase required for JIGC to cover all costs:

JIGC “Break-Even” Analysis	
Total Combined FY2018 Expense (incl. COS)	\$3,398,000
Total Avg. Revenue Earned / Round	\$41.56
Total Rounds Req. to B/E	81,760
% Increase From Current	23.9%

Other findings from financial projections:

- If JIGC is to continue “as-is,” without facility enhancement, there will not be any driver to produce increased rounds or increased revenue per round. The result will be even larger losses on operations in the coming years as expense inflation outpaces revenue increases. Losses on operations could grow as large as \$850,000 per year within five years, which would be unacceptable for JIA.
- If the club is upgraded with two new 18-hole courses (Oleander & Indian Mound) and a new clubhouse, the 63-hole facility would see improvement in economic performance. The upgraded facilities should provide a catalyst to increase rounds activity, and provide for the sale of additional “premium” rounds to tourists, hotel guests and convention attendees. However, the expense required to maintain “premium” conditions will increase and keep facility deficits high. NGF is estimating the proper amount to maintain 63 holes of golf (with at least 2 premium courses) will be close to \$2.2 million per year, so new revenue will be off-set by increased expenses to maintain the property.
- If the club is upgraded and reduced to 45 holes, the NGF projects better economic performance, but still a loss on operations. The net income will improve because the revenue drivers derived from enhanced facilities noted above would still be present, but the total golf maintenance expense for a “premium” facility with only two 18-hole golf courses would be closer to the actual 2017 level. The capacity is so high on a 63-hole operation, that JIGC is not likely to experience capacity issues on 45 holes, except for the four or five busiest days of the year.
- A summary of the three scenario results in year 5 is shown below:

Jekyll Island Golf Club Review of Scenarios – Year 5			
Summary in Year 5	Base	Upgrade 63H	upgrade 45h
Total Golf Revenue	2,276,000	2,810,000	2,730,000
McCormick's Revenue	637,000	761,000	680,000
Combined Facility Revenue	2,913,000	3,571,000	3,410,000
Total COS	\$496,600	\$567,200	\$506,600
Combined Facility Gross Margin	\$2,416,400	\$3,003,800	\$2,903,400
Total Expenses	\$3,267,000	\$3,519,000	\$3,077,000
Facility Net (EBITDA)	(\$850,600)	(\$515,200)	(\$173,600)

Summary Statement

The Jekyll Island Authority has been operating a popular 63-hole golf facility on Jekyll Island for many years. This facility is aging and has seen declines in activity and is now operating at a significant deficit, reaching as high as (\$625,000+), that must be funded by other JIA activities – adding stress to the Island Authority. The loss on operations is a result of several influences, some of which are not controllable by the JIA. Factors such as a recent recession, increasing competition, declining interest in golf and declining physical condition of JIGC have contributed to the loss on operations. The last factor is particularly important as other services and amenities on Jekyll Island have upgraded substantially, while the golf course facility has lagged behind.

The JIGC facility has four unique golf courses with potential for strong appeal to a wide variety of golf consumers. The Great Dunes course is historic, Oleander a wonder of nature and the Pine Lakes / Indian Mound courses with classic Dick Wilson/Joe Lee designs. However, golf has changed dramatically in the last decade and as we look to the future of golf on Jekyll Island, there is genuine concern that the full 63-hole allotment may not be a good match for the current state of golf demand. The cost to properly maintain a complement of 63 holes of golf is large and growing. The NGF review in 2016-17 shows that the money being spent to maintain the property is not sufficient to uphold the desired quality, and the actual money spent is much closer to a proper 36-hole or 45-hole budget. **Given this and the change in demand, the NGF sees a 45-hole golf facility as a much better option for JIGC to provide a more sustainable golf facility for the longer term going forward.**

JIGC has a mix of customers, with regular-play golfers seeking an affordable round of golf, supplemented by additional visiting / tourist golfers seeking a higher quality round of golf to match the quality they see in the other infrastructure on Jekyll Island. The golfer survey conducted by NGF as part of this study effort shows the difference between the two groups and the differing expectations on quality. If the JIGC is to grow its activity and revenue, an improvement in quality is going to be necessary, and maintaining this quality over many years will be paramount to attracting the tourist/visitor golf segment and improving the club's economic position.

Given the above-noted findings, it is clear that the JIA will not be able to continue the operation “as-is,” and changes will be required. In summary, the most important and actionable recommendations made by NGF are listed below, noted in priority order:

1. Improve the physical condition of the JIGC by:
 - a. Fix up the clubhouse (basic repairs) – Year 1
 - b. Renovate Oleander GC and improve Great Dunes – Year 2
 - c. Renovate or combine Indian Mound and Pine Lakes – Year 3
 - d. Renovate or replace the clubhouse – Year 4
2. Commit to maintaining premium conditions through appropriate maintenance budget.
3. Work to maintain strong rate integrity, and reduce excessive discounting through memberships and complementary rounds.
4. Enhance marketing (upon undertaking renovations) to focus on tourists and visitors.
5. Embrace and implement new activities that appeal to less traditional golfer segments, especially female golfers.
6. Adjust facility pricing to add summer and weekday discounts, and add new classes of premium fees after renovations.

Appendices

Appendix A – Golf Course Life Cycle Information

Appendix B – Golf Demand and Supply Data

Appendix C – Jekyll Island Authority Golfer Survey

Appendix D – National Rounds Played Report

APPENDIX A – GOLF COURSE LIFE CYCLE

GOLF COURSE ITEMS EXPECTED LIFE CYCLE

HOW LONG SHOULD PARTS OF THE GOLF COURSE LAST?

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

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

Component life spans can vary depending upon location of the golf course, quality of materials, original installation and past maintenance practices. We encourage golf course leaders to work with their golf course architect, superintendents and others to assess the longevity of their particular course's components.

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

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

For more information,
contact ASGCA at
262-786-5960 or
www.asgca.org



DATA COMPILED BY ASGCA, 125 NORTH EXECUTIVE DRIVE, SUITE 106, BROOKFIELD, WI 53005

APPENDIX B – LOCAL DEMOGRAPHIC, DEMAND AND SUPPLY DATA

Jekyll Island GC Local Demographics

Intersection of Hwy 17 and I-95	10 miles	30 miles	50 miles	Brunswick CBSA	GA	U.S.
Summary Demographics						
Population 1990 Census	44,172	110,052	298,865	82,204	6,477,997	248,584,652
Population 2000 Census	46,787	133,980	366,086	93,045	8,186,384	281,399,034
CAGR 1990-2000	0.58%	1.99%	2.05%	1.25%	2.37%	1.25%
Population 2010 Census	55,462	159,842	447,659	112,370	9,687,653	308,745,538
CAGR 2000-2010	1.72%	1.78%	2.03%	1.91%	1.70%	0.93%
Population Estimate 2016	57,859	166,647	468,078	115,867	10,244,889	322,736,220
Population 2020 Projected	60,162	171,246	485,987	118,976	10,777,354	335,779,240
CAGR 2016-2021	0.49%	0.34%	0.47%	0.33%	0.64%	0.50%
CAGR 2010-2021	1.02%	0.87%	1.03%	0.72%	1.34%	1.05%
Median HH Income (2016 Estimate)	\$38,641	\$48,341	\$48,866	\$45,314	\$51,096	\$56,106
Median Age (2016 Estimate)	37.8	37.8	37.4	41.4	36.5	38.0
Ethnicity						
White	54.7%	69.8%	67.5%	69.9%	57.8%	70.70%
African American	37.3%	24.0%	25.8%	24.3%	31.7%	13.30%
Asian	1.4%	1.4%	1.6%	1.2%	3.9%	5.60%
All Other	6.6%	4.8%	5.1%	4.5%	6.6%	10.50%
Hispanic Population						
Hispanic	7.9%	5.6%	6.0%	5.2%	9.0%	17.30%
Not Hispanic	92.1%	94.4%	94.0%	94.8%	91.0%	82.70%
CAGR = Compound Annual Growth Rate						

Jekyll Island GC Golf Demand and Supply Data

Intersection of Hwy 17 and I-95	10 miles	30 miles	50 miles	Brunswick CBSA	GA	U.S.
Golf Demand Indicators						
Total Households	20,823	65,267	182,587	47,925	3,868,722	123,896,538
Number of Golfing Households	2,265	8,396	23,641	6,116	460,904	17,094,500
Projected Golfing Households (2020)	2,192	8,489	23,963	6,085	479,601	17,802,020
Projected Annual Growth Rate	-0.70%	0.20%	0.30%	-0.10%	0.80%	0.80%
Seasonal Golfing Households	96	1,235	2,399	1,298	9,665	737,636
Latent Demand/Interested Non-Golfers	5,477	16,336	44,233	11,810	1,107,044	37,346,480
Household Participation Rate	10.90%	12.90%	12.90%	12.80%	11.90%	13.80%
Number of Golfers	2,693	10,325	30,273	7,098	610,558	24,130,710
Rounds Potential (resident golfers)	60,488	267,802	714,591	219,465	11,418,950	465,791,320
Estimated Course Rounds (in-market supply)	274,407	495,227	1,107,826	409,169	11,182,306	465,791,320
Demand Indices						
Golfing Household Participation Rate	78	93	93	92	86	100
Seasonal Golfing Households	77	316	220	453	42	100
Latent Demand/Interested Non-Golfers	91	84	81	87	93	100
Rounds Potential per Household (resident golfers)	77	109	104	121	78	100
Intersection of Hwy 17 and I-95	10 miles	30 miles	50 miles	Brunswick CBSA	GA	U.S.
Golf Supply						
Golf Facilities						
Total	6	13	30	10	382	15,204
Public	3	8	19	6	253	11,388
Public: Daily Fee	3	8	17	6	199	8,906
Public: Municipal	0	0	2	0	54	2,482
Private	3	5	11	4	129	3,816
Public Golf Facilities by Price Point						
Premium (>\$70)	1	3	4	3	20	1,363
Standard (\$40-\$70)	1	2	5	2	92	4,013
Value (<\$40)	1	3	10	1	141	6,012
Golf Holes						
Total	171	306	630	252	6,894	257,193
Public	117	216	414	180	4,419	187,614
Public: Daily Fee	117	216	369	180	3,510	146,124
Public: Municipal	0	0	45	0	909	41,490
Private	54	90	216	72	2,475	69,579
Non-Regulation (Executive & Par-3)	0	9	9	9	270	21,348
Net Change						
Net Change in Holes past 5 years	0	-18	0	-18	-252	-9,045
Percentage Total Holes Past 5 Yrs	0.00%	-5.60%	0.00%	-6.70%	-3.50%	-3.40%
Net Change in Holes past 10 Years	18	0	18	0	-531	-12,231
Percentage Total Holes Past 10 Yrs	11.80%	0.00%	2.90%	0.00%	-7.20%	-4.50%

Intersection of Hwy 17 and I-95	10 miles	30 miles	50 miles	Brunswick CBSA	GA	U.S.
Supply-Demand Ratios						
<i>Households per 18 Holes</i>						
Total	2,192	3,839	5,217	3,423	10,101	8,671
Public	3,204	5,439	7,939	4,793	15,759	11,887
Public: Daily Fee	3,204	5,439	8,907	4,793	19,840	15,262
Public: Municipal	0	0	73,035	0	76,608	53,751
Private	6,941	13,053	15,216	11,981	28,136	32,052
Premium (>\$70)	10,412	14,504	33,198	10,650	157,907	74,930
Standard (\$40-\$70)	5,949	14,504	26,084	10,650	39,078	28,982
Value (<\$40)	20,823	21,756	17,389	47,925	31,711	27,566
<i>Golfing Households per 18 Holes</i>						
Total	238	494	675	437	1,203	1,196
Public	348	700	1,028	612	1,877	1,640
Public: Daily Fee	348	700	1,153	612	2,364	2,106
Public: Municipal	0	0	9,456	0	9,127	7,416
Private	755	1,679	1,970	1,529	3,352	4,422
Premium (>\$70)	1,133	1,866	4,298	1,359	18,812	10,338
Standard (\$40-\$70)	647	1,866	3,377	1,359	4,656	3,999
Value (<\$40)	2,265	2,799	2,252	6,116	3,778	3,803
<i>Household Indices</i>						
Total	25	44	60	40	117	100
Public	27	46	67	41	133	100
Private	22	41	48	38	88	100
Premium (>\$70)	14	19	45	14	212	100
Standard (\$40-\$70)	21	50	90	37	136	100
Value (<\$40)	76	79	63	175	116	100
<i>Golfing Household Indices</i>						
Total	20	41	56	37	101	100
Public	21	43	63	37	114	100
Private	17	38	45	35	76	100
Premium (>\$70)	11	18	42	13	182	100
Standard (\$40-\$70)	16	47	84	34	116	100
Value (<\$40)	60	74	59	161	99	100
<i>Rounds per 18 Holes</i>						
Rounds Potential (resident golfers)	6,367	15,753	20,417	15,676	29,814	32,599
Estimated Course Rounds (in-market supply)	28,885	29,131	31,652	29,226	29,197	32,599

APPENDIX C – JEKYLL ISLAND GC GOLFER SURVEY

Jekyll Island Golf Club

Welcome to our Customer Satisfaction survey.

Our goal is to provide you with a great golf experience and remarkable customer service. Our survey is short and to the point and we encourage you to be open and candid with your feedback. Thank you for your help.

Next

Survey Progress



Jekyll Island Golf Club

When was your most recent visit?

Month Year

Prior to this most recent visit, about how many rounds of golf have you played at Jekyll Island Golf Club? rounds

Next

Survey Progress



Jekyll Island Golf Club

What other resort golf courses have you played in the last two (2) years? Please click "course" to use our course finder.

- (1) Course
- (2) Course
- (3) Course
- (4) Course
- (5) Course

Next

Survey Progress



Jekyll Island Golf Club

Was your decision to visit Jekyll Island Golf Club influenced by a recommendation(s) of others?

☐ Yes ☐ No

Next

Survey Progress



Jekyll Island Golf Club

How satisfied were you, overall, with your golf experience?

Very dissatisfied					Very satisfied				
1	2	3	4	5	6	7	8	9	10
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Given the cost to play here, did we meet your expectations?

We fell short of your expectations					We exceeded your expectations				
1	2	3	4	5	6	7	8	9	10
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How does your satisfaction with **Jekyll Island Golf Club** compare to other similarly priced resort courses you have played?

Unfavorably					Favorably				
1	2	3	4	5	6	7	8	9	10
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How likely are you to return and play golf again at this resort?

Not at all likely to return					Very likely to return				
1	2	3	4	5	6	7	8	9	10
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Survey Progress



Jekyll Island Golf Club

For each factor indicate your satisfaction with your golf experience at **Jekyll Island Golf Club**.

	Jekyll Island Golf Club										
Factors	1 Very Dissatisfied	2	3	4	5	6	7	8	9 Very Satisfied	10	Don't Know/ Can't Rate
Tee Time Availability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall value	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall course conditions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Amenities (clubhouse, pro shop, locker room)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Convenience of Course Location	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pace of play	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Scenery and Aesthetics of Course	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall Experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Golf course design/layout	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Friendliness/helpfulness of staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall Quality of Practice Facility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Condition of Tees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall Quality of Golf Shop Merchandise	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
On-course Services (restrooms, drinking water)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Condition of Fairways	<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"/>
Overall Quality of Golf Shop Apparel	<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"/>
Affordability	<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"/>
Overall Quality of Golf Shop	<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"/>
Food and Beverage Service	<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"/>
Condition of Bunkers	<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"/>
Condition of Greens	<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"/>
Condition of Golf Cars	<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"/>

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Jekyll Island Golf Club

On your most recent visit, what was your average cost per round (including green fee, golf cart if used, range balls, etc. - but excluding merchandise and food & beverage)?

\$

About how much did you spend in total on merchandise during your most recent visit (e.g., apparel, golf balls, clubs and other items)?

\$

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Jekyll Island Golf Club

How would you rate the Clubhouse at Jekyll Island Golf Club?

- ☐ Hole-In-One! (excellent)
- ☐ Birdie (has everything I expect a resort course to offer)
- ☐ Par (fits my needs)
- ☐ Bogey (needs improvement)
- ☐ Double Bogey (needs full replacement)

How would you rate the food and beverage at Jekyll Island Golf Club?

- ☐ Hole-In-One! (excellent)
- ☐ Birdie (very good)
- ☐ Par (good)
- ☐ Bogey (needs improvement)
- ☐ Double Bogey (very bad)

If the driving range underwent a full upgrade, would you utilize the facility more often than you do at present?

- ☐ Yes, I would utilize the driving range more often
- ☐ No, I would use the driving range the same amount
- ☐ Yes, I would play more often and use the driving range before my round
- ☐ I would not play more often, but I would use the driving range more
- ☐ I would not play more often and would not use the driving range more

Which best describes your experience booking tee times at Jekyll Island Golf Club?

- ☐ I never have an issue getting the tee time I want
- ☐ I sometimes have trouble getting the tee time I want
- ☐ I frequently have trouble getting the tee time I want
- ☐ I never get the tee time I want

Would you ever consider hosting a tournament or outing at the Jekyll Island Golf Club?

- ☐ Yes

☐ No

If you answered no to the previous question, why not?

Which Jekyll Island Golf Club course is your favorite?

- ☐ Oleander course
- ☐ Indian Mound course
- ☐ Pine Lakes course
- ☐ Great Dunes 9 hole course

Why is this your favorite course?

Which Jekyll Island Golf Club course is your least favorite?

- ☐ Oleander course
- ☐ Indian Mound course
- ☐ Pine Lakes course
- ☐ Great Dunes 9 hole course

Why is this your least favorite course?

Please choose the statement below that represents your opinion about our 9 hole Great Dunes Course

- ☐ Should be closed
- ☐ Should be improved
- ☐ Should be incorporated into one of the other courses
- ☐ Other

If you chose other, please explain.

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Survey Progress



Jekyll Island Golf Club

Please enter the zip / postal code of your primary residence:

Please select your gender:

☐ Male ☐ Female

Please enter your age:

Please enter your average 18-hole score:

Which of the following best describes you?

- ☐ Part of business meeting/group
- ☐ Member of Jekyll Island Club
- ☐ Guest of member
- ☐ Local resident
- ☐ Hotel guest/golf vacation package
- ☐ Jekyll Island Authority employee
- ☐ Other

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Jekyll Island Golf Club

In order to receive your coupon, you must provide your contact information below. If you would like to remain anonymous click next to continue.

First Name	<input type="text"/>
Last Name	<input type="text"/>
Address	<input type="text"/>
City	<input type="text"/>
State	<input type="text" value="(Click here to choose)"/>
Zip Code	<input type="text"/>
Phone Number	<input type="text"/>
E-mail	<input type="text"/>

- ☒ Please keep me informed about special offers from Jekyll Island Golf Club's trusted partners and affiliates.

APPENDIX D – NATIONAL ROUNDS PLAYED REPORT





National Golf Rounds Played Report

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December 2016

	DEC	YTD
PACIFIC	2.3%	-1.6%
CA	2.3%	-1.4%
Los Angeles	-1.0%	-0.8%
Orange County	2.3%	2.6%
Palm Springs	-1.8%	-3.6%
Sacramento	-1.2%	-8.3%
San Diego	4.1%	3.9%
San Francisco/Oakland	8.5%	-2.0%
HI	-2.2%	1.5%
OR	33.9%	-2.1%
Portland	16.1%	-4.9%
WA	-12.5%	-3.4%
Seattle	-10.2%	-4.1%
MOUNTAIN	12.2%	2.2%
AZ	8.9%	3.3%
Phoenix	9.1%	2.8%
CO	64.7%	6.5%
Denver	57.1%	4.1%
ID, WY, MT	-0.5%	-5.6%
NM	33.4%	1.7%
NV	8.7%	2.3%
Las Vegas	7.1%	1.8%
UT	18.1%	2.3%
WEST NORTH CENTRAL	-48.7%	1.1%
IA	-46.2%	3.2%
KS	-38.3%	3.3%
NE	-63.1%	-3.6%
ND,SD	NA	-4.4%
MN	-65.6%	4.9%
Minneapolis/St. Paul	-56.2%	1.9%
MO	-54.7%	-3.6%
St Louis	-57.9%	1.7%
Kansas City	-58.2%	4.7%

	YTD
UNITED STATES	-11.5%
PUBLIC ACCESS	-12.0%
PRIVATE	-10.2%

EAST NORTH CENTRAL	-74.5%	-0.7%
IL	-77.2%	-1.4%
Chicago	-79.3%	-1.9%
IN	-60.9%	9.8%
MI	-83.6%	-7.2%
Detroit	-85.8%	-2.9%
OH	-73.3%	6.2%
Cincinnati	-66.8%	2.4%
Cleveland	-78.8%	5.2%
Columbus	-80.9%	6.2%
WI	-77.1%	-8.0%
Milwaukee	-56.3%	-1.0%

SOUTH CENTRAL	-16.4%	2.9%
AL	-19.1%	-3.4%
Birmingham	-18.0%	5.2%
AR	-11.8%	0.6%
KY	-57.1%	1.8%
LA	-3.0%	-2.0%
MS	-17.1%	-2.9%
OK	-9.6%	6.8%
Oklahoma City	-4.0%	1.0%
TN	-25.3%	5.2%
Nashville	-21.2%	7.8%
TX	-14.6%	4.4%
Dallas/Ft. Worth	-21.2%	3.1%
Houston	0.5%	8.0%
San Antonio	-34.4%	6.1%

SOUTH ATLANTIC	-4.5%	-1.1%
DE, DC, MD	-42.8%	1.6%
Washington/Baltimore	-38.8%	1.5%
FL	2.8%	-5.6%
Jacksonville/Daytona	6.0%	-0.6%
Orlando	-12.1%	-7.7%
Tampa	-3.2%	-10.1%
Palm Beach	22.3%	-2.7%
Sarasota	-14.6%	-15.6%
Naples/Ft Myers	16.7%	-2.1%
Miami/Ft.Lauderdale	-4.8%	-1.0%
GA	-13.0%	10.8%
Atlanta	-16.0%	9.7%
NC	-6.1%	3.1%
Greensboro/Raleigh	-4.8%	4.0%
SC	-9.1%	-3.4%
Charleston	-8.3%	-3.8%
Hilton Head	-11.5%	-8.7%
Myrtle Beach	-14.4%	-3.5%
VA	-28.5%	1.7%
WV	-15.5%	1.9%
MID ATLANTIC	-61.3%	2.6%
NJ	-58.5%	3.0%
NY	-61.3%	2.7%
New York City	-56.2%	5.8%
PA	-62.9%	2.4%
Philadelphia	-51.7%	-3.7%
Pittsburgh	-84.3%	11.5%
NEW ENGLAND	-61.1%	5.2%
CT	-73.6%	-0.7%
Hartford	-75.7%	-0.5%
MA, RI	-55.5%	6.4%
Boston	-57.3%	7.4%
ME, NH, VT	-58.9%	7.5%

The percentages represent the differences in number of rounds played comparing December 2016 to December 2015.
For more information contact Golf Datatech, golfroundsplayed@golfdatatech.com or call 407-944-4116