

1. Call the Meeting to Order

President Lange called the meeting to order at 6:30 pm.

2. Roll Call

At 6:30 pm roll call was taken.

Board Members Present:

Dorothy Lange – President
Greg Stimpson – Treasurer
Denice Sbertoli – Secretary

Staff:

Matthew Ellmann – Executive Director
Karin Johns – Director of Administration & Finance
Ben Appler – Director of Parks & Facilities
Frank Bonanno – Assistant Director of Golf Operations

Also Present:

Carolyn Mondlock – Recording Secretary
Mike Bersani – Attorney

Visitors:

Joseph Julius – Auditor
Richard Singer – National Golf Foundation
Rick Jacobson – Jacobson Golf Course Design Inc.

3. Pledge of Allegiance

All present stood for the Pledge of Allegiance.

4. Preliminary Report on the Golf Course Re-Purposing Feasibility Study and Discussion of Recommendations

Director Ellmann introduced the consulting team from National Golf Foundation (NGF), Richard Singer and Rick Jacobson. He said they are present for two main purposes: 1) present a summary of preliminary work and findings; 2) engage discussions with the Board on where to focus efforts going forward. The two absent Board members, Rick Pokorny and Georgia Schroeder, were briefed by NGF earlier in the day.

Richard Singer gave a PowerPoint presentation. He spoke about the role of NGF to provide advice and research to the park district, so that the right decision can be made for the community. He wants to present the Board with the situation being faced by Wood Dale Park District's (WDPD) Salt Creek Golf Club (SCGC) and TopGolf, to talk about the market environment and to present some options on how to maximize assets going forward.

Richard introduced his teammate Rick Jacobson. He spoke of their methodology and approach, followed by some key components to include in the review of the SCGC and TopGolf facilities and the viability of golf in the Wood Dale area. He gave a Situation Analysis of factors that affect SCGC today, which included its best features. However, Richard noted that the decline seen in golf round activity at SCGC is more than what they are seeing in the overall market.

Richard made some points about the external market. He said there are things that can and cannot be controlled. Some of the things that cannot be controlled relate to the overall market environment. He summarized a few points, including that Chicago is the 3rd largest golf market in the US in terms of number of golfers, potential rounds, and total golf spending. The immediate local market in Wood Dale shows positive characteristics and locational advantages for strong performance of a golf facility. Being accessible and visible from major highways can expand the market. On the flipside, it makes the site desirable for non-golf use also.

The physical and operational issues at SCGC were reviewed. Richard said physical conditions are less than ideal, and identified upwards of \$1.75 million in basic facility upgrades that would be needed to keep the club competitive. He identified some key operational findings and deferred maintenance issues. He said NGF was impressed with the strong public purpose of the club while successfully accommodating the community. He discussed financial and economic performance, summarizing recommendations listed in the presentation, some of which are: adjust staffing, invest in infrastructure, improve marketing, create new play development, and light at least nine of the holes.

Richard moved on to TopGolf, which he affirmed was designed and constructed for a very specific purpose. Re-purposing to non-golf use will likely not be practical or economically efficient. He gave an overview of TopGolf operations and said the physical plan fit well into being a golf center with a tie-in to SCGC. However, there are deteriorating assets and equipment that will create a considerable maintenance footprint. Also, TopGolf technology is proprietary and WDPD cannot use it. Richard said there is nonproprietary technology available that he's seen used for teaching golf.

He observed that TopGolf is more of an entertainment center than a golf center. He said there is a demand for golf centers and should TopGolf vacate their lease, it could be an opportunity for WDPD to run the facility as a driving range/learning center, have the 18-hole golf course and clubhouse, and offer a high quality golf center with good food and golf operations. However, the expense profile of the District would change significantly and would require a higher level of management expertise to operate it all.

Richard went into detail on SCGC options, TopGolf options and non-golf options, and some of the advantages/disadvantages of those options, listed in the presentation slideshow. The Board posed many questions for consideration, and discussion lasted another hour.

SCGC Options:

- Private Management – Consider turning all SCGC over to a third-party professional management group via lease, concession or management contract. Will have direct implications for WDPD staff.
- Continued Self-Operation by WDPD – This is the “status quo” option, but subject to staff and operating changes recommended earlier.
- Separate F&B Concession/Lease – Consider privatizing the F&B operation at SCGC, while continuing to self-operate golf.

TopGolf Options:

- WDPD take over TopGolf and run as part of SCGC.
- Seek a new lease partner:
 - TopGolf only lease w/ new partner
 - Full site lease to include both TopGolf and SCGC
- Seek non-golf use of the property, possibly including the full closure of one or both of TopGolf and SCGC to be replaced by some other (non-golf) use of the property.

Non-golf Options:

- Hotel use is problematic due to potable water delivery issues.
- Residential is possible, but has similar infrastructure and area impact issues.
 - SCGC loses nine holes
- Office space is possible, but demand tends to be soft.
- Industrial/warehouse appears to be the strongest option.
 - Property would need to be sold as leasing is not within the WDPD's public purpose.

Dialogue ensued on various options and issues: Where would we get the money to renovate? Losing golfers needs to be addressed. What is our niche? Why do only 10% of residents golf at SCGC? Why aren't we marketing SCGC better? Golf has been declining 15-20% in the last ten years according to Richard of NGF, it is believed to stabilize in 5-10 years.

Frank wanted to clarify that the "only 10% of residents" who golf only represent the golfers. A large amount of people visit and use the facility for lunch, dinner and reserved banquets. Commissioner Stimpson asked if the clubhouse kitchen could be expanded to accommodate both facilities. Frank said there are ways.

Director Ellmann talked about life cycles of golf courses and that a long-range plan and capital improvement plan is necessary. He asked Richard if investments could be phased in but not at an accelerated rate as to see how revenues move. Richard reiterated that there are many basic infrastructure needs and ways to enhance the property needing further examination.

Director Ellmann asked the Board what they are considering at this point. He included comments received in the morning from Commissioners Pokorny and Schroeder.

- President Lange and Commissioners Sbertoli, Schroeder and Stimpson are opposed to selling land and suggest finding another lessee.
- Commissioner Pokorny is open to all but wants to see numbers and how they are impacted. Should land be sold, he prefers a residential sale over an industrial one.
- President Lange is interested to see nine holes lighted.
- Commissioner Schroeder is interested to know about the viability of the gaming component. She is concerned the facility won't be able to attract people to the course and operations.

Richard suggested WDPD consider putting out a Request for Qualifications (RFQ) and possibly also a Request for Proposal (RFP). The process will weed out any fly-by-night companies, a topic that came up in discussion. A RFQ/RFP will make the public aware of WDPD doing its due diligence. The Board is in agreement with creating a RFQ and then possibly an RFP.

5. Executive Session (*if needed*) - There was no Executive Session.

6. Adjournment

It was moved by Commissioner Sbertoli, seconded by Commissioner Stimpson, to adjourn this Special Meeting at 8:30 pm.

VOICE VOTE; MOTION CARRIED.

The General Meeting of the Wood Dale Park District Board of Commissioners shall be held on Tuesday, January 26, 2016, at 6:30 pm.

Board Member Signatures:

President

Secretary