

FEASIBILITY STUDY FOR NEW CLUBHOUSE AT JEFFERSONVILLE GOLF CLUB DRAFT



Technical Memorandum

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INTRODUCTION

The Jeffersonville Golf Club is a well-regarded public golf course, owned and operated by West Norriton Township. First opened in 1931, it is one of the few public golf courses designed by the legendary architect Donald Ross, who also designed the Aronimink Golf Club in Newtown Square. The Jeffersonville Golf Club is located along West Norriton's Main Street commercial corridor and provides 140 acres of open space in an otherwise densely populated area. The existing Banquet Hall at the Golf Club is operated by Amedeo's Catering, which caters all the events taking place there.

Currently, the Jeffersonville Golf Club is booking as many as 42,000 rounds of golf annually and generating a significant stream of revenue for the Township. The full economic potential of the golf course, however, is limited by the lack of quality space or amenities for expanded gatherings, particularly weddings. The proposed Clubhouse would replace the Banquet Hall and fill this void within the community - a modern event space to be utilized by all age groups for numerous types of life-cycle events. As of February 2021, the Township has completed preliminary site plans and schematic drawings of the new 12,950 square foot Clubhouse facility. The estimated total construction cost is \$5.5 million and an additional \$2 million is required for contingency, soft costs, furniture, and equipment. To offset these costs, the Township applied for grant funding from the from the Redevelopment Assistance Capital Program. In December of 2020, the Township was awarded \$1 million in RACP grant, which will reduce the debt financing required by the Township to complete the Clubhouse project.

As part of this effort, The Township has engaged Urban Partners to complete a market assessment and economic feasibility analysis for the new Clubhouse to determine the economic viability of desired ongoing uses for the facility, including a restaurant and event space for weddings, corporate events, and other events such as private parties and golf outings. Though the Township has a catering company under contract to operate existing events at the Club, it is exploring options for another operating partner.

Our market assessment process includes examining the local supply and demand conditions for the desired uses to identify market conditions and evaluating the economics of the restaurant and event space operations. Subsequently, working with the Township to establish cost/revenue assumptions related to the golf and retail operations, Urban Partners will provide an assessment of whether the new Clubhouse will be economically self-sustaining.

EVENTS USE MARKET

With a brand-new Clubhouse on the site of an historic golf course, the Jeffersonville Golf Club has the potential to provide a unique environment for events that stands out among other Golf and Country Clubs hosting events in the suburban Philadelphia region. To determine the feasibility of the proposed new Clubhouse for expanded use as an event venue—including weddings, corporate events, parties, and golf outings—we examined market supply, demand, and pricing for existing golf and country clubs that host such events throughout Montgomery, Chester, and Delaware counties. Within an area of approximately 15 miles from the Jeffersonville Golf Club, we have identified more than 30 similar venues, both public and private (see **Appendix 1** for a full inventory).

The desired scenario for the new Clubhouse is to house a restaurant that would prepare the food for the events it hosts. Therefore, all of the venues examined have a similar arrangement in terms of food preparation with on-site commercial kitchens operated by on-site restaurants or in-house caterers that prepare the food for its events. In a few instances, a catering company located off-site has exclusive use of the club to prepare food on the premises for events held there. While most of the venues are privately-owned and operated, though available to the public for events, a few—including Paxon Hollow Country Club and Springfield Country Club—are owned by their respective municipalities. In those instances, township staff coordinates event programming with venue staff to ensure seamless scheduling, similar to the existing Jefferson Golf Club Banquet Hall.

Within the region, we were able to collect some variety of specific market information—including pricing and number of days hosting events—from 15 venues that appear to represent the range of the area’s current supply and that would be geographically and physically competitive with the new Jeffersonville Golf Club Clubhouse (see **Table 1**).

Table 1: A Sample of Event Venues in the Region Potentially Competitive with New JGC Clubhouse

Name	Address	City	Distance in Mi.
The 1912 Club	888 Plymouth Road	Plymouth Meeting	4
Phoenixville Country Club	355 Country Club Road	Phoenixville	6
Bluestone Country Club	711 Boehms Church Road	Blue Bell	7
Green Valley Country Club	201 W. Ridge Pike	Lafayette Hill	7
Philadelphia Country Club	1601 Spring Mill Road	Gladwyne	7
Overbrook Golf Club	799 Godfrey Road	Villanova	8
Spring Ford Country Club	48 Country Club Road	Royersford	9
Old York Road Country Club	801 Tennis Avenue	Ambler	10
Landis Creek Golf Club	765 N. Lewis Road	Limerick	10
Paxon Hollow Country Club	850 Paxon Hollow Road	Media	12
PineCrest Country Club	101 Country Club Drive	Lansdale	12
McCall Golf Club	201 N. Lynn Boulevard	Upper Darby	13
Brookside Country Club	850 N. Adams Street	Pottstown	15
Springfield Country Club	400 W. Sproul Road	Springfield	15

Source: Google, Wedding Wire, Wedding Spot, Individual Websites

Figure 1 describes these venues in greater detail, including rental rates and number of bookings for each type of event, where information was provided or available.

Figure 1: Details for Event Venues in the Region Potentially Competitive with New JGC Clubhouse

	<p>The 1912 Club Plymouth Meeting, PA</p> <p><u>Number of Guests Accommodated:</u> 250</p> <p><u>Rates (per person):</u></p> <ul style="list-style-type: none"> • Weddings: \$130 (Sat), \$110 (Fri/Sun) Ceremony Fee: \$1,500 • Corporate Events: \$50-\$75 Fee for Space: N/A • Parties/Other Events: \$25-\$50 Fee for Space: N/A • Golf Outings: \$200 all-inclusive <p><u>Dates Booked:</u> N/A</p>
	<p>Phoenixville Country Club Phoenixville, PA</p> <p><u>Number of Guests Accommodated:</u> 175</p> <p><u>Rates (per person):</u></p> <ul style="list-style-type: none"> • Weddings: \$115-\$130 (All days) Ceremony Fee: \$500 • Corporate Events: \$25-\$50 Fee for Space: \$500 • Parties/Other Events: \$50-\$75 Fee for Space: \$350 • Golf Outings: N/A <p><u>Dates Booked:</u> N/A</p>
	<p>Philadelphia Country Club Gladwyne, PA</p> <p><u>Number of Guests Accommodated:</u> 350</p> <p><u>Rates (per person):</u></p> <ul style="list-style-type: none"> • Weddings: \$165-\$250 (All days) Ceremony Fee: \$1,000 • Corporate Events: \$15-\$45 Fee for Space: \$500 • Parties/Other Events: \$15-\$45 Fee for Space: \$0 • Golf Outings: \$415-\$495 all-inclusive <p><u>Dates Booked:</u> N/A</p>



Bluestone Country Club
Blue Bell, PA

Number of Guests Accommodated: 320

- Rates (per person):**
- Weddings: \$165 (Sat), \$157 (Fri/Sun)
Ceremony Fee: \$1,000
 - Corporate Events: \$45
Fee for Space: \$500
 - Parties/Other Events: N/A
Fee for Space: \$0
 - Golf Outings: \$225 all-inclusive

- Dates Booked (2019):**
- Weddings: 48 (Sat), 42 (Fri), 38 (Sun)
 - Corporate Events: 30
 - Parties/Other Events: 50
 - Golf Outings: 18



Green Valley Country Club
Lafayette Hill, PA

Number of Guests Accommodated: 500

- Rates (per person):**
- Weddings: Prime season \$125-\$165 (Sat), \$115-\$155 (Fri/Sun); Off season \$115-\$155
Ceremony Fee: \$750; Outdoor fee: \$5,000
 - Corporate Events: \$30-\$125
Fee for Space: \$500; Outdoor fee: \$5,000
 - Parties/Other Events: \$30-\$125
Fee for Space: \$0
 - Golf Outings: \$175-\$225 all-inclusive

- Dates Booked (2019):**
- Weddings: 48 (Sat), 24 (Fri), 12 (Sun)
 - Corporate Events: 120-140
 - Parties/Other Events: 60-120
 - Golf Outings: 12-18



Old York Road Country Club
Ambler, PA

Number of Guests Accommodated: 220

- Rates (per person):**
- Weddings: \$100-\$150 (All days)
Ceremony Fee: \$500
 - Corporate Events: \$25-\$50
Fee for Space: \$250
 - Parties/Other Events: \$25-\$50
Fee for Space: \$100
 - Golf Outings: \$95-\$135 all-inclusive

Dates Booked: N/A



Overbrook Golf Club
Villanova, PA

Number of Guests Accommodated: 230

- Rates (per person):**
- Weddings: \$125-170 (Sat), \$115-\$155 (Fri/Sun)
Ceremony Fee: \$500
 - Corporate Events: \$20-\$75
Fee for Space: N/A
 - Parties/Other Events: \$20-\$75
Fee for Space: N/A
 - Golf Outings: N/A

Dates Booked: N/A



Spring Ford Country Club
Royersford, PA

Number of Guests Accommodated: 250

- Rates (per person):**
- Weddings: \$115-\$145 (All days)
Ceremony Fee: \$500
 - Corporate Events: N/A
Fee for Space: N/A
 - Parties/Other Events: N/A
Fee for Space: N/A
 - Golf Outings: \$95-\$135 all-inclusive

Dates Booked (2021):

- Weddings: 41 (Sat), 11 (Fri), 13 (Sun)



Landis Creek Golf Club
Limerick, PA

Number of Guests Accommodated: 200

- Rates (per person):**
- Weddings: Prime season \$100-\$130 (Sat), \$95-\$125 (Fri/Sun); Off season \$93-\$123
Ceremony Fee: \$800-\$1,000
 - Corporate Events: \$28-\$33
Fee for Space: \$200
 - Parties/Other Events: \$28-\$33
Fee for Space: \$200
 - Golf Outings: \$65-\$95 all-inclusive

Dates Booked: N/A



Paxon Hollow Country Club
Media, PA

Number of Guests Accommodated: 250

Rates (per person):

- Weddings: N/A
Ceremony Fee: N/A
- Corporate Events: \$25-\$35
Fee for Space: N/A
- Parties/Other Events: \$25-\$35
Fee for Space: N/A
- Golf Outings: \$100-\$140 all-inclusive

Dates Booked: N/A



PineCrest Country Club
Lansdale, PA

Number of Guests Accommodated: 270

Rates (per person):

- Weddings: Prime season \$95-\$150 (Sat), \$100-\$140 (Fri/Sun); Off season \$80-\$140
Ceremony Fee: \$500-\$1,000
- Corporate Events: \$45-\$95
Fee for Space: Included
- Parties/Other Events: \$25-\$35
Fee for Space: N/A
- Golf Outings: \$85-\$113 all-inclusive

Dates Booked (2021):

- Weddings: 32 (Sat), 27 (Fri), 20 (Sun)



McCall Golf Club
Upper Darby, PA

Number of Guests Accommodated: 160

Rates (per person):

- Weddings: \$100-\$125 (All days)
Ceremony Fee: \$1,000
- Corporate Events: \$25-\$50
Fee for Space: \$500
- Parties/Other Events: \$25-\$50
Fee for Space: N/A
- Golf Outings: N/A

Dates Booked: N/A



Brookside Country Club
Pottstown, PA

Number of Guests Accommodated: 225

Rates (per person):

- Weddings: \$110-\$125 (All days)
Fee for Space: \$1,000
Ceremony Fee: \$10/person
- Corporate Events: N/A
Fee for Space: N/A
- Parties/Other Events: N/A
Fee for Space: N/A
- Golf Outings: N/A

Dates Booked: N/A



Springfield Country Club
Springfield (Delaware Co.), PA

Number of Guests Accommodated: 500

Rates (per person):

- Weddings: \$140-\$160 (Sat), \$125-\$145 (Fri/Sun)
Ceremony Fee: \$1,000
- Corporate Events: \$44
Fee for Space: \$200
- Parties/Other Events: \$24-\$37
Fee for Space: N/A
- Golf Outings: \$44 for food; golf extra

Dates Booked (2019):

- Weddings: 36 (Sat), 15 (Fri), 12 (Sun)

Weddings

The market for wedding venues represents a key niche within the overall event marketplace and one that tends to generate significantly higher revenue than other events such as corporate meetings and private parties. To determine the potential and feasibility of the proposed new Clubhouse for use as a wedding venue, we examined market supply, demand, and pricing for existing golf and country clubs that host weddings throughout Montgomery, Chester, and Delaware counties for the venues listed in Table 1 and Figure 1 above.

As indicated in Figure 1, there are a variety of capacities, price-points, and usage among the numerous wedding venue options potentially comparable to the Jeffersonville Golf Club. These venues each have a main clubhouse or building with a large event room or ballroom. Each venue examined offers ceremonies on-site, most for an additional fee, which in some cases can be held outdoors during peak months with fair weather.

The venues identified host between 160 and 500 people—McCall Golf Club in Upper Darby being the smallest and Springfield Country Club the largest. However, most of the venues described in Figure 1 accommodate 200 to 250 guests.

Rates for weddings vary as well. Since all of the venues examined have food prepared on-site for their events, pricing is per-person and all-inclusive as a package, fluctuating based on the menu. Typical packages include four or five butlered hors d' oeuvres for an hour, salad, a main course with sides, a selected dessert, and a five-hour open bar. Prices in Figure 1 reflect these typical packages. Add-ons are available at most venues but were not included in this analysis to keep the comparison as even as possible.

While most of the venues charge the same rate regardless of the time of year, some charge more per person during typical peak wedding months—most commonly May/June and September/October. Similarly, most venues charge more for a Saturday evening wedding, while Fridays and Sundays are 5% to 10% less per person. However, others charge the same rate no matter which day the wedding is held.

At the lower end of the price scale is PineCrest Country Club in Lansdale. Packages range from \$90 to \$150 per-person for Saturday weddings from April through November and \$80 to \$140 per-person on Saturdays from December through March. At the high end of the price scale is Philadelphia Country Club in Gladwyne, where packages range from \$165 to \$250 per-person on any day throughout the year. Similarly, the Bluestone Country Club in Blue Bell charges \$165 per-person on Saturdays and 5% less on other days year-round. The most common rates among examined venues appear to fall in the \$110 to \$150 range on Saturdays. In addition, most venues charge \$500 to \$1,000 to host the ceremony on the premises. The 1912 Club in Plymouth Meeting is an outlier with a ceremony fee of \$1,500.

Because of the COVID-19 pandemic, 2020 was a highly unusual year for weddings and other events due to restrictions placed on large indoor gatherings. Therefore, to understand the frequency of events during a normal year, we inquired about 2019 events. Some operators responded, while others had 2021 booking information available. Of those venues that responded regarding 2019 bookings, two—Bluestone Country Club in Blue Bell and Green Valley Country Club in Lafayette Hill—reported hosting 48 Saturday weddings in 2019, while a third—Springfield Country Club—reported 36. Bluestone reported 42 Friday and 38 Sunday weddings. Green Valley reported 24 and 12 respectively, while Springfield reported 15 and 12.

For 2021 bookings, so far, Spring Ford Country Club in Royersford has booked weddings on 41 Saturdays, 11 Fridays, and 13 Sundays. PineCrest Country Club in Lansdale has booked weddings on 32 Saturdays, 27 Fridays, and 20 Sundays.

To gain an understanding of the potential interest among existing venue operators in expanding their business to operate weddings at the Jeffersonville Golf Club, we questioned each operator about their potential interest. The operator of Bluestone Country Club in Blue Bell indicated they would be open to running weddings and events at Jeffersonville.

Parties and Other Complementary Events

Although weddings tend to generate the highest fee income, most event venues in the region supplement this activity with other non-wedding events, such as birthday, anniversary, and retirement parties; bar mitzvas and bat mitzvas; and funerals, among others. These events are typically held on weekends, including Friday nights. Daytime events typically involve a lunch or brunch meal, while evening events involve a sit-down or buffet dinner. As with weddings, pricing at the examined venues is per-person and fluctuates based on the menu. Typical packages include hors d'oeuvres, salad, a main course with sides, and a selected dessert. Unlike weddings, rates for these events do not include any alcohol.

Pricing for private parties at the examined venues, shown in Figure 1, generally ranges from \$25 to \$50 per person, with day event fees on the lower end and evening/dinner events on the upper. For private parties, most venues do not charge a separate fee for the space. For those that do, fees range from \$100 to \$350.

We also inquired about the frequency of parties and other events in 2019. Most operators did not respond, however, Bluestone Country Club reported about 50 private parties in 2019, while Green Valley Country Club hosted more than 60.

Corporate Events

Most event venues in the region also host corporate events. These events are typically held on weekdays and weeknights. As with other private parties, daytime events typically involve a lunch meal, while evening events involve a sit-down or buffet dinner. Per-person rates at the examined venues fluctuate based on the menu and do not include any alcohol.

Pricing for private parties at the examined venues, shown in Figure 1, tends to be similar but slightly higher than private parties—also generally ranging from \$25 to \$50 per person but approaching \$75 at some clubs. Unlike private parties, for corporate events, most venues do charge a separate fee for the space. These fees are typically \$500 but are as low as \$200.

We also inquired about the frequency of corporate events in 2019. Bluestone Country Club reported 30 corporate events in 2019, while Green Valley Country Club reported more than 120.

Golf Outings

Finally, golf outings are hosted at almost every venue examined for this analysis. Such outings are typically held on weekdays and typically involve two meals—breakfast and lunch for events beginning in the morning or lunch and dinner for events beginning in the afternoon. While some venues charge separately for golf and food, most conduct golf outings as a per-person package that includes golf, food, and beverages (including alcohol).

Pricing for golf outings at the examined venues, shown in Figure 1, fluctuates rather significantly—ranging from \$65 to \$495 per-person, all-inclusive. However, most clubs examined charge \$100 to \$200. We also inquired about the frequency of golf outings in 2019. Clubs that responded reported 12 to 18, held mostly from May through October.

Current Operations at the Jeffersonville Golf Club

For the existing Banquet Hall, we collected market information for its current operations as a baseline, including pricing and number of days hosting events (see Figure 2).

Figure 2: Details for Events at the Existing Jeffersonville Golf Club Banquet Hall

	<p>Jeffersonville G.C. Banquet Hall West Norriton, PA</p> <p>Number of Guests Accommodated: 200</p> <p>Rates (per person):</p> <ul style="list-style-type: none"> • Weddings: \$60 (+ bar package \$20-\$25) Fee for Space: \$1,400 (Sat), \$1,000 (Fri/Sun), \$700 (Weekdays) if own caterer • Corporate Events: N/A • Parties/Other Events: \$22-\$28 Fee for Space: Same as weddings • Golf Outings: Fluctuates <p>Dates Booked (2019):</p> <ul style="list-style-type: none"> • Weddings: 3 (Sat) • Charity Events: 24 • Parties/Other Events: 28 • Golf Outings: 67
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The existing Jeffersonville Golf Club Banquet Hall, currently operated by Amedeo’s Catering, offers a wedding buffet starting at \$60 per person (not including alcohol), and an optional four-hour bar package for an additional \$20 to \$25 per person. There is an additional rental fee for the space if Amedeo’s is not used and an outside caterer is brought in, ranging from \$700 on weekdays to \$1,400 on Saturdays. Pricing for parties and special events ranges from \$22 to \$28 for food provided by Amedeo’s, with additional space rental fees if an outside caterer is used, also ranging from \$700 to \$1,400 depending on the day of the week.

The Jeffersonville Golf Club Banquet Hall hosted a total of 122 events in 2019. This included 3 weddings, 24 charity events, 28 parties and special events, and 67 golf outings.

Market Potential for Event Space

Our research of the area event venue market identified a multitude of facilities in the Philadelphia suburbs of varying sizes, formats, styles, and price-points, including the existing Jeffersonville Golf Club. While there is significant supply—including many golf and country clubs that host weddings and events—there is also significant demand for these venues as indicated by strong bookings in 2019

and many sold-out dates for 2021. We also identified a nearby country club whose operator expressed interest in the possibility of operating weddings and events at Jeffersonville.

Based on this information and the Jeffersonville Golf Club's current events programming, it appears that the market conditions in Montgomery, Delaware, and Chester Counties could support the expansion of weddings and events at a new Clubhouse at the Jeffersonville Golf Club. While a new facility would likely attract a continued robust number of parties, corporate events, and golf outings currently held at the Club, it will likely increase the Club's ability to attract weddings due to the size and quality of the proposed building. Based on the market conditions we have observed, it appears that events at the new Jeffersonville Golf Club Clubhouse could command the following rates (per person) and frequencies:

Weddings

- Peak season: \$115-\$145 on Saturdays; \$110-\$140 on Fridays and Sundays
- Off-season: \$100-\$130 on Saturdays; \$95-\$125 on Fridays and Sundays
- Ceremony fee: \$500
- Bookings per year: 36 Saturdays; 22 Fridays; 14 Sundays

Parties and Other Complementary Events

- Day event: \$25
- Evening event: \$50
- Fee for space: \$200
- Bookings per year: 50

Corporate Events

- Day event: \$30
- Evening event: \$60
- Fee for space: \$250
- Bookings per year: 50

Golf Outings

- Event: \$50-\$80 plus golf fees
- Bookings per year: 70

RESTAURANT MARKET

Urban Partners conducted a market analysis to characterize the performance of existing restaurants in the vicinity of the Jeffersonville Golf Club, as well as to identify gaps and opportunities for the potential development of a restaurant at the new Clubhouse.

Supply

For this market analysis, we are focused chiefly on full-service restaurants. All food service establishments in the area were classified by type of business according to the usual trade designation. In general, this classification follows the numeric system established for both government and industry practice – the North American Industry Classification System (NAICS).

Demand

Consumer shopping patterns vary depending on the types of goods being purchased. Expenditures made at full-service restaurants will occur chiefly within the immediate trade area, but some restaurant expenditures made by the trade area population will be lost to established restaurants located outside the immediate trade area. Similarly, some restaurant sales occurring in the immediate trade area will be attracted from residents who live elsewhere in the region.

Retail Trade Area

To examine the potentially feasibility for a restaurant at the new Jeffersonville Golf Club Clubhouse, we have identified the trade area from where potential customers would likely originate for the type of dining offered at the new Clubhouse. Since dining at the Clubhouse functions within a larger regional marketplace, we have defined three trade areas centered on the Jeffersonville Golf Club: a one-mile radius, a three-mile radius, and a five-mile radius (see **Figure 3**). This comparison enables us to identify the degree to which customers from each of these areas patronize restaurants in the other respective areas, understand how this impacts the restaurant supply and demand, and confirm a primary trade area for the Clubhouse restaurant.

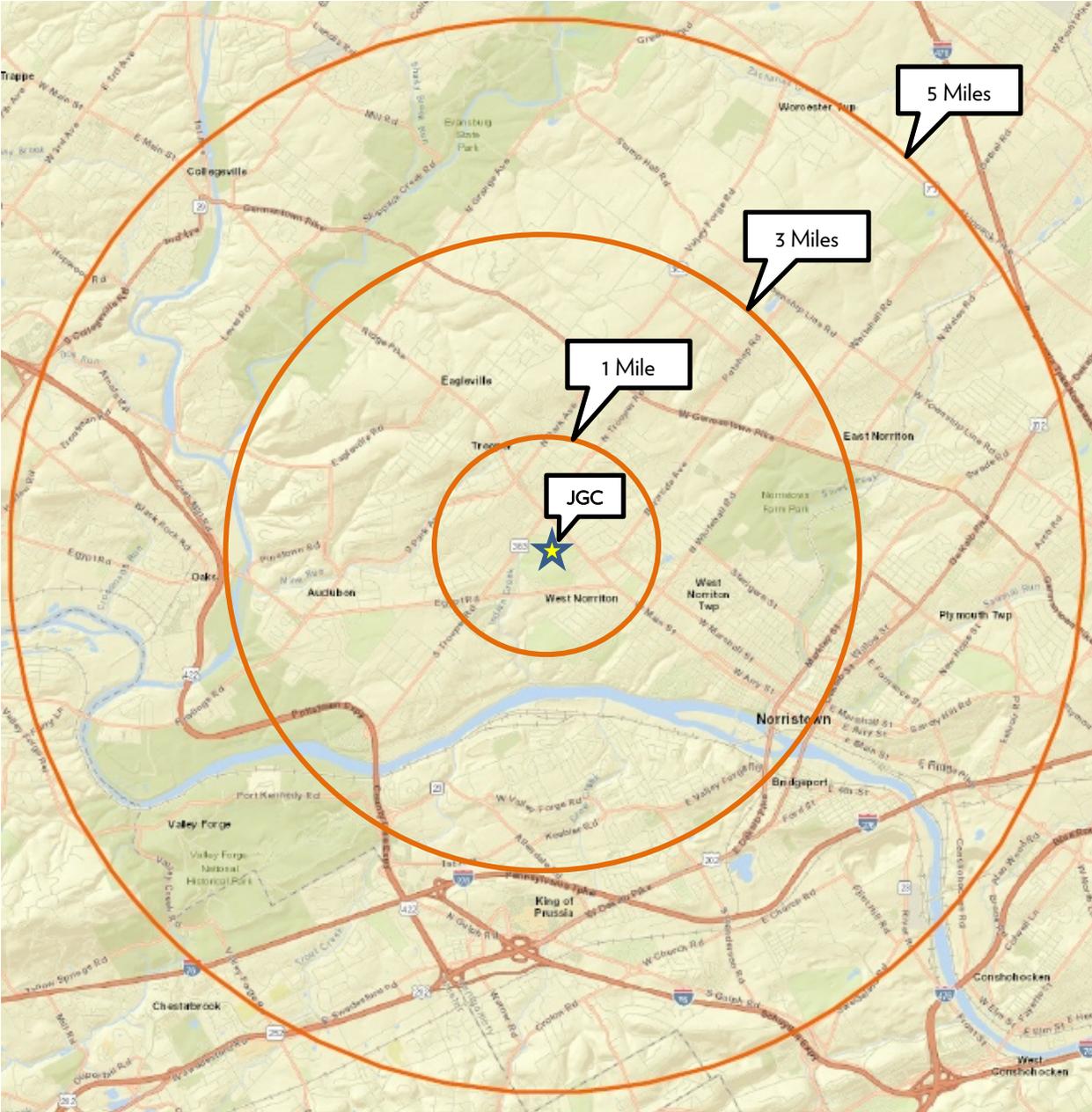
The 1-Mile Trade Area encompasses the area around the Golf Club that includes portions of Trooper and Jeffersonville, extending just beyond Park Avenue on the north to the Westover Golf Club on the south and Shannondell on the west. The estimated 2019 population of this area is 3,737.

The 3-Mile Trade Area contains a much higher density of population than the 1-Mile, incorporating portions of Norristown Borough. This trade area extends from the Oaks interchange of Route 422 on the west, to the Pennsylvania Turnpike at King of Prussia on the south, to DeKalb Street in Norristown on the east. This three-mile radius surrounding the Golf Club has an estimated 2019 population of 77,684.

The 5-Mile Trade Area includes all of Norristown and Bridgeport Boroughs, extending almost to Conshohocken. To the east the area extends to the Northeast Extension; to Skippack Pike on the

northeast, Colleeville on the northwest, and Chesterbrook on the southwest. This area has an estimated 2019 population of 157,826.

Figure 3: Trade Areas Surrounding the Jeffersonville Golf Club Clubhouse



Source: Google, EnviroNics Analytics, Urban Partners

Trade Area Supply and Demand Characteristics

In this section, we compare the current supply and demand for full-service restaurants by residents of the 1-, 3-, and 5-Mile Trade Areas surrounding the Jeffersonville Golf Club. To determine the trade areas' supply and demand, we acquired information about the retail spending behavior of market

study area residents from Environics Analytics, which acquires its data from the Nielsen Company—one of the national data services typically used by retail store location and real estate professionals. **Table 2** outlines the supply and demand characteristics of the trade areas examined.

Table 2: Jeffersonville Golf Club Clubhouse Trade Area Restaurant Supply and Demand Characteristics

	Trade Area 1-Mile			Trade Area 3-Mile			Trade Area 5-Mile		
	2020 Demand (Consumer Expenditures)	2020 Supply (Retail Sales)	Gap/ Surplus	2020 Demand (Consumer Expenditures)	2020 Supply (Retail Sales)	Gap/ Surplus	2020 Demand (Consumer Expenditures)	2020 Supply (Retail Sales)	Gap/ Surplus
Full-Service Restaurants 722511	6,656,428	16,743,936	10,087,508	73,040,011	68,989,311	4,050,700	165,503,784	208,569,810	43,066,025

Source: Environics Analytics, Urban Partners

According to this information from Environics Analytics in Table 2 about the retail spending behavior of market study area residents, full-service restaurants within the 1-Mile Trade Area earn more than **\$16 million** in sales annually, while the trade area's population spends more than **\$6million** on full-service restaurants annually. Included in this amount, is the current facility's sales, representing approximately 0.7% of these sales. The current restaurant occupies approximately 1,000 SF.

By comparison, full-service restaurants within the 3-Mile Trade Area earn almost **\$69 million** in sales annually, while the trade area's population spends approximately **\$73 million** on full-service restaurants annually.

Finally, full-service restaurants within the 5-Mile Trade Area earn more than **\$208 million** in sales annually, while the trade area's population spends more than **\$165 million** on full-service restaurants annually.

Market Potential for Restaurant

The comparison of supply and demand for the trade areas reveals the surplus or gap/potential for additional full-service restaurants. The supply of full-service restaurants in in the 1-Mile Trade Area exceeds demand by more than \$10 million, indicating that the immediate area is oversupplied with this type of restaurant for its population, and the customer base comes from beyond this one-mile ring for most sit-down dining.

The 3-Mile Trade Area contains a much higher population and at the same time, many more restaurants, but not enough supply to exceed demand. Therefore, an opportunity gap of about \$4 million exists for full-service dining within this area.

At the 5-mile radius, the population increases significantly once again as does the restaurant supply, particularly with the inclusion of King of Prussia and other dining-dense locations. Within this area, full-service restaurant supply sales exceed population demand by \$43 million. Not surprisingly, significant leakage is taking place to areas beyond this radius, and the restaurants within are drawing customers from these outlying areas.

Within the 3-Mile Trade Area, which is a reasonable distance for customers to travel to dine at the new Clubhouse restaurant, there appears to be an opportunity for additional full-service dining options that would serve both residents of the trade area and attract residents from beyond. The \$4 million surplus could support about 11,500 square feet of additional full-service restaurant space in that area; the new Clubhouse restaurant is approximately 1,300 square feet, not including kitchen space. The existing restaurant/bar at the Clubhouse, Putter's, currently receives most of its business from golfers. While a new restaurant will continue to serve those golfers, there is potential to capture additional full-service restaurant market demand, particularly with more upscale accommodations and expanded menus and hours.

FINANCIAL FEASIBILITY OF EVENT SPACE & RESTAURANT

Food Service Markets and Anticipated Revenues

As identified in the Market Potential sections above, there appear to be strong markets for a variety of group event functions as well as the potential for operating a successful restaurant in collaboration with food service provision to golfers. Based on that market research supplemented by certain national performance standards, we estimate the likely gross food and beverage operations revenue at \$2,480,000 including \$1.59 million in group events revenue and \$890,000 from restaurant and golfer support activity (see **Table 3 & 4**). The restaurant revenue estimate is somewhat conservative due to our concern that the lack of commercial street visibility may depress those revenues.

Table 3: Food & Beverage Operations Revenue – Group Events

Type	Number	Average Number of Guests	Average Revenue/Guest	Gross Revenue
Weddings	72	120	\$125.00	\$1,080,000
Corporate Events	50	40	\$60.00	\$130,000
Golf Outings	70	64	\$65.00	\$290,000
Other Events	50	40	\$40.00	\$90,000
Gross Group Event Revenue	242			\$1,590,000

Source: Urban Partners

Table 4: Food & Beverage Operations Revenue – Restaurant

Type	Number	Average Number of Guests	Gross Revenue
Golfer Food & Beverage Support	48,000	\$6.00	\$290,000
Other Restaurant Lunch	4,600	\$13.00	\$60,000
Restaurant Dinner	20,800	\$26.00	\$540,000
Gross Restaurant/Golfer Support Revenue			\$890,000

Source: Urban Partners

Group Events

As with most group event facilities, the most important source of revenue is weddings. The market research indicates the potential for capturing 72 wedding bookings annually--36 Saturdays; 22 Fridays; 14 Sundays—at peak season rates of \$115-\$145 per person on Saturdays and \$110-\$140 on Fridays and Sundays. Off-season rates would be \$100-\$130 per person on Saturdays and \$95-\$125 on Fridays and Sundays. The facility is designed to comfortably handle event seating up to 200 persons; for this analysis, we assume an average attendance of 120 persons. Based on this assumption, the anticipated wedding revenue reaches \$1,080,000 in 2021 dollars (see **Table 5**).

Table 5: Weddings Profile

Type	Number	Average Attendance	Per Peron Revenue	Gross Revenue
Saturday Peak Season	18	120	\$130.00	\$280,800
Saturday Off Season	18	120	\$115.00	\$248,400
Friday/Sunday Peak Season	27	120	\$125.00	\$405,000
Friday/Sunday Off Season	9	120	\$110.00	\$118,800
Ceremony Fee (\$500 for 75%)				\$27,000
Total Wedding Revenue				\$1,080,000

The second largest group event class is golf outings. Here we assume 70 outings with an average participation of 64 golfers yielding \$290,000 based on an average fee of \$65 per golfer. Note that the overall charges to participants will also include a golf fee in addition to this food services fee.

Smaller corporate events and other group activities will fill in other dates and times.

Our total utilization assumption is 242 events annually.

Restaurant and Golfer Support

The Township anticipates a full-service restaurant component providing lunch and dinner for both golfers and other area residents. For this analysis, we assume this entity will also capture all the ancillary food and beverage purchases by golfers including providing prepared food for the new halfway house.

To meet all these requirements, the restaurant will likely need to be open from 7:00 a.m. to 10:00 p.m. during prime golfing season--last week of March through first week of November (7.5 months), closing early at 7:00 p.m. on Monday and Tuesday and extending hours to 11:00 p.m. on Friday and Saturday. During the off-season, we assume it will open Wednesday through Sunday from 5:00 to 10:00 (to 11:00--Friday and Saturday) to function as a casual full-service dining restaurant only and providing only very limited golfer support through package items at the halfway house.

Our estimate of golfer support food service revenues is based on an average of \$6 per golfer from national standards. The estimate of 48,000 rounds of golf annually has been provided by the Township. The previous market analysis conservatively identified the potential for \$600,000 in gross sales for the restaurant function serving non-golfers (and post-golf diners). The designed seating capacity for the restaurant is 66 seats inside and 20 on the outside terrace. The estimated restaurant dinner volume (20,800 annually) averages 80 diners per evening.

Alternative Operational Models

To assess the financial feasibility of these food service facilities, we have analyzed three operational approaches:

1. Operation of all food service activities by the Township;
2. Operation of all food service activities by a selected vendor;
3. Operation of restaurant and golfer support activities by the Township with events being catered by one or more approved vendors.

Model 1: Food Service Operation by the Township

Under this model, all staff providing food services would be full- or part-time employees of the Township. The necessary labor complement would include:

Management:

- Director of Food Services
- Restaurant Manager
- Assistant Restaurant Managers—Part-Time/Seasonal (64 hours per week/33 weeks)
- Events Coordinator
- Events Food Service Manager

Restaurant Labor:

- Head Chef
- Restaurant/Grill Cooks--Part-Time/Seasonal (64 hours per week/33 weeks)
- Restaurant Kitchen Staff—Part-Time (1.2 FTE)
- Wait Staff/Bartenders—Full- & Part-Time (3.5 FTE)

Events Labor:

- Catering Chef
- Events Cooks/Kitchen Staff—Part-Time (2.8 FTE)
- Events Wait Staff/Bartenders—Part-Time (6.4 FTE)

Based on this labor component, total operational expenses are estimated at \$2.185 million (**Table 6**). Compared to anticipated gross revenues of \$2.48 million, this would leave **\$295,000 in net cash flow** to devote to a capital reserve for the facility, debt service on the facility and/or Township profit.

Table 6: Model 1 - Township Operation

Gross Income	\$2,480,000
Expenses	
Management & Administration	
- Management (5.0 FTE)	\$245,000
- Fringe Benefits	\$115,000
- Accounting, Legal, Audit	\$20,000
Restaurant	
- Cost of Sales (Food/Liquor)	\$270,000
- Labor (other than management, 6.7 FTE)	\$220,000
- Fringe Benefits	\$80,000
- Marketing	\$30,000
Event Space	
- Cost of Sales (Food/Liquor)	\$435,000
- Supplies	\$35,000
- Labor (other than management, 10.2 FTE)	\$340,000
- Fringe Benefits	\$110,000
- Promotion/Marketing	\$80,000
- Post-Event Clean-Up	\$50,000
Facility	
- Insurance	\$40,000
- Utilities	\$50,000
- Security	\$3,000
- Common Area Cleaning	\$22,000
- HVAC Maintenance	\$15,000
- Trash Hauling	\$15,000
- Landscaping	\$10,000
Total Operating Expense	\$2,185,000
Net Operating Cash Flow	\$295,000

Source: Urban Partners

Model 2: All Food Services Operation by Designated Vendor

Under this model, the Township would essentially lease the facility to a restaurant/caterer, which would be responsible for all marketing of the facility and operation of all food service activities. Under this model, the designated vendor would have various responsibilities to the Township:

- Making a base rental payment for the restaurant space;
- Paying additional rent tied to the restaurant/golfer support gross sales;
- Providing specified food services to the halfway house;
- Collecting and remitting to the township a schedule of fees for use of the event space;
- Organizing and paying for event facility cleaning after each event;
- Making additional payments to the township based on the vendor's gross revenues from events; and
- Coordinating with golf course operations with regard to outings and event scheduling.

The Township would be responsible for maintenance of the facility.

This agreement should also specify a minimum performance standard (gross restaurant/golfer support sales; number of events; etc.) that must be met by the vendor to retain designated vendor status.

In analyzing this approach, we have suggested potential business terms for this arrangement that are consistent with standard business practices for these industries as well as the competitive facility rental rates found in the market research of event venues.

Under these arrangements, we estimate that the Township will receive \$377,200 in revenue from various facility rentals and fees paid by the vendor. Total operational expenses to the Township are estimated at \$158,000 (Table 7), leaving **\$219,200 in net cash flow** to devote to a capital reserve for the facility, debt service on the facility and/or Township profit.

Table 7: Model 2 - Vendor Operation

<u>Income</u>	
Base Restaurant Lease (\$4,500/Month)	\$54,000
Additional Rent (12% over \$400,000 in Sales)	\$58,800
Facility Rentals—Weddings (up to \$2,000)	\$131,400
Ceremony Fees	\$13,500
Facility Rentals—Outings (\$400)	\$28,000
Facility Rentals—Corporate/Other	\$22,500
Caterer Percentage Fee (5% of Gross)	\$69,000
Gross Income	\$377,200
<u>Expenses</u>	
Management & Administration	
- Senior Management Coordination (Partial)	\$15,000
- Accounting, Legal, Audit	\$10,000
Facility	
- Insurance	\$40,000
- Utilities	\$50,000
- Security	\$3,000
- HVAC Maintenance	\$15,000
- Trash Hauling	\$15,000
- Landscaping	\$10,000
Total Operating Expense	\$158,000
<u>Net Operating Cash Flow</u>	\$219,200

Source: Urban Partners

Model 3: Township Operation with Outside Preferred Caterers

Under this model, the Township would operate the restaurant/golfer support elements of the facility, but would arrange for multiple preferred caterers to book events at the facility.

The Township's necessary labor complement under these arrangements would include:

Management:

- Restaurant Manager
- Assistant Restaurant Managers—Part-Time/Seasonal (64 hours per week/33 weeks)
- Events Coordinator

Restaurant Labor:

- Head Chef
- Restaurant/Grill Cooks--Part-Time/Seasonal (64 hours per week/33 weeks)
- Restaurant Kitchen Staff—Part-Time (1.2 FTE)
- Wait Staff/Bartenders—Full- & Part-Time (3.5 FTE)

Based on this labor component, total operational expenses are estimated at \$970,000 (Table 8). Compared to anticipated gross revenues of \$1.154 million, this would leave **\$184,400 in net cash flow** to devote to a capital reserve for the facility, debt service on the facility and/or Township profit.

Table 8: Model 3 – Township Operation with Preferred Event Caterers

Income	
Restaurant/Golfer Support	\$890,000
Facility Rentals—Weddings (up to \$2,000)	\$131,400
Ceremony Fees	\$13,500
Facility Rentals—Outings (\$400)	\$28,000
Facility Rentals—Corporate/Other	\$22,500
Caterer Percentage Fee (5% of Gross)	\$69,000
Gross Income	\$1,154,400
Expenses	
Management & Administration	
- Management (3.0 FTE)	\$140,000
- Fringe Benefits	\$60,000
- Accounting, Legal, Audit	\$15,000
Restaurant	
- Cost of Sales (Food/Liquor)	\$270,000
- Labor (other than management, 6.7 FTE)	\$220,000
- Fringe Benefits	\$80,000
- Marketing	\$30,000
Facility	
- Insurance	\$40,000
- Utilities	\$50,000
- Security	\$3,000
- Common Area Cleaning	\$22,000
- HVAC Maintenance	\$15,000
- Trash Hauling	\$15,000
- Landscaping	\$10,000
Total Operating Expense	\$970,000
Net Operating Cash Flow	\$184,400

APPENDIX 1

Golf and Country Clubs within 15 Miles of JGC

Name	Address	Street	City	Max. Guest Count	Distance
Westover Golf Club	401	S. Schuylkill Avenue	Jeffersonville	600	1
The Club at Shannondell	2750	Egypt Road	Audubon	200	2
The 1912 Club	888	Plymouth Road	Plymouth Meeting	250	4
Blue Bell Country Club	1800	Tournament Drive	Blue Bell	240	6
Phoenixville Country Club	355	Country Club Road	Phoenixville	175	6
RiverCrest Golf Club	100	Golf Club Drive	Phoenixville	200	6
Bluestone Country Club	711	Boehms Church Road	Blue Bell	320	7
Green Valley Country Club	201	W. Ridge Pike	Lafayette Hill	500	7
Cedarbrook Country Club	180	Penllyn Pike	Blue Bell	200	7
Philadelphia Country Club	1601	Spring Mill Road	Gladwyne	350	7
Overbrook Golf Club	799	Godfrey Road	Villanova	230	8
Spring Ford Country Club	48	Country Club Road	Royersford	250	9
Whitemarsh Valley Country Club	815	Thomas Road	Lafayette Hill	350	9
Waynesborough Country Club	440	Darby Paoli Road	Paoli	200	9
Spring Hollow Golf Club	3350	Schuylkill Road	Spring City	N/A	10
Old York Road Country Club	801	Tennis Avenue	Ambler	220	10
Flourtown Country Club	150	McCloskey Road	Flourtown	N/A	10
White Manor Country Club	831	Providence Road	Malvern	250	10
Landis Creek Golf Club	765	N. Lewis Road	Limerick	200	10
Talamore Country Club	723	Talamore Drive	Ambler	400	11
North Hills Country Club	99	Station Avenue	Glenside	250	11
Chester Valley Golf Club	430	Swedesford Road	Malvern	275	11
Paxon Hollow Country Club	850	Paxon Hollow Road	Media	N/A	12
PineCrest Country Club	101	Country Club Drive	Lansdale	270	12
Llanerch Country Club	950	West Chester Pike	Havertown	200	12
McCall Golf Club	201	N. Lynn Boulevard	Upper Darby	160	13
Brookside Country Club	850	N. Adams Street	Pottstown	225	15
Springfield Country Club	400	W. Sproul Road	Springfield	500	15