



Business Plan 2015-2019

Executive Summary

During the past several months the golf course committee has spent many hours reviewing the history of the golf course business in Neskowin. Additionally, the Members have attempted to forecast how the years ahead might develop. With the help of the current owner, previous employees, community members and industry professionals, the committee has created an operating plan for the golf course. Our objective is to maintain the nature of the course and adapt to the conditions in the community and on the land as needed. This summary will explain how we intend to move forward. Overall we would like to be able to present “The Gem” to a future generation of golfers and friends of Neskowin.

Introduction

Designed by Ercel Kay and opened in 1932, the Neskowin golf course is one of the oldest on the Oregon coast. Its historic value and unique setting are assets unto themselves. In the early years, the popularity of golf at the beach promoted Neskowin as a favorite destination. As in the past, a round of golf is still one of the first activities for many locals and visitors upon arriving. Close to Portland and Salem, yet a thousand miles away in temperament, the village and the Neskowin golf course have provided over 80 years of memories for countless families.

Today we have the opportunity to continue the stewardship and legacy. Sound business operating plans coupled with dedicated community support will provide the golfing public many more years of fun at the Neskowin Beach Golf Course.

Purpose of Summary

The golf course organizing committee, with the help of the current owner and others familiar with the property, has created a five-year operation template to guide the new Management. This Executive Summary offers the core elements of the plan. The organizing committee is comprised of numerous volunteers. Please see the Frequently Asked Questions for more information.

Current Operation

Golf rounds range from a low of 6,000 in wetter years to a high of 12,000 in exceptionally dry years. The current ownership operates the course in 3 different configurations from par 32 to 36 in an attempt to maximize usage in the spring as the waters recede.

Action Items

The primary objective of the Management is to improve business results by increasing the annual number of rounds played at the course. This requires improving the overall “face” of the business and finding ways to increase playing days. At the same time, efforts must be made to find revenue in untapped areas. Currently we see five areas where we can start to improve business results:

- 1. Appearance and function of the golf course**
 - a. Begin short-term and long-term surface water management efforts
 - b. Improve turf grass management practices
- 2. Improve the Member experience; grow number of Members**
 - a. Implement a low-cost, consistent marketing plan
 - b. Make clubhouse improvements
 - c. Practice active golfer appreciation

3. Grow revenue with food and beverage

- a. Create plan to incorporate light food and beverage menu
- b. Build food and beverage with feedback from customers; maintain margins

4. Explore ways to engage non-golfers

- a. Experiment with non-traditional golf games; new golfer programs; youth lessons
- b. Actively use property during non-golf periods for other community purposes

5. Plan for alternate property uses

- a. Devise and experiment with creative ideas for property use that can supplement normal golf revenues

Appearance and Function of the Golf Course

Create and implement water management plan

Dealing with the water that collects on the course has been a prime objective for all past managers. Due to sudden changes in weather or gradual changes because of other slower acting natural causes, several areas of the course have presented challenges.

Options for future water mitigation operations may include:

- **Continue as-is and operate under the current management plan.**
- **Manual removal of overgrowth currently impeding water from exiting the golf course.**
- **Excavation and redistribution of soil in the area to raise the grade to a more suitable elevation for golf.**

We do not expect to completely rid the course of flood water. However, our research tells us we can make much improvement over the next few years.

Employ modern turf grass management practices

It appears the recent strategy for turf grass management on the site has been from a very minimalist approach. Granted, the management requirements for this property are not great. There are a few things that could be improved to present a better product to the customer which in turn would allow the operator to increase rates incrementally.

Improve the Member Experience

Implement a low-cost, consistent marketing plan

During the first year the Board and Manager will begin rolling out several small-scale marketing efforts to attract new Members and employing ways to measure their impact.

Clubhouse improvements

A barrier to more play has been previous management's decision to not accept credit cards. NBGC will use a managed-cost provider (e.g., Square) to accept credit cards. We will use the provider to maintain up-to-date POS reports that are available in real time.

Practice active golfer appreciation

Golfing in Neskowin ought to be fun, relaxing and memorable. We'll find many ways – some simple, some more involved – to show everyone that we like having them there.

Grow revenue with food and beverage

Explore potential food and beverage revenue opportunities

Current management does not provide much in the way of food and beverage options. Previous owners operated a small but profitable food and beverage operation that had a very loyal following in the neighborhood in addition to golf customers. The attached operating budget includes revenue and expenses for food and beverage that are based on historical data from previous owners. This should serve as a starting point for potential revenues but could be expanded with some creative thinking and improved space utilization.

Build food and beverage with feedback from customers; maintain margins

We are aware that we are first and foremost operating a golf course. Today there are attractive food service options in the village. Our task will be to tailor food and beverage offerings appealing to Members and unique to the golf course and its goals.

Explore ways to engage non-golfers

Experiment with non-traditional golf games; new golfer programs; youth lessons

Not all visitors to Neskowin play golf or think of themselves as potential golfers. Nationally, overall rounds played have been flat to decreasing in most areas. Those trends may affect business at NBGC. However, those willing to think “outside the box” continue to grow their business.

We want to try to answer the question: “How can we get more people to have fun at NBGC?” New ideas and creative thinking could be a way to grow revenue at NBGC beyond the historical and traditional options. We’re going to experiment with them beginning in 2016.

Actively use property during non-golf periods for other community purposes

With an attractive clubhouse, friendly staff and simple food and beverage amenities we’ll explore utilizing the golf course for community activities. It can be a great place for summer’s “Friday Night Movies”. During non-golf periods the clubhouse can be open to community meetings, small parties, catered events or intimate music events. It is unknown how much revenue these activities might earn, but they will be part of the “community” aspect of NBGC.

Plan for alternate property uses

The golf course in Neskowin is not playable for several months of every year. Are there other ways to utilize the property and earn revenue at the same time? Beginning in 2016 the Board and Manager will begin exploring other potential uses for the property during the wet, non-golfing season.

Five Year Financial Projections

The five year projection reflects the focus on increased Member rounds played per year and the addition of food and beverage and some merchandise sales. Modest capital expenditures are included. Business modifications due to changes in actual revenue and expenses will be made. While no guarantees can be made, the forecast is within the capacity that the property can accommodate.

Neskowin Beach Golf Course Projection		2015	2016	2017	2018	2019
Total Rounds		6072	6375	6885	7230	7808
Income						
Total Greens Fees		\$60,111	\$63,116	\$74,363	\$78,081	\$86,670
Total Membership Fees		\$9,624	\$10,105	\$11,774	\$12,363	\$13,352
Merchandise		\$13,000	\$14,300	\$15,730	\$17,303	\$19,033
Food & Beverage		\$12,000	\$14,400	\$17,280	\$20,736	\$24,883
Gross Income		\$94,735	\$106,921	\$124,897	\$135,095	\$151,542
Expenses						
Payroll	Manager	\$25,000	\$40,000	\$42,000	\$42,000	\$44,000
	Golf Maint 1	\$12,000	\$2,000	\$3,000	\$2,500	\$2,500
	Pro Shop 1	\$2,000	\$2,000	\$2,000	\$2,500	\$2,500
	Pro Shop 2	\$0	\$0	\$0	\$0	\$0
SubTotal		\$39,000	\$44,000	\$47,000	\$47,000	\$49,000
Benefits		\$2,000	\$2,600	\$2,900	\$3,200	\$3,500
Workers Comp @5.5%		\$2,145	\$2,420	\$2,585	\$2,585	\$2,695
Payroll Taxes @9%		\$3,510	\$3,960	\$4,230	\$4,230	\$4,410
Total Payroll		\$46,655	\$52,980	\$56,715	\$57,015	\$59,605
Merchandise		\$6,500	\$7,150	\$7,865	\$8,652	\$9,517
F&B		\$5,400	\$6,480	\$7,776	\$9,331	\$11,197
Utilities		\$7,000	\$7,280	\$7,571	\$7,874	\$8,189
Fuel		\$2,000	\$3,000	\$3,500	\$4,000	\$4,200
Rents						
Legal & Professional		\$3,000	\$3,400	\$3,600	\$4,000	\$4,500
Insurance		\$6,800	\$7,616	\$8,530	\$9,554	\$10,700
Taxes		\$5,500	\$5,665	\$5,835	\$6,010	\$6,190
Repairs/Maintenance		\$6,000	\$6,600	\$7,260	\$7,986	\$8,785
Maint/supplies		\$5,000	\$6,000	\$6,900	\$7,935	\$9,125
Total non-payroll		\$47,200	\$53,191	\$58,837	\$65,341	\$72,403
Capital Expenditures		\$0	\$5,000	\$10,000	\$15,000	\$20,000
Total Expenses		\$ 93,855	\$111,171	\$125,552	\$137,356	\$152,008
NOI		\$880	(\$4,250)	(\$655)	(\$2,261)	(\$466)
Fundraising/Debt Retirement						
Balance of Lease/Purchase Obligation		\$ 909,850	\$ 600,000	\$ 527,000	\$ 454,000	\$ 381,000
Lease/Debt Service		\$309,850	\$73,000	\$73,000	\$73,000	\$73,000
Remaining Balance		\$ 600,000	\$ 527,000	\$ 454,000	\$ 381,000	\$ 308,000
Funds Raised to Retire Debt		\$ 625,000	\$ 175,000	\$ 75,000	\$ 25,000	\$ 10,000
Fund Account Balance		\$ 316,030	\$ 413,780	\$ 415,125	\$ 364,863	\$ 301,397