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ALTERNATIVE



NOTES:
* GOLF COURSE CONCEPT BY NGF CONSULTING / FORREST RICHARDSON + ASSOCIATES / BC STUDIO



DRAFT
03.25.16

BLACKBERRY FARM GOLF COURSE

PAR 3 9-HOLE GOLF COURSE: A newly configured 9-hole golf course designed for wildlife sensitivity and with a water-conscious maintenance plan. Amenities include a par 3 course, a putting area and nature-themed putting course, a teaching/short game practice area, driving bays that may include state of the art electronics, lockers, golf carts, and a new clubhouse with a restaurant and pro shop. A FootGolf course is overlaid onto the 9-hole golf course to make Blackberry Farm golfing more versatile and accessible, and to help grow interest in golf.

CLUBHOUSE / RESTAURANT / PRO SHOP: A newly constructed Clubhouse provides golfers and the local community with a family-friendly restaurant and large group special event venue that accommodates approximately 300 total guests: envisioned as 200-250 people indoors and additional seating on an outdoor deck, which overlooks the golf course and the creek. The new Clubhouse has lockers and a Pro Shop with amenities that make it an attractive and inviting destination for golfers and visitors.

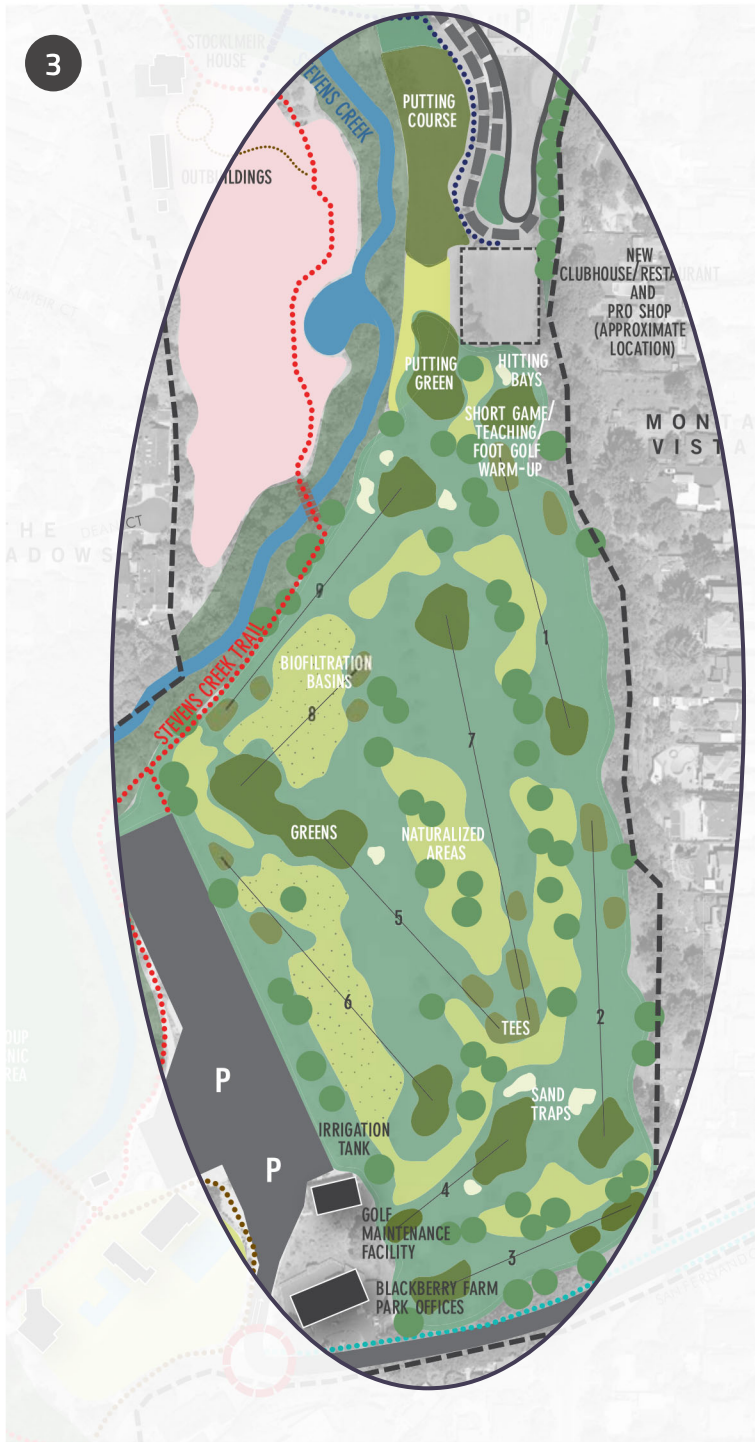
GOLF MAINTENANCE BUILDING: The existing building at the south end of the golf course is used for storage and maintenance of golf vehicles and equipment. The existing building's restrooms remain available for golf use.

ENHANCED UTILITIES: A strategic enhancement and refinement of the site's utility systems, including a new efficient irrigation system, is recommended.

HABITAT AREA AT FORMER PONDS: Lowland native areas that serve as biofiltration basins are designed to capture stormwater runoff and increase habitat complexity.

NATURALIZED AREAS: Areas between tees and greens will be planted as naturalized areas rather than all turf.

PARKING, CIRCULATION, AND ACCESS: Vehicle parking is provided at the Stevens Creek Blvd Entrance and access is extended to the new clubhouse/restaurant.



Conceptual Plan for Blackberry Farm Golf Course in Cupertino, California

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December 2015

**Review
of the
Blackberry Farm Golf Course
in
Cupertino, California**

December 2015

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Introduction & Purpose

National Golf Foundation Consulting, Inc. (“NGF Consulting” or “NGF”) was retained by the City of Cupertino (“City”) in 2014 to present potentially viable options regarding the future of the City’s Blackberry Farm Golf Course (“BBFGC”). The consulting services were done as part of the overall due diligence related to the Stevens Creek Corridor Master Plan. One of the primary goals of this project is to create a plan for BBFGC that will put the facility on a path toward long-term economic stability and sustainability. The consulting services were managed by Ed Getherall, NGF’s Senior Director of Operations, in conjunction with Forrest Richardson, ASGCA, owner and president of Forrest Richardson & Associates.

NGF concluded that Blackberry Farm Golf Course is a valuable community asset for the City of Cupertino that has the potential to appeal to a wide variety of golfers. However, the golf facility in its present condition is not “set up for success” and does not accurately reflect the caliber of a city that has a stellar reputation nationally for its strong economy and high quality of life. The poor condition of the golf course, resulting from an aging infrastructure and a deferral of capital improvements over the years, has magnified the effects of factors such as a declining golf market and an aging clientele, resulting in significant financial distress for the Golf Enterprise Fund.

Key deficiencies include:

- Lack of tee flexibility (having more yardages from which players can opt to play from)
- Poor turf conditions
- Greens (too small and lack quality)
- Tree management (tree health and over-shading of turf areas)
- Irrigation system (aging and inefficient)
- Water source and cost (from potable to well water)
- Tight hole corridors (especially at Nos. 1 and 9)
- Lack of practice and new player development amenities
- Aging clubhouse (separated, non-integrated uses of golf and restaurant)
- Lack of ADA compliance (paths and access)

To address these deficiencies within the context of MIG’s work on the Stevens Creek Corridor Master Plan, NGF and Forrest Richardson, ASGCA, were tasked with studying the potential to improve the golf facility in one of two approaches; (a) to renovate the facility in its current footprint, and (b) reconfigure the facility into a smaller footprint. The NGF team’s work involved time with MIG to understand goals and objectives that came to the surface as the City explored potential long term uses and improvement to the entire Stevens Creek Corridor area. The outcome of meetings and planning sessions with the City and MIG yielded several areas of focus for our golf course planning work:

- Ways to integrate the golf landscape with that of Steven Creek and the Blackberry Farm park area setting.
- Opportunities to have golf and park amenities shared between uses (such as clubhouse, restaurant, etc.)
- Preservation of tree drip lines, trails and park access.
- Ways to remove the tall poles and netting that disrupt views and park aesthetic.

The NGF team's efforts yielded two conceptual plan possibilities ('A' and 'B') for the City to consider. When weighing the relative merits of the two plans, NGF took account of additional key considerations such as:

- Potential revenue enhancements - new practice areas; higher quality turf; enhanced food & beverage service more integrated with golf service; Footgolf.
- Cost efficiencies - reduced managed turf footprint (to save on water cost and focus maintenance effort); water source conversion (to lower water cost); replace aging infrastructure (to reduce annual capital costs on operations and emergency repairs).
- Environmental - orienting the golf course to a more naturalized landscape that corresponds better to the natural areas of the Stevens Creek corridor; saving water and improving maintenance efficiency by converting the old pond areas to lowland areas with native plantings that serve as biofiltration basins, and reducing turf throughout the course.

NGF and Mr. Richardson recommended Option B as the plan that best addressed all of the objectives cited above, while at the same time establishing a fun and enjoyable golf experience. Option B both reduces the golf footprint (conserving water use) and reduces round times. The par-3 hole lengths are short, yet variable; players will be able to hit shots ranging from 175 yards to under 100 yards. In addition to 9-hole rounds, play may be offered at 3-hole and 6-hole "loops" by using various combinations of holes. Tight hole widths are eliminated and the fully rebuilt golf course is reconfigured with modern safety set-backs and appropriate separation between adjoining golf holes. Hallmarks of Option B included:

- Fully rebuilt golf course
- Shorter golf holes with less errant balls to outside areas
- New irrigation system with elevated "farm" storage tank
- Biofiltration basins (lowland native areas) to capture runoff
- Short game and player development area for new golfers and training
- Eight (8) hitting bays for instruction, fitting and practice
- 1,035-yard, par-27 course
- Returning "loops" allowing play of 3-, 6- and 9-hole rounds
- Elevated tees at four holes
- Golf course poles and netting are expected to be eliminated (trailside fencing remains)
- Relocated pro shop and grill provides long views across park and golf areas
- New park and golf entry road from Stevens Creek Boulevard

The community and City Council input to date has been to further consider Option B as presented last year, though with some modifications to the plan as proposed by the NGF team (e.g., the clubhouse /restaurant will remain in the northern section of the property, and the new entry road will end at the new clubhouse and not extend to the southern end of the property).

In June 2015, the NGF team (including Mr. Richardson and clubhouse architect Brian Curtis) was engaged to collaborate with lead consultant MIG and create a new golf course and clubhouse / restaurant building concept to reflect this direction from City Council. Key components of this phase of the collaboration with the City included:

- Creating a new conceptual site plan, including recommended programming for both the golf course and clubhouse
- Providing updated cost estimates
- Working with City and MIG to address potential flood plain issues
- Generating turf area reductions, naturalized areas, tree removals and new plantings so MIG can quantify the environmental impacts.
- Siting of a new pedestrian bridge
- Preparing 5-year financial projections for the reimagined BBFGC, including new and expanded revenue centers

In the next section of this report, NGF describes the vision for the Blackberry Farm Golf Course.

Blackberry Farm Golf Course – A New Vision

Below is the summary narrative description for the reimagined Blackberry Farm Golf Course and Golf Clubhouse/Restaurant and Pro Shop. The recommended design is in fact more than a restaurant, and is flexibly designed to host small or large meetings, banquets, events, and community purposes as desired.

Conceptual Plan Summary – Golf Course

The Conceptual Plan (see **Appendix A**) created by the NGF team in late 2015 transforms the existing golf course into a shorter par-3 layout. As noted, the plan elaborates on previous conceptual plans presented to the City, incorporating community comments and direction from the City Council. Tight golf hole widths are eliminated and the fully rebuilt golf course is reconfigured with modern safety set-backs and appropriate separation between adjoining golf holes. The new plan further refines the golf course, retaining the starting and ending holes at the north. A benefit of the reduced footprint of the golf course (approximately 15 acres reduced to 12.5 acres) is that additional areas are made available for expanded parking, improved access and more trails.

The plan keeps access from the north end of the property and accommodates a new Community Building, herein also called a Clubhouse/Restaurant that will incorporate a golf shop, grill, and meeting spaces, golf practice hitting bays (potentially including some technology bays with launch monitors and simulators), and wildlife viewing areas. The existing restaurant/pro shop and current Hole No. 1 are removed from the golf footprint. The conceptual plan shows the location for the new building, a drop off area and reconfigured parking. The maintenance facility is retained in its current location.

The plan will allow for an improved pedestrian walk along the existing north side of San Fernando Road. This would likely be accommodated by a retaining wall-style structure that would allow for construction of a pedestrian walk at the existing edge of San Fernando Road, or possibly a stand-alone boardwalk-style structure instead. This improvement is not shown on the conceptual plan, as it will need to be designed and engineered. Costs for this improvement are unknown and therefore not shown in supporting cost estimates.

Practice areas include a public Putting Green adjacent to the newly sited Clubhouse/Restaurant Building, a Short Game Green (for pitch, chip and bunker practice), and a recommendation for five hitting bays that can include modern state-of-the-art technology that facilitates shot analysis, training and teaching components.

Adjacent to the new Clubhouse/Restaurant & Pro Shop Building is nature-themed Putting Course. This area consists of a generous putting surface that will be broken up with natural stone, vegetation and wood elements to create a series of putting “holes” that form a putting course. Players will begin and end from designated areas, putting their way around an obstacle course that can include interpretative signs and opportunities for learning about the Stevens Creek habitat and history.

Golf Course

A brief description of the recommended golf holes concept plan:

Hole 1 ... A south facing opening hole that utilizes the corridor for existing Hole No. 2. The new green is set along the eastern hillside of the valley and well protected from neighboring property and uses.

Hole 2 ... The tee shot is uphill to the area of the existing No. 2 green. The 130-140 yard shot is guarded by a single bunker below the green to the right.

Hole 3 ... Roughly a remake of the existing Hole No. 3. The hole flanks the southern edge of the golf course, playing along the upper slope with views to the north and west. The conceptual plan accommodates new grading that may be required for an expanded pedestrian access along San Fernando Road to the left of the hole.

Hole 4 ... The short hole plays to a large green. Shots can range from 40 yards to 80 yards depending on tee and hole placement. Defining this hole are various pockets and plateaus at the multi-level green.

Hole 5 ... The tee shot is played downhill to a shared green (double green) with Hole No. 8. The right side of the hole is flanked by a native area with the left side bordering a lowland area that serves as a bio-filtration basin.

Hole 6 ... The tee shot plays away from the adjacent parking area and across a bio-filtration basin. This low area will be planted with native plants and will form a hazard to golfers. The expected play is further left (away from the parking area) to an open area of fairway turf. The green is slightly elevated.

Hole 7 ... The longest of the holes, the tees are slightly elevated and play roughly to the site of the original No. 4 hole. The green is conceptually designed as a plateau with turf areas surrounding.

Hole 8 ... The short hole (under 100 yards) plays across a low bio-filtration basin. The green, shared with No. 5, allows for a diversity of cup locations.

Hole 9 ... Playing along a native lowland area to the a green guarded by three bunkers, the finishing hole plays northwest and allows for direct access to the Clubhouse/Restaurant & Pro Shop Building/ area. The proposed orientation of the Building looks out at the No. 9 green across the public Putting Green.

The overriding goal in developing the reconfigured Blackberry Farm Golf Course was to establish a fun and enjoyable golf experience. Purposefully, both to reduce the golf footprint (conserving water use) and round times, the par-3 hole lengths are short, yet variable. Players will be able to hit shots ranging from 180 yards to under 70 yards. In addition to 9-hole rounds, play may be offered at “loops” by using various combinations of holes. For example, loops are attained by playing combinations such as:

- 1, 2, 7
- 1, 2, 3, 4, 7
- 1, 2, 5, 9
- 1, 2, 5, 6, 7
- 1, 2, 7, 8, 9
- 1, 2, 7, 8, 6, 5, 9

Golf Course Preliminary Cost Estimates and Timing

A probable cost estimate was prepared for the conceptual plan. This estimate is just over \$2.5 million for golf course construction and irrigation (including the water storage tank), including 10% contingency, professional fees, and other soft costs. This estimate does not include a variety of other project-related costs as would be identified by the Public Works department if a capital improvement project is pursued. The probable cost estimate (see **Appendix B** for details) does *not*

include razing the existing golf building, nor reconstruction of the Community Building, new trails, improved pedestrian access along San Fernando Road or expanded parking.

Construction duration for the golf course work is estimated to extend one full year, ideally from March to March of the following calendar year. Construction time may be accelerated by adding cost to the project and fully sodding turf (in-play) areas. The NGF team recommends further study to determine the benefits of an accelerated schedule and whether more cost would result in less revenue loss during down time. We have assumed some grow-in costs during turf establishment in the probable cost estimate, but it is likely that additional costs may be required. This becomes a matter of how much grow-in responsibility is assigned to the golf contractor vs. the City's golf maintenance contractor.

Enhanced Revenue Opportunities

As we will present in the Financial Analysis section, the new program for the Blackberry Farm Golf Course, including the Clubhouse/Restaurant & Pro Shop Building, should offer key revenue enhancement opportunities in several areas, including (but not limited to):

- Rounds of play + potential for increased green fees
- Locker/bag storage rentals
- Additional golf carts / possible GolfBoards
- Practice – hitting bays plus potential for practice membership
- Instruction
- Club fitting
- Simulators
- Food & beverage (increase in both golf-related and non-golf related)
- Meetings (city, civic group, etc.) and events (tournaments, banquets, weddings, etc.)
- Increased merchandise sales (new logo and branding)
- Putting course

Conceptual Plan Summary – Clubhouse (Community Building)

In consideration of the programmatic issues and environmental sensitivity of the proposed project and site, the NGF team created the program elements described below for the new Blackberry Farm Golf Course clubhouse. We view this new structure as a “Community Building” as opposed to solely a golf clubhouse. The conceptual building will serve the golf course with a modest pro shop and facilities, but is primarily a building for park-goers and the community to use on a daily basis, as well as for special gatherings. The recommended size of the clubhouse would be under 6,500 SF of interior building space (see **Appendix C** for square footage by component). The success of smaller golf clubhouses, such as this size, is contingent on providing both functional relationships of the spaces, and flexibility. Allowing the spaces within the clubhouse and immediate surroundings to accommodate a variety of group sizes and uses simultaneously is a key strategy.

Additionally, as a rule of thumb in golf clubhouse design, it is important to separate the golf uses of the facility from the non-golf related spaces. The Blackberry Farm Golf Course clubhouse will not, and should not, be a standard facility as there will be an emphasis on incorporating the surrounding park and trail experiences and users. The facility needs to not only address golf-specific strategies and special events, but also accommodate those people using the park system.

The suggested primary program for the Blackberry Farm clubhouse will be to locate the grill, meeting/ event space and kitchen on the west side of the building site focusing views on the golf and natural habitat towards the creek. Additionally, with the suggested routing of the golf course, the golf shop is most logically located nearest the practice areas, beginning tee box and ending green area. Visual control of these components from the Pro Shop is preferred to enhance control of daily golf operations, pace of play on the course, and management of the daily fee revenue. To maximize the efficiency of the facility, we recommend that the restroom areas double as a portion of the locker room component. Centrally locating the restrooms provides access from the grill and meeting/dining/ event space, as well as for park patrons using the Community Building facilities.

The individual programmatic descriptions and strategies are further broken down as follows and are representative of the accompanying diagrams of the conceptual plans and elevations.

Deck / Covered Patio

Exterior space is important, especially for smaller facilities, to allow the flexibility to expand to accommodate larger groups and functions. It also offers the opportunity to take advantage of inviting weather year round. Deck and patio spaces adjacent to the grill and pavilion allow for overflow from the interior spaces. With the sensitive nature of the nearby creek habitat, the design approach includes a covered patio or trellis structure. Employing pivoting wall panels to close off the deck/patio will limit noise and light, when appropriate for environmental reasons. Management can open the panels during daytime usage. Additionally, the use of operable wall panels can provide privacy for special events.

Meeting / Event Pavilion

The NGF team recommends that the space have the ability to comfortably accommodate 150 to 200+ guests (depending on style of event) for dining or conference functions inside the building. To increase the flexibility of the space, we suggest that operable doors systems be installed to expand the usable space to the exterior, with room for an additional 100+ patrons. Additionally, the interior space design will allow it to be divided into thirds to accommodate groups of smaller sizes and multiple groups simultaneously. Each of the areas can facilitate 50+ patrons when the large room is divided into thirds. With the divisions of the space, it is most effective for each area to have an individual exterior entrance. The design should also include a storage component that is necessary for storing extra tables and chairs that some events may require.

Golf clubhouses remain very popular venues for hosting weddings and other events, such as graduation parties, anniversaries, and banquets. The ability for the facility to serve as a high quality, attractive wedding venue provides an opportunity to increase revenue, though this is not presumed to be the single overriding goal of the City with respect to the new Building. In order to accommodate this type of event, the NGF team recommends a small "Bride" room into the program, which can also as space for a host, speaker, or event staging. The space is most useful when near a vehicle drop off area and with direct access to the event locations. Facilities that have multiple options for the event location tend to be most successful in booking ceremonies. Opportunities for the wedding or event locations to be inside, on the deck, or at an adjacent event lawn offer flexibility for single or multiple events.

Grill / Bar

Food and beverage services are essential to serving golfers but can also be a strong revenue generator for a golf facility when spaces are programmed with flexibility and offer an ambience that allows users to experience nature. Flexibility of interior and exterior space can enhance the social atmosphere and reduce the demands on the staff. For a facility this size, a grill area holding approximately 70 patrons at the interior with opportunity for exterior dining and casual lounge areas

on the deck is sufficient. Proper location of the beverage/bar area is equally important to the experience and to maximizing staff efficiency. The ability for grill employees to serve the interior and exterior guests from a central location maximizes operating and staffing efficiencies.

Kitchen

The kitchen location is most efficient when direct access to the grill area is provided. Assuming that the primary goal of a clubhouse is not merely to generate maximum banquet revenues, a kitchen serving a building in the 6,500 square foot range does not need to be large, though it must be planned efficiently. The opportunity to enhance the dining experience with an exhibition kitchen concept, as is proposed, has proven to engage patrons, making the dining experience more memorable. During the non-peak dining hours, patrons are also able to order food directly from the kitchen location thus reducing the needs for overstaffing the restaurant.

While the proposed BFGC clubhouse program will be able to accommodate groups of up to 200-plus (or 300 if outside space is also utilized) for formal events, outside catering will be required for larger events due to the dimensions of the kitchen. This has proven to be successful in other venues we've observed with smaller kitchen facilities. Efficient planning with focus on the primary food and beverage goals is essential to avoiding the costly dynamic of over building and underutilizing the kitchen in a golf clubhouse.

Golf Pro Shop

One of the primary objectives of the golf shop is to have visual control over the main golf components, including practice areas and the beginning and finishing golf holes. Additionally, equipment and apparel for retail sales should be strategically located to maximize revenue and reduce risk of loss from theft. In the majority of golf clubhouses, the Grill hours of operation extend past the operating hours of the golf shop. The ability to close off access to the golf shop while keeping other areas of the facility open is important. Administrative offices should also have access to the main golf shop area, but should have a sense of privacy. Apparel storage is increasingly being incorporated into the display areas in efforts to maximize golf shop efficiencies. The objective for successful retail sales is to have as much product accessible to the consumer as possible. Adjacent spaces such as golf bag storage and the employee break room need to be secured from the public with controlled access.

Conference Room

The conference room is programmed to accommodate approximately 20 patrons and a table. To make the venue most attractive to corporate audiences, and given the Silicon Valley location, the NGF team recommends that the room be equipped with state-of-the-art multimedia technologies to accommodate different groups' needs for presentation capabilities.

Locker Rooms

Combining the locker room and restroom functions optimizes facility efficiencies and reduces construction costs. We recommend separation of these two components for privacy purposes. The program for Blackberry Farm includes approximately 32 half lockers or "day lockers" for the men's side, and 16 for the women's side. Centrally locating the restrooms with access from the main facility program components and surrounding exterior functions would be beneficial.

Hitting Bays

Five exterior, partially covered hitting bays are recommended for Blackberry Farm GC. The hitting bays can be set up to accommodate traditional golf practice or double as interactive simulators for entertainment. Additionally, NGF anticipates the usage of high-tech instruction equipment such as

launch monitors / swing analyzers. These practice and entertainment elements are an additional strategy for increasing facility revenue.

Facility Character

While there are many options for the character of the facility, NGF recommends that the building and materials used be sensitive to the natural surrounding habitat. Strategies such as green roofs and water collection systems greatly reduce runoff and provide a more sustainable environment. Sustainable approaches, such as rainwater harvesting and recycling captured gray water from the interior, are highly recommended. The captured water can be repurposed for the immediate landscaping surrounding the facility.

Most effectively, exterior building materials requiring minimal maintenance help reduce unnecessary cost and replacement. With its relationship to Stevens Creek, the building has been sited and designed to be sensitive to the habitat while allowing the public visual access to vistas to the creek and nature areas. Glass and materials will be effectively installed to prevent bird strikes and be compatible with the environment. The recommended “green” roof concept will further position the building as an example of environmental stewardship in Cupertino.

Clubhouse Preliminary Cost Estimate

The NGF team prepared a preliminary cost estimate for the construction of the Golf Clubhouse / Restaurant and Pro Shop Building and the razing of the existing Blue Pheasant building. This estimate for the building as currently conceptualized is ±\$3.7 million (refer to **Appendix D** for details). This estimate does not include a variety of other project-related costs as would be identified by the Public Works department if a capital improvement project is pursued. Additional costs associated with the underground utilities, new entry & signage, possible signalized intersection, and new parking lot, are not included in this total.

Banquet Potential

Though maximizing banquet revenues and overall facility profit was not an overriding parameter when programming the new building, NGF conferred with Z-Golf Food & Beverage – a preeminent golf industry food & beverage consultant – regarding the banquet potential of a new facility at Blackberry Farms GC. In addition to being a highly respected consultant, Z-Golf – through its Wedgewood Wedding & Banquet Center brand – is perhaps the most experienced banquet provider in all of California. Its Bay Area venues include Crystal Springs Golf Course in Burlingame, San Ramon Golf Club, Eagle Ridge Golf Club in Gilroy, and Metropolitan Golf Links in Oakland; they are currently working on a clubhouse/banquet project with the City of Sunnyvale. Z-Golf reports averaging \$1.55 million in banquet revenues in its Bay Area golf clubhouse venues, and \$1.9 million in total food & beverage revenues.

Z-Golf is involved in 20 to 30 consulting opportunities and/or lease opportunities each year, and has exposure to financial data, best practices, demand statistics, and other applicable information for golf course clubhouse feasibility studies. They recognize that when a clubhouse project does not “pencil out” due to the heavy cost of construction, or the lack of demand for the facility, and NGF can attest that on several occasions in the context of our consulting engagements for municipalities, Z-Golf has recommended against major expansion or new buildings, even though they stood a very good chance of ultimately winning a bid for the lease. With that framework in mind, Z-Golf told NGF that they feel a dedicated banquet center at Blackberry Farm would – **depending on the program** - be very successful and produce estimated total gross revenues of ±2 million, with lease payments to the City of ± \$200,000.

Some of the reasons Z-Golf is so bullish on Cupertino - and Blackberry Farm Golf Course in particular - as the site of a new banquet venue:

- Its location in the heart of the Silicon Valley, one of the most affluent demographics in the world. There are plenty of people, with high household incomes.
- The local economy is shielded by the strength of the tech industry.
- Because of public policy in the region, development of event venues is somewhat limited. This creates the demand for another new venue.

If maximizing economic return of the new clubhouse / community building at BFGC were a primary determinant of whether, and how, to build the new facility, some potential modifications to the proposed program would include:

- Dedicated indoor banquet space (single room) of about 3,500 sf, with built-in bar
- Kitchen of \pm 1,200 sf
- Banquet sales office
- Groom's room
- Private (as possible) wedding ceremony venue with as good a view of golf course as possible
- Parking for higher number of patrons

Financial Projections for Blackberry Farm Golf Course

NGF has prepared a summary cash flow model for the continued operation of Blackberry Farm Golf Course, assuming implementation of the new Conceptual Plan (or some close variation thereof). We also assume the current operating structure, with the exception that all aspects of the food & beverage operation will be leased out to a single operator. The models do not take into account the net financial effect of the facility being closed for a year.

The five-year cash flow model was prepared in consideration of NGF's review of operations - and subsequent recommendations in 2014, recent historical performance, analysis of the golf market, and local and regional demographic and economic factors (e.g., expansion of Apple employment). The model is based on a set of assumptions that may or may not become reality, but NGF believes that they represent a "reasonable" estimate of performance for this facility based on the factors discussed in this report.

As noted previously, enhanced and/or additional revenue centers at the reimagined Blackberry Farm Golf Course are expected to include:

- Miscellaneous rentals (e.g., additional power carts; GolfBoards; lockers)
- Golf simulator fees
- Enhanced practice facilities (hitting bays, short game area, practice memberships)
- Putting course
- Food & beverage (grill and banquets/meetings)

Following are the general assumptions used in the development of NGF's cash flow model for the operation of Blackberry Farm Golf Course (BBFGC) in the context of the new Conceptual Plan. *(All figures are expressed in 2016 dollars)*. The model is presented as Year 1 through Year 5, to reflect the first five full years after facility reopening.

CONCEPTUAL PLAN

Assumptions – Rounds and Revenues

The new conceptual plan represents a fully renovated and reconfigured golf course (now Par 3) with re-built features and new turf, drainage, and irrigation. Rounds played projections reflect these improvements as well as an improved aesthetic for the course. Though the course is now shorter, it offers a further reduced maintainable footprint, more 'room to breathe' and more flexibility, with the added appeal of 3-hole and 6-hole loops for beginners, people looking for a quick practice round, and/or time-constrained golfers. Also, the course will now be more synergistic with overall park uses (e.g., picnic and pool areas), encouraging cross-pollination of patrons. Finally, a new golf-centric clubhouse should not only boost concession and banquet / meeting revenues, but also the overall appeal of BBFGC.

- Rounds played in Year 1 post-renovation are projected at 33,000, growing to 40,000 rounds at stabilization. This activity level is still less than that achieved as recently as FY 10.

- Average green fee revenue per round is \$11.50, similar to recent historical averages and reflective of some sales of 3- and 6-hole rounds. This per-round average is assumed to rise to \$12 for Year 3 and Year 4, and to \$12.50 for Year 5.
- Footgolf rounds and revenue per round are based on the recent experience at BBFGC since it introduced the activity in the first quarter of FY 2016. Rounds played in Year 1 post-renovation are projected at 3,000, growing to 4,000 rounds at stabilization. Revenue per round is projected at \$13 in Year 1, growing at 2.5% annually.
- Simulator rentals assume 360 days, two simulators and approximately three rentals per day on average (charged hourly for up to 4 people), growing to about 4 rentals a day by Year 5.
- Putting course activity is projected at 3,000 rounds in Year 1, growing to stabilized rounds of 6,000 rounds by Year 4. Revenue per round is assumed at \$4.25 per round in Years 1 & 2, \$4.50 per round in Year 3 & 4, and \$4.75 in Year 5, based on initial pricing of \$3 to \$5 for juniors and \$6 to \$8 for adults.
- A line item for Practice Revenue is added to reflect the new hitting bays and short game area, as well as the possibility of selling practice memberships. Gross practice revenues are projected at \$1.50 per round, growing at 2.5% annually.
- Rental Revenue per round in Year 1 is estimated at \$2.50 - about five times the recent four-year average between FY 11 and FY 14 – and growing at 5% annually over Years 2 through 5. The significant increase in rentals is reflective of several additional power carts, the addition of GolfBoards, the addition of 40+ half-lockers, and higher club rentals.
- Gross pro shop concession revenue per round is projected to increase by about \$0.40 per round over recent historical average (growing at 5% annually), to reflect higher merchandise sales with the larger pro shop and more branding opportunity.
- Gross lesson revenues are increased to \$25,000 in Year 1, reflecting improved practice amenities. These revenues are projected to grow at 2.5% annually.
- A line item for Food & Beverage Concession Revenue is added to reflect the new clubhouse building and significant golf and non-golf related business (especially breakfast and lunch). Gross F&B revenues – ‘Grill’ are projected at \$3.50 per round, growing at 5% annually. The City is assumed to receive 10% of gross revenues as a concession payment.
- A separate line item for Banquet / Meeting Revenue is added to reflect the new clubhouse building and the significant opportunity for an on-golf course venue of this type in Cupertino (see discussion for Banquet potential earlier in this report). NGF has assumed that the City will choose a skilled food & beverage vendor that has extensive experience marketing banquets; based on this assumption, Gross Revenues – ‘Banquets/Meetings’ are projected at \$500,000 in Year 1, stabilizing at \$800,000 by Year 4. The City is assumed to receive 10% of gross revenues as a lease payment.
- ‘Other’ revenues reflect a five-year average of investment earnings + miscellaneous revenue. These are held steady through the five-year period.

Assumptions – Expenses

For this preliminary financial analysis, we’ve made estimates for City operating expenses based on recent actual operating results for Blackberry Farm, current budget, NGF experience, and the expected quality and services levels for BBFGC after reopening.

- Despite the reduced footprint and more efficient golf course under the Conceptual Plan, we assume any savings will be applied toward a higher maintenance standard. Therefore, the Contractual Services line item (bulk of which is golf course maintenance) is held at \$240,000 in Year 1, growing at 2.5% annually.
- To reflect new and/or enhanced revenue centers, Personnel costs have been increased by approximately 20% over FY 15, and grow at 5% annually.
- A new line item for Building Maintenance has been added to reflect the new clubhouse / community center. This number is estimated at \$10,000 in Year 1, growing at 2.5% annually.
- Water cost is reduced from the current budget of \$64,000 to \$29,000 to reflect approximate 10% savings due to new irrigation system, and 45% reduction in usage due to maintainable area declining from 10 acres to 5.5 acres. Water cost is projected to grow at 5% annually.
- Cost allocation, at \$71,000, expense is held steady through the 5-year period. All other operating expenses are assumed to grow at 2.5% annually.
- Maintenance and repair expenses in addition to normal maintenance may be necessary during the course of operating a high quality golf facility. However, for purposes of this analysis, NGF has *not* assumed a capital improvement set-aside fund for Blackberry Farm Golf Course.

Cash Flow Statement

NGF Consulting utilized the previously mentioned assumptions to create the preliminary sketch pro forma below. Each category of revenue has been listed separately, and all figures have been rounded to the nearest \$100 for simplicity.

Blackberry Farm Golf Course Pro Forma - Dec. 2015 Conceptual Layout Year 1 - Year 5

	Year 1	Year 2	Year 3	Year 4	Year 5
Activity Levels					
Rounds of Golf	33,000	36,000	39,000	40,000	40,000
FootGolf Rounds	720	960	1,200	1,440	1,440
Putting Course Rounds	3,000	4,000	5,000	6,000	6,000
Simulator Rentals	1,100	1,200	1,300	1,400	1,400
Per Round					
Green Fee Revenue per Round	\$ 11.50	\$ 11.50	\$ 12.00	\$ 12.00	\$ 12.50
FootGolf Revenue per Round	\$ 13.00	\$ 13.33	\$ 13.66	\$ 14.00	\$ 14.35
Putting Course Revenue per Round	\$ 4.00	\$ 4.00	\$ 4.25	\$ 4.25	\$ 4.50
Rentals per Rd. (carts, GolfBoards, clubs, lockers)	\$ 2.50	\$ 2.63	\$ 2.76	\$ 2.89	\$ 3.04
Average Simulator fee per Hour	\$ 25.00	\$ 25.63	\$ 26.27	\$ 26.92	\$ 27.60
Practice (incl. hitting bays, pract. Membership)	\$ 1.50	\$ 1.54	\$ 1.58	\$ 1.62	\$ 1.66
Gross F&B Conc. Rev. per Rd. - Grill	\$ 3.50	\$ 3.68	\$ 3.86	\$ 4.05	\$ 4.25
Gross Pro Shop Conc. Rev. per Round	\$ 1.00	\$ 1.05	\$ 1.10	\$ 1.16	\$ 1.22
Gross Lesson Revenue	\$ 25,000	\$ 25,600	\$ 26,200	\$ 26,900	\$ 27,600
Banquets/ Meetings (Gross)	\$500,000	\$650,000	\$750,000	\$800,000	\$800,000

Revenues					
Green Fees	\$ 379,500	\$414,000	\$468,000	\$480,000	\$500,000
FootGolf	\$ 9,400	\$ 12,800	\$ 16,400	\$ 20,200	\$ 20,700
Putting Course	\$ 12,000	\$ 16,000	\$ 21,300	\$ 25,500	\$ 27,000
Rentals (carts, GolfBoards, clubs, lockers)	\$ 82,500	\$ 94,500	\$107,500	\$115,800	\$121,600
Simulator Fees	\$ 27,500	\$ 30,800	\$ 34,100	\$ 37,700	\$ 38,600
Practice	\$ 82,500	\$ 94,500	\$ 107,500	\$ 115,800	\$ 121,600
F&B Concession Payment - Grill	\$ 11,600	\$ 13,200	\$ 15,000	\$ 16,200	\$ 17,000
Pro Concession Payment	\$ 10,000	\$ 10,800	\$ 11,700	\$ 12,300	\$ 12,800
Banquet/Meeting Lease Payment	\$ 50,000	\$ 65,000	\$ 75,000	\$ 80,000	\$ 80,000
Other	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800
Total Revenues	\$ 667,800	\$754,400	\$ 859,300	\$ 906,300	\$ 942,100
Operating Expenses					
Personnel	\$ 230,000	\$241,500	\$ 253,600	\$ 266,300	\$ 279,600
Materials & Supplies	\$ 15,000	\$ 15,400	\$ 15,800	\$ 16,200	\$ 16,600
Water Usage	\$ 29,000	\$ 30,500	\$ 32,000	\$ 33,600	\$ 35,300
Services	\$ 240,000	\$246,000	\$ 252,200	\$ 258,500	\$ 265,000
Building Maintenance	\$ 10,000	\$ 10,300	\$ 10,600	\$ 10,900	\$ 11,200
Other	\$ 40,000	\$ 41,000	\$ 42,000	\$ 43,100	\$ 44,200
Cost allocation	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000
Total Operating Expenses	636,000	656,700	678,200	700,600	723,900
Net Operating Income	\$ 31,800	\$ 97,700	\$ 181,100	\$ 205,700	\$ 218,200

Results

The results of NGF Consulting's preliminary cash flow projection for Blackberry Farm Golf Course, assuming implementation of the Conceptual Plan that is the subject of this report, show the course generating approximately \$668,000 in total operating revenues (includes *net* concession payments) to the City in Year 1 post-renovation, increasing to approximately \$942,000 by Year 5. Considering preliminary expense estimates, net operating revenue to the City will be about \$32,000 in Year 1, increasing to about \$218,000 by Year 5.

Appendices

Appendix A – Conceptual Plan

Appendix B – Clubhouse (Community Building) Program

Appendix C – Preliminary Cost Estimate – Golf Course

Appendix D – Preliminary Cost Estimate – Clubhouse (Community Building)

APPENDIX A – CONCEPTUAL PLAN



BLACKBERRY FARM GOLF COURSE
Conceptual Master Plan

NGF CONSULTING



Drawn 8-18-15 JLR & GNC
Conceptual only / not for construction

APPENDIX B – CLUBHOUSE (COMMUNITY BUILDING) SAMPLE PROGRAM



BLACKBERRY FARM GC- CLUBHOUSE PROGRAM SQUARE FOOTAGE

ROOM NAME	SQURE FEET
MEETING PAVILION	2150
BRIDE	150
STORAGE	150
KITCHEN	500
GRILL	750
GOLF SHOP	600
OFFICE	100
OFFICE	100
GOLF BAG STORAGE	220
BREAK ROOM	130
CONFERENCE ROOM	250
MEN'S LOCKER ROOM	600
WOMEN'S LOCKER ROOM	500
MECHANICAL/ ELECTRICAL	120
TOTAL SQUARE FOOTAGE	6320
HITTING BAYS	825
COVERED ENTRY	1380
DECK/ PATIO	3800
TOTAL EXTERIOR	6005

APPENDIX B – CLUBHOUSE (COMMUNITY BUILDING) SAMPLE LAYOUT



BLACKBERRY FARM GOLF COURSE
Community Building | *Conceptual Floorplan*



0 8 16 24 32 40 feet



Drawn 8-18-15 DBC (REV 9-20-15)
Conceptual only / not for construction

APPENDIX C – PRELIMINARY COST ESTIMATE – GOLF COURSE

BLACKBERRY FARM GOLF COURSE Preliminary Cost Estimate Conceptual Plan - Golf Course

	Quantity	Unit Cost	
1.0 MOBILIZATION & SITE CONTROL			
1.1 Mobilization/Bond	LS		\$41,000.00
1.2 Erosion & Dust Control	LS		\$50,000.00
1.3 Staking & Layout	LS		\$4,000.00
			<hr/> \$95,000.00
2.0 DEMOLITION & CLEARING			
2.1 Demo Existing Clubhouse Structure, Parking & Grounds	NIC		n/a
2.2 Demo Existing Golf Course Area Outside New Footprint	NIC		n/a
2.3 Remove Existing Poles & Netting (2 Areas)	LS		\$10,000.00
2.4 Tree Removal (Golf Course Area)	40	450	\$18,000.00
2.5 Grubbing / Turf Eradication	9.5 acres	1,500	\$14,250.00
			<hr/> \$42,250.00
3.0 ROUGH GRADING			
3.1 Rough Grading	30,000 c.y.	4.4	\$132,000.00
3.2 Topsoil Management	LS		\$15,000.00
3.3 Feature Shaping (Tees, Bunkers & Greens)	LS		\$44,000.00
			<hr/> \$191,000.00
4.0 FEATURES CONSTRUCTION & FINISH WORK			
4.1 Tee Construction (New Const. / Finish Work)	30,000 sf	1.7	\$51,000.00
4.2 Bunker Construction (New Const. / Drainage & Finish Work)	12,400 sf	5	\$60,000.00
4.3 Green Construction (New Const. / Modified USGA & Finish Work)	78,000 sf	5	\$390,000.00
4.4 Fine Grading (Fairways, Roughs & Native Areas)	10 acres	2,200	\$22,000.00
			<hr/> \$523,000.00
5.0 DRAINAGE			
5.1 General Drainage (Golf)	LS		\$50,000.00
5.2 Drainage Culvert Extension (South)	LS		\$12,000.00
5.3 Biofiltration Basins	LS	2,500	\$30,000.00
			<hr/> \$92,000.00
6.0 IRRIGATION			

6.1 Existing Well Activation	LS	\$15,000.00
6.2 Rework Existing Delivery Line(s)	LS	\$20,000.00
6.3 Water Tank (30,000 gal.) & 20-ft Wood Structure	LS	\$440,000.00
6.4 Irrigation System, Control & Weather Station	LS	\$407,000.00
6.5 Utility Allowance	LS	\$20,000.00
		<hr/>
		\$902,000.00

7.0 GRASSING & LANDSCAPE

7.1 Soil Amendments & Fertilizers	10.5 acres	880	\$9,240.00
7.2 Hydrosprigging (Tees, Fairways & Roughs)	7 acres	5,700	\$39,900.00
7.3 Sod Allowance	10,000 sf	0.6	\$6,000.00
7.4 Seed Greens Surfaces	75,000 sf	0.25	\$18,750.00
7.5 Native Area Hydroseeding & Tackifier	4 acres	5,000	\$20,000.00
7.6 Grow-In	LS		\$44,000.00
7.7 New Trees	60	260	\$15,600.00
7.8 Rock and Theme Landscaping at Putting Course	LS		\$70,000.00
			<hr/>
			\$223,490.00

8.0 MISCELLANEOUS

8.1 Practice Hitting Bays (Part of Clubhouse Area)	NIC	n/a
8.2 New Parking and Drop Off (Part of Clubhouse Area)	NIC	n/a
8.3 New Pedestrian Access (San Fernando Road)	NIC	n/a
8.4 New Community Building	NIC	n/a
8.5 Signage	LS	\$30,000.00
8.6 Course Furnishings	LS	\$25,000.00
		<hr/>
		\$55,000.00

GOLF COURSE CONSTRUCTION SUBTOTAL

\$2,0123,740

CONTINGENCY (10%)

\$212,374

9.0 PROFESSIONAL FEES

9.1 Golf Course Architectural/Civil Engineering	LS	\$185,000.00
9.2 Water Tank Engineering	LS	\$12,500.00
9.3 Project Management	LS	\$40,000.00
9.4 Permits	LS	\$5,000.00
9.5 Well Permit Fees	NIC	n/a
		<hr/>
		\$242,500.00

TOTAL PROBABLE COST ESTIMATE

\$2,578,614

Probable cost estimate is based on conceptual planning prepared as of this date. Environmental mitigation and/or consulting is not calculated in the above estimates. Unforeseen conditions, additional utility work, prolonged work due to seasonal conditions and revenue losses during closure are not a part of the probable cost estimate.

APPENDIX D – PRELIMINARY COST ESTIMATE – CLUBHOUSE/ COMMUNITY BUILDING

BLACKBERRY FARM GOLF COURSE Preliminary Cost Estimate Conceptual Plan Clubhouse/Community Building

Building	\$3,080,000	
Furniture, fixtures & equipment	\$160,000	
Kitchen	\$150,000	
Hitting bay simulators (includes launch monitors)	\$80,000	2 @ \$40,000
Landscaping	<u>\$180,000</u>	
Total	\$3,650,000	

Other:

New signalized intersection	TBD
Underground utilities	TBD
New entry and signage	\$160,000
New parking	\$480,000
Demolition - existing building	<u>\$60,000</u>
Total Other	\$700,000

Probable cost estimate is based on conceptual planning prepared as of this date. Environmental mitigation and/or consulting is not calculated in the above estimates. Unforeseen conditions, additional utility work, prolonged work due to seasonal conditions and revenue losses during closure are not a part of the probable cost estimate.