

# **BUSINESS PLAN**



## **COMMUNITY OWNERSHIP & OPERATION Of The ARMSTRONG (Public) GOLF COURSE**

**Prepared by: Armstrong Green Space Society**

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## INTRODUCTION

The Royal York Golf Course land is privately owned, and has been developed and operated for the past 30 years by the York family. It has become a valuable asset to the City, its residents, residents of the north Okanagan, and visitors to the area.

It is arguably the most challenging, most diverse and most scenic 9-hole golf course in the North Okanagan. Its club house and restaurant/patio are state of the art. The Restaurant has become a dining destination for a diverse clientele and holds numerous events annually. This Business Plan deals with operation and maintenance of the Golf Course and Pro Shop only. It is envisioned that the City of Armstrong would lease the kitchen/dining/bar portion of Club House to a private entrepreneur.

The golf course is a valuable green space for the City of Armstrong, a beautiful Parkland, a home to numerous wildlife species, a riparian area to Meighan creek, and plays an important role in watershed management.

The City also benefits through the Golf Course attraction to new residents wanting to live here, to the quality of life of all residents using the Golf Course and its dining facility, and to the financial benefit of its local businesses.

The golf course also has the potential to increase its golf membership and profitability while enhancing its importance to the city of Armstrong and its residents.

These opportunities will all be lost with a sale and re-zoning of these lands for large scale housing development. Any development plan that retains a small Par 3 golf course will not attract the same level of patrons and it will have lost its appeal. Why come to Armstrong when other par 3 golf courses in the North Okanagan offer better value for their money?

## **GOAL**

Our goal is to retain the present Armstrong Golf Course, providing fair compensation based on the BC Assessment Authority valuation for the past 30 years to the present owner, while continuing to operate and enhance its profitability through City ownership or through City ownership until a buyer comes forward. The Armstrong Green Space Society would be willing to enter into discussions with the City regarding any role we can play should the City adopt this route.

## **OBJECTIVES**

The objectives are to:

1. To continue to have the Armstrong golf course enhance its benefits to the quality of life for all users and to all residents.
2. To maintain the golf course and implement additional strategies and actions that will increase membership, provide additional opportunities for members and green fee participants.
3. To generate sufficient revenue to cover all direct operational and maintenance costs while keeping golf affordable while contributing to a reserve account that allows for unforeseen financial circumstances while allowing for long-term sustainability.

## **FIT WITH THE CITY OF ARMSTRONG STRATEGIC PLAN 2020-2023**

**Mission:** *To preserve and enhance the quality of life in Armstrong through responsible, efficient and effective delivery of municipal services for our citizens.*

### **Objective 9: Storm Water**

#### *Flooding Mitigation*

- *“.....construct a bypass from Meighan Creek to Deep Creek for flooding mitigation in 2020.”*

#### *Wetland Master Plan*

- *“By 2021 engage a Qualified Environmental Professional to determine the Streamside Protection and Enhancement Area for our wetland areas which will also rate the quality of wildlife in the area.”*

**Official Community Plan (OCP) .... Armstrong Growth Update .... A Report from the City in August 2019 further state’s :**

*“.....the **Official Community Plan (OCP)** projects Armstrong will require 38 new homes a year until 2030 to accommodate residential growth. “It will be impossible to accommodate the population projections unless additional land is made available for development”. City Planner Dan Passmore stated. Of the 8 priority areas for consideration of evaluation, top priority addresses include 3075, 3170 and 3200 Fraser Road, 3065 Otter Lake Road and a portion of Noble Road.”*

## **VISION (Where are we going?)**

*“The Armstrong Golf Course is a friendly and welcoming Club with the Page 4 best Club House and 9-Hole Golf Course in the North Okanagan. A Club which is continually looking to improve and invest in the course and to its environmental setting. The Golf Club that offers a well fitted clubhouse, value for members and green fee golfers, and a challenging but fair course for golfers of all abilities.”*

## **STRATEGIES AND ACTIONS (How do we get there?)**

### **Increase Memberships & Green Fee Rounds**

#### **Green Fees**

- Position the golf pricing to reflect its appropriate position in the north Okanagan 9-hole golf market recognizing the value of the location and perceived value of comparable local courses.
- Provide a fee that is appropriate in the marketplace that allows customers to choose a course that provides challenge, playability and value for the fee.
- Provide an early and late season rate appropriate to the condition of the course at these times.
- Provide reduced fee promotions during slow use periods.

#### **Rates**

- Promote membership drives – “Early Bird”, “Summer Pro-rated”, “Annual”, “weekdays only”.
- Fees which include a cart - Golf/Cart packages

- Offer punch Cards (single or family) – 5 game, 10 game, 20 game (which represent a 5%, 10%, 20% reduction from individual game green fees).
- Offer 10 game package Christmas Gift Certificates

### **Youth**

- Promote and support Junior and High School golf programs.
- Further develop “junior” golfers program with reduced rates, lessons, etc.
- Utilize social media to attract kids to the game

### **Adults**

- Market golf within the community
- Group or single lessons
- Bring a friend promotions

### **Leagues**

- Support various Leagues by setting of league playing times that meet League needs while accommodating green fee golfer periods of use. (ie: Sr. Men’s, Sr. Ladies, Men’s, Ladies, Juniors, Geezer’s”, etc)
- Accommodate Club Championship’s for all Leagues requiring same

### **Tournaments/Special Events**

- Promote and hold several invitational tournaments throughout the season. (ie: Men’s Open, Ladies Open, Junior Open).

## **Increase Revenue Generation From All Sources**

### **Tournaments**

- Recruit charity and corporate golf tournaments
- Promote memberships and return visits
- Re-book tournaments for following years
- Donate golf or golf/cart package to tournament raffle

### **Pro-Shop**

- Adequately stock pro-shop with basic golfer needs
- Introduce a Membership rewards program
- Pro-Shop and Clubhouse staff to practice good “sales” techniques, are friendly, helpful and efficient in their duties.
- Pro-Shop to be good Ambassador ‘s for the golf club and take effective steps to inform golfers of various golf course etiquette.

### **Sponsorships and Advertising**

- Develop a webpage and make it user friendly and informative(advertise promotions, leagues, fees, lessons, schedules, tournaments, etc).
- Introduce sponsorship opportunities for tee signs, carts, benches, scorecards, hole-in-one play for leagues and tournaments.
- Make available Junior program sponsorships, tournament sponsors, etc
- Advertise and promote specials and services through Social Media, Pamphlets, Flyers, Newsprint, etc.



## **Food & Beverage (Lease Operator managed by the City of Armstrong)**

- Ensure Restaurant and beverage service is open when the golf course is open
- Offer affordable menu items to encourage clubhouse dining/bar services as the first choice for golfers after their round.
- Timely, accurate and friendly service.
- Offer drink and food specials (daily and weekly specials, etc).
- *(Note: the Restaurant and bar service at the Armstrong Golf Course is under separate management, however its menu and specials need to support the golfing patron in addition to the general public which it serves*

## **Improve the Customer Experience**

### **Customer Service**

- Quality experience from arrival to departure.
- Make every guest feel welcome.
- Friendly, courteous and knowledgeable staff.
- Beautification efforts throughout the properties with manicured gardens, amenities, benches and accessories to improve the overall enjoyment and create a park-like setting.
- Program for commemorative Benches and Trees
- Information signage that is in good serviceable repair
- Way Finding signs
- Clean and serviceable washrooms that meet the needs of golfers on the course and off.
- Web-site information accuracy and up-to-date

## **Bookings**

- In-person, telephone, on-line bookings must be courteous, accurate and up-to-date.
- Maintain 7 day bookings.

## **Grounds/Playability**

- Golf Course conditioning, maintenance and design should be improved with playability where identified.
- All wooden structures and signage on the Course needs to be repaired, painted and maintained to a high standard.
- Golf course greens, fairways, rough to be maintained to a manicured standard (to a price appropriate).
- Improve all sand traps so they are closer to a golf industry standard.
- Continued tree and brush maintenance, removal of dead trees and brush, planting of additional trees and shrubs as appropriate.
- Improve drainage in low areas and repair/maintain bridges.
- Maintain all cart paths and repair/upgrade where necessary.
- Repairs are required to all water hazards (maintaining algae growth, improve water quality, repairs to cribbing around all water hazards).

## **Staffing**

- Hire qualified staff for the job hired and ensure they provide quality customer service to patrons.
- Continue to provide a supportive workplace that provides staff with the skills, knowledge and training necessary to achieve service excellence to customers.

## **Speed of Play**

- Proper tee time spacing to fit the course play and demand.
- Provide tips and etiquette.
- Monitor conditions.

## **Customer Feedback**

- Continue to engage the customer satisfaction and through improvement surveys
- Listen to every complaint and do the best to solve the issue promptly and courteously.
- Listen and respond to suggestions.
- Solicit feedback (suggestion box, etc).

## **IMMEDIATE CAPITAL NEEDS (Year One)**

Immediate capital needs are required in the first year to enhance the customer golf experience and to support increased membership and green fee user numbers.

These are relatively inexpensive, but required in order to support achievement of basic business plan goals.

1. Repair of all wooden signage, bench shelters, timbers around water hazards and bridges (this includes replacement, repair, painting).
2. Re-graveling of cart paths in low areas.
3. Upgrading of sand traps with improved sand quality (that does not pack down with rain).
4. Re-marking of out of bounds, water hazards, lateral water hazard areas so they are easily identified (white, yellow, red accordingly).
5. Removal of all dead trees and shrubs. Re-planting of appropriate trees and shrubs.

6. Construction of a Practice Driving “Net” that is located close to the clubhouse. (Either next to the practice green or south of the 9<sup>th</sup> green).

*(Note: Much of # 1, #2, #4 and #5 could be done with employing 2 - 3 high school students).*

## APPENDICIES

### (i) SWOT (Strengths, Weaknesses, Opportunities, Threats) ANALYSIS

Understanding the club’s situation is an important part to help plan its future. By undertaking this exercise we better understand the current situation of all aspects surrounding the continued operation of the Golf Course.

Understanding these factors and their attributes we are in a better position use our Strengths to overcome our Weaknesses, manage the Threats and seize on the Opportunities.

Strengths	Weaknesses
Course Condition/ Continual Improvements	Lack of Communication
Views/Scenery	Inconsistency of Bunkers
Value for Money	Lack of Online Tee Bookings
Challenging but Fair Course Design	Lack of Marketing Initiatives
Comfortable Clubhouse Facility	Underutilised Clubhouse
Catering Provision/Pricing	Inconsistent Welcoming Environment
Buggy Path	Bare and scruffy areas on course
Opportunities	Threats
Improved Staff Training	Economic Climate
Member/Visitor Incentive/reward schemes	Other Golf Clubs
Improved utilisation of Social Media	Lifestyle/Families
School Liaison	Work/Life Balance
Expand sponsorship packages	Weather/Inconsistencies
Increased Membership Categories eg social	Perception of golf
Links with other businesses	Age profile
Corporate Memberships	

## (ii) FINANCIAL OPERATING PLAN

### Income (\*):

#### 1. Memberships (300 total)

● 50 "couple" memberships (7 day week) @ \$1,750	\$ 87,500
● 150 "couple" memberships (5 day week days) @ \$1,500	225,000
● 50 "single" early bird memberships (7 day week) @ \$1,000	50,000
● 50 "single" (non EB) memberships (7 day week) \$1,400	70,000
● Trail fees (20 carts @ \$400 per season)	<u>8,000</u>
Total	\$ 440,500

#### 2. Green Fee Golfers (based on historical averages @ 4 golfers/tee time)

● Weekday green fees (excl. July & Aug) 20/day x 80 days @ \$25	\$ 40,000
● Weekday green fees (July & Aug) 30/day x 40 days @ \$25	\$ 30,000
● Weekend green fees (excl. July & Aug) 40/day x 32 days @ \$25	\$ 32,000
● Weekend green fees (July & Aug) 50/day x 16 days @25	<u>\$ 20,000</u>
Total	\$ 122,000

*(Note: 8 available tee times per hour x an 8 hour day =  
64 tee times per day for members and green fee users)*

#### 3. Cart Rental

● 20 cart rentals per non-weekend days (excl. July & Aug)	\$ 24,000
● 30 cart rentals per weekend day (excl. July & Aug)	\$ 18,000
● 30 cart rentals per non-weekend day (July & Aug)	\$ 14,400
● 40 cart rentals per weekend day (July & August)	\$ 9,600
● 5 pull-cart rentals per day on average x 180 days	<u>\$ 3,600</u>
Total	\$ 69,600

4. Profit from sale of merchandise in the pro-shop (estimated) \$ 10,000

**Total (All Income) \$ 642,100**

## Expenditures (\*\*):

1. Staffing (salaries, wages and benefits)		
i. Manager ( 8 months)	\$ 50,000	
ii. Office manager/accountant (8 months)	\$ 40,000	
iii. 2 customer service staff (6 months)	\$ 30,000	
iv. 2 greens keepers (8 months)	\$ 64,000	
v. 1 Maintenance person (8 months)	\$ 30,000	
vi. Seasonal wage staff (student works)	\$ 5,000	
vii. Benefits for staff (2.8% of gross wages)	<u>\$ 6,132</u>	
	Total	\$ 189,132
2. Office Supplies		\$ 2,500
3. Insurance (buildings, equipment, liability)		\$ 10,000
4. Advertising and Marketing		\$ 4,000
5. Vehicle Repair and Maintenance		\$ 10,000
6. Vehicle Operating Costs (fuel)		\$ 6,000
7. Utilities (Ph, Fax, Internet, water, sewer, gas, propane)		\$ 30,000
8. Fertilizer, fungicide, blue stone		\$ 8,000
9. Materials & Supplies (wood, paint, hardware, sand, gravel, etc)		<u>\$ 10,000</u>
	<b>Total (All Expenditures)</b>	<b><u>\$ 269,632</u></b>

## Contingency Fund:

1. Monies set aside annually for capital repairs, purchases, depreciation of assets and unforeseen emergencies and repairs.		\$ 50,000
	<b>Total to Contingency Fund</b>	<b><u>\$ 50,000</u></b>

## Summary of Income versus Expenditures

Total Income .....	\$ 642,100	
Total Expenditures .....	- \$ <u>269,632</u>	
Total Gross Profit .....		\$ 372,468
Less Profit lost due to inclement weather ( 10%) .....		- \$ <u>37,247</u>
Adjusted Gross Profit .....		\$ 335,221
Less Monies deposited in Contingency .....		(\$ 50,000)
Total Net Profit .....		\$ 285,221

### NOTE:

*It is envisioned that any and all profits will go to pay the annual Municipal taxes on the Golf Course property, pay City mortgage fees and pay, pay down mortgage principal amount and/or income to the City of Armstrong.*

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(\*) These calculations are based on best estimates as provided by individuals familiar with the Royal York Golf Course operations having worked there for a considerable number of years.

(\*\*) These calculations are based upon best estimates by those familiar with a 9-hole Golf Course operation.



### (iii) GOVERNANCE

We are proposing the Armstrong Golf Course become a “Public” Golf Course to be managed, operated and maintained by the City of Armstrong.

The Green Space Society is prepared to play a role in assisting the City of Armstrong in its management and operation of the Golf Course.

Under this proposal the Governance Model would likely closely resemble the following:

