

Jeffersonville Golf Club

A Donald Ross Design

Borrowing for Facility Improvements



History

- Prior to being a golf course, the 135 acres property was an oval half-mile steeplechase track where the current 11th and 16th holes are today.
- The track, which became the Montgomery Riding Academy, was in operation from 1900 to the late 1920s before it was converted to a golf course by Anson Evans.
- The original barn is now the clubhouse and pro shop.

2009 Master Concept Plan

- Township hired McCloskey Faber to develop a master concept plan for Jeffersonville Golf Club.
- No movement on plan since October 2009.
- Developed three (3) concepts for golf course
 - Reviewed ability to renovate existing building.
 - Age and condition of building proved to be too costly.

Existing Pro Shop / Banquet Facility



Existing Pro Shop / Banquet Facility

- Current building was former barn for Montgomery Riding Academy.
 - Renovated into golf use by Evans family
- Pro Shop, Banquet Facility, Locker Rooms, Putters Grille and Storage all located in building.
- March 6, 2014 Structural Consultation
 - Weight from snow causes triple joist beam spanning 14 feet to crack. Danger of collapse
 - Original framing
- July 23, 2013 Building Survey
 - Several code and life safety issues due to building age.

Modified Option 3



Concept Master Plan

Scale: 1" = 80'-0"

0 40 80 160 240



Aerial photograph provided by Keyatona Aerial Surveys, Inc., taken on 7/18/08



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Concept Master Plan

MP-3

Maintain Status Quo

- If we do nothing:
 - Current building would continue to fall in to a state of disrepair and costs would increase to maintain.
 - Potential for condemnation based on July 2013 Building Survey.
 - Loss of year round income from banquet facility.
 - HVAC costs are rising due to condition.
 - Costs needed to house temporary facilities for Pro Shop/
Bathroom
 - Loss of Greens Fee/Players
 - Currently losing 500-1,000 rounds per year due to lack of facilities. Many outings and leagues are not returning due to conditions.
 - Estimated loss is **\$25,000 to \$51,000 per year** if trend continues.
 - Greens Fees would need to be increased to meet needed costs while play would decrease due to higher costs for poor facilities.

Reasons to Improve Facilities

- Recent projects at the golf course such as new bridges, renovations to Holes 1, 12, 13 and 16 helped to improve playing conditions at course.
- Ability to raise greens fees higher to compete with surrounding public courses.
 - Potential to step fees to \$75.00 for weekend rates (currently \$58.00)
 - Raven's Claw currently at \$71.00
 - Center Square currently at \$68.00
 - Both courses have much better facilities but Jeffersonville is a better golf course

Reasons to Improve Facilities

- Golf course brings outside people to West Norriton

Daily Fee

2012		2013		2014		2015	
Total Rounds	40,198	Total Rounds	36,921	Total Rounds	33,912	Total Rounds	36,429
Total Daily Fee Rounds	34,283	Total Daily Fee Rounds	30,971	Total Daily Fee Rounds	29,207	Total Daily Fee Rounds	30,339
Resident Daily Fee Rounds	598	Resident Daily Fee Rounds	361	Resident Daily Fee Rounds	581	Resident Daily Fee Rounds	690
Resident Percentage	1.74%	Resident Percentage	1.17%	Resident Percentage	1.99%	Resident Percentage	2.27%

Annual Passes

2012		2013		2014		2015	
Total Annual Passes	65	Total Annual Passes	71	Total Annual Passes	60	Total Annual Passes	77
Resident Annual Passes	17	Resident Annual Passes	14	Resident Annual Passes	19	Resident Annual Passes	17
Resident Percentage	26.15%	Resident Percentage	19.72%	Resident Percentage	31.67%	Resident Percentage	22.08%

Reasons to Improve Facilities

- Increased revenue from banquet operations.
 - Potential to move from a flat monthly rental currently used to a gross receipt lease.
 - Current monthly rent is \$2,070.00
 - Amedeo's Too is the current operator
 - \$214,534.14 (2014 revenues)
 - \$198,036.90 (2015 revenues)
 - Loss of \$83,772.31 in canceled events due to facility
 - Improved facility would allow for more events and more income to golf course for events that are non-golf related.

Current Facility

<u>Capacity</u>	<u>Cost Per Person</u>	<u>Total</u>
200	\$25.00	\$5,000.00

New Facility

250 w/dancing	\$50.00	\$12,500.00
	\$75.00	\$18,750.00
300 w/o dancing	\$50.00	\$15,000.00
	\$75.00	\$22,500.00

Reasons to Improve Facilities

- Golf Course debt service will decline by 25% beginning in 2021.
 - FY 2016 Budget is \$239,000
 - Debt Service in FY 2021 would be \$180,000 if money is borrowed.
- Low interest rate environment.
- Proposed improvements maintain and enhance a revenue producing asset.
- Provides and maintains open space and quality of life for the township.

\$2 Million Borrowing

- Stand alone banquet facility with parking at the site of the former driving range.
 - Prefabricated building.
- Relocated maintenance facility
 - Prefabricated 10,000 square foot building behind Hole #1
- Renovated or Prefabricated building at the current maintenance facility for Pro Shop/Bathroom facilities.



General Obligation Note Series of 2016

Projects to be financed:
-\$2,000,000

Existing Golf Fund Annual Debt
Service
-\$238,325.00 annually
-Final payment in 2020

Contemplated Financing Structure

Wrap Around and Reduction in 2021 for
20 Year Term

Annual Debt Service Increases approx.
\$70,000 through 2020 and reduces by
25% to \$180,000 in 2021 and remains
through maturity

Additional Annual Debt Service (2017-2020)	Resulting Annual Debt Service (2017-2020)	Final Maturity
\$73,562.50	\$311,887.50	2036

Additional Item for Consideration

Consideration of Refunding of Certain Refundable Township Obligations
Assumes Current Market Conditions

<u>Bonds Being Refunded</u>	<u>Series of 2010</u>
Principal Amount	4,585,000.00
Interest Rate Ranges	2.25% - 4.00%
Proposed Refunding Amount of Series of 2016 Issue	4,676,000.00
Estimated Blended Interest Rate	2.94%
Estimated Issuance Costs (Included in Refinancing)	55,000.00
Estimated Municipal Bond Insurance Costs	<u>0.00</u>
Estimated Total Cost (Included n Refinancing)	55,000.00
Cost of Retiring the Refunded Series of 2010 Bonds	4,620,495.76

Additional Item for Consideration

Annual Savings

<u>Fiscal Year</u>	
2016	41,117.06
2017	60,907.00
2018	-436.00
2019	-150.00
2020	321.50
2021	-174.50
2022	-375.50
2023	-279.50
2024	-472.50
2025	-387.50
2026	500.00
2027	500.00
Total	101,070.06
Net Present Value	100,070.07

Questions?

