



V B.
Replacement

AGENDA REPORT
January 9, 2018

SUBJECT:

Operations Review and Assets Evaluation Report of Brevard County Golf Courses

DEPT/OFFICE:

Parks and Recreation

REQUESTED ACTION:

It is requested the Board review and discuss the attached PowerPoint presentation and provide direction to staff on how to proceed with the three (3) County-owned golf courses.

SUMMARY EXPLANATION and BACKGROUND:

The Board of County Commissioners, in regular session on October 24, 2017, received an Operation Review and Asset Evaluation Report and a presentation from Christovich & Associates. Direction to staff regarding the future of the three (3) County-owned golf courses was tabled for sixty (60) days.

At the October 24, 2017 Board meeting, the following options, included in the Christovich & Associates report, were submitted for the Board's consideration:

- Option 1 – Effective Disposition of Golf Course(s)
- Option 2 – Continue to Own and Operate all three (3) Golf Courses
- Option 3 – Continue to Own all three (3) Golf Courses and Outsource to Third Party Management
- Option 4 – Divest the Savannahs Golf Course and Retain/Operate Spessard Holland and Habitat Golf Courses

Listed below for the Board's consideration are additional potentially viable options. These options are not mutually exclusive.

- Option 5 – Public Private Partnership - Savannahs
- Option 6 – Establish a Community Development District (CDD) for the Savannahs Golf Course
- Option 7 – Public Private Partnership – Spessard Holland and Habitat
- Option 8 – Brevard County Public Golf Course Advisory Board Recommendation

The attached PowerPoint presentation outlines considerations for each of the aforementioned options. After the Board's contemplation, deliberation, and discussion of the presentation information, the staff will promptly take action to implement the Board's direction.

Should the Board choose an option(s) that requires the County to continue maintaining, operating or monetarily compensate another entity for one or more of the golf courses, it is requested that the Board authorize the County Manger to utilize up to \$400,000 of County reserves for any necessary expenses not covered by Golf Course revenue.

ATTACHMENTS:

Description

- **Golf Board Presentation**

REVIEWERS:

Department	Reviewer
Parks and Recreation	Donner, Mary Ellen
ACM Community Services	Liesenfelt, Jim
Parks and Recreation	Donner, Mary Ellen



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January 10, 2018

MEMORANDUM

TO: Mary Ellen Donner, Parks and Recreation Director

RE: Item V.B., Operations Review and Assets Evaluation Report of Brevard County Golf Courses

The Board of County Commissioners, in regular session on January 9, 2018, approved extending the discussion of the potential of a public/private partnership of the Brevard County Golf Courses for 60 days for negotiations in working towards an agreement, and approved scheduling a workshop within 30 days.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

cc: County Manager
County Attorney
Each Commissioner

old

Meeting Date
1/9/18



AGENDA	
Section	Unfinished Business
Item No.	IV.B.

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	Operations Review and Assets Evaluation Report of Brevard County Golf Courses
DEPT/OFFICE:	Community Services Group / Parks and Recreation Department

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Clerk to the Board Instructions:

Exhibits Attached Powerpoint

Contract /Agreement (If attached): Reviewed by County Attorney Yes No PR

County Manager	John Denninghoff, Assistant County Manager	Mary Ellen Donner, Parks & Recreation Director maryellen.donner@brevardparks.com ; 633-2046
Frank Abbate	Jim Liesenfelt, Interim Assistant County Manager	

old

Replacement

Meeting Date
1/9/18



AGENDA	
Section	Unfinished Business
Item No.	V B

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

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Should the Board choose an option(s) that requires the County to continue maintaining, operating or monetarily compensate another entity for one or more of the golf courses, it is requested that the Board authorize the County Manger to utilize up to \$250,000 of County reserves for any necessary expenses not covered by Golf Course revenues.

Clerk to the Board Instructions:

Exhibits Attached Powerpoint

Contract /Agreement (If attached): Reviewed by County Attorney Yes No PR

County Manager	John Denninghoff, Assistant County Manager	Mary Ellen Donner, Parks & Recreation Director maryellen.donner@brevardparks.com; 633-2046
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Frank Abbate	Jim Liesenfelt, Interim Assistant County Manager	Mary Ellen Donner
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County Golf Courses



Parks and Recreation Department

January 9, 2018

Integrity Golf Contract

- January 12, 2016

The Board of County Commissioners entered into an Agreement with Integrity Golf, LLC to manage the three (3) Brevard County owned golf courses

- February 1, 2016

Integrity began running the three (3) golf courses

- July 30, 2017

Integrity breached their 10-year Agreement and July 30 was the last day Integrity ran the golf courses

Golf Course Management by IGM

- July 30, 2017
The County entered into an emergency Agreement with International Golf Maintenance, Inc. (IGM) to provide golf course operation and maintenance services on a month-to-month basis
- July 31, 2017
IGM began temporarily operating and maintaining the three (3) Brevard County owned golf courses

Christovich Report and Actions

- October 24, 2017

The Board of County Commissioners received an Operations Review and Asset Assessment report

- November 1, 2017

The County entered into an Agreement for consulting services to assist with stabilizing and elevating the level and consistency of customer service and assist with the overall facility and course presentation

Board Action October 2017

- Directed the County Manager to enter into an Agreement with Christovich and Associates for consulting services to provide limited oversight of the courses
- Directed the County Attorney to take legal action against Integrity Golf Company, LLC
- Tabled the Board decision regarding the golf courses for sixty (60) days

Golf Operations

October - December 2017

- Staff met with interested parties to discuss the future of the courses
- Staff spent significant time and effort improving the condition of the courses
- Staff evaluated, developed a plan and began addressing water retention and aquatic weed control issues at the Savannahs Golf Course
- At their request, increased the frequency of the Brevard County Public Golf Advisory Board meetings

Golf Enterprise Fund Status

As of December 31, 2017

As of December 31, 2017 the Golf Enterprise Fund balance is as follows:

Revenue	
Beginning Fund Balance 10/01/2017	\$ 265,742
Charges for Services 10/01/17 - 12/31/17	\$ 542,100
Insurance Reimbursement (business interruption)	\$ 82,444
Total YTD Revenue	\$ 890,286
Expenses	
IGM Payment	\$ 599,625
Utilities	\$ 19,785
Christovich Consultant Fee *	\$ 29,600
Habitat Rent	\$ 21,069
Pump Replacement at Habitat	\$ 2,362
A/C Unit Replacements (2 @ Spessard, 1 @ Habitat)	\$ 14,545
Other	\$ 8,196
Total YTD Expenses	\$ 695,182
Fund Balance as of 12/31/2017	\$ 195,104

*Fee includes \$18,500 for report and \$11,100 for management oversight

Golf Enterprise Fund Projection

Year Ending September 30, 2018

FY 2017-2018 Golf Enterprise Fund

	1st Quarter Actual	2nd - 4th Quarter Projections	FY 17-18 Total Projection
FY 16-17 Beginning Balance	\$ 265,742		\$ 265,742
Revenue	\$ 624,544	\$ 1,884,830	\$ 2,509,374
Expenses	\$ 695,182	\$ 2,008,654	\$ 2,703,836
Revenue less Expenses	\$ (70,638)	\$ (123,824)	\$ (194,462)
Ending Balance	\$ 195,104	\$ 71,280	\$ 71,280

Golf Course Projections

FY 2017/2018

Golf Course Projections, FY 2017-2018

	Spessard			
	Savannahs	Holland	Habitat	Total
Rounds	25,023	36,171	35,054	96,248
Revenues	\$ 741,997	\$ 973,518	\$ 1,059,601	\$ 2,775,116
Expenses				
IGM	\$ 823,589	\$ 802,445	\$ 775,469	\$ 2,401,503
Operating	\$ 68,441	\$ 77,201	\$ 156,691	\$ 302,333
Total Expenses	\$ 892,030	\$ 879,646	\$ 932,160	\$ 2,703,836
Revenue Less Expenses	\$ (150,033)	\$ 93,872	\$ 127,441	\$ 71,280

Golf Course Capital Projections

FY 2017/2018

Capital Investment Estimates

	Savannahs	Spessard Holland	Habitat
• Savannahs Partnership	\$100,000-\$200,000	n/a	n/a
• Christovich and Associates			
Year 1	\$149,000	\$77,000	\$77,000
Year 2	\$260,000	\$85,000	\$255,000
Year 3	\$310,000	\$270,000	\$320,000
Total	\$719,000	\$432,000	\$652,000
• Facilities Management	\$1,281,000	\$1,022,000	\$469,000

Option 1: Effective Disposition of Golf Course(s)

Savannahs Golf Course

1. Permission to revert the Savannahs to the current HOA
2. Permission to sell the Savannahs

Spessard Holland Golf Course

1. Permission to negotiate a buyout of the reversionary interest from Bureau of Land Management for Spessard Holland
2. Permission to sell Spessard Holland with or without deed restrictions (dependent upon outcome of (1) above)
3. Permission to seek a long-term lease of Spessard Holland to a private operator

Habitat Golf Course

1. Permission to negotiate deed restricted lease or sale extension with FAA land use approval
2. Permission to sell with deed restrictions
3. Permission to seek a long-term lease of Habitat to a private operator
4. Permission to extend the Habitat lease with FAA land use approval

Board Decision Point

1. Grant permission to issue RFP to obtain brokerage services
2. Permission to authorize brokerage contract with Christovich

Option 1: Effective Disposition of Golf Course(s)

PROS

- County General Fund will not subsidize the operation of the course(s)
- Airport realizes revenue from the lease/sale of the Habitat Golf Course
- The County is not competing with local businesses providing golf

CONS

- Brevard County Citizens no longer have golf as County service/program
- Loss of investments made on each course
- Disposition of the course(s) may not be immediate

Option 2: Continue to Own and Operate All Three Golf Courses

FY 2018/2019 - County Run with Maintenance Contracted Out

\$2,395,960 Revenue \$3,911,197 Expenses \$1,515,237 General Fund Subsidy

Includes 1 Golf Management Specialist, 3 golf course managers (pro), 3 golf course assistant managers and pro shop attendants for 27 FTEs

- Permission to extend the Habitat lease
- Does not include capital investment

FY 2018/2019 - County Run

\$2,395,960 Revenue \$3,994,413 Expenses \$1,598,453 General Fund Subsidy

Includes 1 Golf Management Specialist, 3 golf course managers (pro), 3 golf course assistant managers, 3 superintendents, pro shop attendants, 3 mechanics, 15 parks repair technicians, and 9 parks maintenance technicians for 54 FTEs

- Permission to extend the Habitat lease
- Does not include capital investment

Board Decision Point

1. Golf courses are run by County staff including maintenance & equipment
2. Golf courses are run by County staff and the maintenance is contracted out

Option 2: Continue to Own and Operate All Three Golf Courses

RUN BY STAFF & MAINTENANCE CONTRACTED OUT

PROS

- County has control over the Golf Course service and marketing of the golf courses

CONS

- County staffing requirements increase
- The Golf Enterprise Fund would need monetary support from the General Fund

RUN BY COUNTY STAFF INCLUDING MAINTENANCE

PROS

- County has control over the Golf Course service and marketing of the golf courses

CONS

- The most expensive option
- Greatest increase of County staffing requirements
- The Golf Enterprise Fund would need monetary support from the General Fund

Option 3: Continue to Own All Three Golf Courses and Outsource to Third Party Management

Permission to issue a Request for Proposal for the following:

- Savannahs Golf Course
Short-term Lease or Management Agreement
 - Spessard Holland Golf Course
Short-term Lease or Management Agreement
 - Habitat Golf Course
Management Agreement
- Permission to extend the Habitat lease with FAA land use approval

Option 3: Continue to Own All Three Golf Courses and Outsource to Third Party Management

PROS

- Continue to have golf as a County service/program with minimal County staff involvement
- Airport realizes continued revenue from the Habitat Golf Course
- Maintains status quo as it relates to property values in the Savannahs area

CONS

- The County has a potential lack of assurances that the third party management will fulfill the contract
- The Golf Enterprise Fund would need monetary support from the General Fund
- County would need to hire a Golf Management Specialist to oversee the course management

Option 4: Divest Savannahs Course and Retain/Operate Spessard Holland and Habitat

Savannahs Golf Course

1. Permission to revert the Savannahs to the current HOA
2. Permission to sell the Savannahs

Spessard Holland and Habitat Golf Course

1. Permission to extend the Habitat lease with FAA land use approval
2. Permission to operate the Spessard Holland and Habitat Golf courses under options presented

Board Decision Point - Sale of Savannahs

1. Grant permission to issue RFP to obtain brokerage services
2. Permission to authorize brokerage contract with Christovich

Board Decision Points - Spessard Holland and Habitat

1. County to enter into a lease or management agreement
2. County to operate with or without maintenance outsourced

Option 4: Divest Savannahs Course and Retain/Operate Spessard Holland and Habitat

PROS

- Residents and visitors would have two (2) County golf courses
- County no longer has the cost of operating the Savannahs golf course

CONS

- Residents and visitors would have one (1) less County golf course
- The Golf Enterprise Fund would need monetary support from the General Fund
- Savannah and local area property values may be negatively affected

Option 5: Public Private Partnership Savannahs

- Savannahs Partnership approached District 2 with a proposal as attached to the Agenda Request
- The partnership would operate the course with the County responsible for capital and continued stormwater maintenance
- The partnership would require an operating subsidy for a period of time

Board Decision Point(s)

1. Consider appointing a Commissioner to a negotiation committee to negotiate a contract with Savannahs Partnership and the Savannahs HOA
2. Direction regarding how to address capital needs at the golf course and the proposed operating subsidy
3. Determine future of other two courses under other option(s) presented

Option 5: Public Private Partnership Savannahs

PROS

- Public involvement in the operation of the golf course
- Continue to have golf as a County service/program with minimal County staff involvement
- Maintains status quo as it relates to the property values in the Savannahs area
- The Savannahs HOA will have a vested interest in the course
- The County has a potential lack of assurances that the third party management will fulfill the contract
- County remains responsible for stormwater maintenance
- County is responsible for capital investment
- The Golf Enterprise Fund would need monetary support from the General Fund

CONS

This option could cost the County an estimated \$200K to \$230K per year (\$618K to \$650K revenue minus \$850K expenses) until such time that they are cash positive. The Savannahs Partners are requesting \$100K to \$200K capital for Year 1.

Option 6: Establish a Community Development District (CDD) for the Savannahs Golf Course

A community development district (CDD) is a local, special-purpose government framework authorized by Chapter 190 of the Florida Statutes as amended. This is an alternative to municipal incorporation for managing and financing infrastructure required to support development of a community.

Board action requested:

- 1. Instruct staff to continue facilitating discussions regarding the creation of a CDD**
- 2. Determine future operations of courses under other options presented**

Option 6: Establish a Community Development District (CDD) for the Savannahs Golf Course

PROS

- Public involvement in the operation of the golf course
- Continue to have golf as a County service/program with minimal County staff involvement
- Maintains status quo as it relates to property values in the Savannahs area
- County no longer has the operational capital expenses of the golf course
- Could provide alternative source of revenue for course operation, maintenance, and capital

CONS

- Residents have to agree to CDD and self-tax
- Nearby developer to Savannahs may not agree to CDD
- Nearby developer to Savannahs is 18 to 24 months out

Option 7: Public Private Partnership Spessard Holland and Habitat

- Golf Brevard provided information to the Brevard County Golf Course Advisory Board and will present a proposal similar to the Baltimore Municipal Golf Corporation model
- The partnership would operate the Spessard Holland and Habitat courses
- The partnership would require an operating subsidy for a period of time

Board Decision Points:

1. Consider appointing a Commissioner to a negotiation committee to negotiate a contract with Golf Brevard
2. Direction regarding how to address capital needs at the golf courses and any agreed upon operating subsidy

Option 7: Public Private Partnership Spessard Holland and Habitat

PROS

- Public involvement in the operation of the golf courses
- Continue to have golf as a County service/program with minimal County staff involvement

CONS

- The County has a potential lack of assurances that the third party management will fulfill the contract
- County is responsible for capital investment
- The Golf Enterprise Fund would need monetary support from the General Fund

Option 8: Brevard County Golf Course Advisory Board Recommendation

At the December 14, 2017 meeting of the Golf Advisory Board, members unanimously passed the following motion:

The Golf Advisory Board has considered all available options for disposing or managing the 3 County golf courses and recommends to the County Commissioners that the County enter into a public/private partnership with Savannahs, Inc. to operate, maintain and improve the Savannahs Golf Course and that the County enter into a public/private partnership with Golf Brevard to operate, maintain and improve Spessard Holland and the Habitat Golf Courses

Option 8: Brevard County Golf Advisory Board Recommendation

PROS

- County no longer has the expense of operations and maintenance for the courses
- Maintains status quo as it relates to property values in the Savannahs area

CONS

- The County has a potential lack of assurances that the third party management will fulfill the contract
- County remains responsible for stormwater maintenance
- County is responsible for capital investment
- The Golf Enterprise Fund would need monetary support from the General Fund

This option as it applies to the Savannahs could cost the County an estimated \$200K to \$230K per year (\$618K - \$650K revenue minus \$850K expenses) until such time that they are cash positive. The Savannahs Partners are requesting \$100K to \$200K capital for Year 1.

Consideration

Should the Board choose an option that requires the County to continue maintaining, operating, provide capital investment or monetarily compensate another entity for one or more of the golf courses, it is requested that the Board authorize the County Manager to utilize up to \$400,000 of County reserves for any necessary expenses

Questions/Discussion/Board Direction

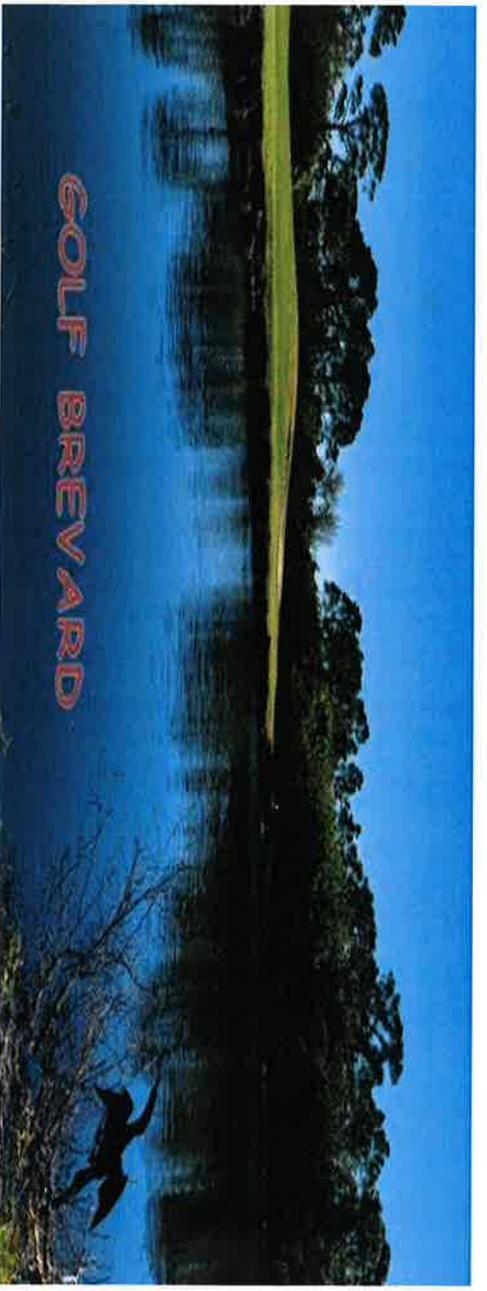
It is requested that the Board provide direction to staff on how to proceed with the three (3) Brevard County-owned golf courses

Savannahs Golf Course

Spessard Holland Golf Course

Habitat Golf Course

T.B.



**A CONCEPT PROPOSAL
FOR**

BREVARD COUNTY OWNED PUBLIC GOLF COURSES



DECEMBER 2017



PURPOSE

To provide the Brevard County Commissioners a proposed concept for retaining *The Habitat* and *Spessard Holland* golf courses as affordable, aesthetically pleasing, well-maintained golf courses in a manner that creates long-term financial stability while ensuring affordable access to all Brevard County residents and visitors.

OVERARCHING GOAL

Establish a non-profit 501(c)3 corporation for the purpose of managing the operations, marketing, and short and long term strategic planning for *The Habitat* and *Spessard Holland* golf course. The concept is modeled after the highly successful **Baltimore Municipal Golf Corporation (BMGC)**

BALTIMORE MUNICIPAL GOLF CORPORATION (BMGC)

- **Assumed managerial control of 5 declining courses in 1984**
- **Quickly went from annual \$500,000 losses to profitability**
- **Despite national trend of declining golf revenues BMGC has remained cash positive**
- **Initially all revenues allowed to be reinvested; however, recently City has used “profits” for other needs resulting in a capital maintenance backlog**

THE PLAN

- **“Golf Brevard” (a 501(c)3 corporation) assume full managerial control over *The Habitat* and *Spessard Holland***
- **“Golf Brevard” operated by a rotating seven member voluntary Board of Directors**
- **Courses will be managed by a professional Director of Golf reporting to the Board of Directors**
- **Director will have full operational and maintenance responsibility**
- **Any “profit” generated will be retained for future improvements**

PATHWAY TO SUCCESS

- **County lease courses to “Golf Brevard” at nominal fee**
- **County retain responsibility for paying FAA for annual lease of *The Habitat***
 - **County provide loan to cover transition year expenses**
 - **County provide line of credit to allow “Golf Brevard” to begin correcting deferred maintenance issues that have been allowed to accrue**
 - **Legal assistance from County legal staff is required to develop full concept at minimal cost**
 - **Full access to Parks and Recreation past and current golf related budgets and expenditures required**

NEXT STEPS

- **County Commissioners approve initial concept and grant a 60 day period to fully analyze current and past golf course operations**
- **On completion of the detailed analysis and consultation with County attorney, if it is determined this concept is viable, “Golf Brevard” will provide:**
 - **A proposed Charter for the 501(c)3 corporation**
 - **A proposed budget**
 - **A plan for “Golf Brevard” to repay transition year costs**

V.B

DISTRICT 3 SAVANNAH'S GOLF CHART (3 YEAR PROJECTIONS)

	PLAN A	PLAN B	PLAN C	PLAN D	PLAN E
	Reversion	Status-Quo	Savannahs Public-Private Partnership (Capped), as represented to Commissioner Tobia	Contract	Other
Operating losses	\$0	\$893,472 ¹	\$180,000 ²	Unknown	
Capital expenses: Structural	\$0	\$1,281,000 initial ³ + ongoing (?)	\$900,000 ⁴	Unknown	
Capital Expenses: Course	\$0	\$559,000 ⁵ + ongoing (?)	\$200,000 ⁶	Unknown	
Management Fee	\$0	N/A ⁷	\$0	Unknown ⁸	
Debt to Solid Waste⁹	\$819,000	\$819,000	\$819,000	\$819,000	
Water Management	\$32,000	\$32,000	\$32,000	\$32,000	
TOTAL	\$851,000		\$2,099,000	Unknown	

¹ See "Attachment A," note: based on National Golf Foundation estimate of 7.1% reduction in golf rounds through 2019 and an additional FTE for golf course oversight
² Losses over 6 month transition period; assumes ability to withstand continued operating losses as necessary; potentially repayable
³ See "Attachment D"
⁴ Portion of \$1,100,000 direct payment for capital expenses (capped)
⁵ See Christovich report, duplicates with Facilities estimate extracted
⁶ Portion of \$1,100,000 direct payment for capital expenses (capped)
⁷ Included in Operating Losses Line (\$68,660.16 per month+ portion of fee to Christovich for services)
⁸ See Sec. 9.8 of draft contract
⁹ 2015 refinancing of outstanding debt; originally financed at \$3,650,000 for construction of the course in 1988

Attachment A Golf Course Data

	2013	2014	2015	2016	2017	2018	2019	2020
Spessard Rounds	41,080	37,705	38,843	37,636	34,935	36,171	33,603	33,603
Holland Revenue	\$958,145	\$919,293	\$931,691	\$829,436	\$584,020	\$882,023	\$819,399	\$819,399
Expenses	\$828,718	\$805,410	\$878,180	\$915,064	\$463,595	\$883,405	\$913,083	\$931,344
Difference	\$129,427	\$113,883	\$53,511	(\$85,628)	\$120,425	(\$1,382)	(\$93,684)	(\$111,945)

	2013	2014	2015	2016	2017	2018	2019	2020
Habitat Rounds	34,351	32,644	37,681	38,475	38,097	35,054	32,565	33,603
Revenue	\$1,009,301	\$970,734	\$1,030,399	\$1,027,028	\$785,707	\$1,016,596	\$944,417	\$944,417
Expenses	\$1,017,931	\$961,043	\$1,095,060	\$827,574	\$660,440	\$1,006,233	\$1,035,911	\$1,056,629
Difference	(\$8,630)	\$9,691	(\$64,661)	\$199,454	\$125,267	\$10,363	(\$91,494)	(\$112,212)

	2013	2014	2015	2016	2017	2018	2019	2020
Savannahs Rounds	26,303	22,858	26,738	27,916	27,206	25,023	23,246	33,603
Revenue	\$771,192	\$650,723	\$724,602	\$719,060	\$466,413	\$665,705	\$618,440	\$618,440
Expenses	\$917,180	\$835,919	\$856,296	\$869,464	\$496,720	\$905,996	\$935,674	\$954,387
Difference	(\$145,988)	(\$185,196)	(\$131,694)	(\$150,404)	(\$30,307)	(\$240,291)	(\$317,234)	(\$335,947)

2015	Spessard Holland's spike in expense is attributed to \$33,949 for the purchase of batteries for golf carts								
2015	Habitat's spike in expenses is attributed to \$104,057 for the purchase of batteries for golf carts at Habitat and Savannahs								
2016	All course- Four months of county operation and eight months of P/L's from Integrity								
2017	Does not include April - July 17, revenue or expenses from Integrity. Does not include December 16 expenses from Integrity								
2019	Rounds and revenue are projected to decrease by 7.1% per National Golf Foundation projections								
2019	Expenditures are based on anticipated 2018 costs with the addition of one county staff to oversee courses								
2020	Rounds and revenue are projected to stay static. A modest 2% increase in expenses are being projected								

Attachment D

Savannahs Golf Course

		Time
Club House- drywall repairs, make some ADA modifications to restrooms, install hot water tank to code, replace exhaust fan louvers, and various electrical repairs, lights, receptacles, etc.	\$15,000.00	3-4m
Finish building the serving bar, to include all electrical, plumbing, sinks, cabinets, countertops, flooring, coolers and equipment, etc.	\$ 50,000.00	4-5m
Demo and replace deteriorating exterior structural concrete deck on the back of the Club House.	\$ 400,000.00	8-10m
Repair soffit and fascia on both the Club House and Maintenance Buildings.	\$ 5,000.00	1-2m
Drain, clean, sandblast, and paint two 500 gallon fuel storage tanks and their containment areas.	\$ 30,000.00	2-3m
Replace two deteriorated course restroom buildings. One removed because it was going to fall down and the other ready to fall down.	\$ 140,000.00	6-8m
Replace deteriorated Irrigation pump system including two 60 HP pumps and all associated piping, electrical, controllers, fertilizer pumps, wiring, etc.	\$ 100,000.00	6-8m
Repair existing irrigation controllers throughout the course.	\$ 100,000.00	6-8m
Replace the deteriorated metal canopy over the sprinkler pumps.	\$ 10,000.00	3-4m
Replace broken and unsafe cart paths.	<u>\$ 431,000.00</u>	6-8m
Total	\$1,281,000.00	

Savannahs	Year 1	Year 2	Year 3
Patio/cart ceiling leak repairs	\$30,000		
security cameras/alarm systems	\$5,000		
Bar/restaurant restoration	\$40,000		
Pump station pole barn and equipment		\$50,000	
Parking lot landscape and seal/stripe	\$25,000		
Clubhouse building repair and paint	\$25,000		
Restroom Between 5 & 11		\$25,000	
Canal dredging (property-wide)			\$100,000
Raise #11 fairway			\$60,000
Raise #2 Fairway			\$100,000
Raise #7 fairway			\$50,000
Tile flooring	\$3,000		
Carpet clubhouse	\$6,000		
Aqua target greens for Range		\$20,000	
sewer line and restroom building on 14		\$25,000	
fence repairs at maintenance	\$5,000		
42 sand bunkers need drainage and sand		\$100,000	
Cart path repairs		\$15,000	
Parking lot lighting (safety issues)	\$10,000		
Awning over patio/furniture		\$25,000	
	\$149,000	\$260,000	\$310,000
Total for all 3 golf courses	\$303,000	\$600,000	\$900,000
Cumulative Three-year Total	\$1,803,000		

Board Action October 2017

- Directed the County Manager to enter into an Agreement with Christovich and Associates for consulting services to provide limited oversight of the courses
- Directed the County Attorney to take legal action against Integrity Golf Company, LLC
- Tabled the Board decision regarding the golf courses for sixty (60) days

Golf Operations October - December 2017

- Staff met with interested parties to discuss the future of the courses
- Staff spent significant time and effort improving the condition of the courses
- Staff evaluated, developed a plan and began addressing water retention and aquatic weed control issues at the Savannahs Golf Course
- At their request, increased the frequency of the Brevard County Public Golf Advisory Board meetings

Golf Enterprise Fund Status As of December 31, 2017

As of December 31, 2017 the Golf Enterprise Fund balance is as follows:

Revenue

Beginning Fund Balance 10/01/2017	\$ 265,742
Charges for Services 10/01/17 - 12/31/17	\$ 542,100
Insurance Reimbursement (business interruption)	\$ 82,444
Total YTD Revenue	\$ 890,286

Expenses

IGM Payment	\$ 599,625
Utilities	\$ 19,785
Christovich Consultant Fee*	\$ 29,600
Habitat Rent	\$ 21,069
Pump Replacement at Habitat	\$ 2,362
A/C Unit Replacements (2 @ Spessard, 1 @ Habitat)	\$ 14,545
Other	\$ 8,196
Total YTD Expenses	\$ 695,182

Fund Balance as of 12/31/2017	\$ 195,104
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**Fee includes \$18,500 for report and \$11,100 for management oversight*

Golf Enterprise Fund Projection Year Ending September 30, 2018

FY 2017-2018 Golf Enterprise Fund

	1st Quarter Actual	2nd - 4th Quarter Projections	FY 17-18 Total Projection
FY 16-17 Beginning Balance	\$ 265,742		\$ 265,742
Revenue	\$ 624,544	\$ 1,884,830	\$ 2,509,374
Expenses	\$ 695,182	\$ 2,008,654	\$ 2,703,836
Revenue less Expenses	\$ (70,638)	\$ (123,824)	\$ (194,462)
Ending Balance	\$ 195,104	\$ 71,280	\$ 71,280

Golf Course Projections FY 2017/2018

Golf Course Projections, FY 2017-2018

	Savannahs	Spessard Holland	Habitat	Total
Rounds	25,023	36,171	35,054	96,248
Revenues	\$ 741,997	\$ 973,518	\$ 1,059,601	\$ 2,775,116
Expenses				
IGM	\$ 823,589	\$ 802,445	\$ 775,469	\$ 2,401,503
Operating	\$ 68,441	\$ 77,201	\$ 156,691	\$ 302,333
Total Expenses	\$ 892,030	\$ 879,646	\$ 932,160	\$ 2,703,836
Revenue Less Expenses	\$ (150,033)	\$ 93,872	\$ 127,441	\$ 71,280

Golf Course Capital Projections FY 2017/2018

Capital Investment Estimates

	Savannahs	Spessard Holland	Habitat
• Savannahs Partnership			
	\$100,000-\$200,000	n/a	n/a
• Christovich and Associates			
Year 1	\$149,000	\$77,000	\$77,000
Year 2	\$260,000	\$85,000	\$255,000
Year 3	\$310,000	\$270,000	\$320,000
Total	\$719,000	\$432,000	\$652,000
• Facilities Management			
	\$1,281,000	\$1,022,000	\$469,000

Option 1: Effective Disposition of Golf Course(s)

Savannahs Golf Course

1. Permission to return the Savannahs to the current HOA
2. Permission to sell the Savannahs

Spessard Holland Golf Course

1. Permission to negotiate a buyout of the reversionary interest from Bureau of Land Management for Spessard Holland
2. Permission to sell Spessard Holland with or without deed restrictions (dependent upon outcome of (1) above)
3. Permission to seek a long-term lease of Spessard Holland to a private operator

Habitat Golf Course

1. Permission to negotiate deed restricted lease or sale extension with FAA land use approval
2. Permission to sell with deed restrictions
3. Permission to seek a long-term lease of Habitat to a private operator
4. Permission to extend the Habitat lease with FAA land use approval

Board Decision Point

1. Grant permission to issue RFP to obtain brokerage services
2. Permission to authorize brokerage contract with Christovich

Option 1: Effective Disposition of Golf Course(s)

PROS

- County General Fund will not subsidize the operation of the course(s)
- Airport realizes revenue from the lease/sale of the Habitat Golf Course
- The County is not competing with local businesses providing golf

CONS

- Brevard County Citizens no longer have golf as County service/program
- Loss of investments made on each course
- Disposition of the course(s) may not be immediate

Option 2: Continue to Own and Operate All Three Golf Courses

FY 2018/2019 - County Run with Maintenance Contracted Out

\$2,395,960 Revenue \$4,809,185 Expenses \$1,515,237 General Fund Subsidy
Includes one (1) Golf Management Specialist, three (3) golf course managers (pro), three (3) golf course assistant managers and pro shop attendants for 27 FTEs

- Permission to extend the Habitat lease
- Does not include capital investment

FY 2018/2019 - County Run

\$2,395,960 Revenue \$3,994,413 Expenses \$1,598,453 General Fund Subsidy
Includes one (1) Golf Management Specialist, three (3) golf course managers (pro), three (3) golf course assistant managers, three (3) superintendents, and pro shop attendants for 54 FTEs

- Permission to extend the Habitat lease
- Does not include capital investment

Board Decision Point

1. Golf courses are run by County staff including maintenance & equipment
2. Golf courses are run by County staff and the maintenance is contracted out

Option 2: Continue to Own and Operate All Three Golf Courses

RUN BY STAFF & MAINTENANCE CONTRACTED OUT

PROS

- County has control over the Golf Course service and marketing of the golf courses

CONS

- County staffing requirements increase
- The Golf Enterprise Fund would need monetary support from the General Fund

RUN BY COUNTY STAFF INCLUDING MAINTENANCE

PROS

- County has control over the Golf Course service and marketing of the golf courses

CONS

- The most expensive option
- Greatest increase of County staffing requirements
- The Golf Enterprise Fund would need monetary support from the General Fund

Option 3: Continue to Own All Three Golf Courses and Outsource to Third Party Management

Permission to issue a Request for Proposal for the following:

- **Savannahs Golf Course**

Short-term Lease or Management Agreement

- **Spessard Holland Golf Course**

Short-term Lease or Management Agreement

- **Habitat Golf Course**

Management Agreement

Permission to extend the Habitat lease with FAA land use approval

Option 3: Continue to Own All Three Golf Courses and Outsource to Third Party Management

PROS

- Continue to have golf as a County service/program with minimal County staff involvement
- Airport realizes continued revenue from the Habitat Golf Course
- Maintains status quo as it relates to property values in the Savannahs area

CONS

- The County has a potential lack of assurances that the third party management will fulfill the contract
- The Golf Enterprise Fund would need monetary support from the General Fund
- County would need to hire a Golf Management Specialist to oversee the course management

Option 4: Divest Savannahs Course and Retain/Operate Spessard Holland and Habitat

Savannahs Golf Course

1. Permission to return the Savannahs to the current HOA
2. Permission to sell the Savannahs

Spessard Holland and Habitat Golf Course

1. Permission to extend the Habitat lease with FAA land use approval
2. Permission to operate the Spessard Holland and Habitat Golf courses under options presented

Board Decision Point - Sale of Savannahs

1. Grant permission to issue RFP to obtain brokerage services
2. Permission to authorize brokerage contract with Christovich

Board Decision Points - Spessard Holland and Habitat

1. County to enter into a lease or management agreement
2. County to operate with or without maintenance outsourced

Option 4: Divest Savannahs Course and Retain/Operate Spessard Holland and Habitat

PROS

- Residents and visitors would have two (2) County golf courses
- County no longer has the cost of operating the Savannahs golf course

CONS

- Residents and visitors would have one (1) less County golf course
- The Golf Enterprise Fund would need monetary support from the General Fund
- Savannah and local area property values may be negatively affected

Option 5: Public Private Partnership Savannahs

- Savannahs Partnership approached District 2 with a proposal as attached to the Agenda Request
- The partnership would operate the course with the County responsible for capital and continued stormwater maintenance
- The partnership would require an operating subsidy for a period of time

Board Decision Point(s)

1. Consider appointing a Commissioner to a negotiation committee to negotiate a contract with Savannahs Partnership and the Savannahs HOA
2. Direction regarding how to address capital needs at the golf course and the proposed operating subsidy
3. Determine future of other two courses under other option(s) presented

Option 5: Public Private Partnership Savannahs

PROS

- Public involvement in the operation of the golf course
- Continue to have golf as a County service/program with minimal County staff involvement
- Maintains status quo as it relates to the property values in the Savannahs area
- The Savannahs HOA will have a vested interest in the course

CONS

- The County has a potential lack of assurances that the third party management will fulfill the contract
- County remains responsible for stormwater maintenance
- County is responsible for capital investment
- The Golf Enterprise Fund would need monetary support from the General Fund

This option could cost the County an estimated \$200K to \$230K per year (\$618K to \$650K revenue minus \$850K expenses) until such time that they are cash positive. The Savannahs Partners are requesting \$100K to \$200K capital for Year 1.

Option 6: Establish a Community Development District (CDD) for the Savannahs Golf Course

A community development district (CDD) is a local, special-purpose government framework authorized by Chapter 190 of the Florida Statutes as amended. This is an alternative to municipal incorporation for managing and financing infrastructure required to support development of a community.

Board action requested:

- 1. Instruct staff to continue facilitating discussions regarding the creation of a CDD**
- 2. Determine future operations of courses under other options presented**

Option 6: Establish a Community Development District (CDD) for the Savannahs Golf Course

PROS

- Public involvement in the operation of the golf course
- Continue to have golf as a County service/program with minimal County staff involvement
- Maintains status quo as it relates to property values in the Savannahs area
- County no longer has the operational capital expenses of the golf course
- Could provide alternative source of revenue for course operation, maintenance, and capital

CONS

- Residents have to agree to CDD and self-tax
- Nearby developer to Savannahs may not agree to CDD
- Nearby developer to Savannahs is 18 to 24 months out

Option 7: Public Private Partnership Spessard Holland and Habitat

- Golf Brevard provided information to the Brevard County Golf Course Advisory Board and will present a proposal similar to the Baltimore Municipal Golf Corporation model
- The partnership would operate the Spessard Holland and Habitat courses
- The partnership would require an operating subsidy for a period of time

Board Decision Points:

1. Consider appointing a Commissioner to a negotiation committee to negotiate a contract with Golf Brevard
2. Direction regarding how to address capital needs at the golf courses and any agreed upon operating subsidy

Option 7: Public Private Partnership Spessard Holland and Habitat

PROS

- Public involvement in the operation of the golf courses
- Continue to have golf as a County service/program with minimal County staff involvement

CONS

- The County has a potential lack of assurances that the third party management will fulfill the contract
- County is responsible for capital investment
- The Golf Enterprise Fund would need monetary support from the General Fund

Option 8: Brevard County Golf Course Advisory Board Recommendation

At the December 14, 2017 meeting of the Golf Advisory Board, members unanimously passed the following motion:

The Golf Advisory Board has considered all available options for disposing or managing the 3 County golf courses and recommends to the County Commissioners that the County enter into a public/private partnership with Savannahs, Inc. to operate, maintain and improve the Savannahs Golf Course and that the County enter into a public/private partnership with Golf Brevard to operate, maintain and improve Spessard Holland and the Habitat Golf Courses

Option 8: Brevard County Golf Advisory Board Recommendation

PROS

- County no longer has the expense of operations and maintenance for the courses
- Maintains status quo as it relates to property values in the Savannahs area

CONS

- The County has a potential lack of assurances that the third party management will fulfill the contract
- County remains responsible for stormwater maintenance
- County is responsible for capital investment
- The Golf Enterprise Fund would need monetary support from the General Fund

This option as it applies to the Savannahs could cost the County an estimated \$200K to \$230K per year (\$618K - \$650K revenue minus \$850K expenses) until such time that they are cash positive. The Savannahs Partners are requesting \$100K to \$200K capital for Year 1.

Consideration

Should the Board choose an option that requires the County to continue maintaining, operating, provide capital investment or monetarily compensate another entity for one or more of the golf courses, it is requested that the Board authorize the County Manager to utilize up to \$400,000 of County reserves for any necessary expenses

Questions/Discussion/Board Direction

It is requested that the Board provide direction to staff on how to proceed with the three (3) Brevard County-owned golf courses

**Savannahs Golf Course
Spessard Holland Golf Course
Habitat Golf Course**