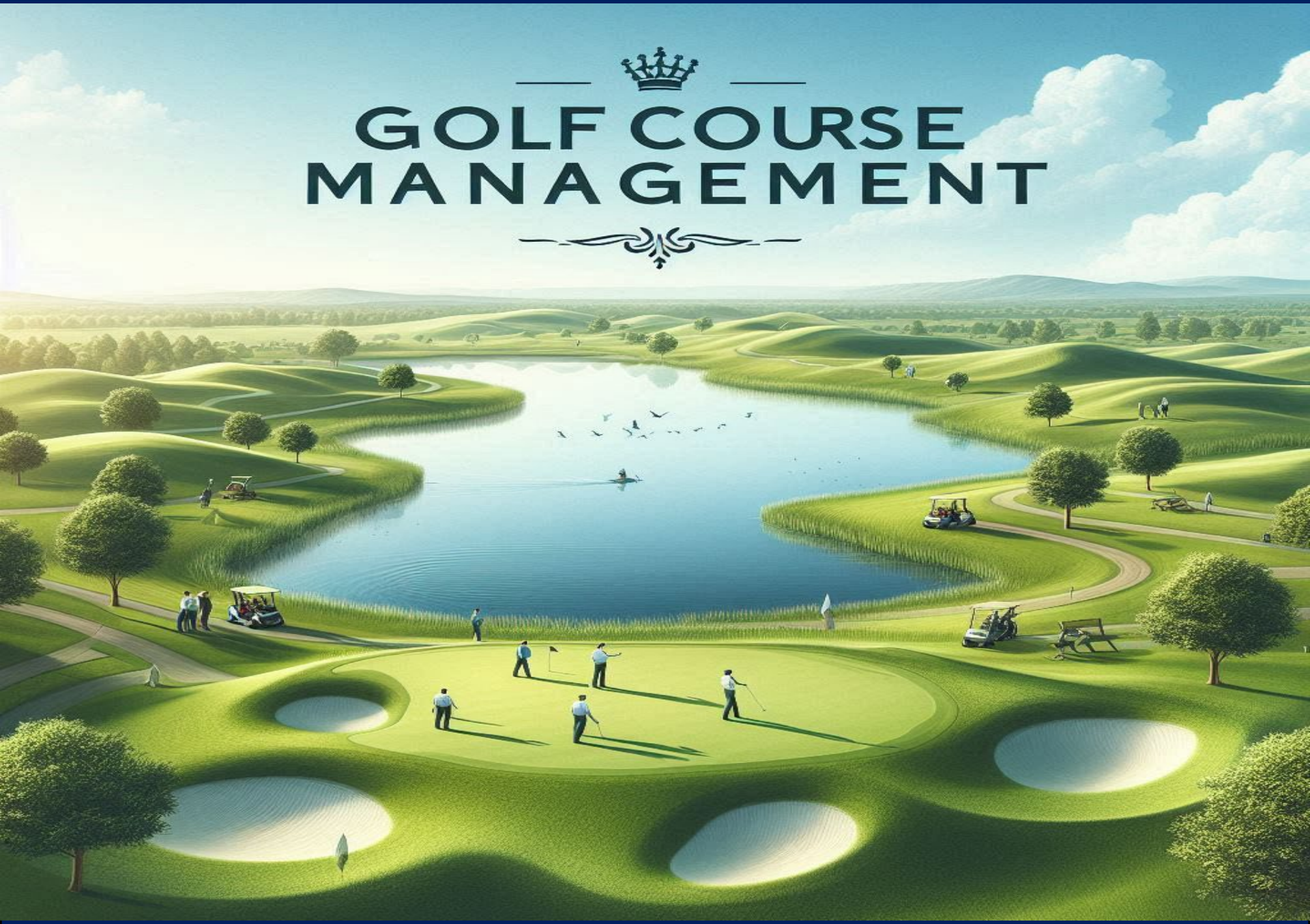

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Notes

- 2,952 municipal golf courses are operating at 2,585 facilities pursuant to the 2025 NGF Golf Facilities Report.
- The survey conducted DID NOT generate a statistically valid response. 111 responses were received, and the revenue spread between the reporting facilities was significant.
- Generating a statistically valid survey with meaningful insights is incredibly challenging. The survey was sent to 2,761 municipal golf industry emails from the SMBGolf database, 3,169 nonduplicative emails from the JJ Keegan+ database, and 702 views from a Linked-In posting.
- Freedom of Information requests were sent to the City of Albuquerque, Dallas, Indianapolis, Louisville, Mecklenburg County, Phoenix, and Spokane. As of the publication date of this report, only Albuquerque, Louisville, and Mecklenburg County responded.
- Concession/management agreements were located from an extensive online search for some courses in the City of Indianapolis, the Forest Preserve District of Cook County, and Los Angeles County.
- We conducted interviews with the head of business development for leading management companies and commercial real estate brokerage firms, gaining insights on their industry benchmarks.
- These slides present an informed opinion based on available research, though not backed by extensive empirical data. Still, we believe the conclusions reached are reasonable as they likely align with what a statistically valid sample would show, based on established benchmarks.

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Opinions

- The majority of municipal golf courses are self-managed, principally in an Enterprise Fund.
- Municipalities often get into arrangements that are not in favor to their constituents' best interest when they enter into a "bidding process" that is nothing more than a slow dance with their preselected partner.
- Decisions made by bureaucrats with no real knowledge or understanding of the golf business often result in poor arrangements based on politics rather than performance, e.g. Mecklenburg County
- If a golf course is leased to a third party, the activities most likely to be leased in descending order are:
    - First – Restaurant (due to liquor liability)
    - Second - Restaurant and Golf Shop
    - Lastly - Restaurant, Golf Shop, and Maintenance
- Concession rental agreements vary widely between municipalities based on the size of the population, geographic location, and the deferred capital investment at the time of the agreement's initiation, with the average length equaling 30 years.
- The larger the city, the more likely the maintenance operation is to be leased, e.g., the City of Chicago, Indianapolis, Los Angeles County, and Mecklenburg County (Charlotte).
- Concession agreements, based on the demographic factors listed above, where the lessee is responsible for maintenance, rental payments to the municipality are likely to be:

    - In **smaller** cities, up to 12% of gross revenue on green fees and carts, 8% on merchandise and food and beverage.
    - In **mid-size cities**, rental payments, i.e., starting at 35% of gross revenue, will be payable after a defined level of revenues is achieved, i.e. >$2,000,000.
    - In **large cities**, rental payments, i.e., starting at 35% up to 50% of gross revenue will be payable on total revenue with a minimum revenue guarantee exceeding $100,000.
    - Where **deferred capital expenditures are large**, the agreement will specify significant capital projects to be completed by the concessionaire with a nominal rental payment, i.e., <2% on gross revenues.

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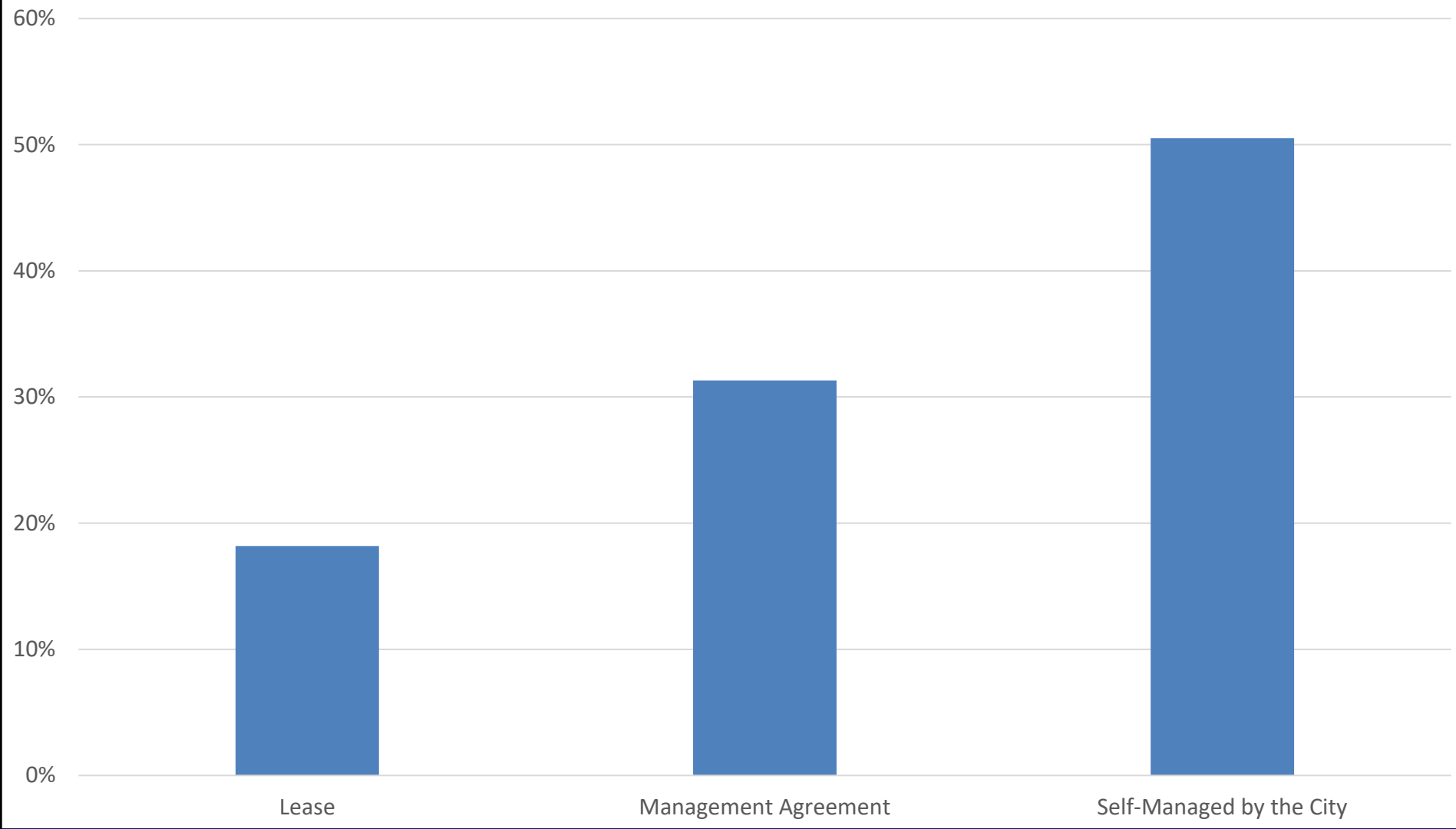
What best describes the management organizational structure for operating your municipal golf course?

Not A Statistically Valid Sample



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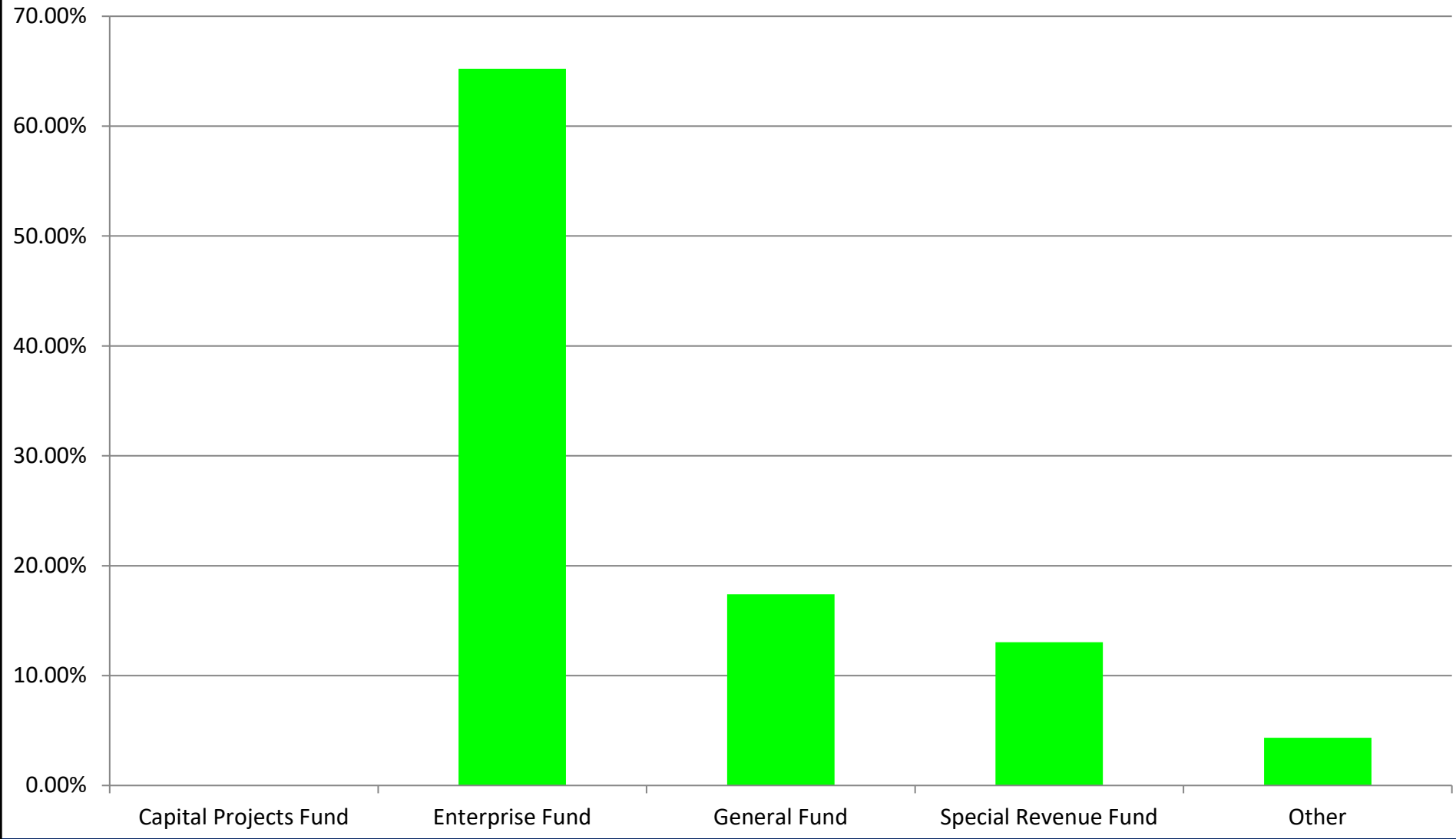
In which fund are the operations of the municipal golf course(s) accounted for?

Not A Statistically Valid Sample



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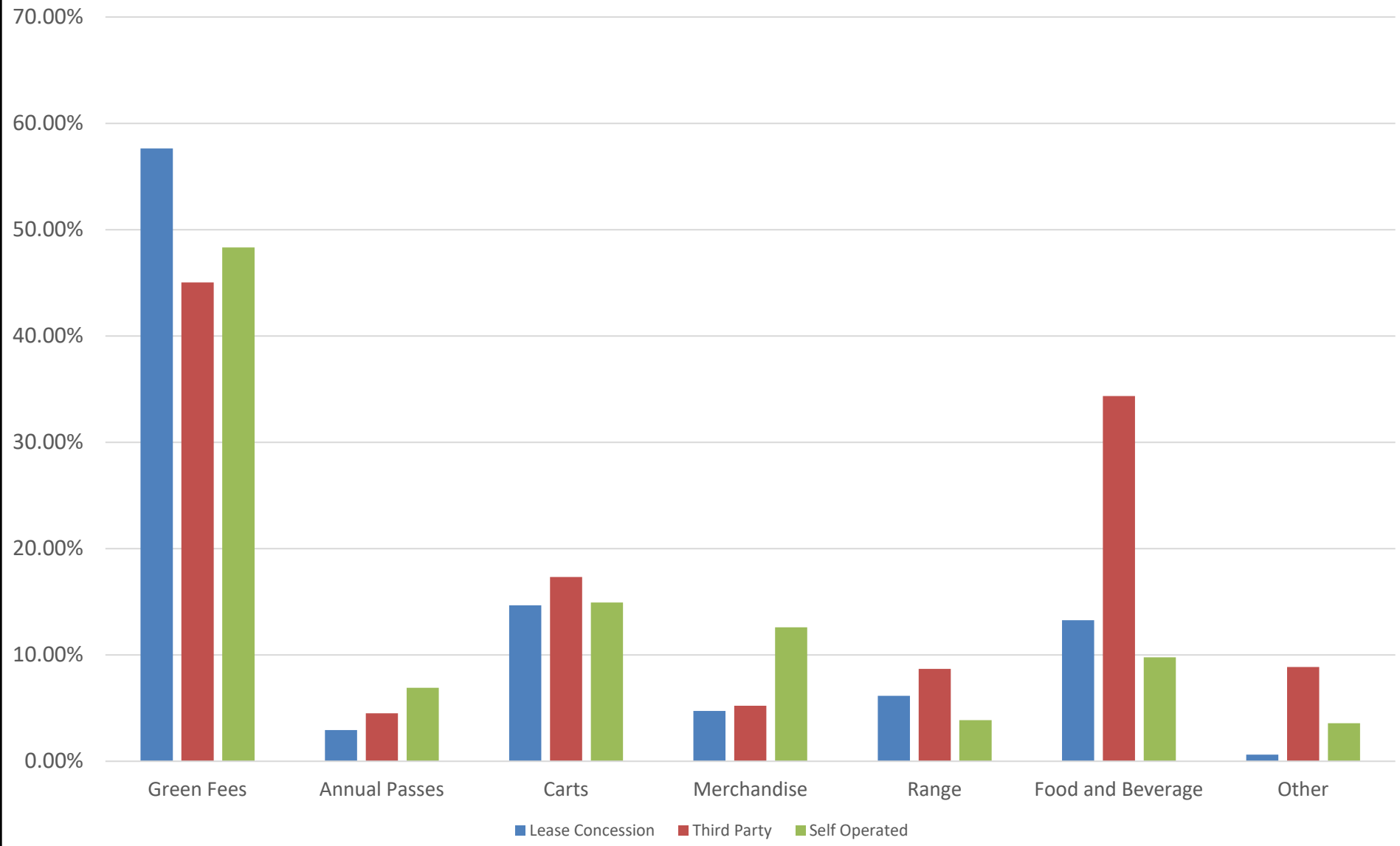
Revenue Distribution By Type of Management Style

Not A Statistically Valid Sample



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Gross Revenue By Type of Management Style

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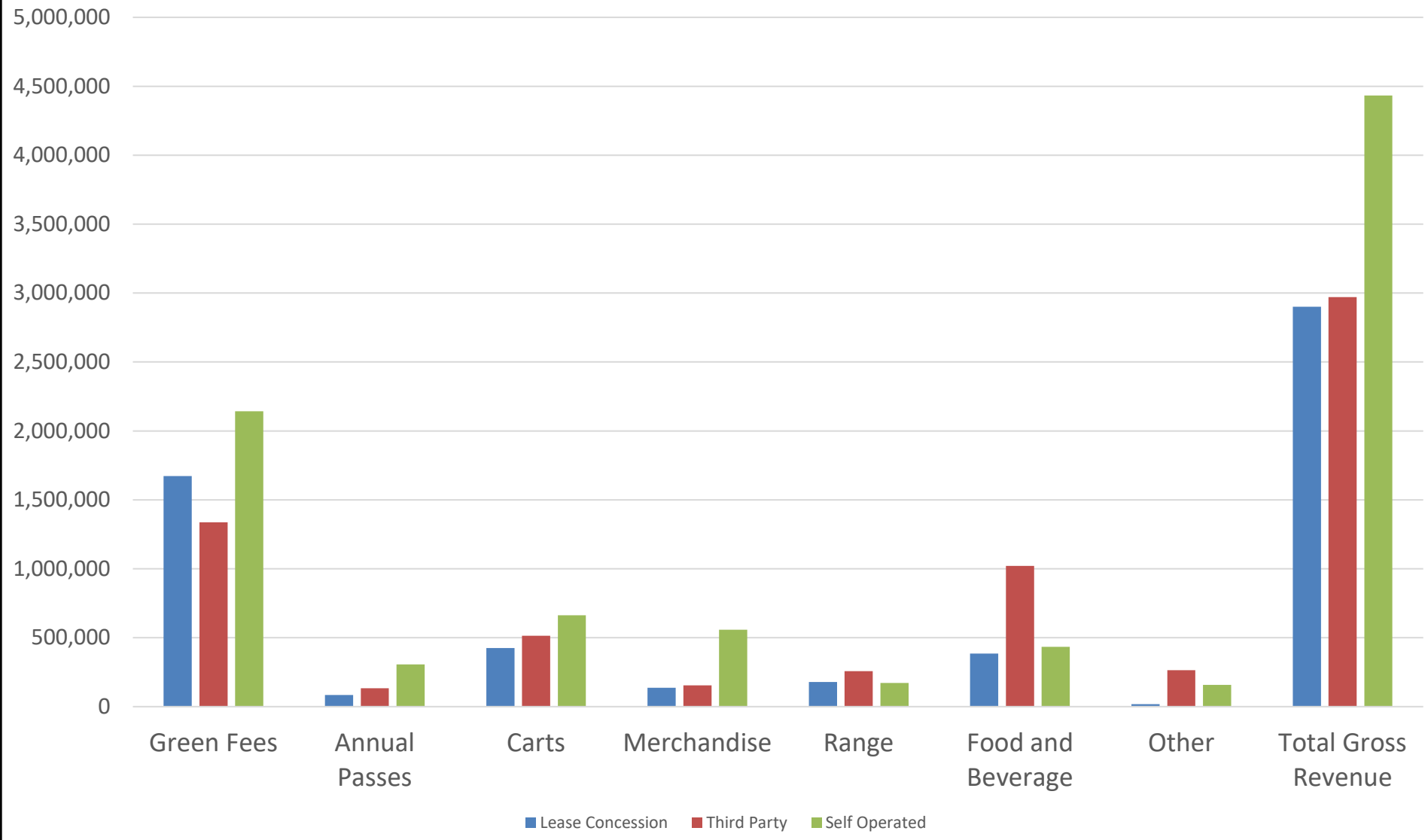

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Leases

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Limited Sample Size of Concession Agreements	Lease Pro Shop/Maintenance	Lease Pro Shop
Albuquerque		X
Atlanta	X	
Chicago Park District	X	
Cincinnati	X	
Dallas		X
Des Moines	X	
Detroit	X	
Forest Preserve District of Cook County	X	
Georgia State Parks	X	
Hyatt Hills, NJ	X	
Indianapolis	X	
Jacksonville	X	
Kenton County	X	
Los Angeles County	X	
Louisville		X
Mecklenburg County	X	
Middlesex County	X	
Morris County	X	
New York City	X	
New York State Parks	X	
Newcastle County	X	
Phoenix	X	
Seattle		X
Spokane		X
Town of Falmouth	X	
Virginia Beach	X	
Wilmington	X	

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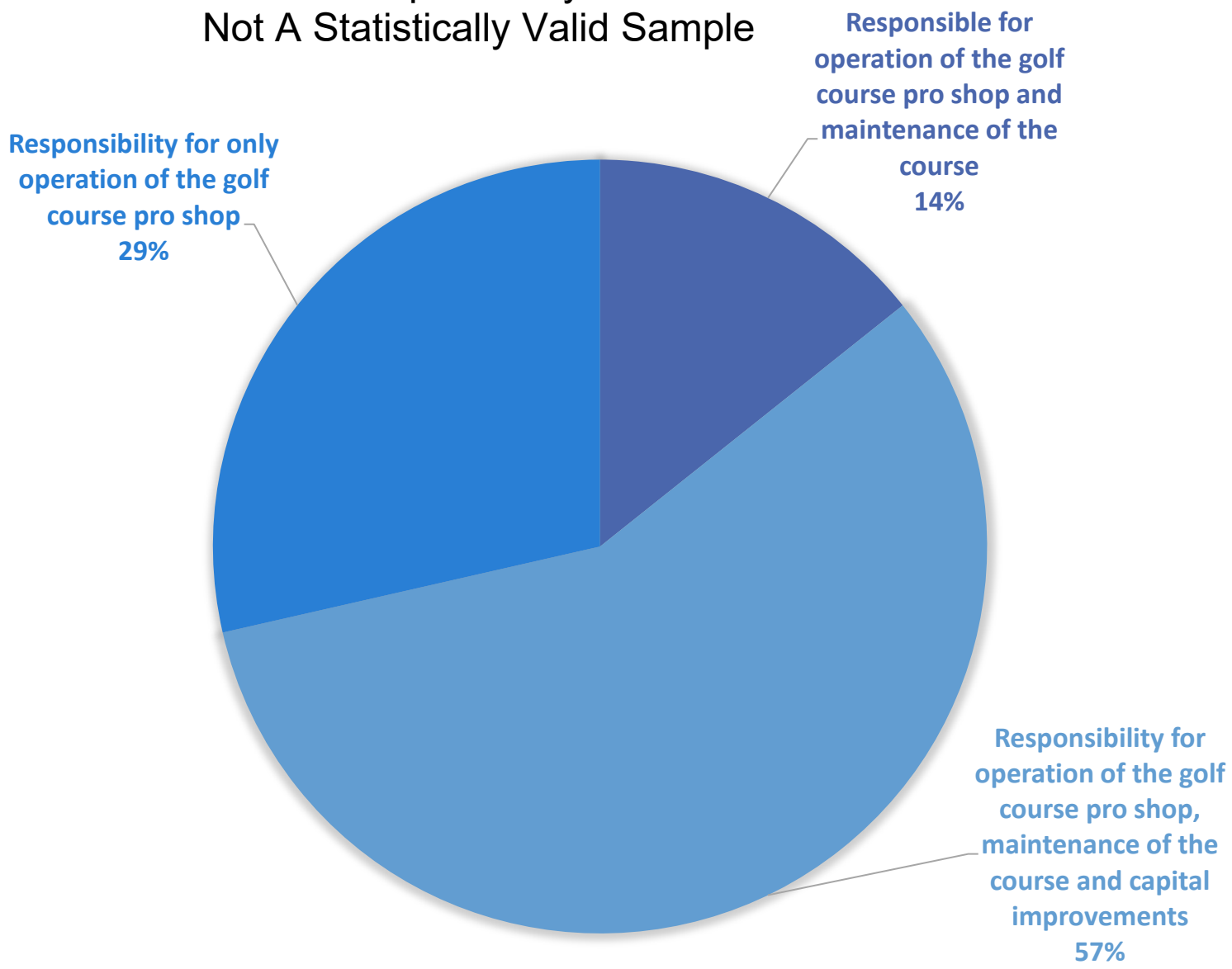
What best describes the scope of your operational and management responsibility?
Not A Statistically Valid Sample



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Revenue at Facilities Managed by Concessionaire

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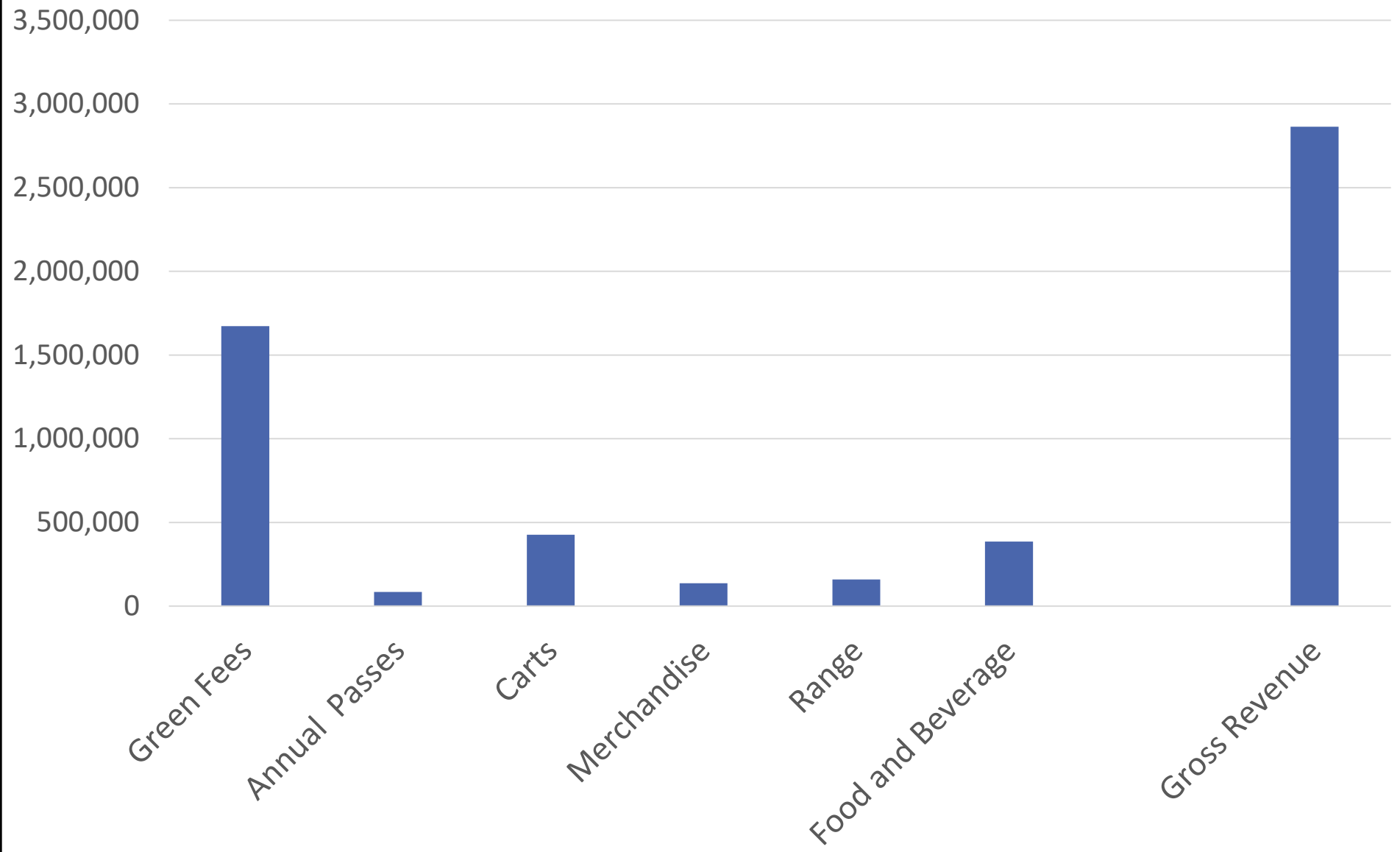

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Is there a minimum rental payment, regardless of revenue generated, that is due to the municipality?

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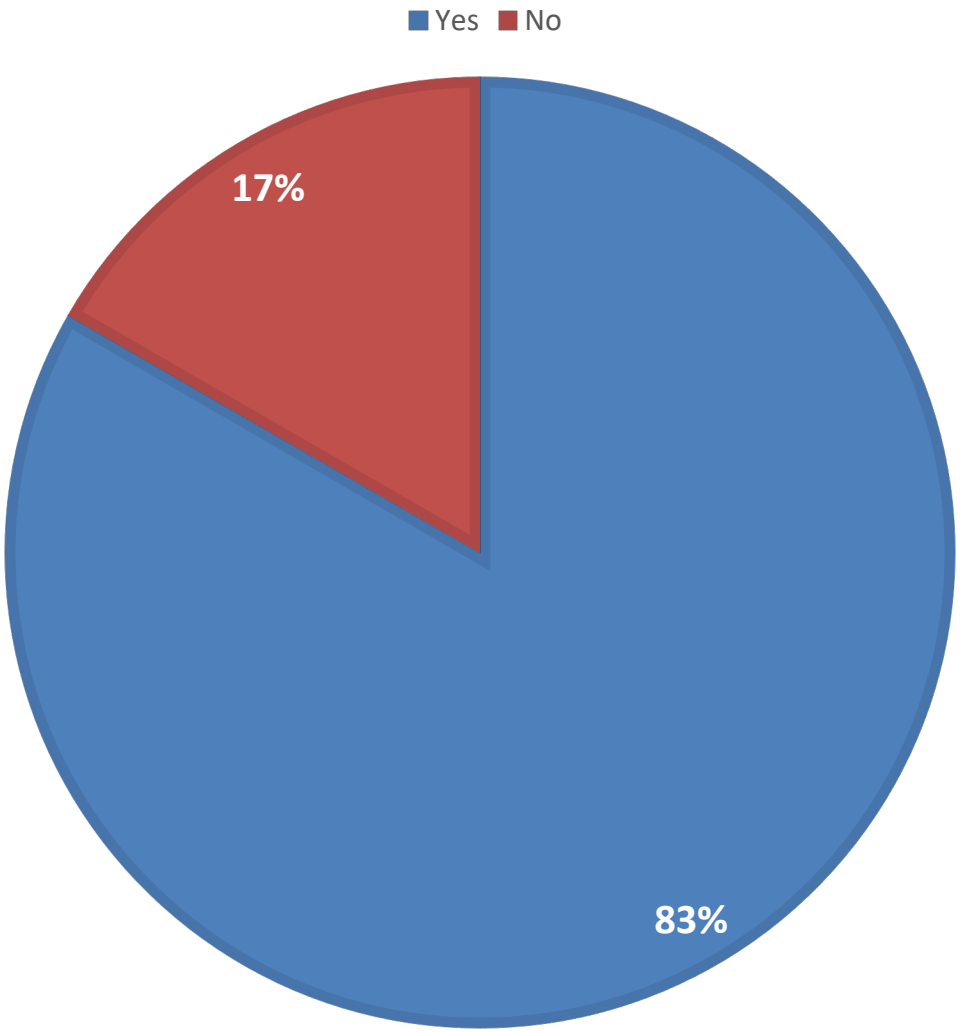

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As part of the contract, in addition to the rental payments, were you obligated to fund capital investments?

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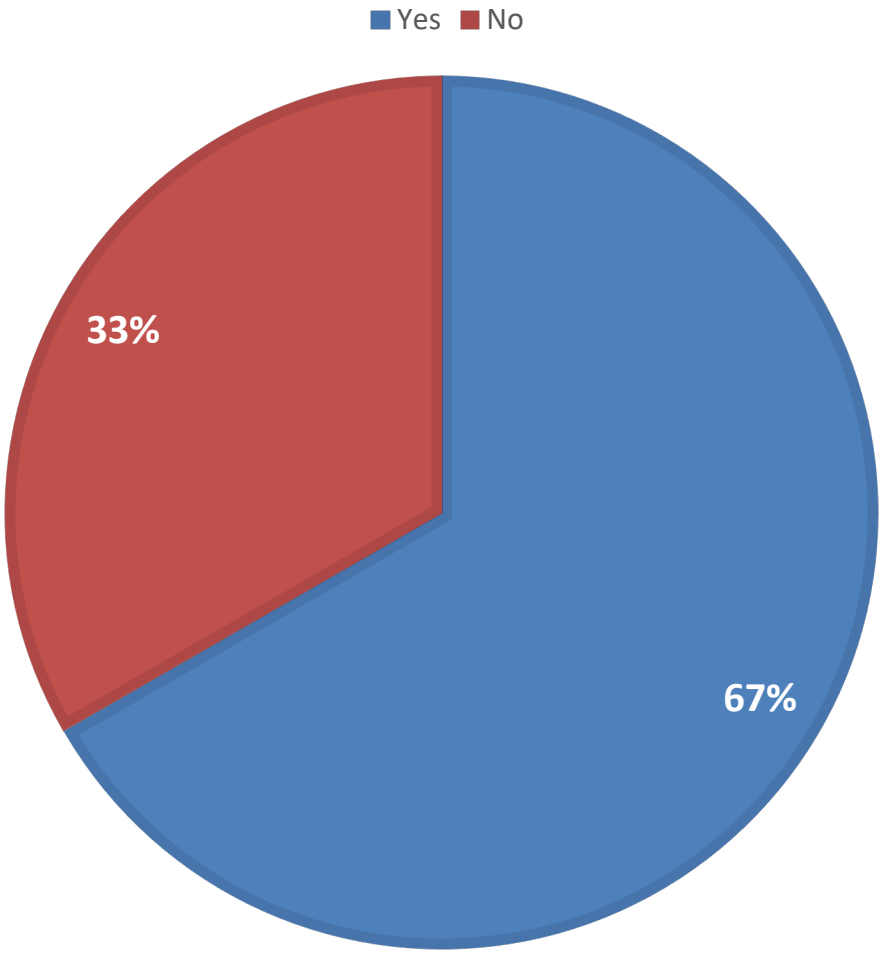

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Did the lease include an escalator clause for increasing rental payments during the life of the agreement?

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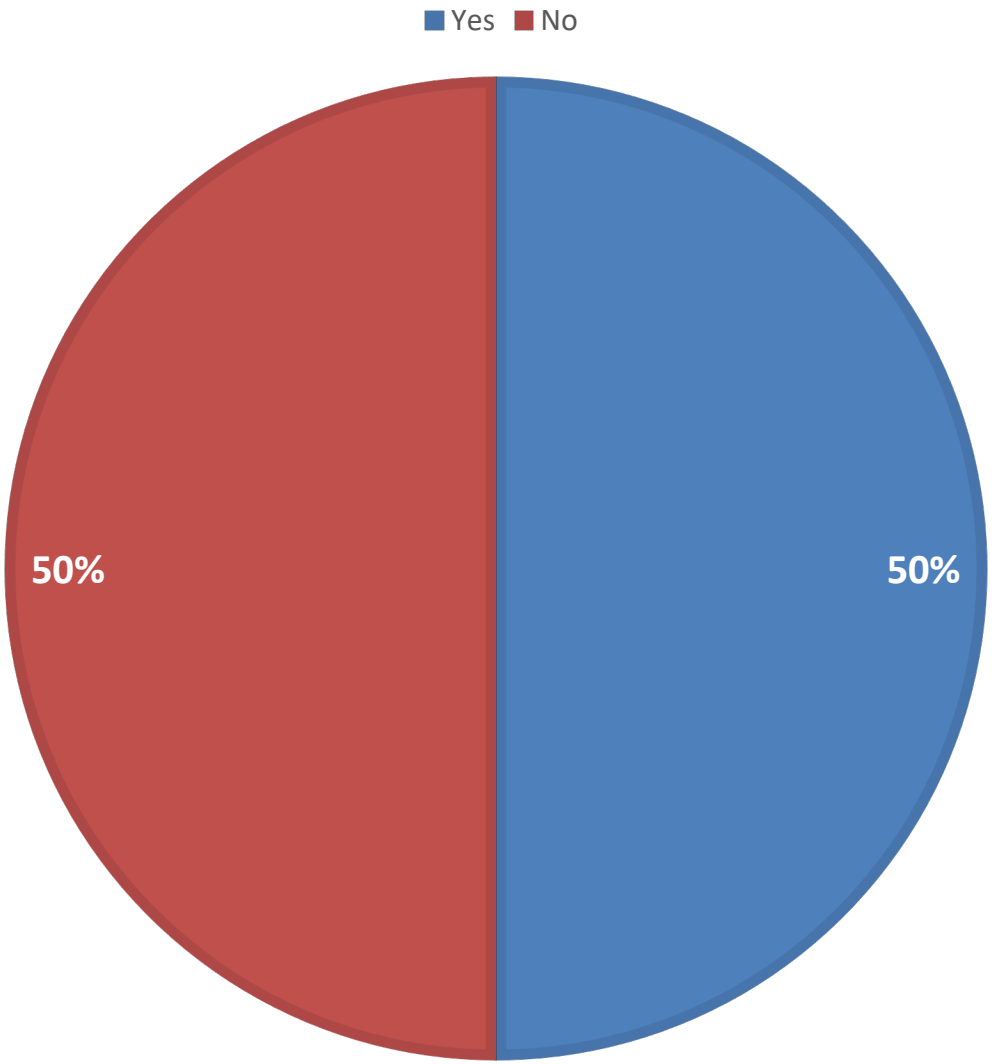

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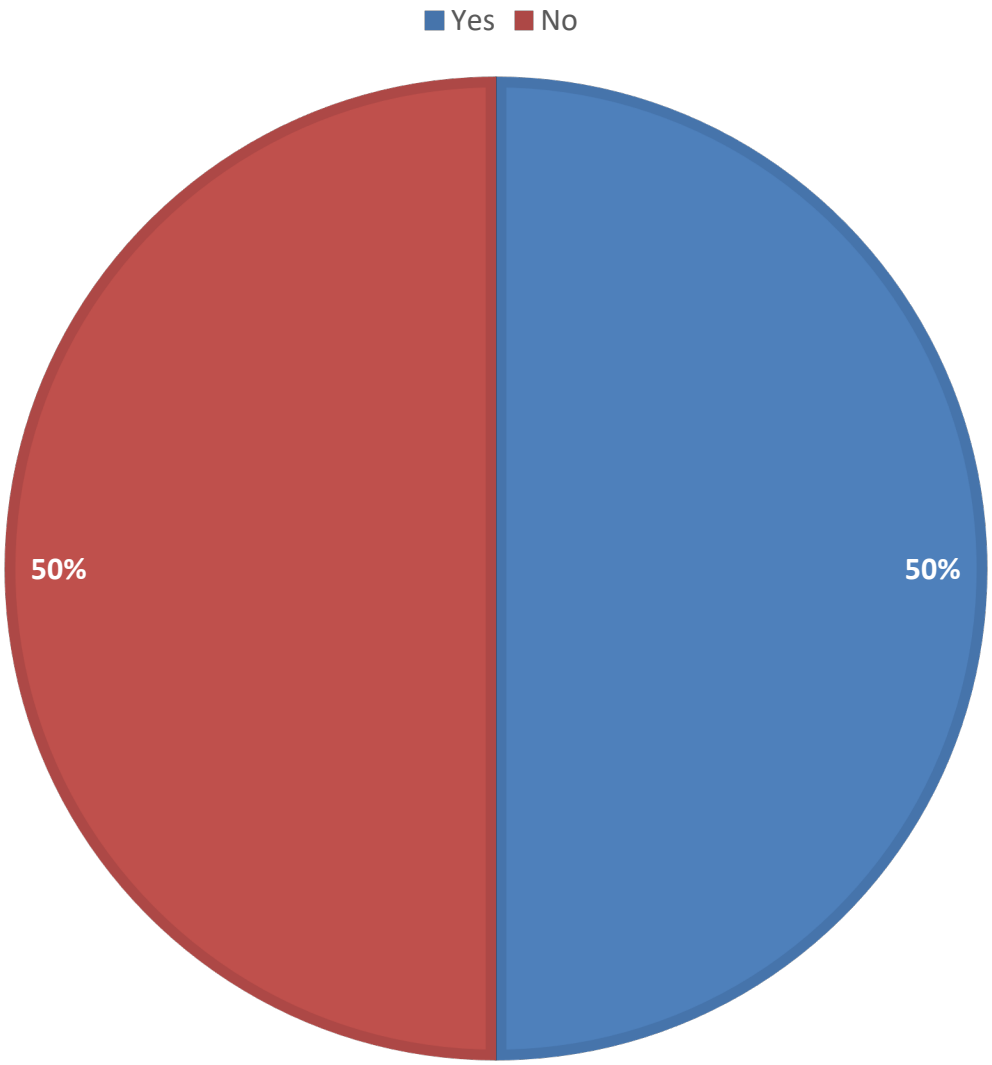
DID THE INITIAL CONTRACT PROVIDE FOR EXTENSIONS OF THE AGREEMENT?

NOT A STATISTICALLY VALID SAMPLE



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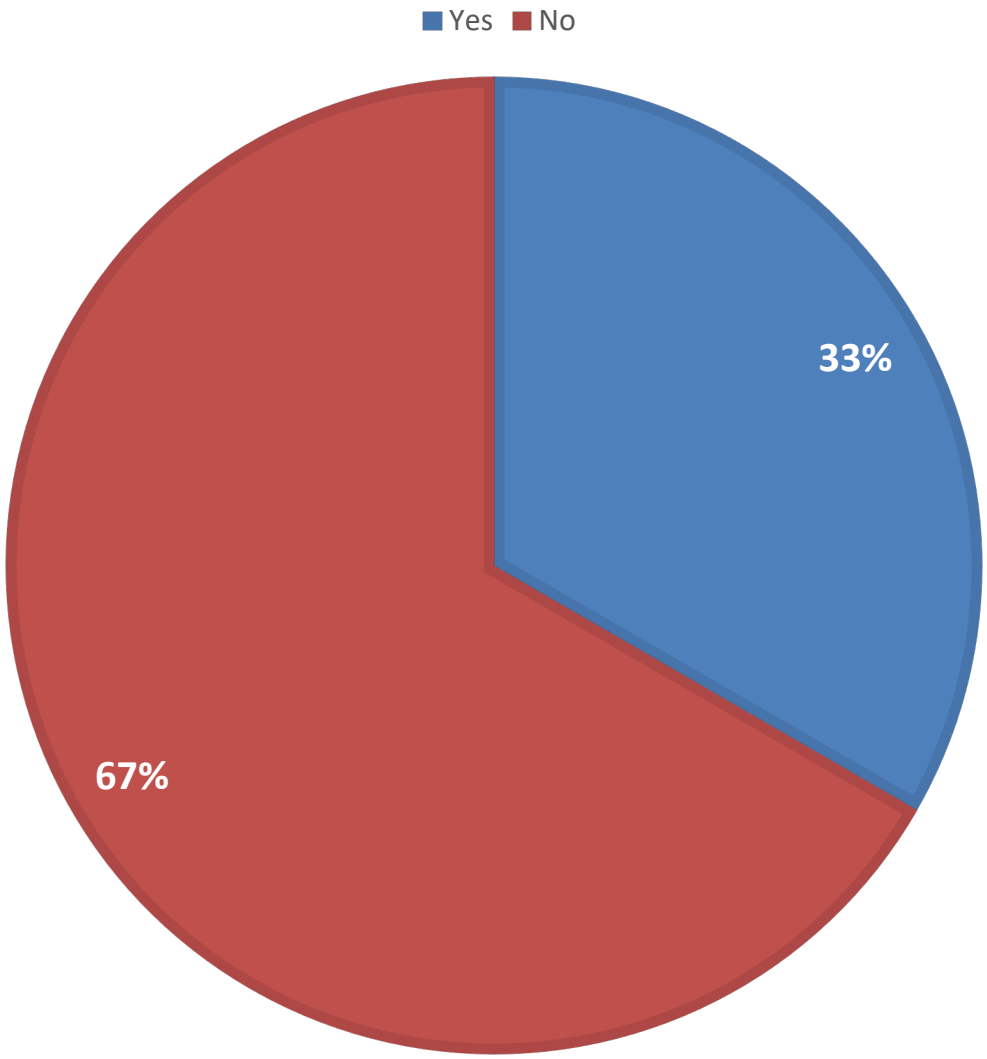
To secure the lease with a municipality, were you required to provide an upfront capital deposit?
Deposits frequently exceeded $100,000 up to $500,000

Not A Statistically Valid Sample



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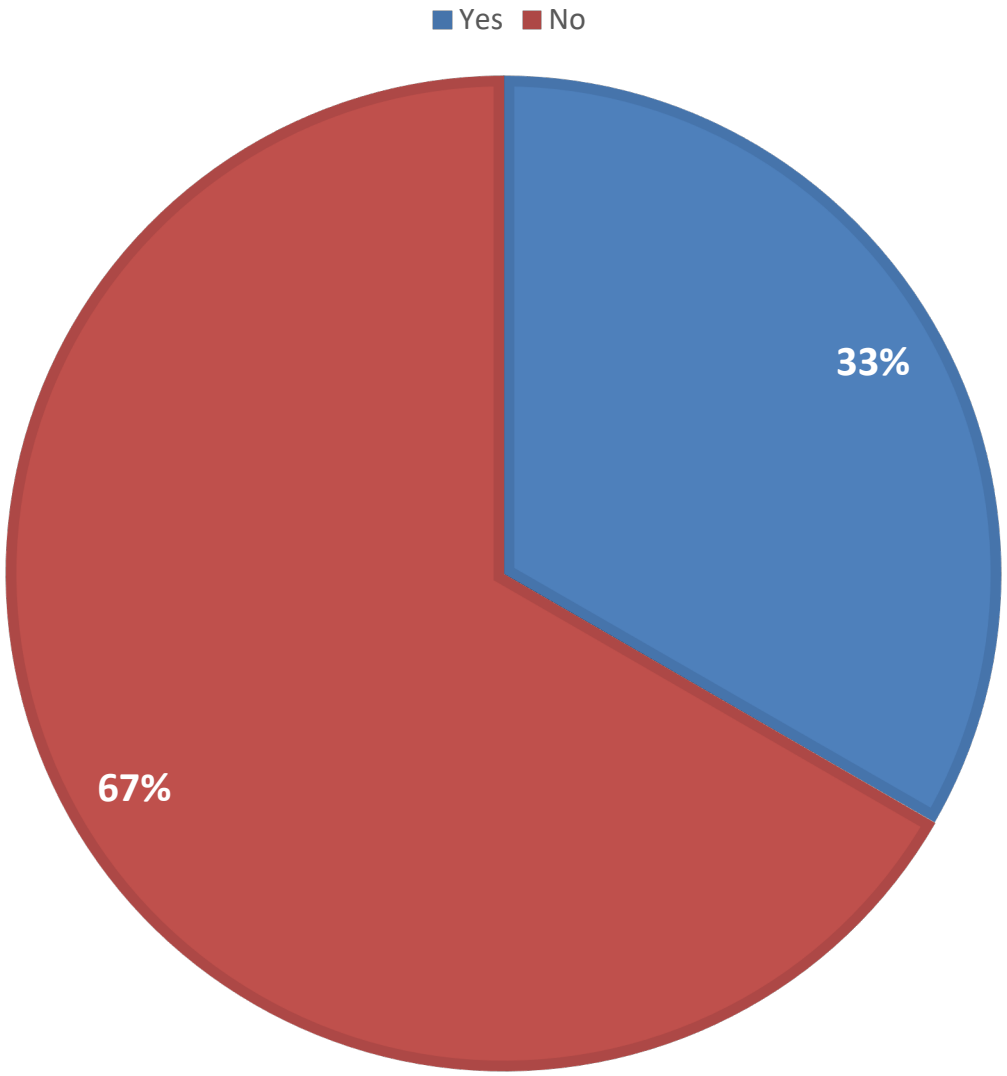
Were you required to submit to the municipality audited financial statements annually?

Not A Statistically Valid Sample



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Third-Party Management

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Revenue at Facilities Operated by Third Party Management Companies
Agreement Length – 5 Years

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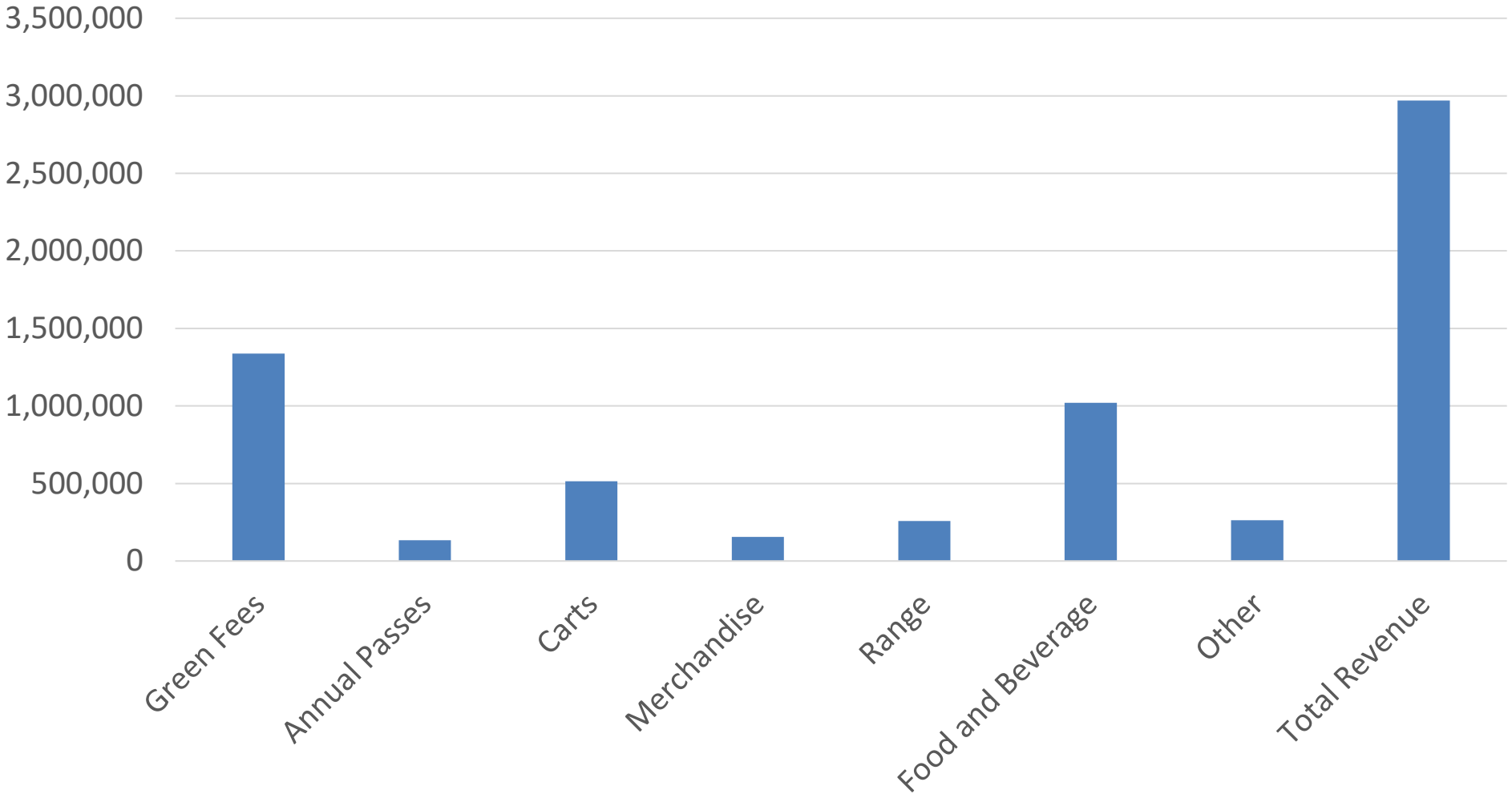

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Did the initial contract provide for extensions of the agreement?

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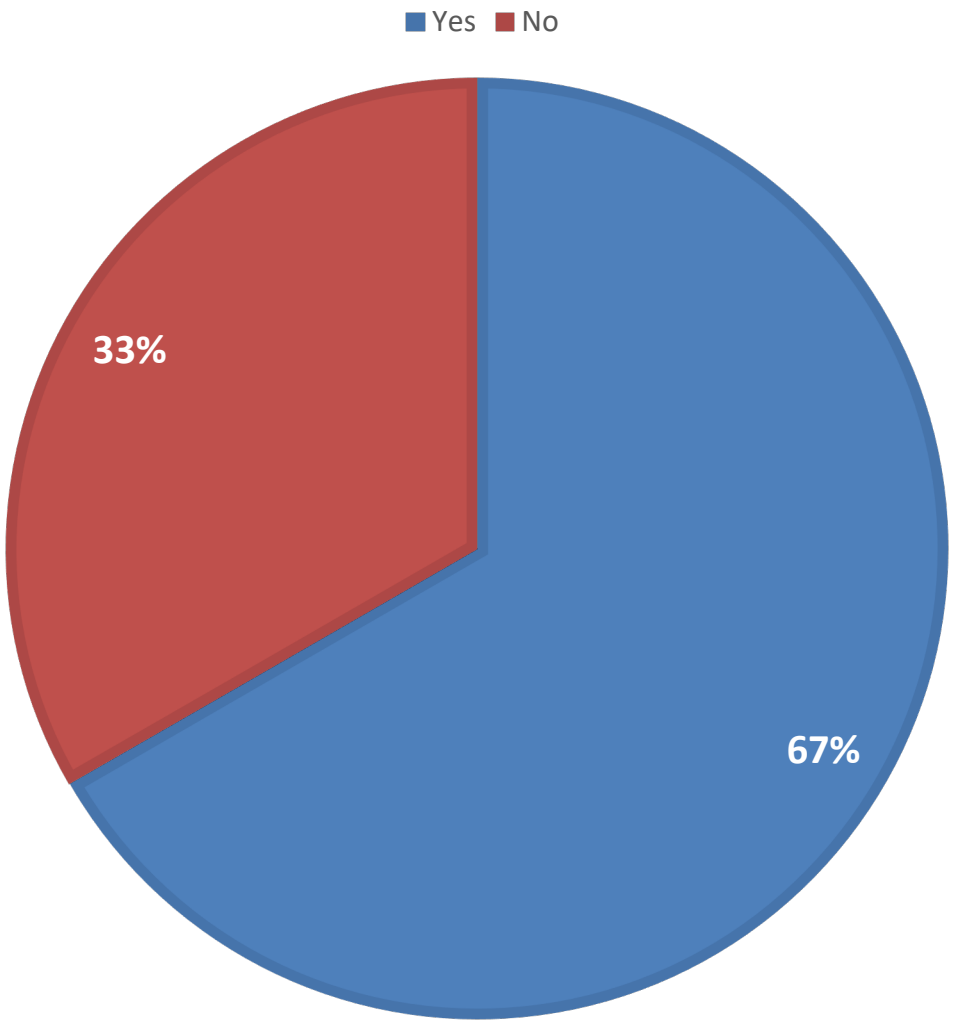

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Self Operated

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Revenue at Facilities Self Operated by Municipality

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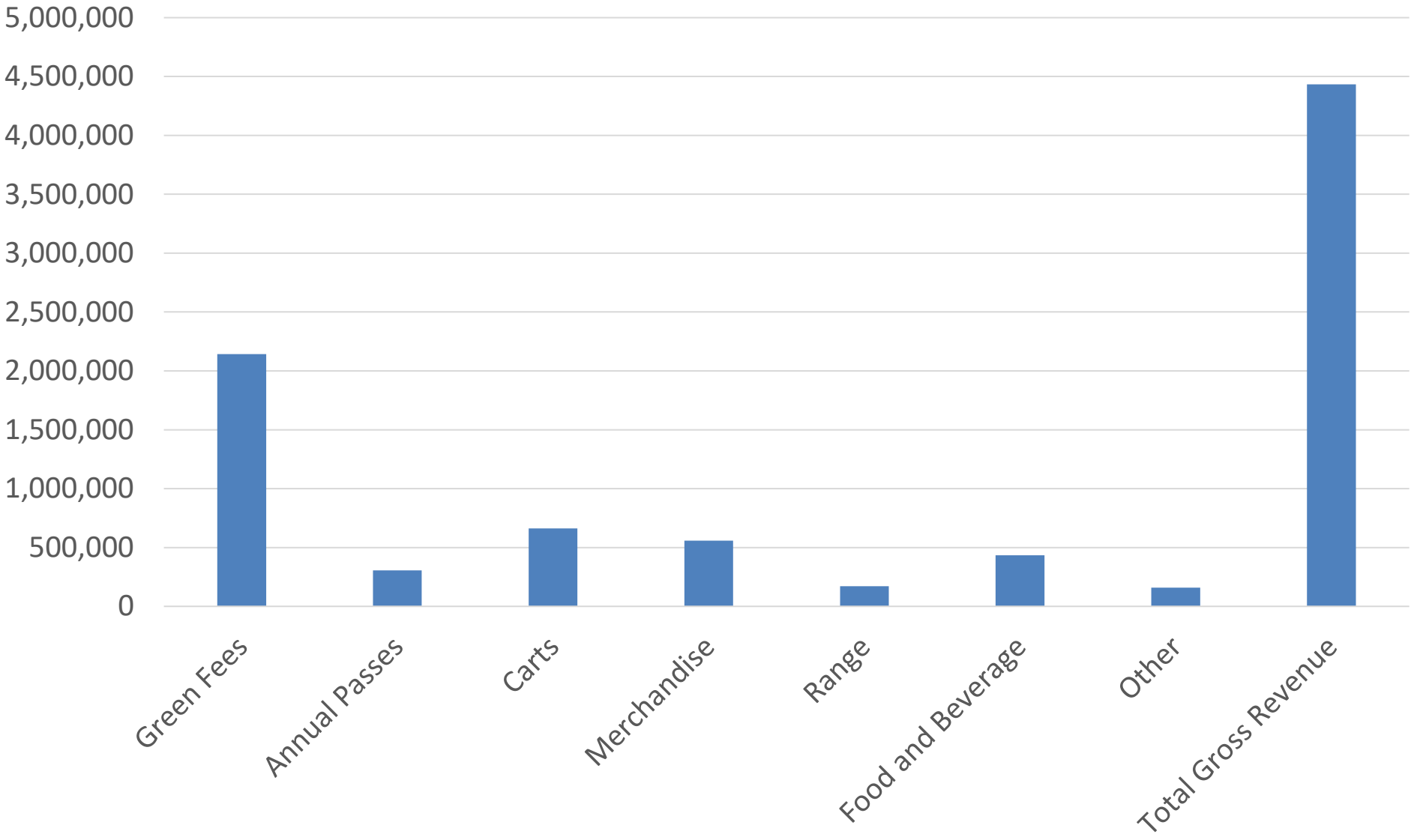

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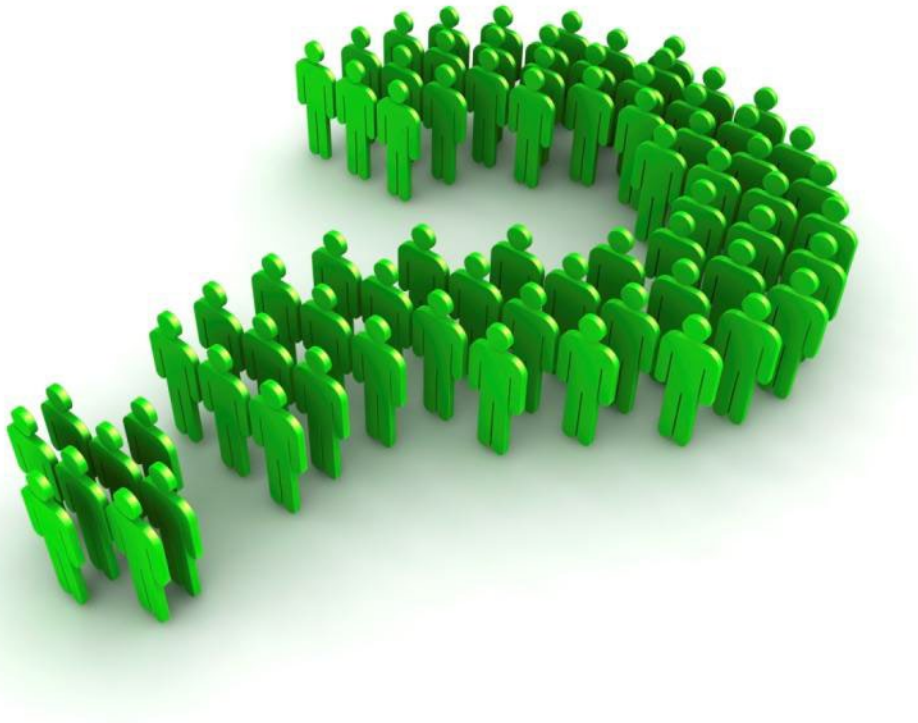
or email jjkeegan@jjkeegan.com



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