

INFORMATION



August 17, 2019

Objective:

Board review of potential concepts related to Tahoe Donner Golf Course 2020 renovation, 2020 greens replacement, 2020 forestry work, and achieving board guidance of net operating results of zero, along with the near future of replacement reserve expenditures and impact on overall replacement reserve percent funded. Using this information, potentially review and consider approval at the September 2019 board meeting the short-term and long-term capital reinvestment and pricing modifications for the Tahoe Donner Golf Course.

Background:

Tahoe Donner's golf course was originally constructed in the early 1970's. The 200 acre property consists of approximately 105 acres of forest, 55 acres fairways, 35 acres rough, 3.5 acres greens, and 2 acres of tees. The front-9 holes were open for play in 1975, followed by the back-9 a year later, and started operating as an 18 hole course in 1976. Local golf courses we are compared to were primarily constructed within the last 15-20 years using modern design, technology, and materials such as sands and turf cultivars.

We are currently managing a 40+ year old course. The age of the course, geographic location, excessive number of trees, and the turf types at Tahoe Donner, put it at a disadvantage when compared to other area courses as far as snow amounts, spring thaw duration, and the subsequent damage it incurs each year.

Poa annua, or annual bluegrass, is commonly referred to in the golf course industry as "Poa" (po-ah). It is a highly prolific plant that spreads exponentially each year. Poa will eventually outcompete any stand of turf over an extended period and is found in high volumes on older golf courses. Poa thrives in shady, cool, and wet conditions, which are prevalent conditions at Tahoe Donner. It is an undesirable grass type that is widely considered a weed by turf managers due to its weak rooting capability and poor tolerance to traffic, heat stress, disease pressure, and most noticeable on our property, winter desiccation due to ice and being covered with snow for extended periods of time.

Turf types currently existing at Tahoe Donner:

- Greens- Poa with some Creeping bent grass
- Tees- Kentucky bluegrass/Perennial ryegrass
- Fairways- Poa/Kentucky bluegrass (primarily in areas sodded in recent years)/Perennial ryegrass
- Approaches- Poa/Kentucky bluegrass/Perennial ryegrass
- Roughs- Kentucky bluegrass/Poa

**Tees and bunker surrounds have larger populations of Kentucky bluegrass due to the tee & bunker renovations performed in 2003-2007.

INFORMATION



The Tee and Bunker Renovation project ending in 2007 was the last major capital expenditure for repair and improvement of the Tahoe Donner Golf Course. The project was phased over a 5-year period with a total project cost of \$2.5 million (\$2.3m RRF, \$0.2m DVF).

During the Tee and Bunker Renovation project, partial course play remaining available throughout the duration of the project.

The 2003-2007 Tee and Bunker Project scope included –

- All bunkers on the golf course were remodeled with additional bunkers added throughout the course including the practice area adjacent to the #1 Tee.
- Tee Boxes added and installed at every hole to upgrade from (2) course distance offering using a single large tee box to offering (4) course distance offerings with the addition of multiple tee boxes.
- Holes #7 and #9 fairways were regraded with large scale import of soil, reshaping of fairways, addition of tees and bunkers, and sod replacement.
- Hole #2 approach to the tee was also regraded with sod replacement. Addition of tee boxes and renovation and addition of bunkers.

Proposed 2020 capital investment at the Tahoe Donner Golf Course is highlighted by three primary objectives:

1. **Golf Course Master Plan repairs and improvements** – designs complete, cost estimates pending, permitting pending, construction proposed in Summer 2020 – (estimated construction timeline – 12-14 weeks) – Funding Option – Replacement Reserves Fund - Estimated cost - \$1.25 million
 - **Attachment:** 20190812 Tahoe Donner-Grading Plan (2019) with revise 10-11 sheets incorporated.pdf
 - **Attachment:** 20190807 CB Tahoe Donner-Budget Estimate Form (8-7-19).pdf
2. **Greens Replacement (21 Greens)** – poor turf quality over multi-year climatic and invasive grass impacts compounded the major damage to the greens after the extraordinary winter experience 2018/2019 Winter season – proposed to be completed within the same construction timeline of the repairs and improvements project (Estimated construction timeline – 10-14 weeks) – Funding Option – Replacement Reserves Fund - Estimated Cost \$600,000.00
 - **Attachment:** 20190816 Golf Course trees article.pdf
3. **Forestry large-scale defensible space and tree removal project** – Dead and hazardous tree removal and limbing and thinning in the forested common areas on and around the golf course. This has been a planned project; however, challenged with access and timing constraints due to heavy winter seasons and/or timing of golf course operations. Proposed to be completed within the same construction timeline of the Golf Course Master Plan repairs and improvements project and the Greens Replacement Project. (Estimated construction timeline – 12-14 weeks) – Funding options include Replacement Reserve Funds / Forestry Operating Funds – Estimated project cost - \$155,000

INFORMATION



4. **Review of draft Net Operating Results (NOR) [Earnings before interest, tax, depreciation and amortization (EBITDA)] discussions and recommendations to achieve NET NOR of \$0** without consideration of allocated overhead.

- **Attachment:** 20190816 Golf Scenarios v3.pdf

Tahoe Donner Associations Golf Course Master Plan repairs and Improvements:

Tahoe Donner has contracted Cary Bickler, Inc. to update the Golf Course Master Plan in 2019, with ideas and assistance from the Golf Course Subcommittee's proposed list of improvements. Kelly Biological Consulting was contracted to prepare a *Wetland Evaluation of Tahoe Donner Golf Course*, dated July 2018. Subsequent wetland boundaries and detailed constraints were obtained ahead of the winter 2018/2019 season and are now reflected in reports dated September 4 and 7, 2018. From these studies, the Golf Course Subcommittee provided further detail in the document, *Improvements and Long-Term Planning for TD Golf Course*, updated on October 15, 2018. The GPC Subcommittee and staff have provided progress briefings to the Board of Directors at several board meeting this past year.

Asset components reflecting many of the areas of improvement were added to the association Reserve Study during the 2013 3-year Reserve Study update. The 2019 Tahoe Donner Annual Capital Replacement Reserves Budget includes *Fairways & Rough Remodel – Agency & Construction Costs*; not to exceed \$500,207 from Replacement Reserve – Capital Funds. With detailed drawings and agency permit approvals required ahead of the originally anticipated construction schedule in late 2019, Board members approved an acceleration of up to \$14,000 from this 2019 RRF budget, to be utilized in late 2018 for required wetland feasibility studies and initial site consultations with Cary Bickler, Inc. In January 2019, Board members approved an additional \$56,000 from *The Fairways and Rough Remodel – Agency and Construction Costs budget* to contract with Cary Bickler, Inc. to provide professional architectural and consulting services to include: generation of golf course repair and improvement detailed drawings and specifications that are required for accurate project cost estimates, construction scheduling, agency approvals, construction administration, and preparation of the Master Plan update.

Following the July 24, 2019 site visit, Cary Bickler completed the 2019 Golf Course Master Plan update, and working with the Golf Course Superintendent and Golf Course Subcommittee has developed the repair and improvement project scope, provided detailed design drawings and specifications, established an architect's project budget estimate, and prepared the contractor bid packet. Revised Architects budget estimates for Master Plan repairs and improvements projects for 2020 are approximately \$1.25 million inclusive of a contingency.

Future Action: Board approvals of the project scope, proposed Spring/Summer 2020 schedule, and additional budget from *Fairways and Rough Remodel – Agency and Construction Costs budget* are required to proceed with obtaining required civil engineering drawings for environmental and regulatory agency permitting, solicitation of contractor construction cost estimates, and engaging the permitting process for agency approvals.

INFORMATION



Tahoe Donner Association Golf Course Greens Replacements:

Golf courses of similar stature to Tahoe Donner, located in cool-season climates, are primarily built using Kentucky bluegrass for tees, fairways, approaches, and roughs. Creeping bent grass is the industry standard turf type for golf course greens which provide the most consistent putting surfaces available. Kentucky bluegrass and creeping bent grass are both far more stress tolerant and heartier turf types than poa. Resurfacing all golf course greens with creeping bent grass and performing large-scale fairway turf replacement with Kentucky bluegrass will have a significant and positive impact on our ability to endure winter months.

In 2019, over 50% of the Tahoe Donner Golf Course greens were heavily damaged and required closures of greens during peak season; following multiple years of winter weather impacts. This year's delayed greens opening were a result of cumulative effects of weather, snow, and ice generation, coupled with winter pedestrian traffic. Turf conditions decline and do not improve over winter months, thus impacting recovery time and growth in the spring and summer season on courses at high elevations. Tahoe Donner associations Golf Course is the highest elevation golf course in the Truckee-Tahoe region.

Weather impacts can be summarized with the following key observations:

- 2011/2012 - Above average, large winter with late spring heavy snow accumulation
- 2012-2015 - 4 years of drought which included state mandated water use restrictions.
- 2016 – Wettest water year on record
- 2017 - Normal year
- 2018/19 – Fifth largest snowpack on record for March 31 snowpack survey

Tahoe Donner Associations Golf Course superintendent contacted industry professionals and golf course contractors to solicit cost proposals for greens replacement of 21 greens with new creeping bent grass (Hole #'s 1-18, putting green, chipping green, and nursery green). Contractors contacted regarding the greens renovation project are in line with those selected by golf course architect Cary Bickler for the Master Plan repair and improvement project, and include Earth Sculptures, Landscapes Unlimited, and Wadsworth Golf Construction. We currently have received a cost estimate from Earth Sculptures and expect to obtain the 2 remaining estimates in the immediate future.

The company awarded the bid-contract will coordinate with West Coast Turf to grow sod from seed on a 3.5-acre parcel secured via subcontract in fall 2019 with delivery and installation performed in 2020. This replacement would require approval for a contract in 2019 to secure the acreage for creeping bent grass grown sod from seed. Additionally, a 30% of material cost contract down payment/deposit to be paid in 2019. It would be highly unlikely to be able to source creeping bent grass for a full green's replacement in 2020 without a contractual commitment in 2019 as field acreage availability and harvestable turf availability would not be guaranteed and operate on a first come first serve basis.

INFORMATION



Forestry Large-Scale Defensible Space and Tree Removal Project:

On Course Tree Removal

Golf course trees are roughly 45 years taller and more mature than when the golf course was built and become more of an issue each year as they grow in height and canopy size. Many trees currently within the playing field (inside the cart paths) at Tahoe Donner would not exist from a design standpoint if built in modern times. To provide the best possible turf conditions, on course tree removal is recommended. Deficiencies and annual course damage can also be attributed to the tree related issues. These issues include shade and lack of sunlight, inadequate air movement, as well as water competition and irrigation interference, all of which have a combined negative effect on turf conditions and overall golf course playability. In addition, the deterioration of cart path conditions is tree related primarily by root growth of trees lining our paths, but also due to the inability to grow turf in shaded areas to help stabilize cart path edges.

Common Area Defensible Space and Forest Health

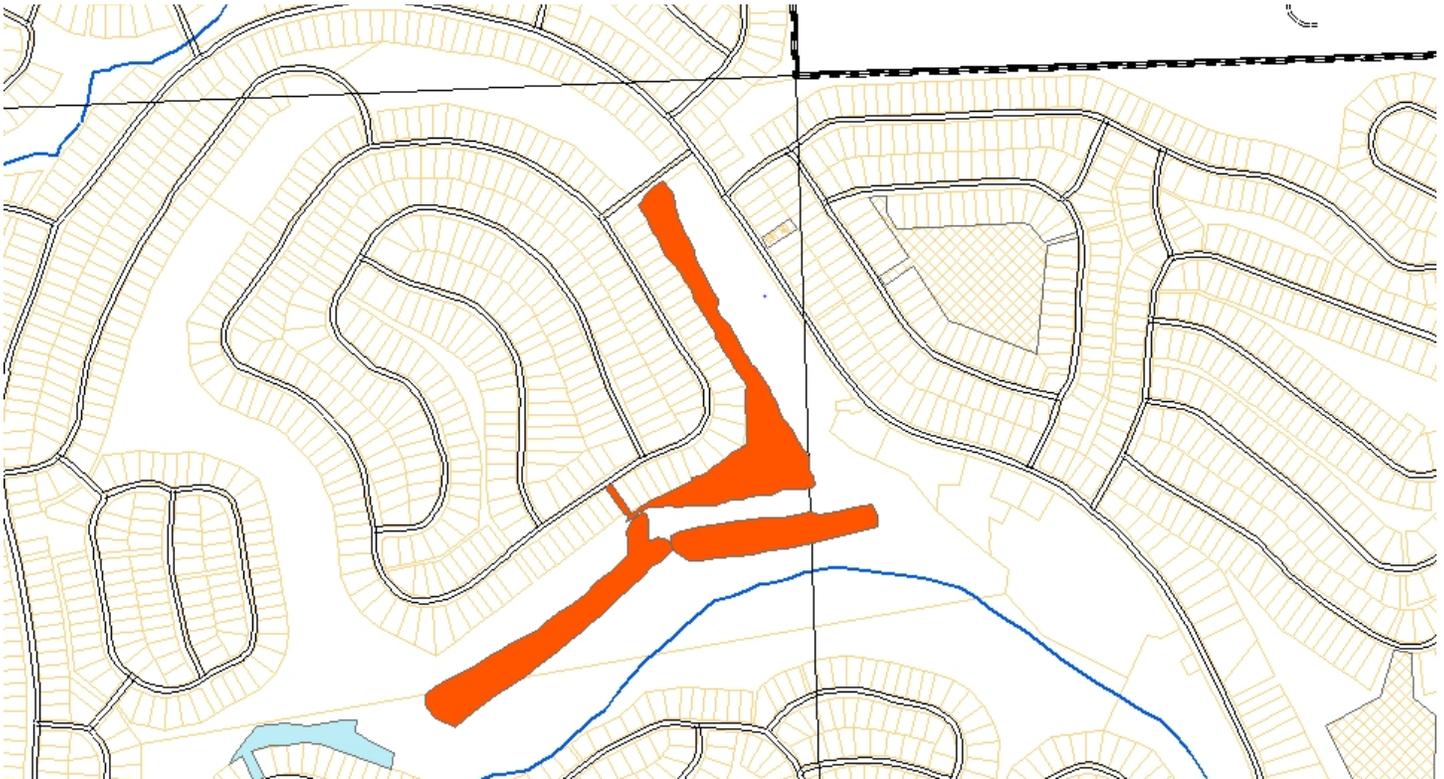
In addition to on course trees, tree removal of dead and identified trees in the forested common areas on and around the golf course is recommended. This Forestry department project has been planned for many years and included in the 5-Year Forest Management Plan. Implementing the project has been challenged with access and timing constraints due to heavy winter seasons and/or timing of golf course operations. The scope of the project includes large scale amount of tree removal which cannot be done safely and efficiently while the course is open. Recommended implementation is to coincide with other golf course repairs and improvements projects to minimize course closure and other impacts to the area. (Estimated project timeline – 12-14 weeks)

Funding options include Replacement Reserve Funds or Forestry Operating Funds – Estimated project cost - \$155,000

INFORMATION



Forestry Map - Common Area Forest Health and Defensible Space



Scheduling Timeline: 12-14 Weeks beginning May/June 2020 Weather Permitting

All three projects are recommended to be scheduled to potentially occur in 2020 and require mobilization and operation of heavy equipment, large trucks and require lengthy amounts of lead time, availability of material staging areas and course closure. The most cost effective and time efficient method to complete these projects is to conduct them at the same time. Additionally, aligning project timelines within a single year will have the least impact on our membership.

INFORMATION



Funding Mechanisms:

Tahoe Donner Associations Golf Course Master Plan repairs and Improvements: asset components related to the 2019 Golf Course master Plan repairs and improvements were added to the Associations Reserve Study during the 2013 3-Year Reserve Study. Acceleration of fairways, rough, and tee repairs and modifications budgets for specific areas of construction recommended within the Golf Course Master Plan by Cary Bickler and the Golf Course Subcommittee offer an available budget of \$1,621,535.00

Tahoe Donner Association Golf Course Greens Replacements: Components within the Reserve Study have been identified and offer an available budget of \$506,188.00. With acceleration of Greens Replacement components, additional funding can be made available if necessary.

Forestry Large-Scale Defensible Space and Tree Removal Project: On the Golf Course and in the common area around the golf course properties can be funded utilizing Replacement Reserve Funds or the Forestry operating fund. Estimated Project Costs: \$155,000

Review of draft NOR discussions and recommendations to achieve NET NOR of \$0 without consideration of allocated overhead. See Attachment

Replacement Reserve Fund Component Budgets – Project specific – 2020

Component	Current Budgeted Cost/Unit	Service Date	Est Useful Life	Replacement Date	Future Replacement Cost (Current Budgeted Cost)	
Fairways / Rough Hole # 10	248,880.00	3/1/2013	30	02/29/20	250,091.41	
Fairways / Rough Hole # 11	346,000.00	3/1/2013	30	02/29/20	347,684.14	
Fairways / Rough Hole #15-A	78,000.00	3/1/2013	30	02/29/20	78,379.66	
Fairways / Rough Hole #16	108,127.00	3/1/2013	30	02/29/20	108,653.30	
Fairways / Rough Hole #4	49,920.00	3/1/2013	30	02/29/20	50,162.98	
Fairways / Rough Hole #8	74,500.00	3/1/2013	30	02/29/20	74,862.63	
Tee Repairs and Modifications	270,000.00	6/1/2013	30	05/31/20	273,341.78	
Fairways/Rough Remodel - Agency and Construction Costs	433,000.00	6/1/2019	30	05/31/20	438,359.22	
Proposed 2020 Fairways and Tee repairs and Improvements Replacement Budget						\$ 1,621,535
Greens -4-	100,000.00	6/1/1989	40	05/31/20	101,237.70	
Greens -4-	100,000.00	6/1/1988	40	06/01/20	101,237.70	
Greens -4-	100,000.00	6/1/1985	40	05/31/20	101,237.70	
Greens -4-	100,000.00	6/1/1986	50	05/31/20	101,237.70	
Greens -4-	100,000.00	6/1/1987	42	05/31/20	101,237.70	
Proposed 2020 Greens Replacement Budget Replacement Reserves Acceleration						\$ 506,188

****2019 3-Year Replacement Reserve Study in progress. Information and data as of 8/14/2019 and is anticipated to change**

INFORMATION



Replacement Reserve Fund Data– Golf Course 2020 ** - Anticipated to change

2020

RRF Completion potential %	100%	80%	
2020 RRF Golf Course Forecast Expenditure of Budget	\$ 2,668,968	\$ 2,135,174	
Total Future Replacement Costs Golf Course Reserves	\$ 13,956,044	\$ 13,956,044	
Percent 2020 Golf Course Vs. Golf Course Total Reserves Future Replacement costs	19%	15%	
Total Future Replacement Costs Golf Course Reserves Vs. Total Future Replacement Costs of RRF all TDA Assets	\$ 13,956,044	\$ 88,024,028	16%
2020 Total RRF Expenditure Forecasts Vs. Total Future Replacement Costs of RRF all TDA Assets	\$ 10,554,485	\$ 88,024,028	12%
Percent Funded RRF 2020	24.92%		

**** 2021–2025 Future Replacement Reserves Fund Data** – Currently in process of 3-Year Reserve Study update and anticipated to change.