

THE MUNICIPAL GOLF REPORT



FINANCIAL AND OPERATING PERFORMANCE OF MUNICIPAL GOLF FACILITIES ALONG THE COLORADO FRONT RANGE

This is the inaugural study of the state of Municipal golf along the Colorado Front Range, where municipal facilities are a dominant force in the market. The Colorado Front Range encompasses a geographic area stretching from Fort Collins to Pueblo and has a long and successful history of municipal golf, with 68 courses and nearly 1,100 holes. The Municipal Golf Report is a study of the financial performance of selected facilities, undertaken for the purposes of sharing information, providing benchmarks for facility performance, and relating the state of the regional golf market. The study profiles rounds play, revenues, expenses, debt and profitability of the facilities for the 1999 calendar year. The survey includes information from 47 courses operated by 22 different entities.

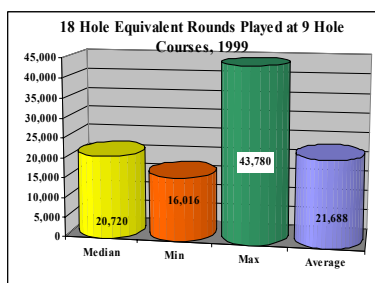
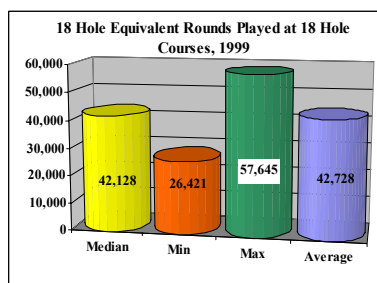
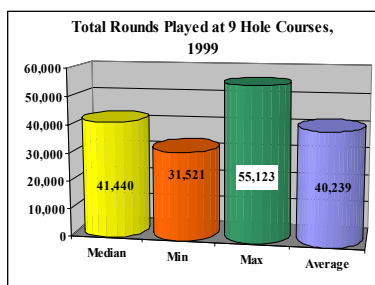
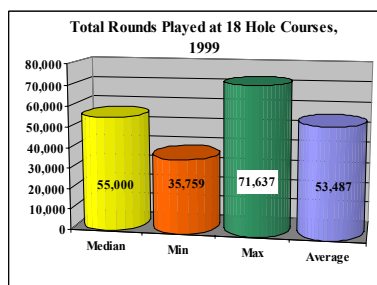
Rounds Comparison

The rounds played are profiled in two separate manners;

1. Total rounds played---Number of players at a facility regardless of whether the rounds are 9 hole, twilight or 18 holes.
2. 18 hole equivalent rounds---Rounds are calculated by equating two 9 hole rounds into one 18 hole Round.

Rounds played are profiled for the period between 1997 and 1999.

- In 1999 the median level of play at 9 hole courses is 39,220 total rounds, or 19,640 18 hole equivalent rounds.
- The maximum level of play at 9 hole courses in 1999 is 55,123 total rounds, or 27,562 18 hole equivalent rounds.
- The median level of play at 18 hole courses in 1999 is 54,573 total rounds, or 42,421 18 hole equivalent rounds.
- The maximum level of play at 18 hole courses in 1999 is 71,637 total rounds, or 57,645 18 hole equivalent rounds.
- The median level of play at 9 hole courses in 1999 is 46 % of play at 18 hole courses.
- Average rounds played at 18 hole courses exhibited almost no change in 1999 as compared to previous years.
- The median utilization rate for 18 hole golf courses is 51.2%, with a high of 70% and a low of 32%.
(The utilization rate is 18 hole equivalent rounds played divided by available tee times)



Rounds Comparison at Municipal Golf Facilities Along the Front Range, 1997 - 1999							
		1999		1998		1997	
		Total Rounds	18 Hole Equiv.	Total Rounds	18 Hole Equiv.	Total Rounds	18 Hole Equiv.
9 Hole Facilities	Average	39,319	19,847	38,657	19,480	38,029	19,148
	Max	55,123	27,562	54,358	27,179	54,257	27,129
	Min	31,521	16,016	30,525	15,493	31,316	15,658
	Median	39,220	19,610	38,813	19,407	37,573	18,787
18 Hole Facilities	Average	53,422	42,758	53,696	43,858	53,645	43,709
	Max	71,637	57,645	70,444	56,679	68,649	55,250
	Min	35,759	26,421	34,317	29,981	33,181	28,875
	Median	54,573	42,421	54,368	42,620	53,840	43,800
27 Hole Facilities	Average	88,733	66,515	88,262	66,045	87,190	64,585
	Max	93,887	70,667	92,985	69,739	94,857	67,948
	Min	83,578	62,362	83,539	62,351	79,523	61,221
	Median	88,733	66,515	88,262	66,045	87,190	64,585
All Facilities	Average	51,367	38,020	51,327	38,578	50,848	37,825
	Max	93,887	70,667	92,985	69,739	94,857	67,948
	Min	31,521	16,016	30,525	15,493	31,316	15,658
	Median	51,205	40,704	51,501	41,000	52,558	41,800

(1) Total Rounds are the total number of rounds play at a facility whether they are 9 holes, 18 holes or twilight.
 (2) 18 Hole Equivalent Rounds are calculated by converting 9 hole and twilight rounds into 18 hole Equivalent Rounds, providing a comparable way of measuring facility usage
 (3) Not all facilities showed responses in all categories. In some cases 9 hole rounds were estimated based upon percentage of play.

9 Hole Courses Reporting	12
18 Hole Courses Reporting	33
27 Hole Courses Reporting	2

Source: HVS Golf Services, Inc.

The Municipal Golf Report

Revenue Comparison

Player fees are the primary revenue source for all facilities, generating between 60 and 65% of all income. Rentals and range revenues are the next most significant departments.

9 Hole Courses

- Player fees account for nearly 60% of all revenues.
- The driving range is the second largest revenue source, accounting for 30% of all revenues.
- All other revenues account for just over 10% of total revenues.

18 Hole Courses

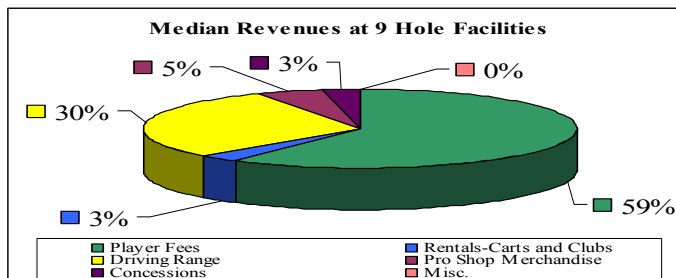
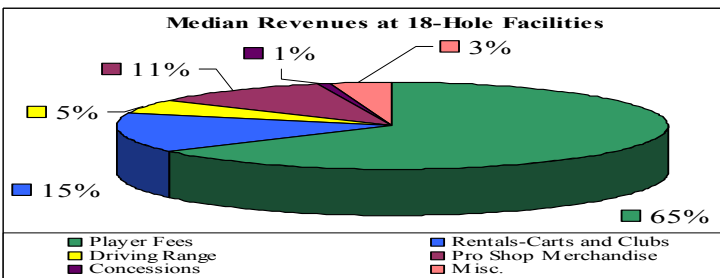
- Player fees account for 65% of all revenues.
- Revenues from cart and club rental are the second largest revenue source at 15% of total revenues.
- Pro shop sales are the third largest source of income at the municipal facilities. Pro shop sales are gross, and not net to the facility.
- The driving range represents only 5% of total revenues

		Revenue Characteristics						Total Revenues
		Player Fees (1)	Rentals-Carts and Clubs	Driving Range	Pro Shop Merchandise	Concessions (2)	Misc.	
9 Hole Facilities	Average	\$285,048	\$15,155	\$114,679	\$19,104	\$10,189	\$484	\$378,595
	Max	\$462,337	\$23,458	\$141,370	\$19,104	\$17,977	\$484	\$488,195
	Min	\$216,462	\$10,404	\$87,987	\$19,104	\$2,400	\$484	\$223,000
	Median	\$230,696	\$11,602	\$114,679	\$19,104	\$10,189	\$484	\$428,444
18 Hole Facilities	Average	\$888,966	\$222,034	\$90,250	\$160,719	\$24,050	\$67,655	\$1,330,009
	Max	\$1,300,000	\$408,400	\$171,793	\$300,000	\$85,022	\$277,000	\$2,142,395
	Min	\$429,605	\$78,245	\$28,184	\$62,500	\$340	\$45	\$277,000
	Median	\$915,526	\$206,205	\$74,474	\$148,585	\$15,087	\$49,251	\$1,249,895
Larger Complexes	Average	\$1,286,579	\$273,482	\$190,061	\$212,872	\$39,898	\$83,782	\$2,027,472
	Max	\$1,868,281	\$433,112	\$219,378	\$343,010	\$46,747	\$275,290	\$2,873,415
	Min	\$800,000	\$190,500	\$135,000	\$120,000	\$33,050	\$3,120	\$1,520,790
	Median	\$1,166,109	\$264,088	\$197,959	\$169,450	\$39,898	\$12,093	\$1,815,421
All Facilities	Average	\$899,177	\$212,581	\$114,240	\$165,684	\$24,271	\$69,084	\$1,350,575
	Max	\$1,868,281	\$433,112	\$219,378	\$343,010	\$85,022	\$277,000	\$2,873,415
	Min	\$216,462	\$10,404	\$28,184	\$19,104	\$340	\$45	\$223,000
	Median	\$926,603	\$220,298	\$87,987	\$161,409	\$17,571	\$38,470	\$1,447,317

(1) Player fees include green fees, annual fees, player cards and income from green fees allocated for expansion or development
 (2) Concession revenues are net to the facility
 (3) Not all facilities showed responses in all categories. The calculations are for those facilities that provided information in sufficient detail to categorize; all facilities provided a figure for total revenues.
 (4) In some cases, budgets rather than actual number were provided, and have been included in the averages
 (5) Miscellaneous revenues vary greatly and include interest income, and a variety of unclassified items such as lessons, club repair, tournament fees etc.

9 Hole Facilities Reporting	5
18 Hole Facilities Reporting	26
Larger Complexes	7

Source: HVS Golf Services, Inc.



Revenue per Round

A measure of the financial success of golf facilities is the ability to generate revenues for each golfer that comes to the facility. The revenue calculations are based upon 18 hole equivalent rounds.

- The median revenue per round from player fees is \$19.24 at 18 hole golf courses, and \$12.08 at 9 hole golf courses.
- Revenue per round for player fees vary greatly at 18 hole facilities, from \$9.34 to \$38.83.
- The range revenue per round at 9 hole courses is over double the range revenue per round at 18 hole courses.
- The median total revenue per round for all 18 hole facilities surveyed was \$28.53, with a maximum revenue per round of \$60.96.

		Revenue Characteristics						Total Revenues
		Player Fees	Rentals-Carts and Clubs	Driving Range	Pro Shop Merchandise	Concessions	Misc.	
9 Hole Facilities	Average	\$13.65	\$0.72	\$5.85	\$0.87	\$0.46	\$0.03	\$18.11
	Max	\$19.63	\$1.00	\$6.40	\$0.87	\$0.81	\$0.03	\$20.73
	Min	\$10.80	\$0.53	\$5.29	\$0.87	\$0.10	\$0.03	\$11.15
	Median	\$12.08	\$0.63	\$5.85	\$0.87	\$0.46	\$0.03	\$19.41
18 Hole Facilities	Average	\$21.39	\$5.41	\$2.22	\$3.95	\$0.56	\$1.92	\$31.53
	Max	\$38.83	\$11.75	\$3.98	\$8.67	\$2.13	\$10.86	\$60.96
	Min	\$9.34	\$1.89	\$0.78	\$1.39	\$0.01	\$0.00	\$10.24
	Median	\$19.24	\$4.87	\$2.02	\$3.67	\$0.37	\$1.16	\$28.53
Larger Complexes	Average	\$17.75	\$3.94	\$2.69	\$3.17	\$0.64	\$1.22	\$27.97
	Max	\$30.13	\$6.99	\$3.54	\$5.53	\$0.70	\$4.14	\$46.35
	Min	\$11.79	\$2.86	\$2.03	\$1.80	\$0.58	\$0.04	\$20.33
	Median	\$17.53	\$3.47	\$2.61	\$2.99	\$0.64	\$0.18	\$25.24
All Facilities	Average	\$19.83	\$4.72	\$2.59	\$3.66	\$0.56	\$1.70	\$29.20
	Max	\$38.83	\$11.75	\$6.40	\$8.67	\$2.13	\$10.86	\$60.96
	Min	\$9.34	\$0.53	\$0.78	\$0.87	\$0.01	\$0.00	\$10.24
	Median	\$17.74	\$4.46	\$2.42	\$3.27	\$0.49	\$1.15	\$26.65

(1) Player fees include green fees, annual fees, player cards and income from green fees allocated for expansion or development
 (2) Concession revenues are net to the facility.
 (3) Not all facilities showed responses in all categories. The calculations are for those facilities that provided information in sufficient detail to categorize; all facilities provided a figure for total expenses
 (4) In some cases, budgets rather than actual number were provided, and have been included in the averages

9 Hole Facilities Reporting	5
18 Hole Facilities Reporting	26
Larger Complexes	7

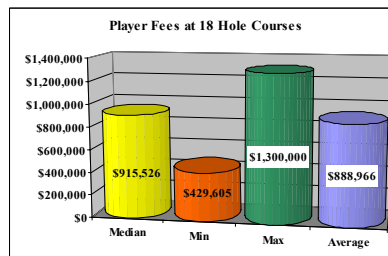
Source: HVS Golf Services, Inc.

The Municipal Golf Report

Player Revenues at 18 Hole Golf Facilities

Player fees include all revenue generated to pay for golf privileges; daily green fees, membership fees, resident cards when applicable and development or expansion fund allocations.

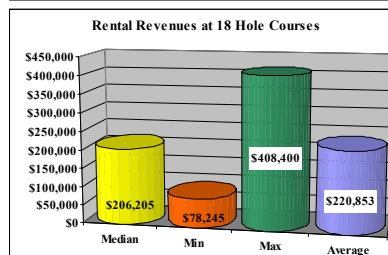
- The median revenue generated by player fees is \$915,526.
- The maximum revenue generated by player fees is \$1,300,000.
- The minimum revenue generated by player fees is \$429,605.



Rental Revenues at 18 Hole Golf Facilities

Rental revenues come primarily from power cart rentals, but also include rentals of pull carts, clubs, shoes, etc.

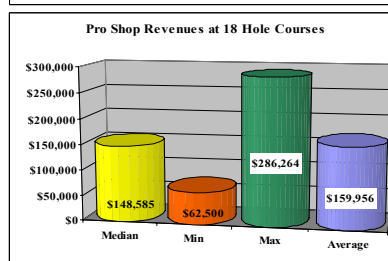
- The median revenue generated by rentals is \$206,205.
- The maximum revenue generated by rentals is \$408,400.
- The minimum revenue generated by rentals is \$78,245.



Pro Shop Revenues at 18 Hole Golf Facilities

Pro shop revenues are considered the sale of hard and soft goods, and do not include lessons, club repair or similar items. The revenues are gross revenues, not net.

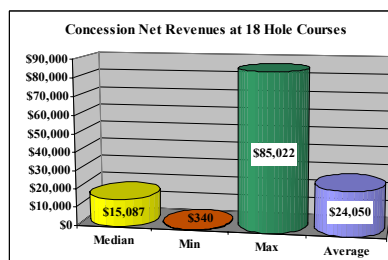
- The median revenue generated by the pro shop is \$148,585.
- The maximum revenue generated by pro shop is \$286,264.
- The minimum revenue generated by pro shop is \$62,500.



Concession Net Revenues at 18 Hole Golf Facilities

Concession net revenues are all sales of food and beverages at the facility. The revenues are net to the municipality, or revenues less expenses. There are a variety of structures for food & beverage operations. The majority have a relationship with a third party operator, although many self operate.

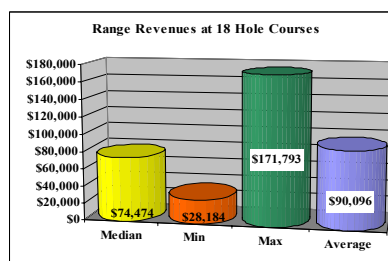
- The median revenue generated by the concessions is \$15,087.
- The maximum revenue generated by concessions is \$85,022.
- The minimum revenue generated by concessions is \$340.



Range Revenues at 18 Hole Golf Facilities

Range revenues include range balls or range passes.

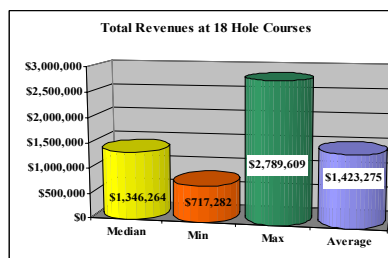
- The median revenue generated by the range is \$74,474.
- The maximum revenue generated by range is \$171,793.
- The minimum revenue generated by range is \$28,184.



Total Revenues at 18 Hole Golf Facilities

Revenues are gross, except the concessions department. Revenues also include interest income, lessons, club repair and miscellaneous items. Certain revenues have been excluded, including subsidies and lots sales or room sales.

- The median revenue generated by all facilities is \$1,346,264.
- The maximum revenue generated by any facility is \$2,789,609.
- The minimum revenue generated by any facility is \$717,282.



9 Hole Facilities

Although only 5 9-hole facilities provided responses, the characteristics of the revenue stream were significantly different from revenues at the 18 hole facilities. The primary sources of revenue are player fees and range revenues. The range revenues at the 9 hole facilities average \$30,000 more than the ranges at 18 hole facilities. The per round revenues at the 9 hole courses are triple what they are at the 18 hole facilities. Although it would be suspected that the per round revenues from rentals would be lower, it is interesting that the pro shop department also shows a significant decrease in revenue. This is likely due to the smaller clubhouses and the lower appeal of the logo wear for the 9-hole facilities.

Larger Complexes

The larger complexes showed similar per round revenue to the 18-hole facilities. It is interesting to note that where there were differences in the per round revenues, the differences were lower player fees per round and higher range revenues per round. Because many of these courses have 9 hole executive or shortened courses, they tend to exhibit characteristics of 9-hole facilities in their revenue streams.

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Expense Comparison

The expenses incurred at municipal facilities across the Colorado Front Range are broken down by major category. The majority of expenses are incurred from golf course maintenance, with golf operations providing significant costs as well. For some departments administrative fees were allocated to each of the facilities within the department.

18 Hole Courses

- Maintenance expenses account for 39% of all expenses.
- Golf operations account for 25% of all expenses.
- Together, maintenance and golf operations averaged nearly \$1.1 million annually.
- Miscellaneous expenses are 15% of total expenses, largely due to administrative costs.

Larger Complexes

- Maintenance expenses account for 43% of all expenses
- Golf operations are the second largest expense category, accounting for 30% of all expenses.
- Miscellaneous expenses are 5% of total expenses

Expense Characteristics for Municipal Golf Facilities Along the Front Range, 1999									
		Operations (1)	Maintenance (2)	Costs of Goods(3)	Capital Expenses (4)	Utilities (5)	Misc.(6)	Allocated Overhead (7)	Total Expenses
18 Hole Facilities	Average	\$408,999	\$618,040	\$141,686	\$49,679	\$73,640	\$198,159	\$112,691	\$1,088,653
	Max	\$707,839	\$762,668	\$207,800	\$114,425	\$158,447	\$307,652	\$246,824	\$1,761,967
	Min	\$236,142	\$339,315	\$105,384	\$1,200	\$13,252	\$325	\$21,196	\$636,009
	Median	\$407,644	\$647,686	\$126,780	\$52,250	\$55,625	\$242,330	\$123,412	\$1,099,369
Larger Complexes	Average	\$701,121	\$851,821	\$111,512	\$111,999	\$68,616	\$101,523	\$123,412	\$1,621,503
	Max	\$1,176,266	\$1,136,607	\$111,512	\$163,997	\$68,616	\$150,000	\$123,412	\$2,701,834
	Min	\$376,790	\$585,515	\$111,512	\$60,000	\$68,616	\$53,045	\$123,412	\$1,166,931
	Median	\$581,416	\$830,184	\$111,512	\$111,999	\$68,616	\$101,523	\$123,412	\$1,243,310
All Facilities	Average	\$506,373	\$675,032	\$135,651	\$53,181	\$68,706	\$165,947	\$104,654	\$1,153,282
	Max	\$1,176,266	\$1,136,607	\$207,800	\$163,997	\$158,447	\$307,652	\$246,824	\$2,701,834
	Min	\$236,142	\$241,200	\$105,384	\$1,200	\$13,252	\$325	\$10,598	\$364,336
	Median	\$440,356	\$685,142	\$112,458	\$52,250	\$55,625	\$191,676	\$123,412	\$1,122,274

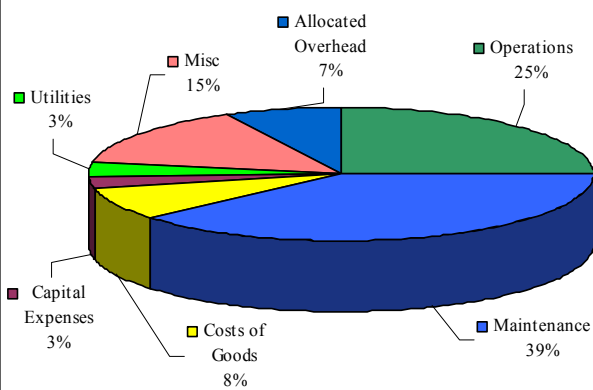
(1) Maintenance includes golf course maintenance as well as equipment maintenance and landscaping.
 (2) Cost of goods was available only on a select number of courses.
 (3) Includes utilities for all departments.
 (4) Concessions expenses where included are net to the facilities
 (5) Where applicable, overhead for the golf department was included and allocated among facilities.
 (6) Only 7 of the 37 courses showed debt service payments. In many cases this information was not readily available, although there is debt against many of these facilities.
 (7) Not all facilities showed responses in all categories. The calculations are for those facilities that provided information in sufficient detail to categorize; all facilities provided a figure for total expenses.
 (8) In some cases, budgets rather than actual number were provided, and have been included in the averages
 (9) Depreciation has been excluded from expense calculations.

9 Hole Facilities Reporting	3
18 Hole Facilities Reporting	24
Larger Complexes	7

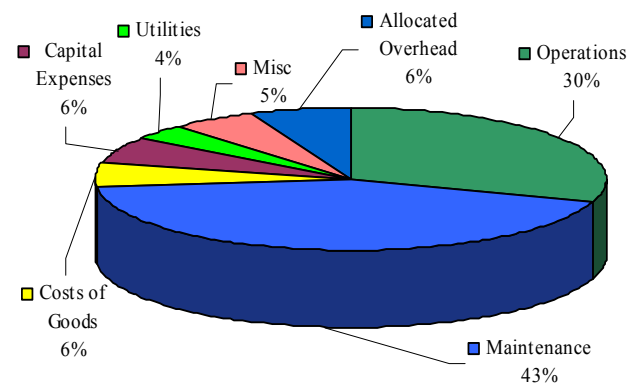
Source: HVS Golf Services, Inc.

The method of accounting for expenses varies greatly between the different municipalities due to both structure and procedure. Some are enterprise funds, some are separate departments, and some are part of larger departments such as parks and recreation while others are separate special districts. These differences make it difficult to compare expenses between facilities. Where appropriate, expenses were allocated to attempt to make the comparisons as relevant as possible

Median Expenses at 18 Hole Facilities



Median Expenses at Larger Complexes

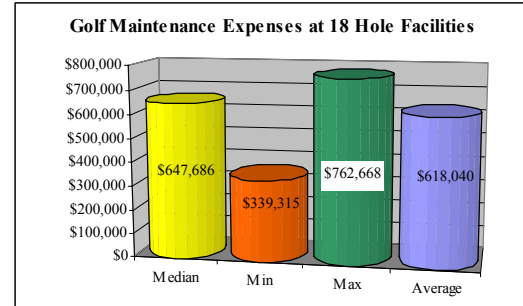


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Golf Maintenance Expenses at 18 Hole Courses

Maintenance expenses include all expenses relating to maintaining the golf course itself as well as the maintenance equipment.

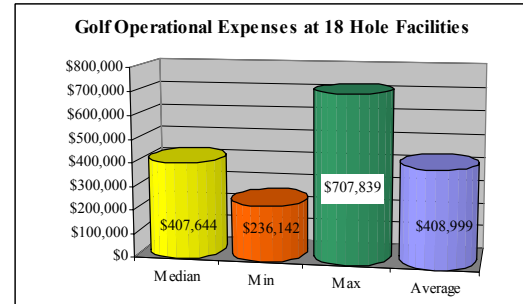
- The median expenses incurred from golf maintenance are \$647,686.
- The maximum expenses incurred from golf maintenance are \$762,668.
- The minimum expenses incurred from golf maintenance are \$339,315.



Golf Operations Expenses at 18 Hole Courses

Golf operations include the pro shop and tee time personnel, as well as operational expenses. Where it was not possible to separate, costs of goods are included in this category.

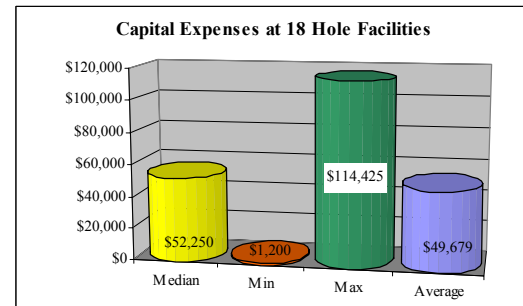
- The median expenses incurred from golf operations are \$407,644
- The maximum expenses incurred from golf operations are \$707,839.
- The minimum expenses incurred from golf operations are \$236,142



Capital Expenses at 18 Hole Courses

Capital expenses include one time expenditures to upgrade the facilities, the course or purchase maintenance equipment. These expenses are sometimes allocated from expansion or development funds.

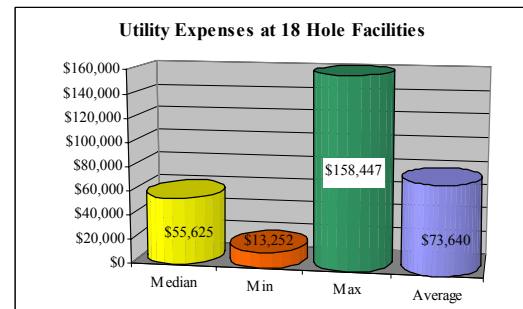
- The median expenses incurred from capital expenses are \$52,250.
- The maximum expenses incurred from capital expenses are \$114,425.
- The minimum expenses incurred from capital expenses are \$1,200.



Utility Expense at 18 Hole Courses

Utility expenses include utilities for all departments, and include the charges incurred by the facilities. The structure of these expenses varies greatly between operations. Water costs are included where provided, but have not been separated from utility costs.

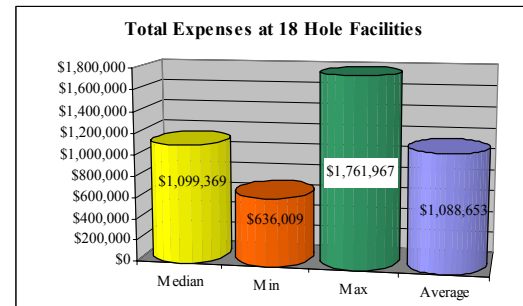
- The median expenses incurred for utilities are \$55,625.
- The maximum expenses incurred for utilities are \$158,447.
- The minimum expenses incurred for utilities are \$13,252.



Total Expenses at 18 Hole Courses

Total expenses include all of the expenses, including allocated overhead where applicable. Because concession revenues are net to the facility, they are excluded from total expenses.

- The median total expenses incurred by the facilities are \$1,099,369.
- The maximum total expenses incurred by the facilities are \$1,761,967.
- The minimum expenses incurred by the facilities are \$636,009.



The Municipal Golf Report

Net Income, Debt & Profitability

Net income is defined as total revenues less total expenses excluding interest, depreciation, and amortization also known as EBIDA. Facilities with a positive net income are covering their operating expenses, and generating revenues that may part or all of the capital costs of investment. They may be used to improve the facilities, to develop additional golf courses, to support other parks and recreation activities or provide monies for the cities general fund. It must be noted that "development funds" include a portion of the green fee set aside for facility improvement, and have been included in total revenues, but may not be available to pay general operating expenses.

As many of the facilities have no debt costs, the net income also serves as net profits. The profiles below are for 18 hole courses only.

Net Income, Debt and Profit Characteristics for Municipal Golf Facilities Along the Front Range, 1999						
		Total Revenues	Total Expenses	Net Income/Loss	Debt Service (8)	Income After Debt Service
9 Hole Facilities	Average	\$378,595	\$378,643	-\$15,495		
	Max	\$488,195	\$392,981	\$64,108		
	Min	\$223,000	\$364,336	-\$155,612		
	Median	\$428,444	\$378,612	\$45,019		
18 Hole Facilities	Average	\$1,330,009	\$1,088,653	\$332,615	\$486,819	\$30,545
	Max	\$2,142,395	\$1,761,967	\$774,832	\$659,300	\$523,948
	Min	\$277,000	\$636,009	-\$159,413	\$168,510	-\$260,243
	Median	\$1,249,895	\$1,099,369	\$329,048	\$519,500	-\$60,533
Larger Complexes	Average	\$2,027,472	\$1,621,503	\$463,964	\$332,555	\$99,697
	Max	\$2,873,415	\$2,701,834	\$733,286	\$365,110	\$145,534
	Min	\$1,520,790	\$1,166,931	\$52,003	\$300,000	\$53,859
	Median	\$1,815,421	\$1,243,310	\$510,644	\$332,555	\$99,697
All Facilities	Average	\$1,350,575	\$1,153,282	\$328,831	\$442,743	\$50,303
	Max	\$2,873,415	\$2,701,834	\$774,832	\$659,300	\$523,948
	Min	\$223,000	\$364,336	-\$159,413	\$168,510	-\$260,243
	Median	\$1,447,317	\$1,122,274	\$349,979	\$431,784	\$52,291

(1) Only 7 of the 37 courses showed debt service payments. In many cases this information was not readily available, although there is debt against many of these facilities.

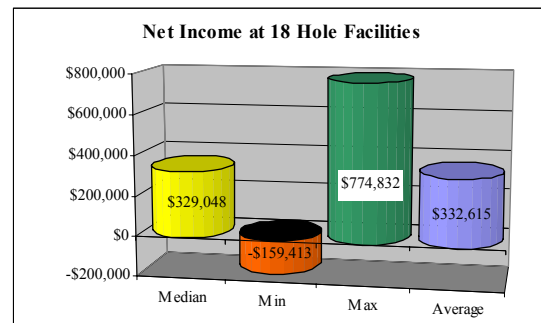
9 Hole Facilities Reporting	3
18 Hole Facilities Reporting	24
Larger Complexes	7

Source: HVS Golf Services, Inc.

Net Income at 18 Hole Courses

On average, the vast majority of the golf courses cover their operating expenses, including any overhead allocated to the individual courses. Only one course showed a negative net income and that was after allocations of departmental overhead.

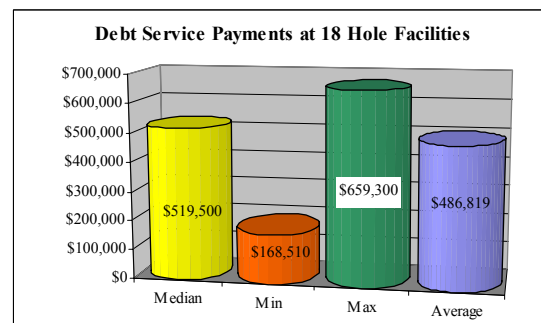
- The median net income generated by the 18 hole facilities is \$329,048.
- The maximum net income generated by the 18 hole facilities is \$774,832
- The minimum net income generated by the 18 hole facilities is -\$159,413



Debt Service at 18 Hole Courses

Information on debt service was provided by only seven of the facilities, although it is certain that more of the facilities have debt costs. Debt costs include interest and amortization.

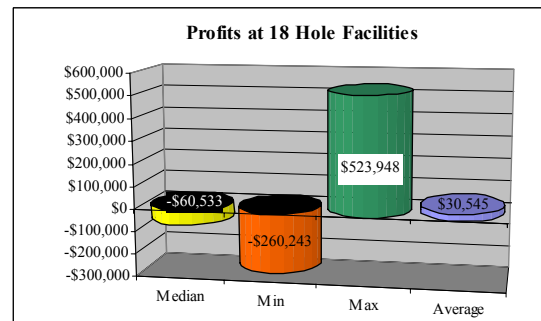
- The median annual debt level incurred by the 18 hole facilities is \$519,500.
- The maximum annual debt level incurred by the 18 hole facilities is \$659,300.
- The minimum annual debt level incurred by the 18 hole facilities is \$168,510.



Profits at 18 Hole Courses

Profits are calculated by subtracting annual debt service payments from net operating income. It should be noted that although many courses provide for depreciation in their accounting, Depreciation has been excluded from this analysis.

- The median profit/loss after debt service at 18 hole facilities is -\$60,533.
- The maximum profit/loss after debt service at 18 hole facilities is \$523,948.
- The minimum profit/loss after debt service at 18 hole facilities is -\$260,243.



The Municipal Golf Report

Pricing & Rounds Play

The adjacent graph illustrates the relationship between pricing (Green Fees) and level of play (18 Hole Equivalent Rounds). This relationship is important, as it portrays the willingness of golfers to pay for their golfing experience, and can also provide clues into time travel and other preference choices by golfers.

- The graph shows that there is an inverse relationship between the fees charged and the rounds played.
- This relationship implies that golf fees are elastic and price increases do have impacts on levels of play.
- It can also be inferred that additional factors alter this relationship, and that price is not the only consideration.
- Other factors that impact play are quality and location of the course and demographics on the trade area.

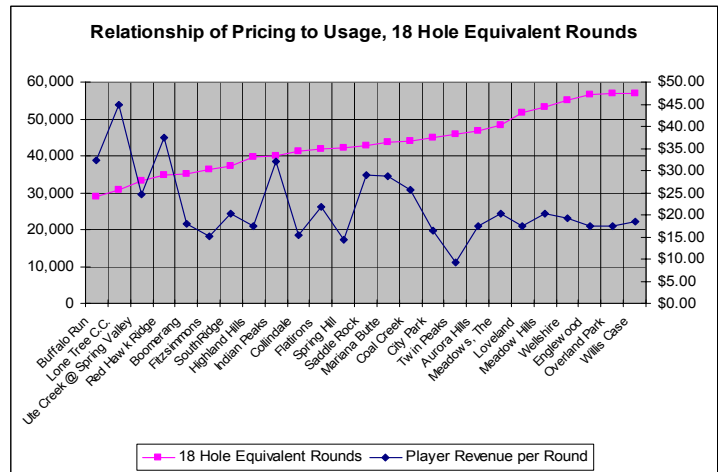


ILLUSTRATION OF MUNICIPAL AND PUBLIC GOLF SUPPLY IN CITIES ALONG THE COLORADO FRONT RANGE

MUNICIPAL GOLF SUPPLY				
	Courses	Holes	2000 Population	Pop. Per 18 Holes
Estes Park	2	27	5,413	3,609
Fort Lupton	1	18	6,787	6,787
Littleton	5	81	40,340	8,964
Evergreen	1	18	9,216	9,216
Brighton	2	36	20,905	10,453
Fort Morgan	1	18	11,034	11,034
Louisville	1	18	18,937	18,937
Castle Rock	1	18	20,224	20,224
Loveland	3	45	50,608	20,243
Commerce City	1	18	20,991	20,991
Englewood	2	27	31,727	21,151
Lafayette	1	18	23,197	23,197
Pueblo	4	72	102,121	25,530
Longmont	3	45	71,093	28,437
Arvada	4	63	102,153	29,187
Westminster	5	61	100,940	29,786
Broomfield	1	18	38,272	38,272
Greeley	2	36	76,930	38,465
Aurora	7	117	276,393	42,522
Fort Collins	3	45	118,652	47,461
Denver	11	171	554,636	58,383
Thornton	1	18	82,384	82,384
Boulder	1	18	94,673	94,673
Lakewood	1	27	144,126	96,084
Colorado Springs	4	63	360,890	103,111
Total	68	1,096		
2000 Front Range Population			3,491,401	
Total Pop Per 18 Holes				57,341

Source: U.S. Bureau of the Census and HVS Golf Services

PUBLIC GOLF SUPPLY				
	Courses	Holes	2000 Population	Pop. Per 18 Holes
Morrison	1	18	430	430
Firestone	1	18	1,908	1,908
Monument	1	18	1,971	1,971
Estes Park	2	27	5,413	3,609
Littleton	7	117	40,340	6,206
Castle Rock	3	54	20,224	6,741
Fort Lupton	1	18	6,787	6,787
Florence	1	9	3,653	7,306
Brighton	3	45	20,905	8,362
Evergreen	1	18	9,216	9,216
Broomfield	4	63	38,272	10,935
Fort Morgan	1	18	11,034	11,034
Englewood	4	45	31,727	12,691
Fountain	1	18	15,197	15,197
Golden	1	18	17,159	17,159
Louisville	1	18	18,937	18,937
Loveland	3	45	50,608	20,243
Longmont	5	63	71,093	20,312
Pueblo	5	90	102,121	20,424
Commerce City	1	18	20,991	20,991
Lafayette	1	18	23,197	23,197
Parker	1	18	23,558	23,558
Arvada	5	72	102,153	25,538
Fort Collins	5	72	118,652	29,663
Westminster	5	61	100,940	29,786
Greeley	2	36	76,930	38,465
Aurora	7	117	276,393	42,522
Denver	14	216	554,636	46,220
Colorado Springs	8	117	360,890	55,522
Boulder	2	27	94,673	63,115
Thornton	1	18	82,384	82,384
Boulder	1	18	94,673	94,673
Lakewood	1	27	144,126	96,084
Highlands Ranch	2	36	70,931	
Total	102	1,591		
2000 Front Range Population			3,491,401	
Total Pop Per 18 Holes				39,500

Source: U.S. Bureau of the Census and HVS Golf Services

While data for each city represents the population per hole within its geographical boundaries, the total population per hole includes all persons along the Colorado Front Range. The charts above illustrate that there is one public course for every 39,500 persons and one municipal course for every 57,341 persons.

The Municipal Golf Report

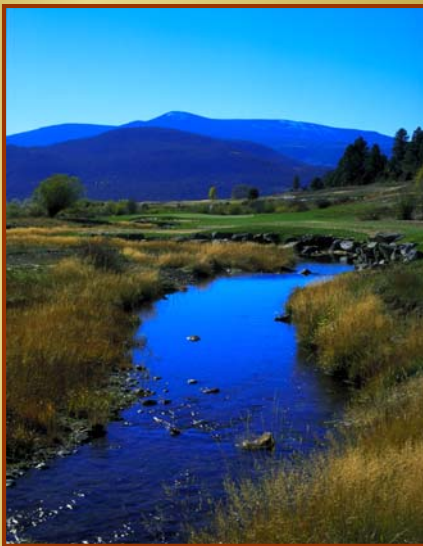
◆ *HVS Golf Services*

HVS Golf Services is a firm committed to excellence in economic research, analysis, valuation and consulting within the golf course and community development industries. The firm's objective is to assist public and private clients in prudent planning and decision making by providing the industry standard in thorough and comprehensive analysis. HVS Golf Services serves its clients with offices in Boulder, Colorado and throughout the world.



◆ *Experience*

The principals at HVS Golf Services have been involved in over 400 golf-related assignments in over thirty states as well as Canada and Mexico.



HVS Golf Services provides a wide array of services for the golf course and community development industry. Below is a list of services and the critical questions they are designed to answer.

◆ *Golf Services for Municipalities*

- **Market Feasibility**--Is their market based support for development? How many holes can we build? We can we build them?
- **Financial Feasibility**--Will the revenue stream be able to cover its operating expenses, debt service or bond payments?
- **Operations Assessment**—How can we restructure to achieve specific financial objectives? How do our operations compare with competitive facilities? How can we improve our operations and bottom line?
- **Impact Assessment**—What are the economic, financial, fiscal and related impacts that will result from development?
- **Project Implementation**—How can we structure a public-private partnership to develop a golf facility? How can we find land for development? What are the steps necessary for development, and how can we get there? What are the options available for financing the golf course?; etc.

◆ *Additional Services*

- **Residential Market Feasibility**—What prices, absorption and product types can this market support?
- **Residential Financial Feasibility**—What type of income stream can we expect from this development, and what are the risks and rewards of development?
- **Subdivision Analysis**—Can you fine tune your report to provide a more detailed financial analysis linked to the master plan as well as phasing and, lotting?
- **Golf/No Golf**—Does a golf course development increase the bottom line for our project?
- **Valuation**—What is the value of my land/golf course/real estate development?
- **Expert Testimony**—Providing expertise relating to valuation, market conditions and operations.

◆ *Contact Information*

Darius Hatami
 President
 HVS Golf Services
 2229 Broadway
 Boulder, Colorado 80302

Tel: 303 443-3933
 Fax: 303 443-4186
 Email:
 dhatami@hvsinternational.com
On the Internet:
www.hvsinternational.com

While the information in this report was taken directly from the financial statements of local entities, some data has been adjusted to allow comparison. While the data provide some useful benchmarks, the sample is insufficient to determine with statistical certainty some of the conclusions presented in this report. The information contained in this report may or may not be relevant to any particular project, and information in this publication should not be construed to apply to any specific facility or project. Quotation and reproduction of this material are permitted with credit to HVS Golf Services.