

2021 GOLF RATES

March 12, 2021



OBJECTIVES & PURPOSE



By Motion: Approve 2021 Golf rates



Review assumptions and history



Benchmark daily green fees, season passes and multi-pack products



Forecast results



Discussion and decision

ASSUMPTIONS

Direct costs offset by revenue, NORBO = \$0

No capital or overhead costs considered

Revenue per round will increase

Member value proposition

18,200 rounds for 2021

5-year average - 17,750

~1500 rounds less than 2015 and 2016

Course improvements

Industry momentum through COVID

Product selection

Daily green fees remained flat from 2010 to 2017

Tangible revenue changes = highest volume products

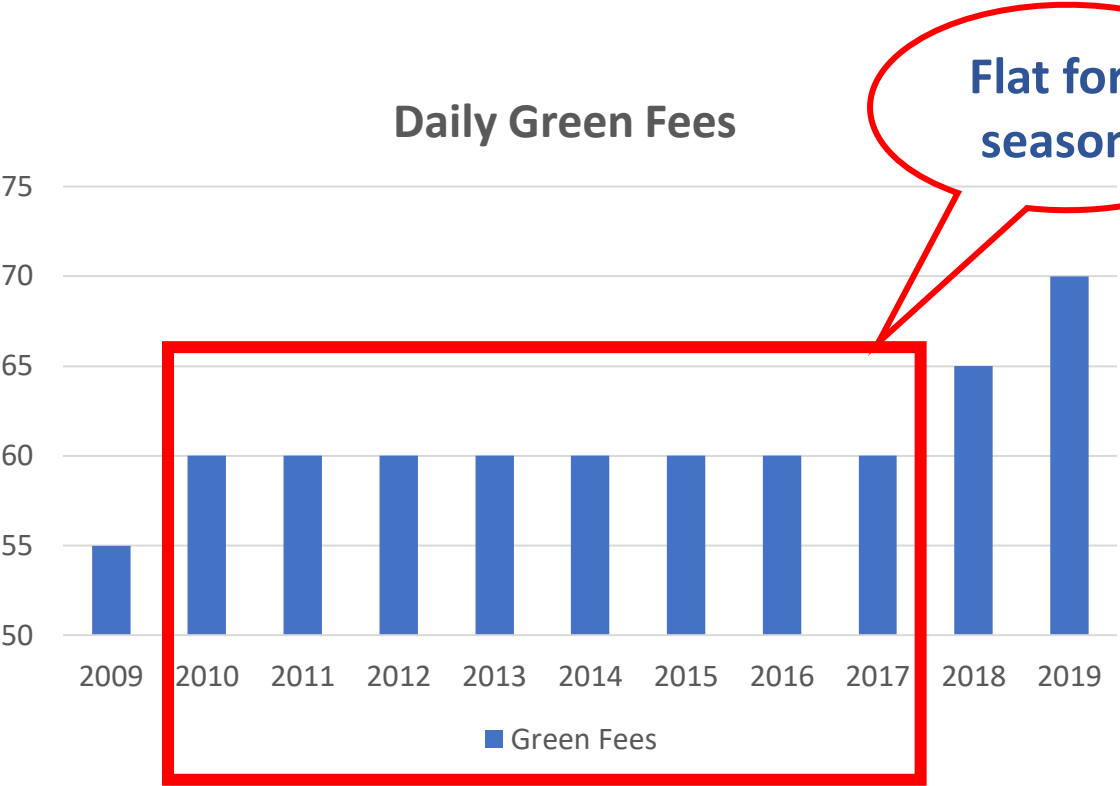
Simplified product offering

5-day pass restriction change from Friday am to pm

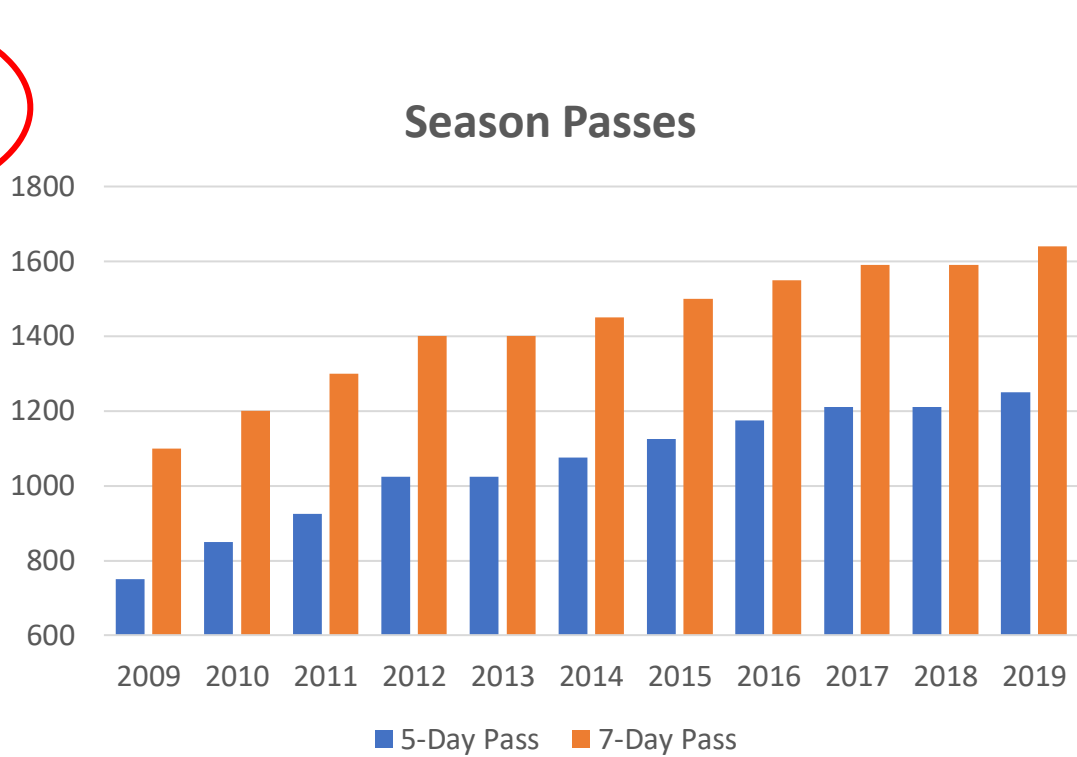
Cost challenge

Management cost challenge of 2% to 2021 approved expense budget

HISTORY



Compound Annual Growth Rate ~2.4%



Compound Annual Growth Rate ~4.65%

PRODUCT SELECTION – Volume Matters

	% of paid rounds	2019 Rate	2021 Recommendation
Member Daily Green Fee - 18 holes	22%	\$70	\$85
Guest Daily Green Fee - 18 holes	18%	\$85	\$115
Public Daily Green Fee - 18 holes	12%	\$145	\$180

COMPARABLE – Daily Green Fees

Incline – Championship Course - 2020:

**\$199 Mon – Thurs
\$220 Fri - Sun**

Old Greenwood/Grays Crossing - 2021:

**Public - \$240
TMC Member - \$140**

Prime Time Green Fee Rate

All rates include cart unless specified

Coyote Moon - 2021:

\$175

Tahoe Donner – proposed 2021:

**Public - \$180
Member - \$85 (no cart)**

- TMC (Tahoe Mountain Club) annual membership is \$5,000, \$6,500 and \$7,500 for an individual, couple or family respectively
- Tahoe Donner cart fee is \$22 per person

COMPARABLE – Unlimited Season Passes

Incline – Championship Course - 2020:

\$2,695

Old Greenwood/Gray's Crossing - 2021:

TMC Member - \$1,850

Public - NA

Unlimited Individual Season Pass Rate

Coyote Moon:

NA

Tahoe Donner – 2021 proposed:

Member - \$1,800

Public - \$2,300

- Incline unrestricted pass is good for both the Mountain and Championship courses
- OG/Gray's – unrestricted, two courses
- TMC annual membership is \$5,000, \$6,500 and \$7,500 for an individual, couple or family respectively. Season pass includes cart rental. Pass is good for both courses.
- Tahoe Donner cart fee is \$22 per person or a cart season pass is \$390.

COMPARABLE – Limited Season Passes

Incline – Championship Course - 2020:

\$2,145

Old Greenwood/Gray's Crossing - 2021:

TMC Member - \$1,150

Public – \$2,250

Limited Individual Season Pass Rate

Coyote Moon:

NA

Tahoe Donner – 2021 proposed:

Member - \$1,350

Public - \$1,899

- Incline – valid Mon – Thurs all day, after 12 pm Fri-Sun.
- OG/Gray's – Anytime early and late season, before 8 am after 12:30 pm during peak season.
- Tahoe Donner – Mon – Thurs all day, after 12:00 pm Fri and Sun.
- TMC annual membership is \$5,000, \$6,500 and \$7,500 for an individual, couple or family respectively. Season pass includes cart rental. Pass is good for both courses. Public cart fee - \$25. Free practice facility Sun-Thurs after 11 am.
- Tahoe Donner cart fee is \$22 per person or a cart season pass is \$390.

Forecast

Tahoe Donner Association Target 100% Operating Cost Recovery 2021 Golf - Summary Report - V1

<i>Consolidated Golf</i>	2021 Budget	2021 Forecast	<i>F to B Var</i>
Rounds	-	18,200	
Daily	-	10,500	
Pack	-	1,700	
Pass	-	4,800	
Paid	-	17,000	
Comps	-	1,200	
Revenue	\$ 1,100,000	\$ 1,256,481	\$ 156,481
Cogs	(43,000)	(43,000)	-
Payroll Total	(905,931)	(887,812)	18,119
		<i>LABOR AND EXPENSE CHALLENGE</i>	2.0%
Expenses	(332,167)	(325,524)	6,643
NORBO Loss	(181,098)	145	181,243
Revenue per Round	\$ 60.44	\$ 69.04	\$ 8.60
OP Cost per Round	\$ (70.39)	\$ (69.03)	\$ 1.36
NORBO Loss per Round	\$ (9.95)	\$ 0.01	\$ 9.96
OP Costs Recovery Ratio	86%	100%	14%

RECOMMENDATION:

By motion:

Resolve for Tahoe Donner Association to approve 2021 golf rates for the upcoming summer season as indicated on **Attachment 1**.



QUESTIONS
or
FEEDBACK

