

Burke Lake Golf Course Clubhouse Replacement and Driving Range Expansion 2016



BURKE LAKE GOLF COURSE IMPROVEMENTS



Project Milestone Schedule Status

Clubhouse & Driving Range Construction Milestones:

✓	Concept Design	Aug/2015
✓	Community Meeting	Sep/2015
✓	50% Design Completion	Jan/2016
→	Community Meeting	Feb/2016
	Complete Design	Apr/2016
	Start Construction	Jul/2016



Background

Located in the Springfield District, Burke Lake Golf Course is part of the 888 acre Burke Lake Park. The existing golf complex opened in 1970 and includes:

- 1,800 sf club house,
- 600 sf storage building,
- 480 sf golf pro building,
- 18-hole par 3 golf course,
- Lit driving range with 40 at-grade unsheltered hitting stations,
- Practice bunker,
- 8,000 sf practice putting green,
- 114 lit parking spaces.



2008 – 2012 Capital Improvement Program

- **Replacement of the Existing Clubhouse**
 - Existing building is 45 years old.
 - Does not meet ADA requirements.
 - Insufficient operational space.

- **Driving Range and Parking Lot Expansion**
 - Allow for additional driving range stations including all-weather capabilities for year round use

- **Public Sanitary Sewer Extension**
 - Connect new clubhouse to existing public sanitary sewer at south end of Burke Lake Park

- **Total Park Bond Funding - \$7,160,000**



Goals of the Project

Clubhouse

The existing clubhouse is deficient in the following :

- The clubhouse is not able to be modified to meet the current accessibility standards.
- The building is beyond its expected lifecycle and is currently in substandard condition.
- The building is inadequately sized for its current function.

A new replacement building will be provided and will be sized to meet the needs of the golf course and driving range facility. New building placement will allow the course and existing clubhouse to remain open during construction.

New Driving Range

The driving range will expand the number of hitting stations to increase the revenues of the driving range. The new lighted driving range will contain the following amenities:

- 64 total hitting stations.
- Up to 48 covered hitting stations with 24 heated hitting stations that can be used year-round.
- 16 at-grade hitting stations.
- 6 fully accessible hitting stations.
- 2 covered group areas at the driving range centered around 4 hitting stations each.

Revenues are expected to increase by 40%.

The increased golf revenue will stay within the Park Authority Revenue Fund. The Revenue Fund is an enterprise fund comprised of our RECenter, Golf Course Operations, Lake Front Operations and a few smaller contributing business lines. This Revenue Fund requires all operating costs to be covered by fees generated from these lines of business.



Current Site Conditions with Proposed Overlay



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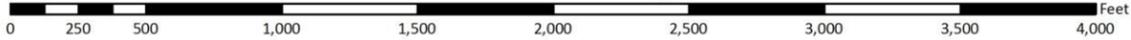
No Changes from 9-15-15

Sanitary Sewer Connection Plan



- Proposed sewer line
- Burke Lake Trail
- Trail to South Run
- Construction Entrance

Burke Lake Park - Septic Field Study



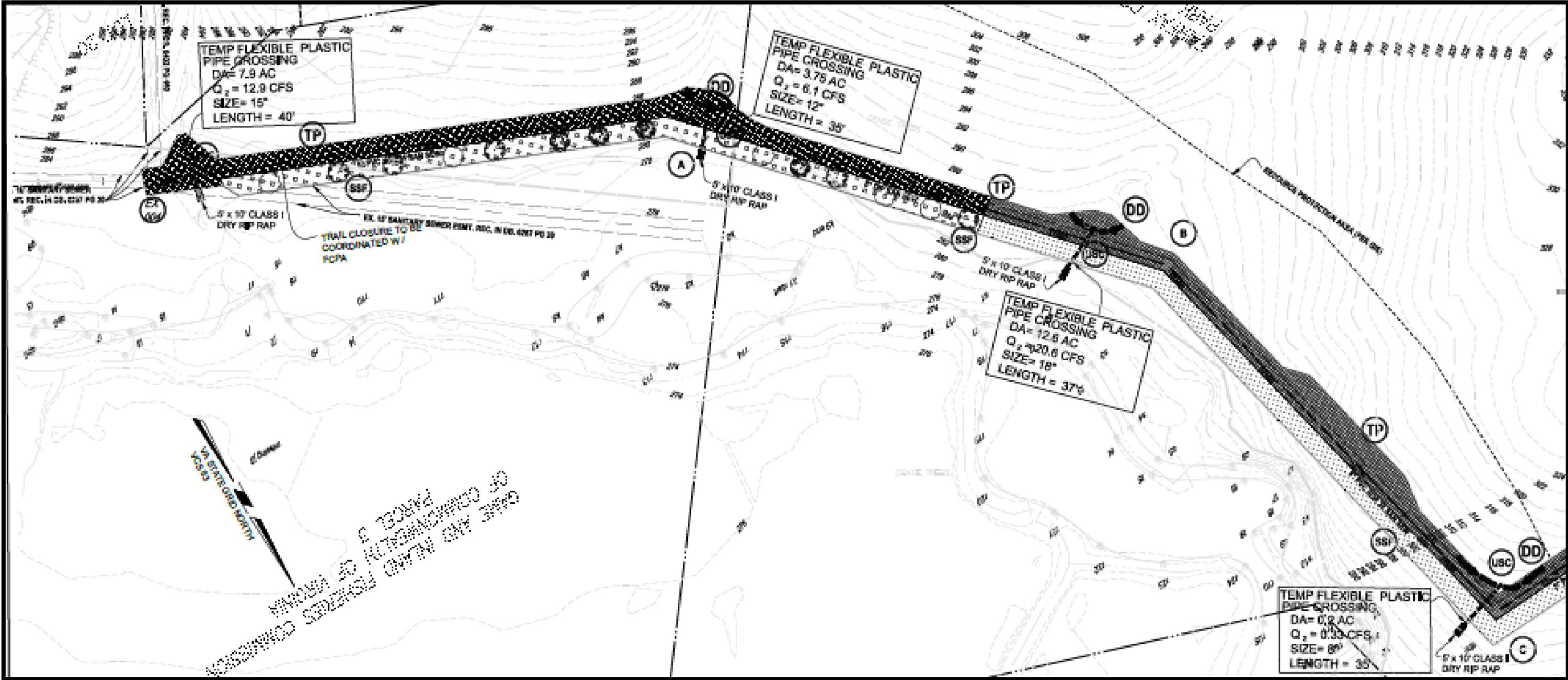
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Sanitary Sewer Line Restoration Plan

Typical Section of Restoration Plan



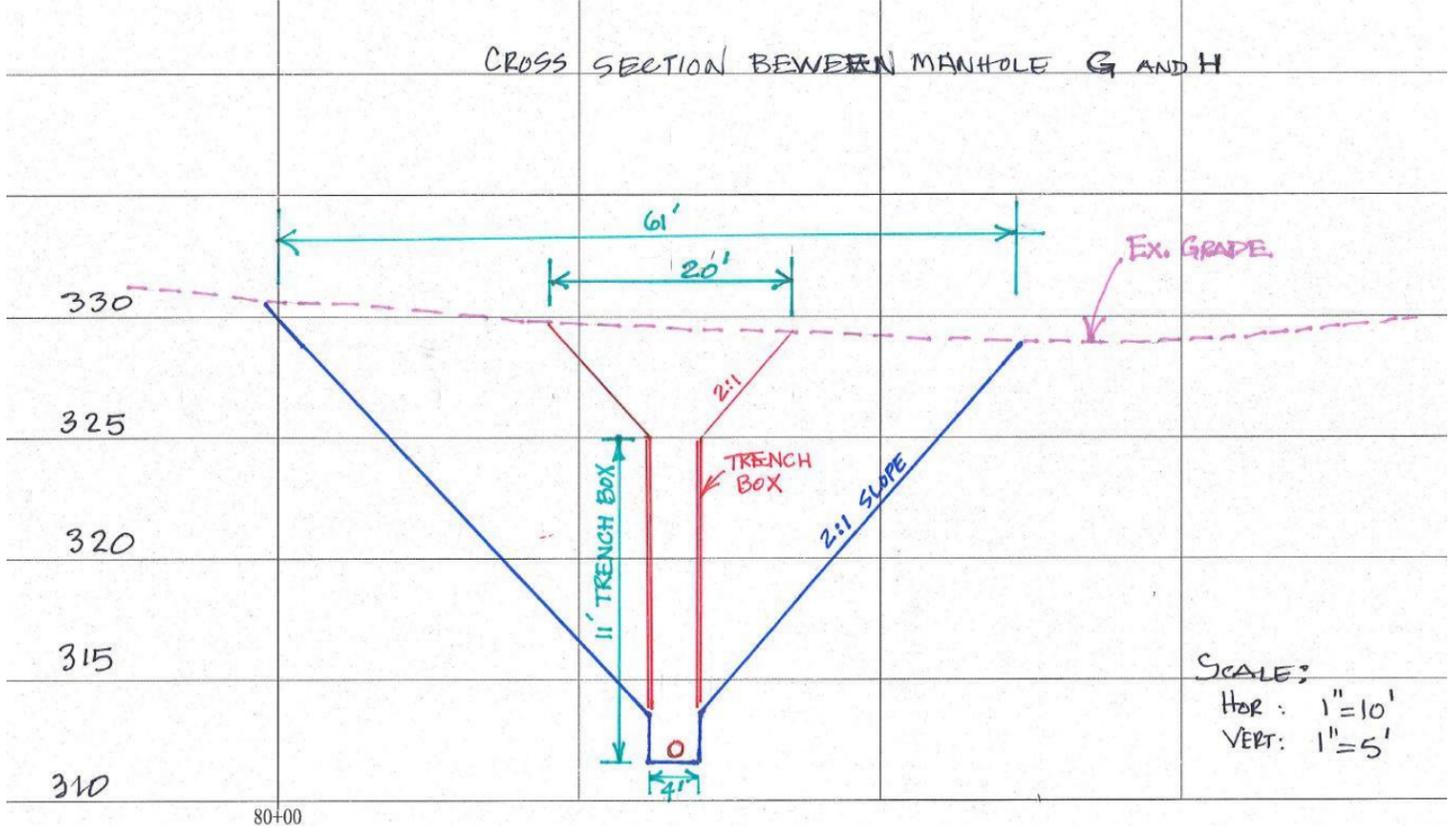
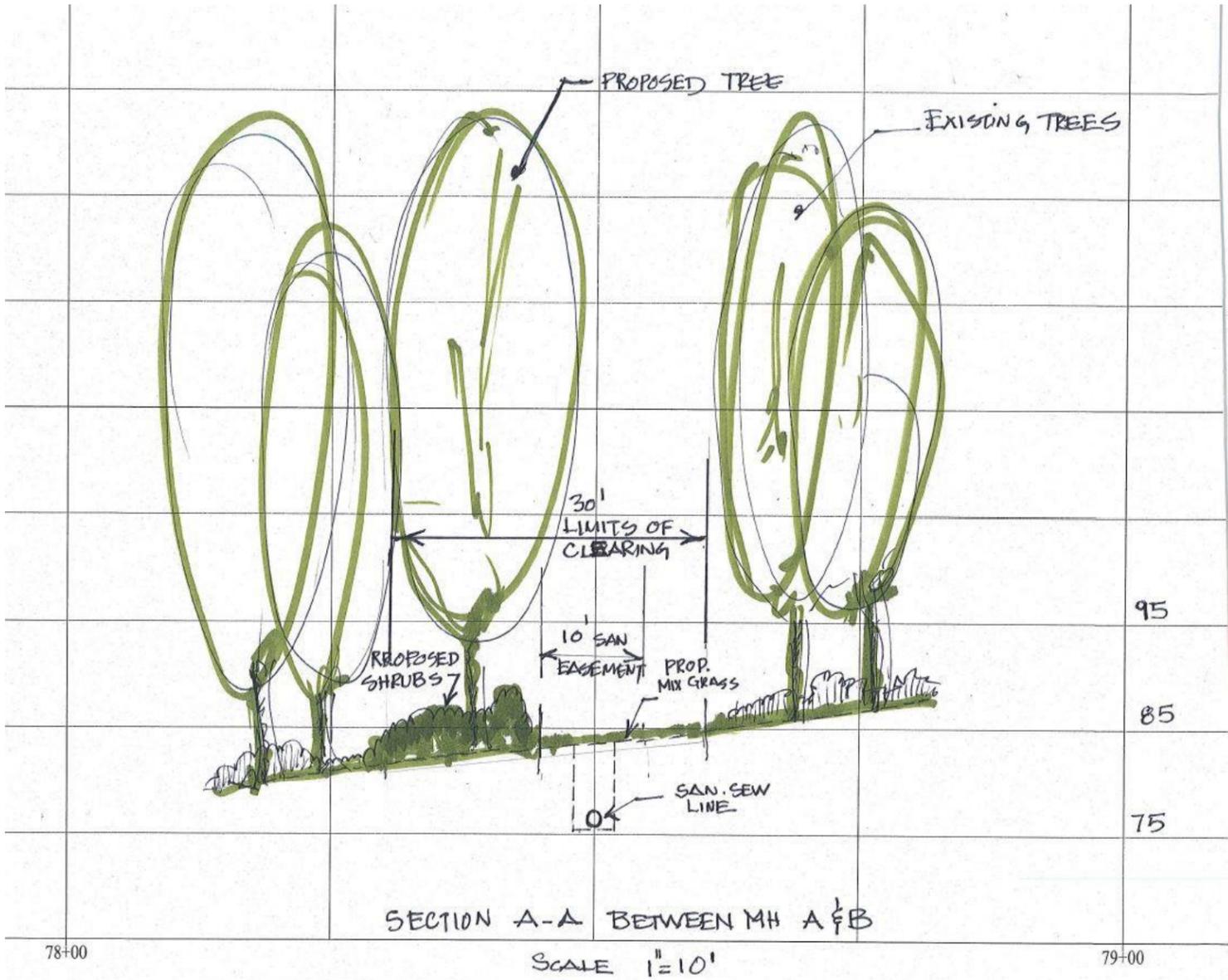
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No Changes from 9-15-15

Sanitary Sewer Line Restoration Plan

Typical Section of Restoration Plan



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Arborists Inspection of Existing Willow Oaks at Driving Range

There are five willow oaks approximately 45 years old integrated into the current driving range and clubhouse location.

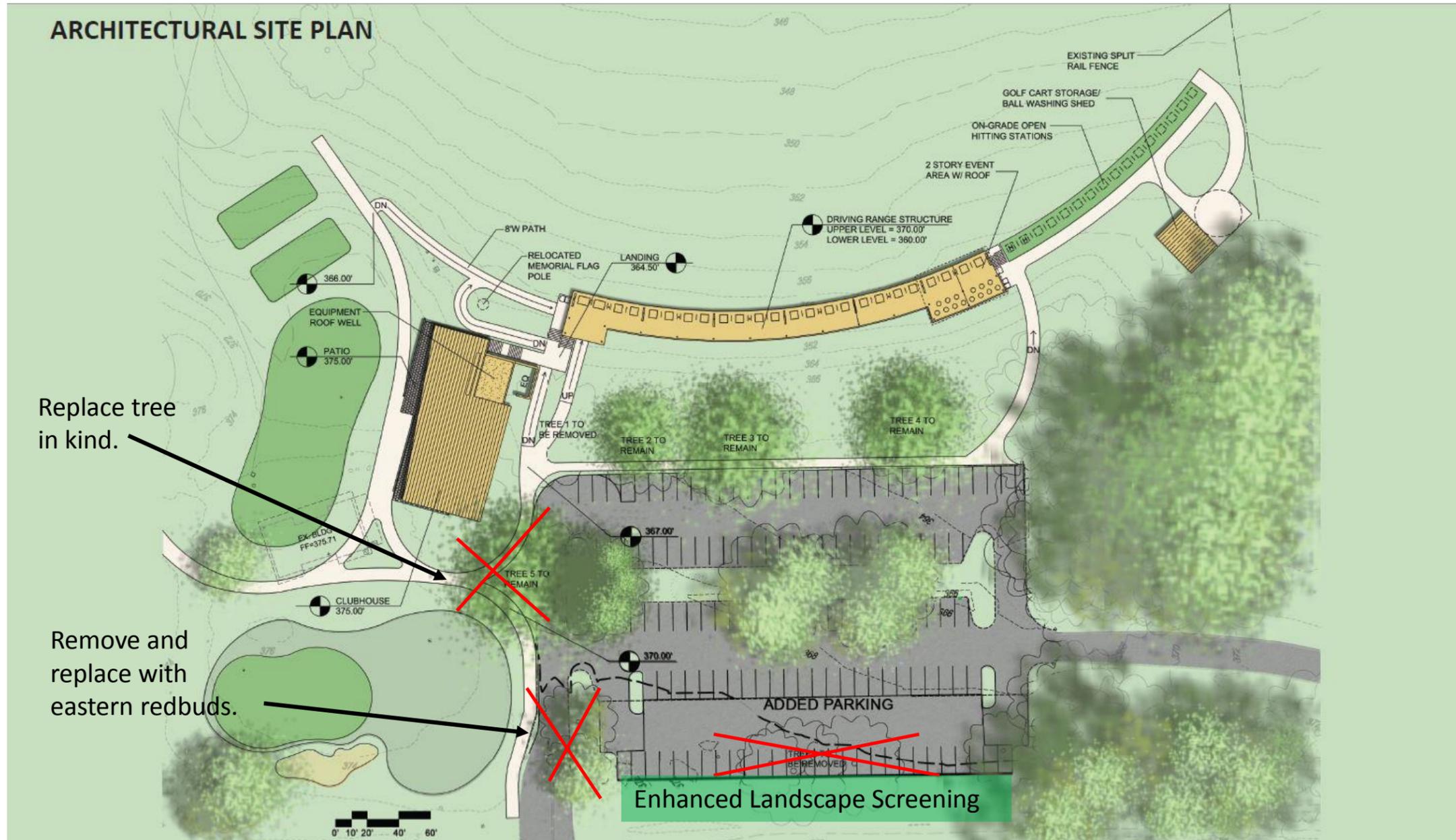
- **All four trees at the driving range are in good condition.**
- **All trees at the driving range currently are experiencing stress due to soil compaction as a result of the paths around the base of the trees within the critical root zone area.**
- **Moving the driving range forward reduces the impact to the critical root zone area for these trees.**
- **Due to the grading and circulation, the tree nearest the new clubhouse will need to be removed.**
- **The tree adjacent to the existing clubhouse will need to be removed due to construction impact concerns related to the current health of the tree. A new tree will be provided.**



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Site Plan for New Clubhouse & Driving Range



Enhanced Landscape Screening

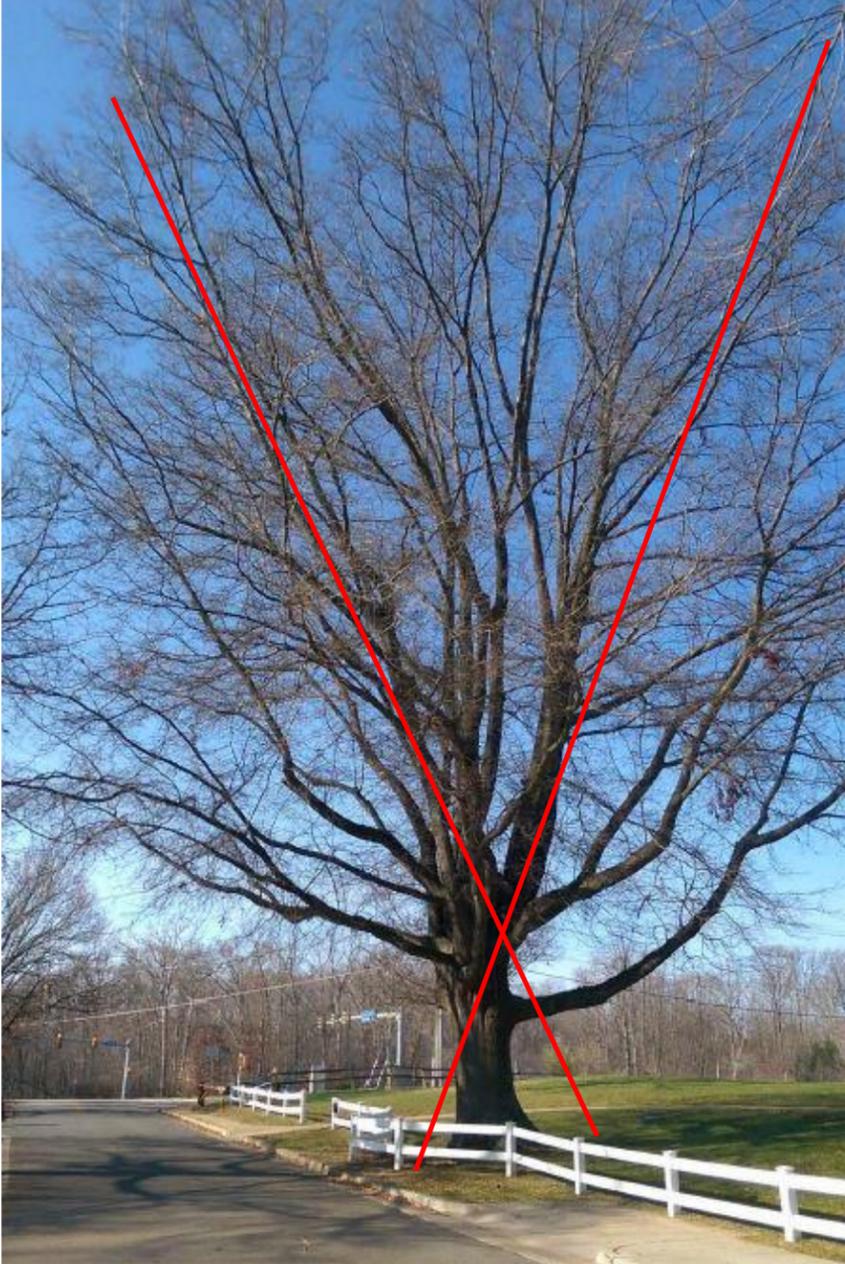
- 5 New Shumard Oaks
- 5 new Willow Oaks



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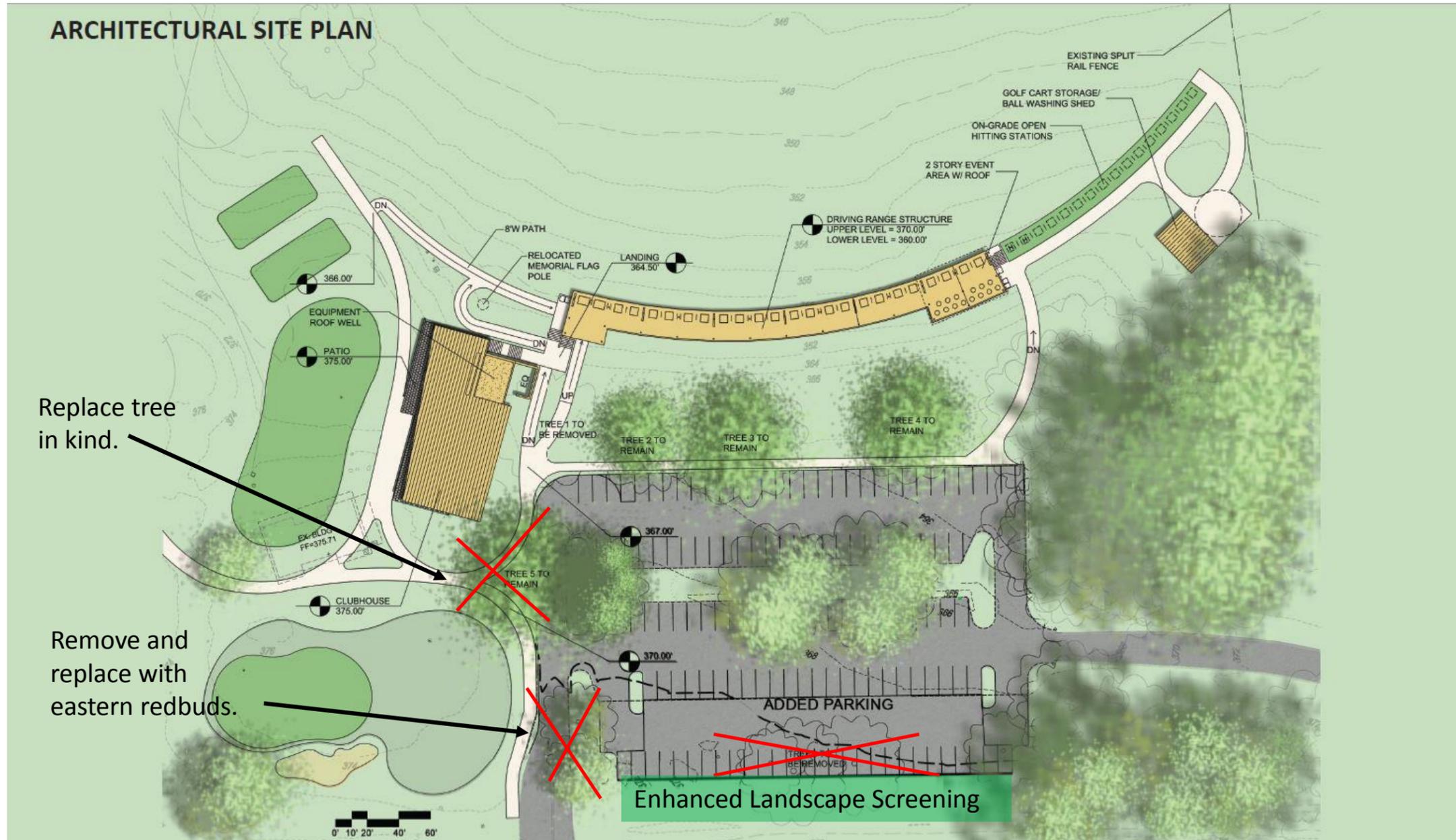
Arborist Review



BURKE LAKE GOLF COURSE IMPROVEMENTS



Site Plan for New Clubhouse & Driving Range



Enhanced Landscape Screening

- 5 New Shumard Oaks
- 5 new Willow Oaks



BURKE LAKE GOLF COURSE IMPROVEMENTS



New Clubhouse & Driving Range



BURKE LAKE GOLF COURSE IMPROVEMENTS



New Clubhouse



BURKE LAKE GOLF COURSE IMPROVEMENTS



New Clubhouse



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New Clubhouse



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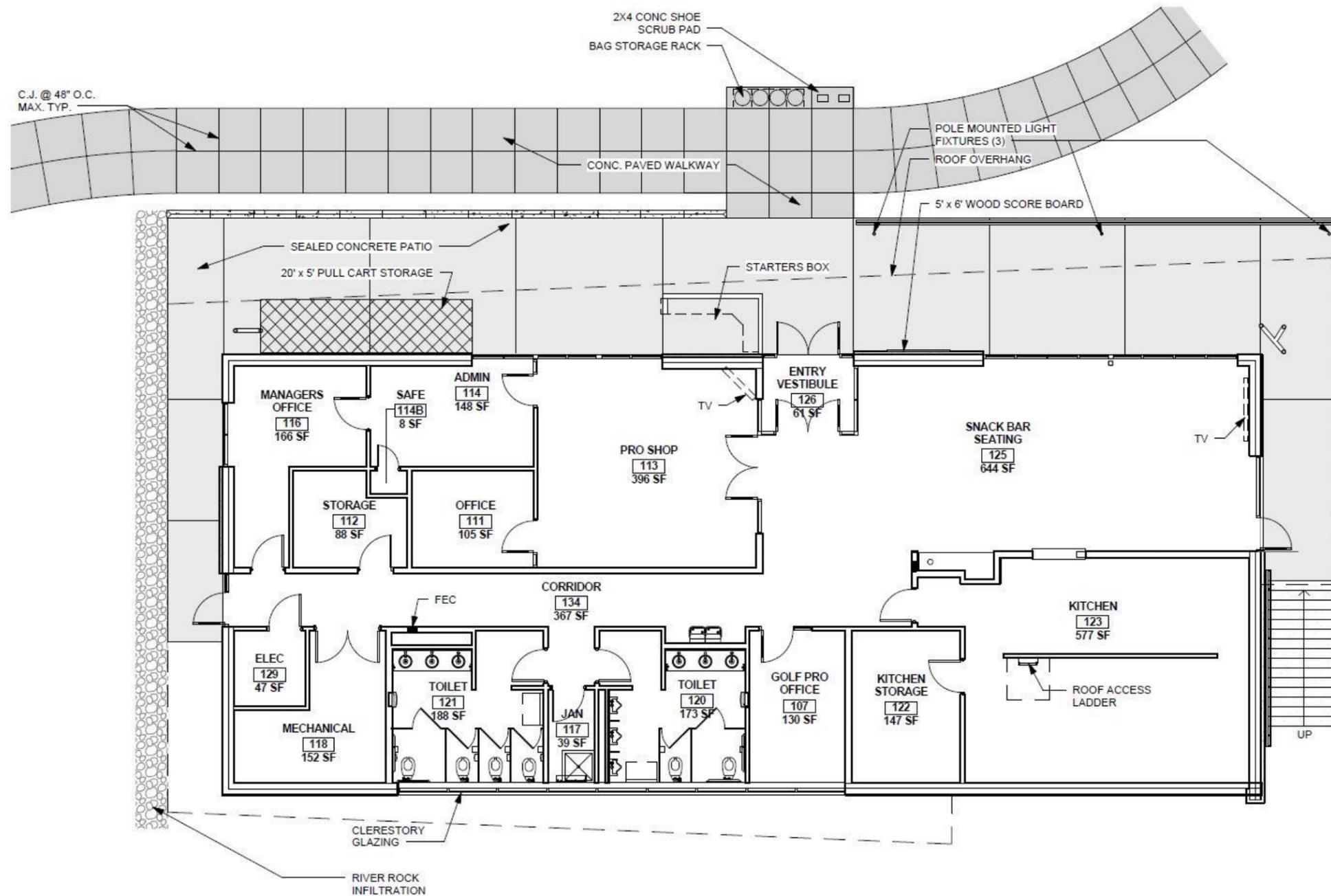
New Clubhouse



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New Clubhouse Plan



BURKE LAKE GOLF COURSE IMPROVEMENTS



New Clubhouse



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Driving Range



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Driving Range



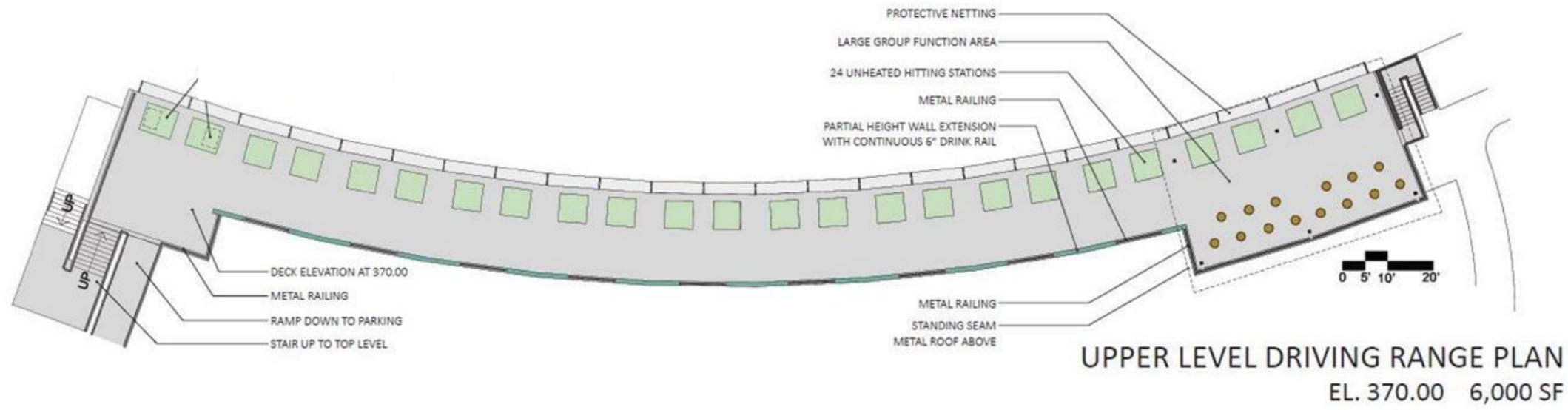
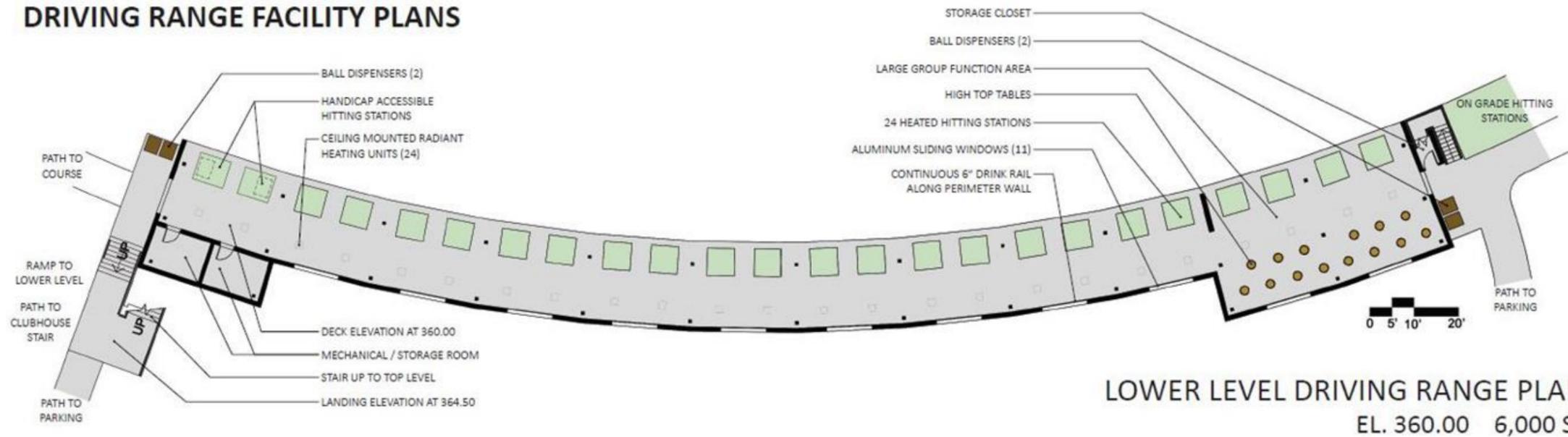
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No Changes from 9-15-15

Driving Range Plan

DRIVING RANGE FACILITY PLANS

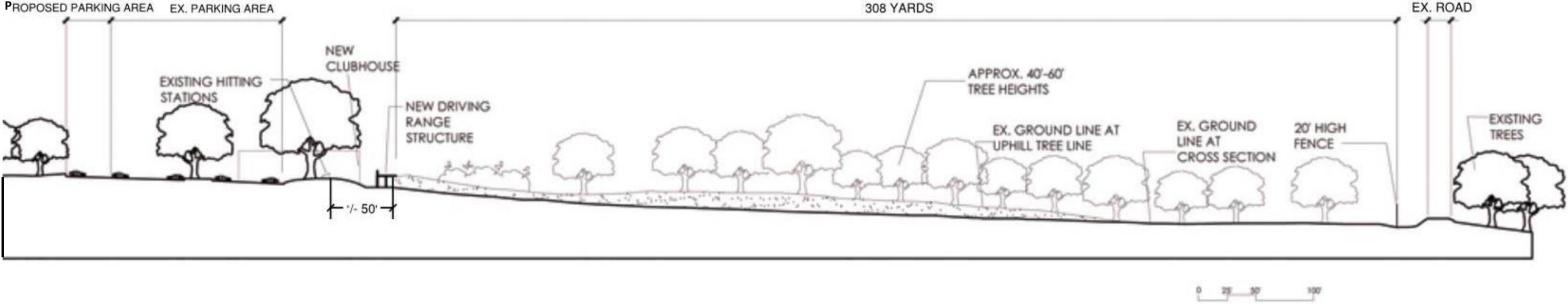


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No Changes from 9-15-15

New Driving Range Site Section

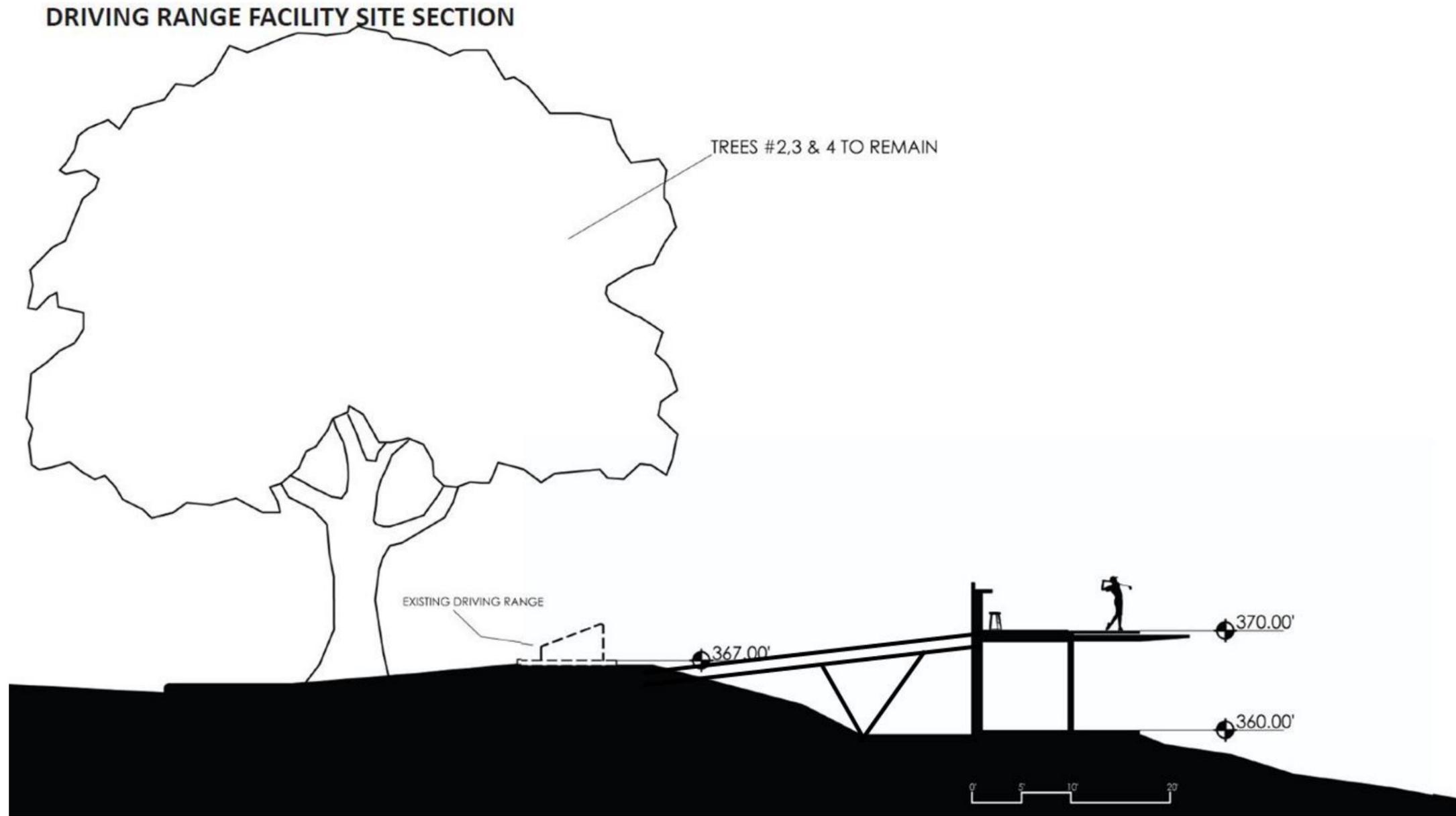


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No Changes from 9-15-15

Driving Range

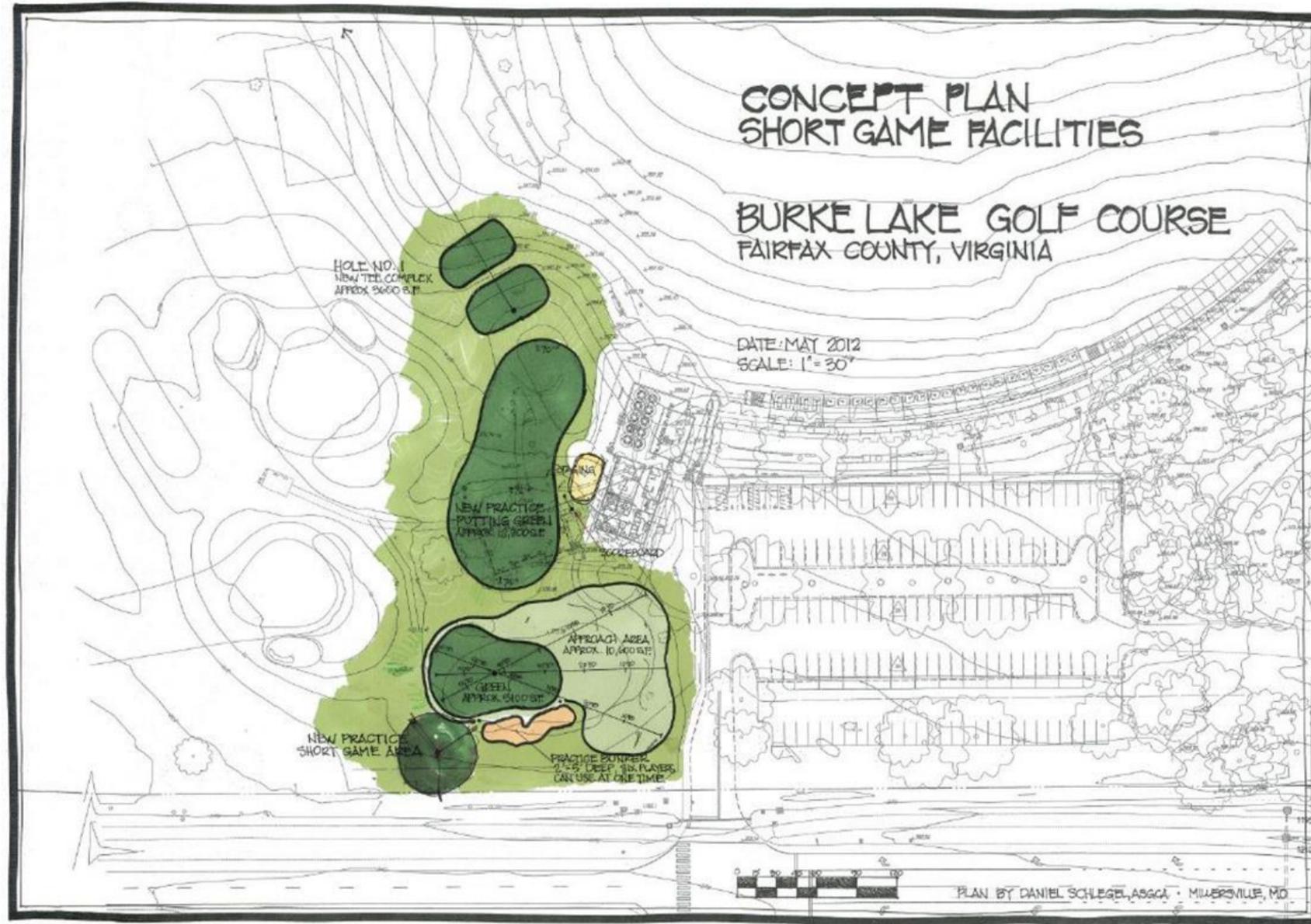


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No Changes from 9-15-15

New Clubhouse & Driving Range



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Golf Course Operations

Hours of Operation

	<u>Existing</u>	<u>Proposed</u>
Golf Course	Dawn to Dusk	Dawn to Dusk
Driving Range	Dawn to 10 pm	Dawn to 11 pm (if there is use demand)*
Kitchen Service	Dawn to Dusk	Dawn to 10 pm

*All county athletic field lighting to be turned off at 11 pm.

Food and Beverage:

- Food service will be provided similar to FCPA's other golf facilities. Kitchen will serve standard limited menu similar to Twin Lakes. In addition, snacks and drinks will be sold outside of kitchen hours.
- The clubhouse currently sells aluminum packaged beer at the clubhouse and allowed to be consumed on the course. Draft beer will be added for the clubhouse only. Packaged beer will allowed to be consumed on the course and the driving range as our current Virginia ABC License permits.
- There will be no bar area in the clubhouse. There will be an ordering counter and tables provided for approximately 40 persons indoors. There will be outdoor tables provided for approximately 40 persons should there be the demand.



Golf Course Revenue Projections

Golf course open during construction.

Driving range closed for 6 months Oct 2016 – Mar 2017

Open by FY2017 (3 mos) April 2017 - Driving Range/Sewer

Open by FY2018 (9 mos) October 2017 - Clubhouse

Net Annual Return:

FY 2018 - \$110,000 (First full year of revenue)

FY 2019 - \$160,000

FY 2020 - \$185,000

FY 2021 - \$260,000



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Golf Course Gross Revenue Projections

Burke Lake Golf Center Revenue Projections

	FY13	FY14	FY15	7/7/15-6/30/16 FY16 PROJECTED	7/1/16-6/30/17 FY17 PROJECTED	7/1/17-6/30/18 FY18 PROJECTED	New Facility FY19 PROJECTED	FY20 PROJECTED	FY21 PROJECTED
1 Greens Fees	\$522,285	\$511,955	\$485,197	\$490,000	\$495,000	\$500,000	\$510,000	\$550,000	\$550,000
2 Driving Range	\$377,452	\$374,798	\$339,519	\$340,000	\$232,208	\$450,000	\$500,000	\$525,000	\$600,000
3 Programs	\$10,862	\$9,334	\$9,958	\$9,900	\$8,000	\$20,000	\$50,000	\$60,000	\$70,000
4 Equipment Rental	\$31,027	\$30,083	\$26,718	\$26,000	\$26,000	\$27,000	\$38,000	\$38,000	\$39,000
5 Food Services	\$44,703	\$40,846	\$39,035	\$40,000	\$38,000	\$50,000	\$68,000	\$75,000	\$80,000
6 Pro Shop	\$29,681	\$30,801	\$28,289	\$28,000	\$28,000	\$40,000	\$56,000	\$60,000	\$62,000
7 Other	\$2,113	\$8,302	\$9,976	\$9,000	\$8,000	\$8,000	\$9,000.00	\$9,000	\$9,000
8 Total	\$1,018,123	\$1,006,119	\$938,692	\$942,900	\$835,208	\$1,095,000	\$1,231,000.00	\$1,317,000.00	\$1,410,000.00

FY17 AND FY18 Range Revenue impacted by construction of new facility.

FY17 range revenue loss Qts 2 & 3 FY18 new clubhouse Qts 2,3,4

1 FY19 Projection based on estimated 10% increase in greens fee and increased rounds sold.

2 Estimate based on 10% increase over OM range revenue. A comparable facility that is open year round with heated tee line.

3 Increased range operating hours should increase lesson/program revenues. Increase also due to no revenue share as is the case with current golf school contract. Estimate is comparable to OM program revenues.

4 Estimate based on increase in rounds.

5 FY19 estimate based on 75 % of Twin Lakes FY15 F&B revenues

6 FY19 estimate based on 65% of Twin Lakes FY15 PS revenue

7 n/a

8 A 30% increase in revenue from FY15.



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Project Milestone Schedule

Sanitary Sewer Construction Milestones:

Contract Award	Apr/2016
Sewer Line Construction Manhole A-X Completion	Sep/2016 - Apr/2017
Restoration Start	May/2017
Restoration Completion	Nov/2017

Construction Scheduling Constraints

High School Cross Country season	August - November
Northern Long-eared Bat roosting	Apr - Sept

Clubhouse & Driving Range Construction Milestones:

Contract Award	Jun/2016
Parking Lot Expansion	Jul-Oct/2016
Driving Range Construction	Oct/2016 - Apr/2017
New Clubhouse Construction	Oct/2016 - Oct/2017
Parking Lot Resurface, Existing Clubhouse Demo, Practice Area (Optional) Construction	Nov/2017 - Jul/2018



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Questions/Comments?

Follow the project

<http://www.fairfaxcounty.gov/parks/golf/blgc/>



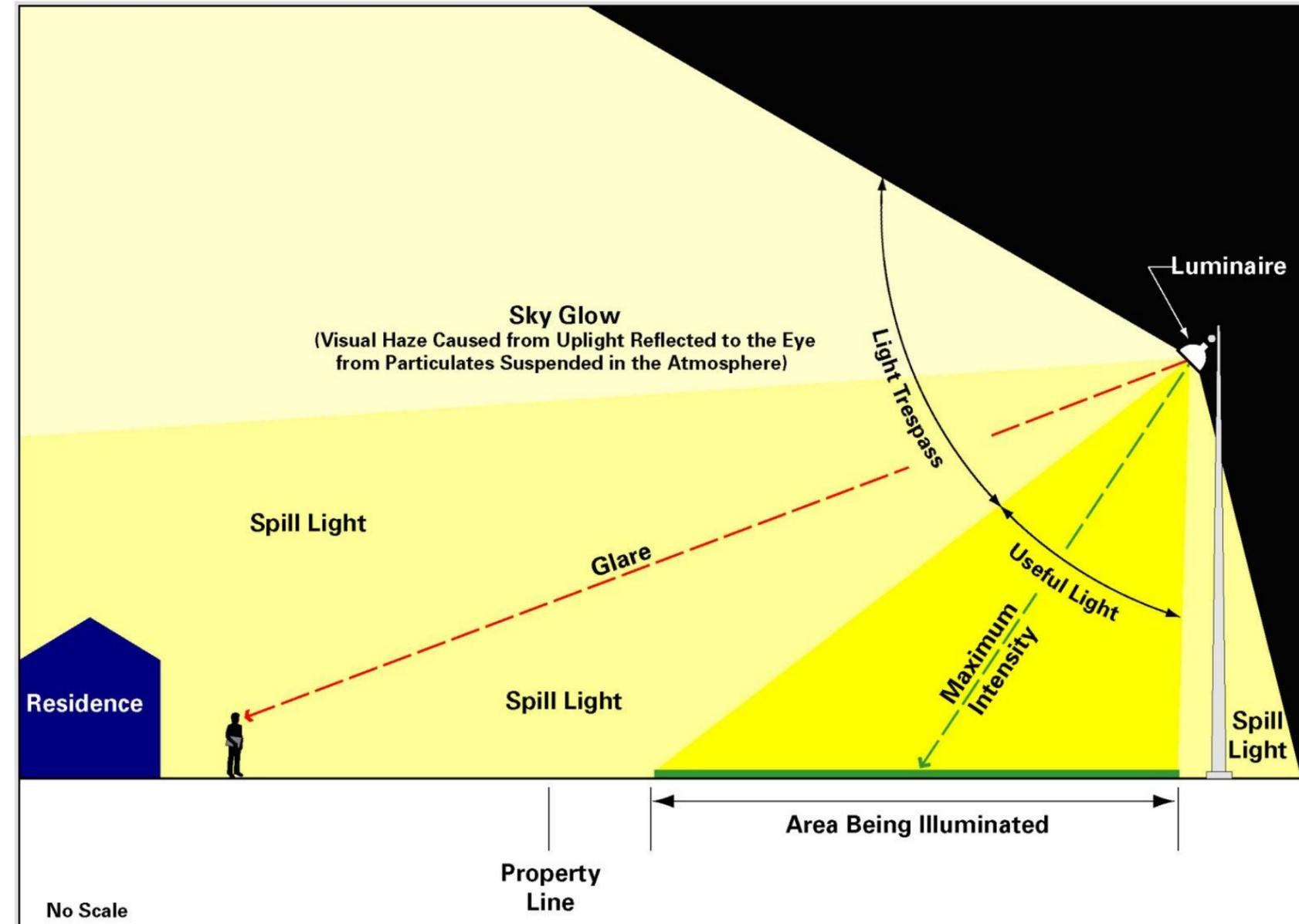
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Driving Range Lighting

Obtrusive Light

- Useful Light
- 3 Interrelated Elements
 - Spill Light
 - Glare
 - Sky Glow



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Driving Range Lighting



- **Fairfax County Park Authority developed an industry leading standard for field lighting in a municipal setting that limits off field trespass and uplift.**
- **Lights are fully shielded and Zoning ordinance compliant.**
- **Satellite controls for lights. No override capacity.**
- **Pole heights are specified to allow for maximum directional control of light fixtures.**

***Levels of maximum illumination shall meet zoning ordinance.**

- **Tee Boxes 20 footcandles**
- **Fairways 3 footcandles.**



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The Park Authority Board approved a Financial Sustainability Plan (FSP) for the Agency in December 2011 that included a recommendation for a revenue generating project to expand the driving range at Burke Lake. The National Golf Foundation Consulting Group (NGF) was also retained by the Park Authority in 2011 to assist in evaluating the operational and economic performance of the Park Authority’s seven golf facilities. The NGF Study’s overall goal was to provide recommendations to create long-term economic stability and sustainability and addressed six key issues regarding the Park Authority’s Golf System:

1. Overall condition and operating structure of the FCPA Golf System as a whole
2. A review of golf industry standards and norms of operation
3. Status of the Fairfax County / Washington DC Golf Market
4. A summary of NGF recommendations for the continued operation of FCPA golf facilities
5. An estimate of realistic economic potential of the FCPA Golf system
6. Benchmarking FCPA golf operations with other regional municipal golf operations

The study was completed in 2012 and included a recommendation to Upgrade / Expand the driving range at Burke Lake as an opportunity to increase revenues. The report also included a recommendation to replace the clubhouse at Burke Lake.

Both the FSP and the NGF Study included projected revenue growth based on an expanded driving range facility at Burke Lake. Staff has continued to revise the projected revenue growth for the expanded driving range based on the current scope of the facility and additional revenue information from current facilities operated by the Park Authority. The chart below shows the revenue projections for anticipated revenue growth starting in the first full year of operation of the expanded driving range facility as captured in the FSP, the NGF Study and current staff estimate.

Operational Year	FSP - Dec 2011	NGF Study - Jan 2012	Current Staff Estimate
1	\$125,000	\$139,000	\$110,000
2	\$185,000	\$254,000	\$160,000
3	\$250,000	\$285,000	\$185,000
4			\$260,000

Regards the Park Authority’s recent Needs Assessment Survey:

When asked to rank the FOUR outdoor or indoor park facilities Most Important to your household from the list of 16 park facilities survey respondents ranked Golf Courses and Practice Facilities in the top 7 facilities. You can find more information on the results of the Needs Assessment Survey at <http://www.fairfaxcounty.gov/parks/parkscount/>



BURKE LAKE GOLF COURSE IMPROVEMENTS



Golf System Financial and Operational Analysis of



Golf Center Fairfax Station, Virginia

Prepared For:

**Fairfax County Park Authority
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January 2012

**Golf System Financial and Operational Analysis
Burke Lake Golf Course**

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Analysis of Burke Lake Golf Course

The subject property is Burke Lake Golf Course, an 18-hole “par-3” golf facility with a large driving range located on rolling topography adjacent to the popular Burke Lake Park. Burke Lake is one of four FCPA golf courses located on property with significant adjacent park elements (Jefferson, Laurel Hill, and Oak Marr are the others), and Burke Lake Park includes 888 acres and a 200-acre lake. The facility consists of 18 par-3 holes with a par of 54, plus additional amenities including a driving range, practice green, and snack bar.

LOCATION AND ACCESS

Burke Lake GC is located in central Fairfax County, at the northwest corner of the large Burke Lake Park. The park is bounded by Burke Lake Rd (645) to the north, Fairfax County Parkway (7100) to the east, Ox Rd (123) to the west and a residential community to Lee Chapel Rd to the south. Access to the property is via Ox Rd, which intersects with Fairfax County Pkwy less than two miles north of the site, and at Lee Chapel Rd 2.5 miles south of the site. The entrance to Burke Lake Park and the golf course is in close proximity to several upper-end residential developments that provide a core of market support for the facility. Properties immediately adjacent to Burke Lake include mostly residential areas with limited commercial elements in a relatively rural portion of Fairfax County. The map on Page 16 shows the Burke Lake location along with key competitors.

FACILITY OVERVIEW

Burke Lake golf course is an 18-hole par-3 golf course designed by Leon Howard, a local golf architect who designed other FCPA golf courses Greendale and Pinecrest, and opened in 1970. The course includes 18 separate par-3 holes, all between 110 and 200 yards for men and 75 and 168 yards for women. The course has limited design features to add to the challenge, but there are two water holes and 12 sand bunkers on the course. The site offers some interesting topography and real challenge for golfers of all skill levels. The golf course does not have a USGA slope or rating, but it is clear that it is not difficult to play and an ideal location for beginners and/or others who just want to play an 18-hole round of golf in three hours or less.

The course is built on a gentle slope that is still suitable for walking. The rolling undulations and abundant vegetation within the course create a “park-like” feel. The existing 18-hole course routing flows well and is safe, with nines returning to the clubhouse. Amenities include a putting green, clubhouse with snack shop and a lighted driving range.

Overall, Burke Lake golf course offers a good quality golf experience with outstanding basic design, tree-lined holes, and some topography. Burke Lake golf course clearly possesses design characteristics and features that provide excellent potential for a golf course that could be sought out by golfers, but the short length does tend to limit overall appeal to more serious golfers, leaving a core market of less-serious players who are more likely to reduce golf activity in times of economic stress. Despite this, NGF has found that this facility has moderately stable rounds and revenue production (until a large decline in 2011) showing a stronger-than-expected core market for Burke Lake. Even if the facility struggles economically, the ability to generate new golfers for the future is a strong reason to continue to support this facility and keep it within the FCPA system.

Clubhouse

The Burke Lake GC clubhouse footprint includes 1,890 sf, with an open design and all elements in one section – pro shop, golf counter, snack bar / kitchen, and seating area for a max of 24 patrons. There is also an open outside area with additional tables. Only the office for the GM and storage for merchandise and rental clubs are not in the open area but behind the golf counter. The clubhouse has a pass-through window for the starter with view of the 1st, 9th, 10th, and 18th holes. The tables, chairs, and flooring in this clubhouse were upgraded in 2008. Storage in the clubhouse is limited, although there is a back area garage that has been converted into offices, as well as space to store the single rider carts. The pro shop appears to be sparsely stocked with soft goods (hats, gloves, shirts, balls) and only a few other items. The counter and pass-through window are convenient for patrons.

The condition of this clubhouse appears to be very poor. The overall structure is from the 1970s, and there are several problems with HVAC, roof, power, leaks, and other issues, including a lack of ADA compliance. The restrooms are sub-par and also clearly not ADA compliant. The space is small and not sufficient to host any type of gathering or party, and there is reported demand for events and outings at this location. The clubhouse location up a small hill from the driving range has added to inefficiencies in the Burke Lake GC system, specifically as related to the location of range ball dispensers and the lack of ball dispensing facilities in immediate proximity to the range.

Driving Range

Burke Lake includes a large driving range facility that is lighted for night use. The range will commonly stay open to 9:00 or 9:30, but has stayed open later when demand is strong. The range includes 40 total stations, all on mats, with dividers between each station. Staff reported demand for a grass range, but there is clearly insufficient grass area to do a grass range in this configuration. The landing area is at an elevation much lower than the tee stations, and this area is often more wet than the rest of the property. Range balls are purchased at one of two range ball token machines, one located close to the clubhouse and up the small hill about 50 yards from the north end of the range and another station located at the driving range. Power to this machine is limited and there are problems getting it to work properly. The facility uses the same token system as is in place elsewhere in the FCPA system, although it is not the most ideal (more in System-Wide Report). The fees for range tokens are \$7 for a small, \$11 for large, \$14 for jumbo, and \$17 for super. There is also a plan for extra savings of 20 Token Pass for \$77 or a 40 Token Pass for \$140.

The range landing area is bounded mostly by trees, providing an adequate buffer for surrounding uses. The driving range is of sufficient length to allow for use of all clubs. The range hitting area is narrow front to back, restricting the possibility of a grass hitting area under the present configuration. There is a consideration to expand the range to add more length and allow for covered stalls with heating and/or fans. However, this project has limits as well, as there are four or five large mature oak trees that form the back boundary of the range hitting area, providing separation from the parking lot. The ultimate design of any range expansion at Burke Lake will have to be creative to make everything fit appropriately. The last range renovation was in 1986 and there have been no changes since that time.

Burke Lake has a good program of replacing range balls on a regular basis to keep the balls in good condition (part of the facility reputation). At any time on the range, Burke Lake has over 50,000 range balls in use, with a purchase plan of about 500 to 1,000 dozen purchased each year (part of operating expense). The range mats are also part of the operating expense, and

some of the more worn out mats are replaced each season in a continuing replacement plan. Utility costs are high at this facility due to the lights and the antiquated power setup.

PHYSICAL EVALUATION

The physical review of Burke Lake GC reveals some deficiencies in the physical condition of the facility, mostly in relation to the aging clubhouse and the range configuration. This can be significant, as there is very little revenue presently coming from the clubhouse (when compared to other FCPA sites) and that range revenue is a key economic driver for the facility. Burke Lake is a relatively small golf course (total 82 acres) with all of the key golf course maintainable areas in one open property. Key issues reviewed include:

- **Irrigation System** –The system dates to 2002 and is adequate for the needs at this facility. Water expense at Burke Lake is minimal.
- **Turf** – The overall turf condition at Burke Lake is adequate. While the greens could use improvement, it is not likely that any large-scale greens renovation will alter the basic revenue/expense relationship at this facility, as customers tend to be less serious about golf and are tolerant of lesser conditions.
- **Driving Range** – Key problems with the driving range center on:
 - a. **Lighting** – the lighting does not illuminate the hitting area, only the landing area.
 - b. **Power** – there is no power at the driving range making the only functioning ball dispenser located at the clubhouse (50 yards from the range).
 - c. **Lack of protection from the elements** – the range is hot in summer, has no cover for rain days, and no heat for the winter.
 - d. **Landing area** – is low lying and wet, causing the continued loss of some range balls in the soft ground.
- **Clubhouse** – building is from 1970 and not in good condition and significant renovation will likely be required to correct all the deficiencies and make ADA compliant. Burke Lake GC would also benefit from expanding the space to accommodate larger groups and golf outings. Restrooms appear deteriorated and could also use upgrade. Burke Lake GC clubhouse is problematic, but upgrade may be very expensive. FCPA could opt to renovate the space, but this may not be possible given the present mix of elements and development periods. It is likely that a full replacement will be needed, although it may not pay for itself in increased revenue. NGF understands that return on investment is not the only determining factor in the decision to replace the clubhouse.
- **Other Park Maintenance Responsibilities** – The Burke Lake GC maintenance budget includes some required maintenance on other areas of the Burke Lake Park, in addition to the golf course. As such, the total expense, staff size, and equipment fleet will be greater than standard for a par-3 golf course.
- **Maintenance Area** - The maintenance area for the Burke Lake GC is shared with overall Park maintenance. The facility is in good overall condition, with no issues for the 10-year capital plan.

Upgrade Recommendations

In looking to the future, some items should be considered for upgrade at Burke Lake, presented in order of NGF recommended priority. NGF notes that the new clubhouse at Burke Lake has already been approved and is part of a 2008 bond issue, with construction expected to begin in the summer of 2013 and opening in July 2014 (beginning of FY2015). Items #1-3 on the NGF recommended list have been proposed by FCPA with completion expected in September 2014 (first quarter of FY2015).

1. **Range Upgrade / Covering** – Burke Lake would benefit greatly from a range covering somewhere in between the canopy at Twin Lakes and the full structure at Oak Marr. **NGF Estimated cost = \$60 per sf for 2,500 sf or \$150,000 for a new range covering system.**
2. **Range Lighting Improvement** – Burke Lake would benefit from improving lighting on the range to allow for more of a ground lighting system. **NGF Estimated cost = \$25,000 for new lights and poles.**
3. **Power Enhancement** – Plan to improve the power to the range to allow for better lighting and range ball dispensing machines to be located close to the range. **NGF estimated cost = \$25,000.**
4. **New Token-Less Range Dispensers** – Burke Lake should switch its range machines to a token-less system. **NGF estimated cost = \$18,000 each, or three for \$54,000.**
5. **Equipment** – Burke Lake has some pieces of golf maintenance equipment dating back prior to the 1980s. The maintenance equipment fleet at Burke Lake is larger than would be standard, due to other Burke Lake Park maintenance requirements as noted above. At present, NGF has identified approximately \$900,000 worth of equipment that should be considered for replacement over the next 15 years, **for an estimated annual expense of \$60,000.**

Estimated Cost and Priority of Physical Improvements

The estimated cost to complete the above noted facility improvements, along with a list in order of NGF recommended priority, are detailed in the table below. The estimated costs detailed below do not include any lost revenue due to business disruption that may occur as a result of the upgrades.

Burke Lake GC Recommended Physical Improvements	
Highest Priority Items (1-5 years)	Highest Estimated Cost
Range Upgrade / Covering	\$150,000
Range Lighting	25,000
Power improvements	25,000
New Token-Less Range Dispensers	54,000
Equipment Program (5-year total)	300,000
Total Burke Lake Upgrades	\$554,000

STAFFING

The facility is presently operated directly by the Fairfax County Park Authority, under the supervision of the system's Golf Manager and with an on-site General Manager. As with other FCPA sites, the three full-time (merit) manager positions have been reduced to two, resulting in increased emphasis on part-time assistance. Considering the volume of play at this facility, the remaining staff does seem adequate to handle the operation. Additional assistance is provided by volunteers.

The reported staff at Burke Lake the last two years is shown in the table below:

Golf Operations Staffing

Burke Lake Golf Course Total Golf Operations Staffing – 2011 and 2012		
Position	2011	2012
Full Time (Merit)		
General Manager (Park Specialist IV-FT)	Not Staffed	Staffed
Assistant Manager (Park/Rec Asst.-FT)	Staffed	Not Staffed
Food / Bev. Asst. (FT)	Staffed	Staffed
Part Time		
Pro Shop Operations (PT – ea. 1/8)	14 Positions	14 Positions
Laborer II (PT – ea. 1/8)	1 Position	1 Position
F & B Operations (PT – ea. 1/8)	10 Positions	10 Positions
Range Asst. (PT – ea. 1/8)	11 Positions	11 Positions
Total Operations FT Equivalent (FTE)	6.5 FTE	6.5 FTE
* NGF assumes 1,678 hours per year as one FTE.		

Maintenance Staffing

Maintenance staffing at Burke Lake is slightly different from other FCPA golf sites in that the maintenance staff at this location has overall park responsibilities, and thus a larger than standard staff. To compensate, the golf enterprise gets some tax support for these positions (Fund 01) as shown in the following table.

Burke Lake Golf Course Total Maintenance Staffing – 2011 and 2012		
Position	2011	2012
Full Time (Merit)		
Golf Superintendent III (Head - FT)	Staffed	Staffed
Park Specialist I (FT)	Staffed	Staffed
Maintenance Labor (Park chief – FT)*	Staffed	Staffed
Senior Maintenance Worker (FT)	Staffed	Staffed
Maintenance Workers (FT)	2 Positions	2 Positions
Park Maintenance Chief (FT)*	Staffed	Staffed
Park Maintenance (FT)*	Staffed	Staffed
Part Time (ELT)		
Golf Utility (PT – e. 3/8)	1 Position	1 Position
Golf Park Support (PT - ea. 2/8)	2 Positions	2 Positions
Park Laborers (PT - ea. 2/8)	3 Positions	3 Positions
Park Support Asst. (PT – ea 2/8)	7 Positions	7 Positions
Park Support Asst. IV (PT – ea 3/8)	2 Positions	2 Positions
Total Maintenance FT Equiv. (FTE)	12.125 FTE	12.125 FTE
Total Golf Maintenance FT Equiv. (FTE)	9.125 FTE	9.125 FTE
* Positions are tax supported (Fund 01). NGF assumes 1,678 hours per year as one FTE.		

KEY OPERATIONAL ISSUES

Burke Lake operations are somewhat different from other FCPA sites in that the driving range provides a significant portion of the income and there is no cart revenue. The NGF review of the key operational issues at this facility center around the active leagues / clubs, the lesson program, and driving range operation. NGF's review of these items and the facility's pro shop, clientele, food/beverage, and a discussion of green fees follow in this section:

Leagues/Clubs/Cientele

A large proportion of the total rounds of golf at Burke Lake GC come from the several leagues and clubs that are active at the facility, including:

- **Senior Co-Ed League** – Tuesdays and Thursdays
- **Monday Ladies** – 6:00 AM Mondays
- **Junior League** – Mondays (not that well attended lately)
- **Senior Men's League** – Mondays, Tuesdays and Thursdays

Cientele

The management of Burke Lake reports a mixed clientele for both the course and driving range, with heavy use from seniors and a lot of junior play. In the last few years, the volume of junior play has declined considerably, as the former junior golfers from the local neighborhoods have grown up and not been replaced with new juniors. Seniors remain active at the facility, and a large part of these players are using the multi-play discount cards. The staff reports some increasing inquiries about carts and whether this course will get power carts. At present, Burke Lake does not have carts and has only six single rider ADA carts that are used a great deal.

Data collected by FCPA staff in 2011 shows the vast majority of Burke Lake golf course customers live in Fairfax County (78%), with over 89% residing in Fairfax and Prince William Counties. The 2011 data also showed that the Burke Lake golf course has a larger geographic market area than the range, with 75% of golf course users coming from 10.7 miles and 75% or range users coming from 7.9 miles. The facility used to host a greater volume of high school rounds, but Burke Lake data showed only 39 such rounds in 2010.

Frequent Player / Pass Card

The FCPA offers frequent player discount passes that are sold at each of the Authority's golf courses, with some transferability between courses. The revenue from these cards is recorded in the financial statements of the Golf program at the time of sale, with discount recorded against the actual sale (details in the System-Wide Report). As shown in the table below, Burke Lake generated 5,325 rounds of golf from passes in 2010, with total revenue of \$73,816 (average of \$13.86 per pass round). Rounds and revenue increased 25% and 23% respectively to 6,650 rounds and \$90,434 in 2011. Overall, this data shows that passes account for approximately 13% of total rounds and 12% of total green fee revenue, indicating a generally appropriate balance.

Frequent Player/ Pass Sales – Burke Lake GC										
2010						2011				
	Passes Sold	Tot. Pass Revenue	Pass Rounds	Avg. Rev. / Pass	Avg. Rev. / Round	Passes Sold	Tot. Pass Revenue	Pass Rounds	Avg. Rev. / Pass	Avg. Rev. / Round
Adult	109	\$21,315	1,120	\$195.55	\$19.03	144	\$28,395	1,665	\$197.19	\$17.05
Junior	0	\$0	0			5	\$478	45	\$95.55	\$10.62
Senior	567	\$52,502	4,205	\$92.60	\$12.49	542	\$61,562	4,940	\$113.58	\$12.46
Total	676	\$73,816	5,325	\$109.20	\$13.86	691	\$90,434	6,650	\$130.87	\$13.60

Source: Fairfax County Park Authority

Lessons

Lessons are provided at Burke Lake via the contract with Everybody Golf School. The FCPA receives 50% of net lesson revenue as per contract on an annual renewable basis. As the Burke Lake facility has appropriate facilities for beginners (short golf course and range), the lesson program at this location is one of the more active in the FCPA system. Everybody Golf School offers a full complement of programs, classes, and individual lessons with appropriate PGA instruction. All programs do not include the cost of range balls, as all range revenue accrues to Burke Lake GC (as appropriate in industry). Some highlights include:

- **Beginner Adult Classes** – Start at \$125 for six classes
- **Intermediate Adult Classes** – Start at \$115 for six classes
- **Special Focus Adult Classes** – Start at \$115 for six classes
- **Beginner Junior Classes** – Start at \$125 for six classes
- **Intermediate Junior Classes** – Start at \$100 for six classes
- **SNAG Classes** – (for juniors 5-8 years old) Start at \$70 for six classes

Review of data shows total income to Burke Lake from these programs has declined considerably, from a high of \$19,000 in 2008 to under \$9,400 in 2011. While the FCPA golf management has considered taking over the lesson program at this facility and Pinecrest, it is

not expected by NGF that the ultimate net revenue production will be much better than what is generated at present, given the state of the local economy, the limited time availability, and the declining local junior population.

Rental Clubs

Burke Lake GC offers rental clubs as a service to golfers lacking equipment. The course owns upwards of a dozen or more rental sets, mostly of a “standard” quality, plus additional junior sets of varying sizes. Further, this facility has a collection of individual used golf clubs that can be used by golfers on the range, some at no charge. Base fees for rental sets at Burke Lake GC are \$5 for 9 holes and \$8 for 18 holes.

Fee Analysis

The table below displays the daily playing fees for Burke Lake for 2008 through 2011. We note very little change in fees over this period.

Burke Lake Golf Course Green Fees – 2008-2011								
Golf Course Fees	2008		2009		2010		2011	
	Res	Non	Res	Non	Res	Non	Res	Non
	9 Holes	18 Holes						
GF - Non Prime	\$15.00	\$21.00	\$15.00	\$21.00	\$15.00	\$21.00	\$15.00	\$21.00
GF - Prime	\$17.00	\$24.00	\$18.00	\$25.00	\$18.00	\$25.00	\$18.00	\$25.00
Accessible Cart								
9 holes		\$10.00		\$11.00		\$11.00		\$11.00
18 holes		\$18.00		\$19.00		\$19.00		\$19.00
Pull cart Rentals		\$4.50		\$4.50		\$4.50		\$4.50
Golf Club Rentals	\$5.00	\$8.00	\$5.00	\$8.00	\$5.00	\$8.00	\$5.00	\$8.00

Driving Range Operations

The driving range operation at Burke Lake GC is a key component of the operation and a strong revenue generator. Data shows the range income accounts for a consistent 35% to 36% of total revenue at the facility since 2006. The range is active at all hours of the day, but the 4:30 to 8:00 pm timeframe tends to be the busiest. Weather has been a key factor in range activity in recent years as the heat, lack of shade, rain, and snow have all impacted range activity. Unlike the open golf course, operators of a driving range have the potential to do something about the elements and make the activity more acceptable to customers. As such, FCPA does have a plan to add a covering structure to the range to allow for use in otherwise inclement weather. This covering is the highest priority item in NGF’s 10-year capital plan recommendations. Burke Lake added a multi-token discount plan in 2010 with some success (20 Tokens for \$77 and 40 Tokens for \$140). It is expected that this operation can be eased considerably by adding a token-less range dispensing system, and this is also a high priority item in NGF’s recommended capital plan (see general discussion on range operations later in report).

Food and Beverage

The food and beverage service at Burke Lake is a simple grill setup with a limited menu of basic golf course items prepared in a very small, short-order kitchen with grill. Menu items include only burgers / sandwiches (\$2.85 to \$3.00) and small breakfast items (\$0.75 to \$2.00). Burke

Lake is not offering beer, and staff is hoping to add that service at this location. Analysis of Burke Lake shows total gross revenue from the food and beverage operation at approximately \$44,081 in 2011, or approximately \$1.05 per round of golf.

FACILITY PERFORMANCE AND DATA ANALYSIS

Burke Lake is operating as a public golf center with revenues generated from golf green fees and driving range fees, as well as some other concessions. The following paragraphs summarize each of these revenue sources plus the expenses required to maintain the facilities and service customers.

Activity Levels

The tables below show reported rounds activity at Burke Lake since 2006, with a breakdown of rounds by type for 2010-2011. We note a modest decline in overall rounds and performance that is generally consistent with the range token sales performance (also shown below). Significant impacts to rounds and range activity were recorded, including both immediate effects of a recession in late 2008 (calendar year) and other weather events in 2009, 2010, and 2011. There was record snowfall in early 2010, followed by more days over 90 and 95 degrees in the summer of 2010 (significant impact on range revenue), followed by fewer playable days due to rain in the middle of 2011.

The total rounds recorded at Burke Lake appear to have recovered in 2011, after declines in 2009 and 2010. This facility had consistently hosted well over 40,000 rounds annually, a level that has been sustained through 2011. The average rounds per 18-hole public golf course in the total U.S. now stand at 32,497 rounds per year, down from over 50,000 rounds in 2000. The golf averages are presented in NGF's System-Wide Report. However, industry averages do not reflect par-3 golf courses, and thus direct comparison is not appropriate.

Burke Lake Golf Center Historical Total Rounds – 2006-2011							
	2006	2007	2008	2009	2010	2011	Average
Total Golf Rounds	42,268	40,789	43,184	40,212	40,262	42,126	41,474
Annual % Change		-3.5%	5.9%	-6.9%	0.1%	5.7%	
Total % Change (2006-2011)				-0.3%			
Source: Fairfax County Park Authority							

Rounds by Type

In the last two years Burke Lake has seen approximately 82% of rounds from daily fee players, 13% from discount passes and 5% from employees and volunteers. Daily fee rounds appear to have declined across all categories, while pass rounds have increased. The employee/volunteer percentage is the lowest in the FCPA system. NGF has noted a general industry threshold of 4.0% of complimentary rounds for a municipal golf course.

Burke Lake Golf Course Rounds Played by Type (2010-2011)		
	2010	2011
Daily Fee		
18 Prime	6,924	5,987
18 Non-Prime	7,272	6,259
9 Prime	6,013	5,487
9 Non-Prime	11,967	9,956
Promo	316	291
High School	39	62
Pass Rounds		
Adult	1,120	1,665
Senior	4,205	4,940
Junior	0	45
Employee/Volunteer Rounds		
Employee Prime	116	90
Employee Non-Prime	626	366
Volunteer Prime	194	226
Volunteer Non-Prime	1,080	1,065
Source: Fairfax County Park Authority		

Driving Range

The driving range at Burke Lake is a key component of the operation, accounting for about 35% of total revenue and 40% of golf revenue. Use of the range has been on a general decline over the years shown, with a big decrease in 2011. Much of the overall decline can be attributed to uncontrollable factors such as changing local demographics, increased competition, the state of the economy, and weather, but the condition of the range itself may be a contributing factor. Range tokens sold since 2006 are shown below:

Burke Lake Golf Center Historical Range Token Sales – 2006-2011							
	2006	2007	2008	2009	2010	2011	Average
Range Token Sales	92,936	109,414	104,361	96,405	96,386	87,575	97,846
Annual % Change		17.7%	-4.6%	-7.6%	0.0%	-9.1%	
Total % Change (2006-2011)				-5.8%			
Source: Fairfax County Park Authority							

Capacity Issues

As we will present later in the 'Competitive Analysis' section, the capacity for golf rounds at Burke Lake is difficult to establish due to the small number of appropriate competitors. Based on Burke Lake's market positioning, location, and market demographics, NGF Consulting has estimated a reasonable number of expected yearly rounds activity of about ±45,000 to 50,000 rounds in a good weather year represents a reasonable target maximum for the facility.

Revenue Analysis

NGF Consulting's review of performance shows that despite the 4.6% decline in golf rounds since 2006 and a 5.8% decline in range token sales, the facility has experienced a 6.4% decline in total revenue with a roller-coaster of annual changes each year. There appears to be much higher variance in rounds and revenue from year to year at this facility than other courses in the FCPA system. Total facility revenue at Burke Lake was \$1,035,096 in 2011, down from a peak of \$1,289,059 in 2008. This decline has been relatively consistent across the board, with green fee and range declines being the largest. Burke Lake recorded \$32,586 in pro shop sales in 2011 with an average of 65% in direct cost of merchandise over the five years shown (compared to the NGF 'standard' of 65% cost of sales for pro shop operations at golf courses).

The golf averages are presented in NGF's System-Wide Report. However, industry averages do not reflect par-3 golf courses and thus direct comparison is not appropriate.

Burke Lake Golf Center Total Gross Revenue – 2006-2011						
Revenue	2006	2007	2008	2009	2010	2011
Green Fees	\$575,739	\$584,857	\$640,858	\$600,035	\$616,749	\$538,861
Driving Range	388,560	442,681	478,827	428,602	427,190	376,533
Programs	16,843	16,510	19,118	16,614	12,724	9,362
Equip. Rental (Carts)	31,920	34,454	36,823	33,850	34,308	32,810
Food Services	58,381	57,583	59,572	53,124	52,450	44,081
Pro Shop	29,577	33,580	44,253	36,692	36,415	32,586
Other	5,016	5,757	9,608	2,500	503	863
Total Revenue	\$1,106,036	\$1,175,422	\$1,289,059	\$1,171,417	\$1,180,339	\$1,035,096

Source: Fairfax County Park Authority

Average Revenue Analysis

The total average revenue earned per round of golf played now stands at \$15.63 for 2011, down more than 17% from 2010. Range revenue is similar to this performance, as Burke Lake range revenue per token has been relatively consistent, with some decline, from 2008 to 2011.

Burke Lake Golf Center Average Revenue per Round – 2006-2011						
	2007	2008	2009	2010	2011	Average
Total Rounds	40,789	43,184	40,212	40,262	42,126	41,315
Green Fees	\$14.34	\$14.84	\$14.92	\$15.32	\$12.79	\$14.44
Programs	\$0.40	\$0.44	\$0.41	\$10.61	\$0.22	\$0.36
Equip. Rental (Carts)	\$0.84	\$0.85	\$0.84	\$0.32	\$0.78	\$0.83
Food Services	\$1.41	\$1.38	\$1.32	\$0.85	\$1.05	\$1.29
Pro Shop	\$0.82	\$1.02	\$0.91	\$1.30	\$0.77	\$0.89
Other	\$0.14	\$0.22	\$0.06	\$0.90	\$0.02	\$0.09
Sub Total (Excl. Range)	\$17.96	\$18.76	\$18.47	\$18.71	\$15.63	\$17.91
Range Tokens	109,414	104,361	96,405	96,386	87,575	97,846
Range Rev. per Token	\$4.05	\$4.59	\$4.45	\$4.43	\$4.30	\$4.36

Source: Fairfax County Park Authority

Expense Analysis

Basic expenses to operate and maintain the facility totaled just over \$732,000 in 2011, down 6% from a high of \$778,521 in 2006. The decline is largely a result of staff reductions, most of which occurred in 2010 with the assistant manager vacancy that has not been filled. As noted, Burke Lake GC staff is responsible for some Burke Lake Park maintenance and will thus have a higher labor budget than otherwise expected. Still, the overall expense to operate this facility is lower than the standard for a full-length 18-hole regulation golf course, which would be expected at a shorter par-3 golf course.

Burke Lake Golf Center Total Facility Expenses – 2006-2011						
Direct Cost of Sales (COS)	2006	2007	2008	2009	2010	2011
COS (Food)	\$46,955	\$49,152	\$38,776	\$37,608	\$34,890	\$32,079
COS (Merchandise)	\$18,939	\$24,955	\$27,738	\$24,320	\$23,190	\$18,839
Total Cost of Sales*	\$65,894	\$74,107	\$66,514	\$61,928	\$58,080	\$50,918
Personnel Expense						
Regular Salaries	\$252,238	\$202,977	\$234,031	\$248,763	\$259,246	\$259,282
Fringe Benefits	86,710	80,078	80,682	84,412	90,874	107,365
Exempt/Limited Term	134,702	142,173	121,202	102,534	97,324	113,955
Pay Extra	2,615	1,121	989	1,254	1,838	3,096
Total Personnel (Char. 20)	\$476,265	\$426,349	\$436,904	\$436,963	\$449,282	\$483,698
Repairs & Maintenance	\$53,703	\$42,027	\$42,500	\$20,837	\$25,093	\$29,418
Supplies	124,436	109,693	104,354	100,844	78,971	90,360
Utilities	22,267	22,023	24,777	27,904	28,767	34,168
<i>Water</i>	<i>\$645</i>	<i>\$1,080</i>	<i>\$1,539</i>	<i>\$1,045</i>	<i>\$444</i>	<i>\$546</i>
Other	16,453	34,018	35,295	24,154	27,093	23,853
Sub-Total	\$216,859	\$207,761	\$206,926	\$173,739	\$159,924	\$177,799
Total Char. 30 Expense*	\$282,753	\$281,868	\$273,440	\$235,667	\$218,004	\$228,717
Total Capital (Char. 60)	\$19,503	\$17,414	\$40,000	\$14,115	\$12,144	\$19,671
Total Operating Expense	\$778,521	\$725,631	\$750,344	\$686,745	\$679,430	\$732,086

Source: Fairfax County Park Authority. *Figures in italics are shown for emphasis and not included in total expense.*
 *Char. 30 expenses have been rearranged by NGF for comparative review.

Direct Expense Findings

The two key expense categories of labor and utilities at Burke Lake are compared to the industry averages in the following table:

Industry	Indicator	Burke Lake GC*	Total 2011
50%	Labor	71.0%	\$483,698
5%	Utilities	5.0%	\$34,168
20%	All other expenses	24.0%	\$163,302
			\$681,168
* Excludes cost of sales, debt service and County overhead			

Other Expense Findings

In review of the Burke Lake GC direct operating expenses, NGF offers the following basic summary:

- Total expenses at Burke Lake are difficult to compare to industry “standards” due to the unique nature of this operation and the impact of other park responsibilities of the golf maintenance staff. Still, the overall labor ratio is higher than expectations.
- Utility expenses are more in line with the industry standard at this facility, as water expense is much lower.

Burke Lake Golf Center Operations Summary

The basic summary of the Burke Lake golf operation financial position is shown in the following table:

Burke Lake Golf Center Summary of Operations – 2006-2011*						
	2006	2007	2008	2009	2010	2011
Total Operating Revenue	\$1,106,036	\$1,175,422	\$1,289,059	\$1,171,417	\$1,180,339	\$1,035,096
Direct Cost of Sales	\$65,894	\$74,107	\$66,514	\$61,928	\$58,080	\$50,918
Operating Margin	\$1,040,142	\$1,101,315	\$1,222,545	\$1,109,489	\$1,122,259	\$984,178
Total Operating Expense	\$712,627	\$651,524	\$683,830	\$624,817	\$621,350	\$681,168
NET INCOME (Loss)	\$327,515	\$449,791	\$538,715	\$484,672	\$500,909	\$303,010
Net Income % of Rev.	29.6%	38.3%	41.8%	41.4%	42.4%	29.3%
Source: Fairfax County Park Authority						

Other summary points from NGF regarding Burke Lake GC include:

- Burke Lake GC is producing total revenue that is very strong for a facility of this type, showing the impact of strong range revenue. The net income margin of 29% (in a slow year) is also very strong for a golf facility of any type. It is clear that revenue increases at this facility are possible, and can be generated in both rounds of golf and increased range usage.
- The range is one clear area where revenue can be enhanced through investment. NGF has identified three key items that are highest on our recommended priority list of proposed investment, including a covering for the range to protect customers from the elements, new range ball dispensing system, and enhanced lighting and power to the range area.

EXTERNAL FACTORS ANALYSIS

In this section of the report, NGF Consulting will provide a summary of important factors that characterize the trade area in which Burke Lake operates. We will then provide a summary of these factors and how they relate to the continued operation of the County's golf facility.

NGF Data Review

Demographics Summary Burke Lake Market						
	5 mi	10 mi	15 mi	Fairfax County	Virginia	U.S.
Population 1990 Census	157,874	626,772	1,291,037	818,604	6,187,393	248,710,012
Population 2000 Census	167,014	757,959	1,531,530	969,749	7,078,515	281,421,906
CAGR 1990-2000	0.56%	1.92%	1.72%	1.71%	1.35%	1.24%
Population 2010 Estimate	165,097	820,003	1,800,164	1,081,007	7,874,646	308,332,907
CAGR 2000-2010	-0.12%	0.79%	1.63%	1.09%	1.07%	0.92%
Population 2015 Projected	164,246	852,353	1,982,597	1,112,948	8,226,501	322,581,814
CAGR 2010-2015	-0.10%	0.78%	1.95%	0.58%	0.88%	0.91%
Median HH Inc	\$115,135	\$92,205	\$97,790	\$106,282	\$59,455	\$51,627
Median Age	41.4	37.9	36.3	37.7	37.5	37.1

CAGR = Compound Annual Growth Rate
Source: National Golf Foundation

Local market demographics show the immediate neighborhood around Burke Lake GC is the smallest in the FCPA golf system, with fewer than 166,000 residents within five miles, but over 820,000 within 10 miles (3rd lowest). However, this property's 5-mile radius also has the highest median household income of the FCPA golf sites. Higher income is typically associated with higher-than-average golf participation, and Burke Lake's local market has incomes much higher than the Fairfax County average (which is already much higher than State and national averages).

Golf Demand Summary

The summary of golf demand metrics shows that even with higher incomes, the small local population makes the Burke Lake GC ring geographies look statistically small (few golfers and low rounds as compared to other FCPA sites). We also observe the second fewest total golf courses (17) within 10 miles of the site. NGF counted only five other total golf facilities within five miles of the site, of which three are public (Laurel Hill, Lake Ridge Park, and Old Hickory). Still, the overall ratio of households to golf courses is about 226% higher than the "standard" in this market (favorable). There have been two new courses added to this market in the last 10 years (Laurel Hill and Old Hickory), but both are higher-end golf courses that should not compete directly with Burke Lake GC.

In total, there are an estimated 3,311 golfers per 18-hole course within 10 miles of Burke Lake. In its 2009 publication *The Future of Public Golf in America*, the NGF hypothesized that the best predictor of a public golf course's success was the number of golfers per 18 holes within a 10-mile radius, with 4,000 identified as the key number for projected financial stability.

**Predicted Golf Demand
Burke Lake Market**

	5 mi	10 mi	15 mi	Fairfax County	Virginia	U.S.
Golf Demand Indicators						
# of Golfing Households	12,182	54,636	111,017	70,282	466,209	21,237,600
Number of Rounds Played	416,134	1,782,618	3,579,398	2,328,675	14,634,945	498,831,616
Golfing Household Index	119	103	93	98	84	100
Rounds Played Index	173	143	128	138	112	100

Source: National Golf Foundation

*Locally: less than 50 miles; Regionally: 50-200 miles; On Vacation: more than 200 miles

**Golf Facility Supply
Burke Lake Market**

	5 mi	10 mi	15 mi	Fairfax County	Virginia	U.S.
Total Golf Facilities	6	17	36	25	338	15,902
Public Golf Facilities	4	13	21	16	213	11,633
Private Golf Facilities	2	4	15	9	125	4,269
Total Golf Holes	99	297	639	450	6,030	268,443
Public Golf Holes	63	207	342	270	3,798	191,214
Private Golf Holes	36	90	297	180	2,232	77,229

Source: National Golf Foundation

**Household Supply Ratios
Burke Lake Market**

	5 mi	10 mi	15 mi	Fairfax County	Virginia	U.S.
Households per 18 Holes: Total	10,110	17,509	18,721	15,956	8,996	7,733
Households per 18 Holes: Public	15,888	25,121	34,978	26,593	14,282	10,856
Households per 18 Holes: Private	27,804	57,779	40,278	39,890	24,303	26,879
Households Supply Index: Total	131	226	237	202	116	100
Households Supply Index: Public	146	231	312	238	132	100
Households Supply Index: Private	103	215	151	149	90	100

Source: National Golf Foundation

Recent Golf Construction Activity Burke Lake Market – 2001-2010

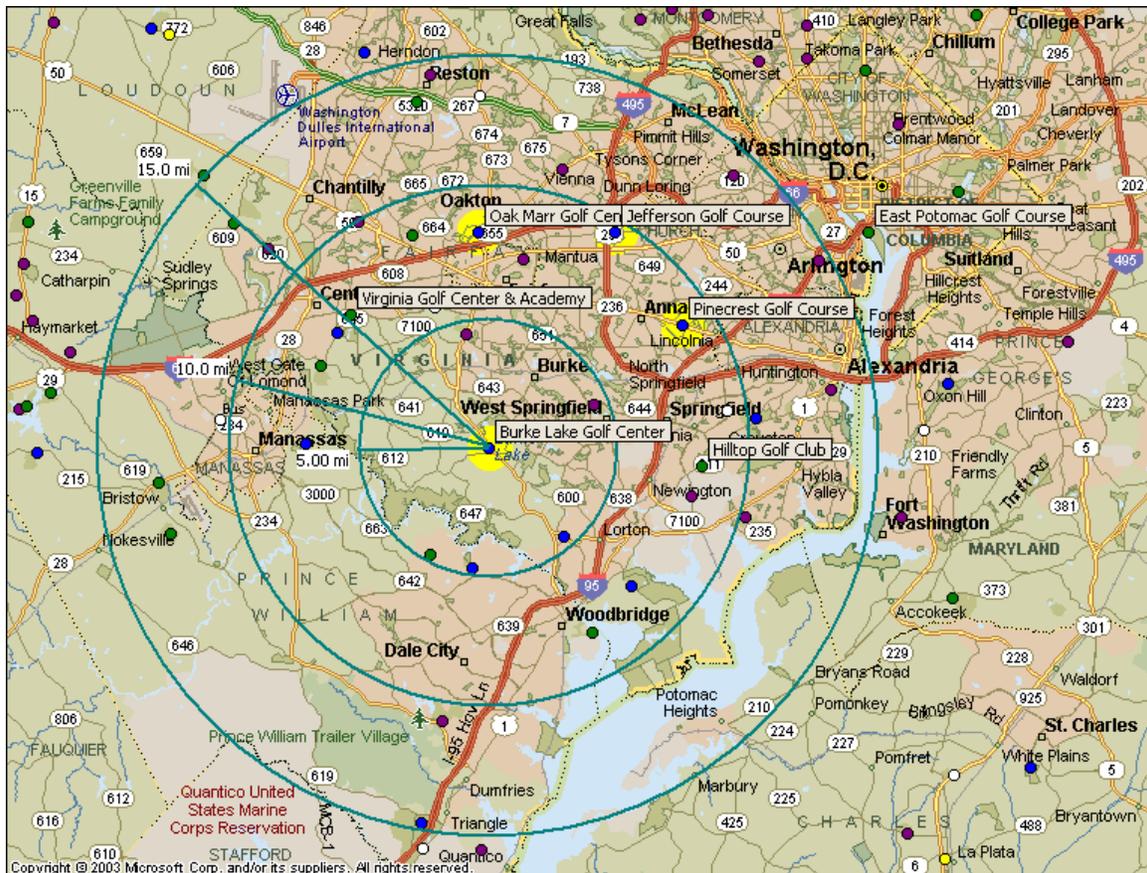
	5 mi	10 mi	15 mi	Fairfax County	Virginia	U.S.
Total holes added past 10 years	36	45	45	27	855	24,318
Public holes added past 10 years	36	45	45	27	630	17,469
Private holes added past 10 years	0	0	0	0	225	6,849
Percent Total Holes Added	36.40%	15.20%	7.00%	6.00%	14.20%	9.10%
Percent Public Holes Added	57.10%	21.70%	13.20%	10.00%	16.60%	9.10%
Percent Private Holes Added	0.00%	0.00%	0.00%	0.00%	10.10%	8.90%

Source: National Golf Foundation

Competitive Golf Market

NGF's System-Wide Report contains a full, comprehensive overall competitive market analysis. This review shows that the most of the direct competition for Burke Lake GC comes from the other FCPA short courses, although these facilities are 8 to 10 miles away. Secondary competitors include East Potomac Red and White Courses, Hilltop GC, and the Virginia Golf Center. Green fees at East Potomac Red and White Courses are generally similar to all of the FCPA short courses, while Hilltop GC is at a moderately higher price point.

Burke Lake Competitive Golf Market Map



Market Analysis Summary

The review of the external factors that can affect golf activity levels at Burke Lake tends to be mixed, with smaller population of higher income residents that are aging and younger family members (juniors) growing up and apparently out of the local households. Real growth in rounds and revenue at Burke Lake will depend on the facility's ability to attract new beginners from a wider market area. Other summary points about the local market environment:

- The demographics of the immediate Burke Lake market show a smaller population with the highest income of any FCPA submarket. These findings typically coincide with higher-than-average participation in golf, indicating there are golfers in this local sub-market that need direct action by the operator to bring them out.
- There is a lower per capita supply of public golf facilities (favorable) in the subject market, although there are three other public golf courses within five miles. However, all but one of these facilities are higher-end public golf courses seeking a different golf customer than the beginner and less-serious golfers that prefer Burke Lake.
- The review of fees at other courses indicates there is room to adjust fees upward and still find an appropriate market niche (see recommended 2012 fee table in next section).

NGF RECOMMENDATIONS – BURKE LAKE GOLF COURSE

Burke Lake is a unique golf facility in that so much of the total revenue and revenue growth potential comes from the driving range operation. As such, some of the key recommendations for this facility will center on the driving range and efforts to grow revenue from that activity through: (1) new investment in the range facility and (2) enhanced programming and promotion of the range and its features.

Burke Lake Recommendations

NGF Consulting has prepared a schedule of recommendations for the continued operation of Burke Lake, in addition to a full schedule of recommendations prepared for the Fairfax County Park Authority golf course system as a whole and presented in NGF's System-Wide Report. Specific NGF recommendations for Burke Lake include:

- The FCPA should commit to a plan to complete upgrades at this facility as detailed previously by NGF, including:

Burke Lake GC Recommended Physical Improvements	
Highest Priority Items (1-5 years)	Highest Estimated Cost
Range Upgrade / Covering	\$150,000
Range Lighting	25,000
Power improvements	25,000
New Token-Less Range Dispensers	54,000
Equipment Program (5-year total)	300,000
Total Burke Lake Upgrades	\$554,000

- FCPA should evaluate the clubhouse replacement plan carefully to be sure the proposed facility matches the program offering at this location. Any new clubhouse at Burke Lake GC should include:
 - Small pro shop with check-in counter and views of the 1st, 9th, 10th and 18th holes, plus the driving range.
 - Provide a covering for walking between the range and clubhouse
 - ADA restrooms
 - Snack bar with seating for up to 48 patrons
 - Additional gathering space (flexible and attached) to expand to host more than 80 patrons.
- Enhance promotion of the Burke Lake golf facility (primarily on the Internet) and the driving range in particular. Focus promotion on the beginner-friendly aspect and the short time commitment required for the par-3 golf course - *“Play a great golf course in less than 3 hours!”* Also emphasize the new balls and frequently replaced mats in advertising.
- Upon completion of the above-noted upgrades, work to heavily promote the features of the facility and the driving range, focusing on both the new range features and the present high quality of the operation.
- Improve the signage on Ox Rd and on the Fairfax County Parkway to promote Burke Lake golf and the presence of the driving range.
- Add beer sales to the operation if allowable, and then make sure to cut beer sales off before dark.
- Switch to a token-less range ball dispensing system (as with other facilities) and use the new system to promote a greater level of multi-use discounts and programs (loyalty card, gift card, etc.).
- Retain the EveryBody Golf School at this location under basic terms as exist today, and work with this vendor to strengthen the marketing relationship, specifically focusing on the transition of new golfers from range lessons to the golf course.
- The staffing plan at this facility should continue with two full-time (merit) positions in golf operations. However, NGF recommends that a PGA professional dedicated to beginner play and growing the game be the key manager at this location. This is important even if the lesson program is outsourced to another entity (EveryBody Golf). It is difficult to change the maintenance positions given the park responsibilities, and NGF recommends no change.
- NGF concurs with the new proposed fee schedule for Burke Lake that raises fees slightly in 2012. We also recommend changing the basic categorization of fees (replacing the prime/non-prime convention) to delineate time of day, day of week, and season of year. We believe that this presents an easier to understand pricing schedule, both for internal reporting purposes and for the golf consumer:

Burke Lake GC Recommended 2012 Basic Fee Structure		
	Weekday	Weekend
Peak Season (April 1 – October 31)		
9 Holes	\$16.00	\$19.00
18 Holes - Morning	\$22.00	\$26.00
18 Holes - Twilight	\$16.00	\$16.00
18 Holes – Super Twilight	N/A	N/A
Off Season (November 1 – March 31)		
9 Holes	\$16.00	\$16.00
18 Holes - Morning	\$22.00	\$22.00
18 Holes - Twilight	\$16.00	\$16.00
18 Holes – Super Twilight	N/A	N/A

SUMMARY – BURKE LAKE GOLF COURSE

Given its location, quality of golf course, and low pricing structure, Burke Lake golf course should be able to maintain a growing customer base and rounds / revenue activity, although any future growth at this facility is likely to come from programs designed to attract new golfers to this site to learn the game. Golf properties of this type typically have a “life cycle” of attracting beginners, then watching them move on to other golf courses as they progress, requiring new beginners to be developed. This is the challenge at Burke Lake Golf Course.

Given this, the key issues facing the Authority in the Burke Lake operation are: (1) attracting new beginners to the site; and (2) providing the level of facility and service to make the property appropriately attractive to the beginner segment. In short, the FCPA may find that investment in the new clubhouse will not be as productive to revenue growth as investment in the driving range would be. However, NGF does note the poor condition of the existing clubhouse and the need for upgrade in this area. The NGF recommendations contained in this review are designed to help FCPA increase revenue, especially on the driving range, but we recognize that investment in a new clubhouse at Burke Lake may not be economically self-supporting. NGF understands that economic self-sufficiency is not the only determining factor in the decision to replace the clubhouse.

As-Is Economic Performance

The estimates in this section show Burke Lake's performance at various rounds played and range sales totals (worst case, 'as-is,' modest growth, and best case), assuming expected 2012 inputs for revenues and expenses. The table shows that Burke Lake can generate a considerable profit before capital with rounds at 43,500 and range token sales at 95,000 (both achieved in 2009), given the present expense structure. NGF has prepared these projections noting that there is some variability in expenses at higher rounds and revenue totals (i.e., more maintenance needed when more rounds played). We also note that the above estimate is based on the proposed (2012) average fee structure, inclusive of FCPA increases currently proposed.

Burke Lake Golf Course Estimated Economic Performance at Various Rounds Totals				
Range Tokens	80,000	87,500	95,000	110,000
Rounds	36,000	40,000	43,500	48,000
Revenue				
Green Fees	\$499,819	\$555,354	\$603,948	\$666,425
Driving Range	343,964	376,211	408,457	472,950
Programs	8,371	9,301	10,115	11,161
Equip. Rental (Carts)	29,337	32,596	35,449	39,116
Food Services	39,415	43,794	47,626	52,553
Pro Shop	29,137	32,374	35,207	38,849
Other	\$772	\$857	\$932	\$1,029
Total Revenue	\$950,814	\$1,050,488	\$1,141,734	\$1,282,083
Expenses:				
Labor Expense (Char. 20)	\$485,000	\$485,000	\$500,000	\$525,000
Char. 30 (All other incl. COGS)	230,000	230,000	237,500	250,000
Capital (Char. 60)	0	0	0	0
Total Operating Expense	\$715,000	\$715,000	\$737,500	\$775,000
Net Income (Loss)	\$235,814	\$335,488	\$404,234	\$507,083

NGF Projections 2012-2017

NGF Consulting has created a cash flow model for the continued operation of Burke Lake through 2017. The table below shows the projected cash flows for the full operation through FY2017, assuming a “standard” market environment over the next five years. This projection is intended to show the FCPA what it should expect from Burke Lake in the next five years considering NGF assumptions, particularly the range upgrades recommended and to be completed before the end of FY2013, inclusive of some upgrades to be completed in already-underway FY2012. This is in addition to other marketing improvements and the additional publicity associated with the proposed upgrades. Base assumptions in preparing this financial performance estimate include:

- The overall economic condition remains stable, without any sizable increase or decrease in the Washington regional economy, employment, and visitation.
- The pace established in early FY2012 is continued, leading to decline in activity in FY2012 (88,000 range tokens and 36,500 rounds). Activity is projected to hold at this level in FY2013, then declining in FY2014 during construction of the clubhouse and range enhancements, and then recovering to a stabilized level of 42,000 to 43,000 rounds and 100,000 to 105,000 range ‘tokens.’ NGF projects this to become a new “stable” level of rounds, with some years falling below and some years rising above this expected ‘average’ figure.
- It is also assumed that beer is added to the food and beverage operation beginning in FY2013, increasing F & B revenue by 25%.
- Green fee revenue has been calculated using the NGF recommended schedule of fees with 4% increases every other year (appx. \$1). Additional revenue for range, pro shop, restaurant, and other revenue has been estimated using historical performance, with 2% annual increases in average revenue per round every other year.
- Expenses are adjusted to reflect the changes noted above, with reduction in 2014 to account for range closure for up to 5 months, with increases thereafter. Labor expense inflation is then reduced to 2% per year (after range renovation in 2014) to account for additional part-time labor replacing vacant positions. Other expense categories increase 5% in FY2015, followed by 3.0% annual increases through 2017.
- It is assumed the NGF recommended physical improvements will be completed over the next five years, although no specific capital expense for these projects is included in the projection. It is assumed that these projects will be funded separately from golf operations via Fund 371 (excess Park Services revenue) or through new FCPA bond issuance. These physical upgrades include new range ball dispensers and power upgrades in FY2012 (FY is already underway) and then a more complete range and lighting renovation in FY2014. New equipment is assumed as a Character 60 expense in the projections.

**Burke Lake Golf Course
Projected Economic Performance
with NGF Recommendations**

	2012	2013	2014	2015	2016	2017
Range Tokens	88,000	88,000	46,000	95,000	105,000	105,000
Rounds	36,500	36,500	34,000	40,000	42,000	43,000
Revenue						
Green Fees	\$485,145	\$485,145	\$469,993	\$552,933	\$603,802	\$618,179
Driving Range	378,360	385,928	205,770	433,458	488,667	498,440
Programs	8,112	8,274	7,861	9,434	10,103	10,551
Equip. Rental	28,428	28,997	27,551	33,061	35,408	36,976
Food Services	38,194	47,742	45,362	54,434	58,299	60,881
Pro Shop	28,234	28,799	27,363	40,239	43,096	45,005
Other	748	763	725	870	931	973
Total Facility Revenue	\$967,221	\$985,647	\$784,624	\$1,124,428	\$1,240,308	\$1,271,004
Expenses:						
Labor Expense (Char. 20)	\$500,627	\$518,149	\$492,242	\$528,512	\$539,083	\$549,864
Char. 30 (All other incl. COGS)	236,722	243,824	251,138	263,695	271,606	279,754
Capital Char. 60 (Equipment)	60,000	60,000	60,000	60,000	60,000	60,000
Total Operating Expense	\$797,350	\$821,973	\$803,380	\$852,208	\$870,689	\$889,619
Net Operating Income after Expense (Loss)	\$169,872	\$163,674	(\$18,757)	\$272,221	\$369,619	\$381,386
Major Projects	Power Upgrade + New Range Dispensers	No Capital	Range Closed 5 mos. For Renovation + Clubhouse Construction	Re-Open Range + New Clubhouse	No Capital	No Capital