

Hampshire Country Club Planned Residential Development
Village of Mamaroneck,
Westchester County, New York
Final Environmental Impact Statement

D NGF Consulting Report



July 31, 2018

M.G. Orender, President
Hampton Golf

Dear M.G.,

National Golf Foundation Consulting (“NGF” or “NGFC”) was retained by Hampton Golf to research the potential economic viability of a proposed 9-hole private golf club to be developed on the site of the 18-hole private Hampshire Country Club in Mamaroneck, NY. Specifically, NGF was asked to identify and research a subset of private 9-hole clubs, with a focus on those located within associated residential communities in the northeast, and provide 5 to 7 summary profiles of financially successful clubs. The deliverable comprises eight summary profiles of successful (self-reported) 9-hole golf clubs that NGF was able to complete interview with, as well as a summary of 9-hole golf supply statistics for the US as of the end of 2017. Summary profiles are attached below.

Key statistics on 9-hole supply in the US (NGF US Golf Facility Database):

- ▶ 9-hole golf facilities – both public and private - represented ~27% of the total 15,014 golf facilities in the US as of the end of 2017.
- ▶ Of the 4,000+ 9-hole golf facilities in the country, 14.7% are private; *58% of private 9-hole facilities are located within associated residential communities.*
- ▶ Private 9-hole clubs represent 15.6% of all private golf facilities in America.

The results of NGF’s database and interview research confirm what we have experienced in our consulting practice. Specifically, 9-hole golf facilities - especially those located within densely populated urban or suburban markets – that feature a high quality golf course and an attractive, diverse offering of amenities, have a good chance to be financially successful. Additionally, private 9-hole clubs that are able to draw social and golf members from the associated real estate development as well as from ‘outside the gates’ are more likely to be successful.

Our study and past experience also seem to confirm that 9-hole courses and clubs in the densely populated northeast corridor are among the healthiest in the nation. Our profiles included several clubs that had thrived for more than 100 years, and the NGF database revealed many more that were 90+ years old. There are also many examples of successful 9-hole *public* courses in the northeast; a recent example of a new 9-holer enjoying strong demand is Skyway Golf Course, a municipal track located on a former landfill in Jersey City that opened in 2015.

Finally, you had inquired as to whether we thought that a high quality par-3 or executive length 9-hole private club can be financially viable in the Westchester, NY market. As you know, we did not specifically research alternative length 9-hole courses as part of this engagement. However, NGFC's experience tells us that the answer is 'yes', assuming a high quality golf course with a strong layout and nice features, complemented by a variety of other amenities that will make the club appealing to multiple market segments (e.g., young families, retirees, working professionals with time constraints).

The potential appeal to these segments, coupled with the smaller expense footprint associated with alternative length golf courses, can result in a strong business model. Our research has shown that these courses are also good venues for beginners and for 'onboarding' non-golfers that have an interest in taking up the game (i.e., 'latent demand', which NGF proprietary research confirms is substantial).

M.G., thank you for the opportunity to do this research on behalf of your client. Please contact me directly if you have any questions about our research or summary findings. Thank you.

Regards,

A handwritten signature in black ink that reads "Ed Getherall". The signature is written in a cursive, flowing style.

Ed Getherall
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INTRODUCTION

Although relatively rare in the world of golf facilities, the private nine-hole golf club appears to be alive and well. Our research indicates that there is no single business model that guides the most successful facilities. For some, offering an accessible alternative that is more affordable than other private clubs in the market is a key to success. For others, it may be the quality of the golf course itself or the breadth and quality of amenities that drives membership and utilization.

And for those located within real estate communities, demand from residents may be all the club needs to thrive financially. If there is one common attribute that NGF has identified that is predictive of success, it's that financially successful 9-hole clubs have found and filled a niche in their respective markets.

CLUB PROFILES

XXX Golf Club – Greene County, NY

XXX Golf Club (wished for information to remain confidential) is a very unique 9-hole private club located in the Catskills of upstate New York. Onteora was founded in 1897 and is a year-round facility. There is no real estate associated with the club but members rent out their “cottages” for extended periods of time throughout the year to other members. The “cottages” are grand homes that offer stunning views of the surrounding mountains and valleys. Members can also use the three suites and three single rooms that are available in the clubhouse.

- ▶ Amenities: tennis, art, library, pool, theatre, lake, gun club, and hiking trails. The club also has its own library, a home where has been reputed that Mark Twain would stay on occasion and write.
- ▶ The 3,100-yard layout is simple. Four of the holes do not have a single bunker on them, and there are only eight on the entire course.
- ▶ There are 278 members. The membership is international but most have permanent homes in the metro New York City area.
- ▶ There are several categories of membership, including Resident, Senior Family, Junior Family (25-34), Summer and Affiliate.
- ▶ Resident memberships have a \$15,000 initiation fee, plus \$4,000 bond (stock certificate). Additionally, there is a \$7,500 annual assessment for building upkeep. Annual dues are \$2,500.
- ▶ Operating budget is \$1.7 million.
- ▶ **Self-reported financial health: 10**

Brookwood Golf Club - Rochester Hills, MI

Brookwood Golf Club is located in the affluent Detroit suburb of Rochester Hills. The developer reportedly limited the number of homes in order to have the acreage to include the golf course as a facility amenity, even though the property was fully zoned for residential and homes are in high demand in the area. Brookwood has 186 residences – primarily single family with some condos – with prices ranging from the \$300,000s to more than \$1 million.

- ▶ The 2,740-yard course opened in 1974. Each hole features two sets of tees to present different angles and approaches.
- ▶ Amenities include junior Olympic swimming pool, clubhouse, tennis courts and pavilion. There is a snack bar but no restaurant; catering and BYOB are allowed in the spacious clubhouse.
- ▶ Full Golf and Social (“Pool & Tennis”) memberships are available. Full Golf memberships have a \$1,500 initiation fee, and monthly dues are \$225 for non-residents of the community (residents pay lower fees).
- ▶ The number of Full Golf members is at its maximum of 250, and there is a short waiting list. About 150 of the 250 members are from inside the community.
- ▶ Social memberships are included in HOA dues; pricing for the limited outside social memberships (maximum 50 – 3-year waiting list) was not available.
- ▶ **Self-reported financial health: 10**

The Heathers Club - Bloomfield Hills, MI

The club is part of The Heathers, a private golf community with 439 residential units in Bloomfield Hills, another wealthy suburb of Detroit. (In 2017, the estimated median household income was \$144,033). Home prices within The Heathers community range from \$290,000 for a two-bedroom, 1,650-square-foot house to \$650,000 for a 2,800-square-foot house with three bedrooms and four baths.

- ▶ The 3,205-yard golf course opened in 1989.
- ▶ Amenities include heated swimming pool, tennis courts, formal main dining room, grille, boardroom and executive dining room.
- ▶ There are several categories of membership, including Class A Golf (Full), which includes unlimited use of all amenities. Initiation fee is \$2,500, with monthly dues of \$295.
- ▶ Other categories include Legacy, Junior, Weekday Golf, Associate (under age 21), and Dining.
- ▶ **Financial health:** Not reported, but NGF assumes it to be **very strong** based on location, values of homes in The Heathers and the condition of the golf course in recent photographs.

Weekapaug Golf Club - Westerly, RI

Weekapaug is a thriving private golf club that has no real estate and few amenities. It is situated close to a pair of well-regarded exclusive private facilities, the exclusive Misquamicut Club, which dates back to the early 1900s, and the high-end private Shelter Harbor Golf Club that opened in 2004. The General Manager told NGF that a third of the membership plays on weekends, a third spends four to six weeks of the summer in the area, and a third live nearby.

- ▶ The golf course is just over 3,000 yards and opened in 1969. It was formerly semi-private, but is now fully private.
- ▶ Amenities: small fitness center, seasonal restaurant, practice area, full driving range.
- ▶ According to the GM, the club is in such sound financial shape that it would normally stop accepting new members at this point. However, because a significant clubhouse renovation is planned, Weekapaug is accepting new members.
- ▶ Membership: 375 total members (325 Golf / 50 Social).
- ▶ Fees: Single Full Golf - \$12,500 initiation, \$3,370 annual dues; Family Full Golf - \$18,500 initiation, \$5,015 annual dues.
- ▶ Operating budget: \$2.4 million.
- ▶ **Self-reported financial health: 10**

Pine Orchard Yacht & Country Club – Branford, CT

Pine Orchard Yacht and Country Club is another coastal New England legacy 9-hole private golf club (no residential component), with a history dating back to 1901. The 3,100 yard course is located on Long Island Sound and features views of the Thimble Islands. Membership is open only to persons who are known to the Pine Orchard membership, such as relatives, friends or co-workers. The club is active in hosting outside events such as weddings, holiday parties and golf outings.

- ▶ Amenities: Marina, pool, tennis, sailboat racing, dining, slip and mooring rentals.
- ▶ Total members: 405; Golf members: 303
- ▶ Initiation fee: \$15,000 (designated as golf or non-golf membership)
- ▶ Monthly Dues: Golf - \$717; Clubhouse - \$524
- ▶ Golf course operating budget: \$670,000
- ▶ **Self-reported financial health: 8**

Old Lyme Country Club – Old Lyme, CT

Old Lyme is the only private nine-hole facility along the Central Connecticut Shoreline. There is no real estate associated with the club. The 2,800-yard course has been in existence for nearly 100 years. Old Lyme is less than 60 miles from Hartford and New Haven, 70 miles from Providence and fewer than 90 miles from Westchester County.

- ▶ Amenities: tennis, paddle tennis, bocce, pool, restaurant.
- ▶ Full Golf membership (unlimited with no additional fees) has initiation fee of \$4,500 for Single and \$6,000 for Family, with annual dues of \$4,336 and \$5,782, respectively. There are also age-adjusted Full Golf memberships for those under 31 or under 41.
- ▶ House memberships (limited sporting privileges with additional fees) have initiation fees of \$3,300 for single/ \$4,200 for family, with respective dues of \$3,180 and \$4,047.
- ▶ Social memberships (no sporting privileges) have initiation fees of \$2,460 for single/ \$3,300 for family, with respective dues of \$2,371 and \$3,180.
- ▶ **Financial health:** Not reported, but assume **very strong** based on age of club, location and fees/dues structure.

Round Hill Community Golf Club - South Dartmouth, MA

The club is located inside Round Hill, a gated condominium community that comprises single-family homes and 16 condominium units, which are located inside a 1921 ocean-side mansion. The 93 lot owners pay a fee to use all the community amenities. An additional 10 non-residents pay a fee in order to access the golf course. A two-bedroom condo in Round Hill is on the market for \$595,000. The property is on a peninsula that extends into picturesque Buzzards Bay. South Dartmouth is easily accessible from Westchester County, Boston, Providence, Worcester and Hartford via Interstate I-95. Approximately 90 percent of the residents are seasonal.

- ▶ Robert Trent Jones, Sr. golf course was opened in 1987.
- ▶ Amenities include private beaches, an in-ground pool, clubhouse, tennis courts, walking paths and a playground.
- ▶ **Fees:** Lot owners annually pay \$10,900 for all services, including golf. Amenity members (non-owners) pay \$7,725 annual dues.
- ▶ **Self-reported financial health: 9**

Whitinsville Golf Club - Northbridge, MA

Whitinsville is a private club with no real estate component and few amenities. However, it is considered by some to be one of the best nine-hole golf courses in North America and one of the premier layouts of the noted architect Donald Ross. Whitinsville is a 3,124-yard course opened in 1925. Located in Central Massachusetts between Worcester, MA and Providence, RI, it is a short drive from both cities and less than 60 miles from Boston. It was built by the owners of Whiting Machine for their workers and has been private since its inception. There are no homes on the course and the setting is a relaxing one with views of the Mumford River.

- ▶ The small restaurant is seasonal and open only on weekends and busy days. There is no driving range and a pair of small practice greens.
- ▶ Number of Members is approximately 280.
- ▶ Annual dues are \$3,100.
- ▶ Annual Operating Budget is \$1,094,000.
- ▶ **Self-reported financial health: 7**