

AGENDA

City Park Improvement Association

May 26, 2009

Pavilion of the Two Sisters

4:00pm

CALL TO ORDER

ROLL CALL –

APPROVAL OF MINUTES – Minutes for April, 2009

CONSIDERATION OF AMENDMENTS TO CITY PARK MASTER PLAN

PRESIDENT'S REPORT – Legislative Status report/ status of Governor's recommended budget cuts

MANAGEMENT REPORT

- Financial report
- Operations
- Status of various construction projects
- Development/Volunteers

COMMITTEE REPORTS

FUTURE MEETINGS – June 23, 2009

ADJOURNMENT

MANAGEMENT ANALYSIS AND RECOMMENDATIONS

City Park Master Plan – Consideration of Amending the Park Master Plan to incorporate the proposed Golf Master Plan

May 2009

The Board of Commissioners of the New Orleans City Park Improvement Association annually reviews and periodically amends a Master Plan for the development of the Park. (Act 865, Section 3 of the Regular Session of the 1982 Legislature)

Background of previous Master Plan actions

The Park's current Master Plan was adopted on March 29, 2005 and subsequently amended in November 2007. The plan was developed after extensive research, study, surveying, public meetings and meetings with various park constituencies. The plan contains not only the general land use plan but also an operating and capital strategy to address the long term needs of the Park. The goal of the plan was and is to make City Park the premiere urban park in the nation and to insure that the Park is financially sound so that it can be properly maintained and offer its extensive facilities and programs to the public. The plan has been a major asset in guiding the recovery of the Park from the catastrophic damage by caused Hurricane Katrina.

As a part of the 2005 plan, and in response both to professional analysis of the use of the Park as well comments of some of the public, the Park closed the South Golf Course in order to make more land available for general open space and recreational use. The approximately 100 acres of the old South Golf Course is now being repositioned for new uses. The Big Lake project around the front lagoon of the former South Golf Course is now under construction and when completed will offer more walking and jogging paths, a new boat dock and aeration fountain as well as extensive new tree planting and landscape materials. In 2009, the Park will begin planning for conversion of another portion of the former South Golf Course land behind Christian Brothers School into a recreation and festival grounds area with construction to begin in 2010.

In November 2007 following a public hearing and consideration of a variety of proposals for inclusion in the plan, the Association amended the plan to, among other changes, designate a land area to be utilized for golf. This area is substantially the existing area utilized by golf before Katrina, essentially the North, East, and West Golf Courses plus the area of the driving range and clubhouse. The area also included several parcels of property which were not currently in use as golf assets such as the softball quadruplex and the police horse stables. In the past, the softball quadruplex was used for golf.

The Park decided that a new Master Plan for golf should be prepared to determine how best to use the area designated for golf including the number and type of courses as well as the location of the clubhouse, driving range and maintenance facilities.

Subsequently the State of Louisiana amended the contract of Torre Design Consortium, which had been retained prior to Katrina to develop a renovation plan for the East Golf Course, to undertake a Master Plan study for the City Park golf complex. Torre subcontracted with Reese Jones Golf Course Architects to assist in developing the plan. This plan was presented at a March 10, 2009 public hearing and is the subject of this analysis.

Historic Role of golf in City Park

Golf is one of the oldest, if not the oldest, athletic activity played in City Park having been first established nearly 110 years ago in 1902. Over the years the Park steadily added golf courses as the popularity of the game increased and as it played an increasingly important role in the overall funding of the Park.

Prior to 2006, City Park was almost entirely self-sustaining through self generated revenues and received little operating assistance from the public through tax support. At one time, golf revenue accounted for more than a third of all of the Park's income.

The four golf courses opened in the following years.

South Course	1902
East Course	1933
West Course	1957
North Course	1968

Together these courses occupied approximately 510 acres out of the Park's 1300 or 39% of all of the Park's land. As previously mentioned, in July 2005 the Park closed the South Course as part of the implementation of the Master Plan. Currently the golf courses (both damaged and repaired) occupy approximately 429 acres or 33% of the Park's acreage. These figures do not include water area or vehicular use areas consistent with how the total acreage of the Park is accounted for.

In addition to the land utilized for golf changing throughout the years, the configuration of golf also has changed, with golf clubhouses occupying at least three different sites, one near the current entrance to the Park off Wisner, one on Zachery Taylor, and one on Filmore Ave. In addition, smaller clubhouses or starter houses have been built on the South and North Courses. When first constructed, the South Course also apparently only contained nine holes with additional holes added in 1921 and 1922. It is interesting to note that miniature golf was also played at City Park through the years with the last course being located in the vicinity of Pan American Stadium.

City Park was also home to a stop on the professional golf tour with the first "New Orleans Open" held in 1938. The tournament was periodically held in City Park for over 25 years.

Thus, the scope and configuration of golf at City Park has continually changed throughout the Park's history just as other uses in the Park have changed including horse race tracks, swimming pools and waterways. As golf became an increasing source of revenue, more acreage was devoted to the sport. At its peak, nearly 200,000 rounds of golf were played at City Park. These rounds steadily declined in the late 1990's as more courses in the area were opened and provided increasing competition for the Park's courses. Also, as the Park's revenue picture continually deteriorated, the Park was forced to divert an increasing share of the profits from reinvestment in the courses to make up for lack of public support for the Park. In the 2001-2002 fiscal year, approximately 130,000 rounds of golf were played on the Park's four courses.

Financing of City Park

As previously mentioned, City Park has, for most of its history, relied on golf to produce a large portion of its annual revenue. In 2004 for instance, golf produced approximately \$3,390,000 of revenue out of a total gross revenue stream of \$10.6 million or 32% of the Park's total gross revenue. The \$3.4 million of gross revenue produced a profit of \$450,000. This "profit" was then used to subsidize other parts of the Park's operation. Other significant revenue sources through the years have included catering, the Amusement Park, the annual holiday light show begun in the late 1980's, and small revenue impacts from shelter and sports field rentals. Conspicuously absent from revenue sources were public tax sources, including operating dollars from either the City or the State. While both the City and the State provided periodic capital dollars to build Park facilities neither source committed sustained operating appropriations. The major public funding committed to City Park came from the Federal Government during the Great Depression. Over \$12 million dollars and thousands of workers were committed by the Works Progress Administration to build a great portion of the Park below Filmore. This effort included Tad Gormley Stadium, roads, bridges and sewer and water systems and the East Golf Course.

As golf revenue continued to decline, the Park Board determined that being totally reliant on self-generated revenue was not a sustainable platform for the Park's future and certainly would not allow it to substantially improve its maintenance and program offerings. The Park began a major effort to inform the community and decision makers about the financial death spiral the Park was in and to lobby for public support.

In 2004, the State Legislature approved the first regular public operating support for the Park by providing it \$200,000 from the State tax on slot machines statewide. While not a great deal of money, it marked an important break with the past by providing some tax support to the Park. In 2006, the State Legislature increased public tax support for the Park following Katrina by allocating a portion of the State tax from slot machines at the Fairgrounds. These funds were designated by the Board to repairing Park assets damaged in the storm as well as implementing the Master Plan (as capital outlay dollars from the State decreased) and the fact that this revenue source had no history to guarantee it would be there to support the operating budget. This funding was supplemented with an appropriation from the State's general fund for direct operational expenses of \$1,200,000

in 2006-2007, \$2,475,000 in 2007-2008 and \$2,561,000 in 2008-2009, the Park's current fiscal year. This funding not only has given the Park the time necessary to begin to rebuild its revenue base but provided the first source of guaranteed yearly operating dollars in the Park's 150 year history. Without these funds, the recovery of the Park would have been placed in serious doubt as the Park was unable to reopen its revenue operations, including golf, quickly.

The \$2,561,000 State appropriation in the current fiscal year represents about 28% of the Park's total budget of \$9.2 million. Management and the Board believe that public tax support of at least 30-35% is absolutely critical for the Park's operation. This still requires the Park to raise 65-70% of its operating revenue, which is one of the highest rates in the nation.

In previous studies, which included comparisons with other great parks in the country, the Board concluded that City Park requires an operating budget of around \$16 million dollars to adequately maintain the Park and to provide the facilities and programs required by the public. Central Park, which is about 65% the size of City Park, has a yearly operating budget of nearly \$30 million dollars. Thus the Park must have a goal of increasing its operating revenue from roughly \$9 million to approximately \$16 million if it hopes to provide the level of care and service which the public expects from great urban parks.

On March 14, 2009, Governor Jindal released his recommended operating budget for all State agencies, including City Park. The Governor's recommended budget calls for reducing the amount allocated in the operating budget from our request amount of \$2,745,000 to \$1,004,000 or a 64% decline in State support. This decline in State support represents a decline of 17% in the Park's total operating budget. This is a deep reversal in the commitment to provide a reasonable level of operating support to the State's largest and most visited urban park. It clearly puts tremendous pressure on the Park to increase its self generated revenue just to maintain present services.

Prior plans for golf

In the Park's 2005 Master Plan, a three golf course complex made up of the existing North, East and West Courses was envisioned. This plan provided for a hierarchical distribution of golf assets with a relatively high quality 18 hole course with concomitant greens fees, a moderate 18 hole course with a moderate fee structure, and a lower end 18 hole course with substantially less expensive fees. A new clubhouse would have been built near the former clubhouse site on Filmore and maintenance facilities and golf driving range would have been renovated at their existing locations. In the 2005 Master Plan, approximately \$21,000,000 was designated in the plan for these improvements. The first phase of this plan was to be a major renovation of the East Golf Course with extensive attention paid to upgrading the drainage of the Course. Application was made to the State for Capital Outlay Funds and two funding allocations were approved prior to Hurricane Katrina for a total of \$9.9 million dollars. These funds (minus expenditures to

prepare the proposed Master Plan) are part of the available public dollars which can be allocated to the proposed plan.

In 2007, the Bayou District Foundation presented a plan which reflected somewhat similar thinking as the Park's plan but with fewer golf holes and greater price separation between golf assets. This proposal envisioned a complete reconstruction and reconfiguration of the existing courses (not a renovation) into two 18 hole "championship length" courses and a 9-hole executive course all located between Filmore and Zachery Taylor. Both courses would have been approximately 7,600 yards long. The proposal also relocated the driving range south of Filmore and placed the clubhouse off of Harrison. This plan would have taken land from Couturie Forest, Scout Island, the police horse stables and Nursery Island and the sports fields along Marconi. The preliminary cost estimate for this plan was approximately \$37 million dollars.

In response to this proposal, the Board reexamined the land uses contained in the 2005 plan and approved an area for golf which would be substantially the land utilized before Katrina in the North, East and West Golf Courses, not the greatly expanded area of the Bayou District Foundation proposal, which included the softball quadraplex and police horse stables plus nearly all of Scout Island, part of Couturie Forest and the sports fields along Marconi. The Board determined that the golf study should not include Scout Island, Couturie Forest or the sports fields but could include the softball quadraplex.

The Board further required that a new golf master plan be created to determine how the area set aside for golf would actually be utilized. The plan was also to go into much greater detail on routing, necessary hydrology improvements and cut/fill requirements so as to develop cost estimates which would be highly accurate.

The proposed plan

The proposed plan as presented in the February, 2009 report from Torre Design Consortium and Rees Jones, Inc. proposes two 18 hole courses and a 9 hole part three course. The plan recommends a new location for a golf clubhouse off Mirabeau and a relocated driving range between the new clubhouse location and Filmore. Course # 1 would range between 5,275 and 7,540 yards depending on tee location. Course # 2 would be somewhat shorter with a range of 5,095 and 7,050, while the par three course would be 1,050 yards long. Both Course # 1 and Course # 2 would be a par 72.

The proposed course layout does not include the police horse stables or any part of Couturie Forest, Scout Island or the Marconi sports fields. The plan does include approximately 8 acres of land to the east of Mona Lisa Drive which while part of the East Golf Course, was wooded and not utilized for golf play. This area was heavily impacted by Katrina and substantially degraded according to the landscape team in charge of developing a new plan for the Forest. The proposed course layout also incorporated a small area next to Pan American Stadium which was to contain sports fields.

This plan is substantially different than the original plan submitted by the Bayou District Foundation in 2007:

- The clubhouse would be located off Mirabeau as opposed to off Harrison Ave.
- No element of Scout Island is included in the plan.
- The police horse stables are not included in the plan.
- The Marconi sports fields are not included in the plan.
- The 8 acre site to the East of Mona Lisa Drive and a small area of proposed sports fields are included in the plan.
- The 9 hole course is reduced to a par 3 course.

The plan presents an overall cost for the complete development of the complex as well as a phasing option. The total plan cost would be approximately \$46 million. Breaking out the plan into two phases was also presented. Phase I would be the first 18 hole Course plus the new clubhouse, driving range and maintenance facility. This phase would cost approximately \$24 million dollars with the remainder of the plan comprising Phase II costing approximately \$22 million dollars. During Phase I of the plan, the North Course would continue to operate along with the new 18 hole course. After completion of phase I the Park would have two 18 hole courses with a clubhouse, maintenance complex and the driving range.

Market factors and economic feasibility analysis

Economic Research Associates has been the Park's financial feasibility consultant on all aspects of the Master Plan including golf. Based upon ERA's original analysis of golf, the Park determined that four golf courses were no longer feasible and closed the South Course just before Katrina. ERA has been consistent in its opinion that golf at City Park could generate significant revenue over and above that necessary to maintain the courses which could be used, as it has historically, to maintain other areas of the Park.

In November 2007, ERA was again retained to undertake a Golf Market and Feasibility Analysis to guide the Park in repairing its damaged courses and to consider new concepts for golf such as those put forth by the Bayou District Foundation. That extensive analysis reached a number of conclusions, the most important of which were: 1. The demand for golf at City Park would increase and be a very important source of revenue for the Park's operations under a variety of scenarios, and 2. While there was significant demand for golf at all pricing levels, the greatest potential for achieving significant market share (not income) of golf play lay in the moderate pricing end of the spectrum.

In March of 2009, ERA completed an evaluation of the currently proposed plan and concluded that the high end course would generate around 24,000 rounds of play with the moderate course generating around 32,000 rounds and the par 3 course 25,000 rounds. They also noted that play on the North Golf Course has consistently exceeded the projections for play and is on track to produce between 30,000 to 36,000 annual starts for its first full year of operation. ERA believes that the potential of 40,000 rounds on the North Course is not unrealistic but uses 38,000 for modeling purposes.

For purposes of financial modeling ERA assumed an average composite green fee of \$73 for the high end course, \$42 for the moderate course and \$8 for the 9-hole course. (All golf courses have a range of fees depending on whether a player is a resident or non-resident, plays on the weekday or the weekend, plays at normal hours or at twilight and whether a senior or other special rate is allowed. The composite seeks an average for the full range of the fee structure). The complete master plan would yield a net operating income of approximately \$1.6 million dollars while the Phase I plan would yield approximately \$1.2 million by 2016. This revenue would obviously be lower in earlier years and phased in after several years of operation when the revenue would stabilize. The Phase I net operating income would be based on a total gross revenue stream of approximately \$4.7 million dollars while the complete master plan would generate gross revenue of approximately \$6.2 million dollars. (ERA also modeled a more moderately priced golf offering as Course # 1 with the resulting net operating income of approximately \$945,000).

They further noted that the proposed plan requires significant non-public financial resources to complete the plan, including the Phase I plan which would require approximately \$9.0 million in contributed capital. Assuming that this contributed capital requires some sort of return, they note that the net operating income may have to be shared in some respect with whoever provides that capital.

Chart I

	Complete plan implementation	Phase I plan implementation
Stabilized rounds		
Course # 1	24,000	24,000
Course # 2	32,000	NA
9-hole	25,000	NA
North Course	NA	38,000
Composite greens fee		
Course # 1	\$73	\$73
Course # 2	\$42	NA
9 hole	\$8	NA
North Course	NA	\$18
Net Operating Income	\$1,568,000	\$1,160,000

ERA further noted that the positioning of the 9-hole lay out as a par-3 course impacts its revenue potential as consumers will not pay a higher fee for a par-3 nine hole course as opposed to a regulation length par-3 course as originally proposed in the BDF plan.

ERA also cautioned that the Phase I plan, which contemplates that the existing North Course would continue to operate along with the new 18 hole Course # 1, may have a greater market gap between courses than the Park's original 2005 plan or the plan

submitted by the BDF in 2007. This gap would also exist if the proposed Master Plan were completely implemented, although to a smaller degree.

In summary, ERA believes that the proposed golf plan will yield significant net operating income to the Park including factoring in increased operating expenses needed to maintain the new 18 hole course at an appropriate level. This net operating income in either the Phase I plan or in the complete 45-hole plan produces significantly higher revenue than previously realized by golf operations.

Management Evaluation of proposed Golf Master Plan

Before we analyze the proposed golf amendments to the Master Plan, it is useful to set forth the goals that we have for golf in the Park. In that way, these goals can be kept in mind when considering Management’s Evaluation. Fundamentally, there are three goals for golf in City Park.

1. **Provide a first rate recreational experience which responds to our market for those who enjoy the game of golf.** This would include not only providing golf at an affordable price for those who do not wish to pay for a “better” golf course, but also to provide a “better golf experience” for those who are willing to pay for it. Included in this goal would be the promotion of the game of golf to young people and non-golfers.
2. **Generate significant income from the golf complex.** This income is necessary both to maintain the courses and complex at general industry standards, but also to generate a profit which can be used to maintain other areas of the Park.
3. **Provide maintenance for the grounds in the Park which are utilized by golf.** Golf has the unique capability of not only providing a specific recreational experience as well as generating substantial revenue, but also maintains substantial areas of the Park which are utilized for golf. This allows improved maintenance by Park staff in other areas of the Park.

Land Use

(Note: The land use acreages listed below are the result of scaling off of aerial photography and not of an actual ground survey).

In 2005 the existing land in City Park was used in the following ways.

**Chart II
Existing Land Use - 2005**

Land Use	Acres	Percentage
Active & Passive Recreation areas	661	50%
Undeveloped open space	307	23%
Water	218	17%
Park support & circulation	20	2%
Vehicular Circulation	71	5%

Cultural & Educational uses	26	2%
Non-Park related uses	11	1%
	1314	100%

Of the 661 acres in active and passive recreation use, approximately 508 acres were contained in the golf courses. (Water areas on the courses or roadways that cross the golf courses are not included in that acreage. Those acres are calculated separately and are included in the water acreage figures and vehicular circulation figures).

The use of land in the adopted Master Plan, including the amendments made in 2007, reflect a number of land use modifications, principally the closure of the South Golf Course (and therefore the reduction in acres devoted to active and passive recreation areas) and increased area allocated to undeveloped open space and cultural and education uses.

Chart III

Comparison of Land Use Acreage with proposed amendments

Land Use	Existing in 2005	2009 proposed
Active & Passive Recreation areas	661	579
Undeveloped open space	307	326
Water	218	245
Park support	20	14
Vehicular Circulation	70	82
Cultural & Educational uses	29	59
Non-Park related uses	11	11
	1314	1314

The adopted Master Plan and subsequent amendments have reduced the active and passive recreation areas (which include golf) from approximately 661 acres in 2005 to approximately 579 acres in the 2009 proposal.

The proposed golf Master Plan makes several changes in land use which are reflected in Chart III. Of the 661 acres for active and passive recreation areas identified in 2005, 508 acres were contained in the golf complex. Of the 579 acres in the active and passive recreation area category in the 2009 proposal, 429 acres are golf. This represents a reduction of approximately 79 acres in land used for golf or going from 39% of the Park's total land to 33% of the total land. This represents the first reduction in Park acreage utilized for golf since the early 20th century when golf was first developed. The main reason for the reduction is the closing of the South Golf Course and its current redevelopment cultural uses and undeveloped open space. It should also be pointed out that the proposed plan increases the amount of water in the Park with new lagoons on the

proposed course and if you add the proposed golf course acres (429) together with water and roadways running through the courses the total comes to 514 acres.

In sum, compared to the baseline of 2005, the total Park acreage allocated to golf decreases, the water area and areas devoted to cultural facilities increases, active and passive recreation area decreases (principally the South Golf Closure), and undeveloped open space increases.

We do not find any unacceptable change in the land use allocation as a result of the proposed Golf Master Plan.

Clearly there is an important distinction between land use as determined in the Master Plan and how land is actually used currently. One of the significant comments made at the March 10, 2009 public hearing was that a segment of the public enjoys walking, biking or running on two of the damaged courses (East and West Courses) which have not been repaired. Their preference would be to have the Master Plan delete the designation as golf acres and re-designate the damaged courses as undeveloped open areas.

Market and Financial Impact

As mentioned previously, ERA projects 81,000 rounds of golf in 2016 from the fully implemented Golf Master Plan and 62,000 rounds of golf from the Phase I plan. Course # 1 would generate 24,000 rounds and the North Course would generate 38,000 rounds in Phase I. These are very respectable numbers for the golf complex. Management believes that these numbers may be conservative considering we are on our way to doing over 40,000 rounds on the North Course this year.

ERA believes that both the Phase I plan as well as the complete Golf Master Plan will generate a positive cash flow. Implementation of the complete Master Plan is projected to generate approximately \$400,000 more in Net Operating Income than the Phase I plan, which builds the initial 18 hole upper value course, a new driving range, and leaves the North Course open as the moderately priced offering (\$1.57 million vs. \$1.16 million). This is very substantial revenue and compares favorably with the best performance the Park has ever had with golf even when more land was devoted to more courses.

However, somewhat offsetting this revenue is the possibility that the Park would have to share the revenue. This results from the fact that the currently available public funds are not sufficient to build the complete Golf Master Plan or even Phase I of the plan.

Chart III

Analysis of Construction Costs of Proposed Golf Plan

Plan Component	Total Cost	Available Public Funds	Funding Gap

45-hole complete Master Plan	\$46 million	\$15.5 million	\$30.4 million
36-hole Phase I Plan	\$24.4 million	\$15.5 million	\$8.9 million

Because available public funds are not sufficient, the Park must seek a capital contribution from an outside party in order to proceed with the proposed plan. This will have to be done through a public process in which the Park solicits interest from other parties. This is no different than the process used in many public-private partnerships. It is anticipated that any non-public contribution (whether by a for-profit or not-for-profit private entity) may be contingent on some sort of sharing of revenue from the course improvements their money has helped to secure. The Bayou District Foundation has been clear, for example, that they wish to share in some of the course revenue if they participate in the project.

Depending on how that share of revenue is determined, it could significantly affect the revenue which the Park would ultimately receive. It is of course also true that without the infusion of capital money necessary to bridge the current funding gap, that higher revenues would not be available in the first place. (This reasoning is bolstered by ERA's analysis of what a first phase moderately priced course might generate should the Park proceed with a less ambitious plan in the first phase or even simply choose to repair the East Course if private dollars cannot be raised. They project that a moderately priced course with the addition of the current North Course would only generate approximately \$945,000 of Net Operating Income compared with \$1.16 and \$1.56 million from the other plans).

It is highly likely that the Park will only be able to proceed with the Phase I plan in the near future. No other public funding for golf is currently available or programmed and a Phase II will cost more than \$21 million dollars. Thus, it seems fairly clear that \$1.16 million in NOI for Phase I is the most the golf complex will yield in the near future.

ERA believes there is a market for the courses proposed in the Golf Master Plan. They also firmly believe that the Plan, either in its full scope or in Phase I, will generate significant revenue for the Park, even if that revenue is shared.

The proposed plan is expensive and results in the necessity of seeking outside capital in order to implement the plan. To determine if a non-governmental entity is willing to put up approximately \$9 million to implement Phase I, the Park should issue a Request for Proposal. If no one responds to the RFP, then the Park will have to decide how to utilize the public funds which are available.

The Park needs to look carefully at sharing significant revenue with an outside party. At some point it would mean less net revenue coming to the Park than if we just utilized our current dollars and built a more moderate course or repaired the current course.

ERA does point out that the Park should consider non-quantitative public benefits of a "high end" course and its overall value to the greater New Orleans community in making final decisions.

The physical plan

As previously mentioned the physical plan for the golf complex lies almost completely within the area previously utilized for golf and which was substantially approved in 2007. The plan proposes a significant upgrade in the Park's golf offerings, particularly with Course # 1, the new driving range and the new clubhouse. This upgrade is consistent with renovations to other public courses occurring around the country. Municipal or public courses such as Torrey Pines in San Diego, the Bethpage State Park Black Course in New York, and the Harding Park Course in San Francisco have all undergone extensive renovation and are capable of holding most golf events and tournaments. The plan, when implemented, will offer an excellent golf experience while at the same time continuing to offer a moderately priced golf course.

The plan's most significant foray into non-golf acreage is the use of the softball quadraplex and Nursery Island. This will require locating a new site for the nursery if that function is to remain and eventually a new site for the quadraplex if that function is to be reintroduced. (It should be noted that if substantial non-Park funding is not secured for the Phase I plan, Nursery Island may not be affected and the quadraplex could possibly remain as the Park's public funding may not be sufficient to undertake the lengthened number 1 course).

The practice range appears small by comparison to the current driving range and should be looked at carefully in the detailed design stage to expand the number of tee pads, particularly on the Filmore end of the range.

The 9-hole course, according to ERA, offers minimal financial benefits. Its primary purpose would be to be used as a beginner's course, a center for First Tee type programs, and as an executive course for individuals wanted to practice chipping and putting. This aspect of the plan would not be implemented until Phase II is built. We think it may be possible to build a few smaller holes to begin to implement the program in the area where holes 28 and 36 are designated for the second 18 hole course to be built in Phase II. If this proves successful the 9-hole course should be reevaluated.

One of the more poignant comments made by the public concerns the desire by some bicyclists and walkers to have a designated bike/walking path in the center of the Park and not just on the periphery or along major roadway segments. The Park's current bicycle plan shows paths along Wisner (constructed), Robert E. Lee (constructed), Marconi (in planning) and along Harrison (to be constructed later this year) and along Filmore (not yet in planning phase). The aforementioned individuals would like a path between Harrison and Filmore to provide a more natural experience in the center of the Park. We believe this is an excellent suggestion and could potentially be implemented by using Mona Lisa Drive by Couturie Forest and adjusting the area between golf hole # 19

and the practice range, or by sliding the practice range further to the east. This would allow a bicycle path between Filmore (which will eventually have its own path) and Harrison which will soon have one. The path could eventually be extended down to Zachery Taylor by building a path along Diagonal Drive.

Finally, it seems clear that Phase II of the Master Plan will not begin for a number of years. While it is possible that an RFP offering will find a sponsor willing to provide \$30 in gap financing needed to implement the entire plan, a more likely scenario is that the completion of the Phase I plan would yield one high end course, one moderate course (the North Course) and a new driving range and clubhouse. This will leave no funding to begin the Phase II conversion of the North Course or full development of the plan's moderate course for several years. This will allow time to fully analyze the experience with the high end course and the North Course working in tandem and a fresh look at the market to see if it will support the longer 18 hole moderate course and 9-hole course envisioned in the plan.

It is also possible that by the time that the Park will be ready to consider a Phase II option, the fate of John F. Kennedy High School will have been decided. The Park has already asked the Recovery School District and the Orleans Parish School Board to consider giving this land to City Park to be incorporated into the Park's lands. Should this occur, a number of use options could be considered including building of sports fields, relocation of the quadraplex or even a reconfiguration of the North Course to the east which would free up additional room next to the stables for related uses such as periodic horse shows.

Management recommends that the plan be adjusted to reflect a bicycle path adjacent to Couturie Forest and the practice range from Harrison to Filmore. It also recommends that the Practice Range expand the number of stalls particularly along Filmore and sun protection be provided at that end for the golfers. It further recommends that consideration be given to funding a set of interim learning holes east of the proposed practice range as soon as possible after the implementation of the Phase I plan.

Public Hearing Comments

In general the comments made at the public hearing and in subsequent submissions can be grouped into three categories.

1. Comments from golfers who do not wish to pay the high fees they associate with building quality golf courses. This group generally favors more courses but not high end courses.
2. Comments from golfers who want to have a better golf experience at the Park and favor the plan as proposed or favor at least one high end course.
3. Comments from people who currently use the damaged courses for passive recreation uses such as walking, biking or walking their dog. This group does not want to see the courses repaired and improved but want the land converted to passive use.

1. Golfers who don't want to pay high fees - City Park has always had a tiering of golf fees and provided a range of golf experiences. This was true when the Park hosted a PGA event on what came to be called the East Course to the situation which existed when Katrina struck where golfers paid different fees on the West, East and North Courses and had different golf experiences as a result. The Park's initial golf renovation plan of 2005, called for the same type of approach to golf. The current proposed plan is no different. The proposed plan both in its complete form as well as in the Phase I configuration, contains a moderately priced golf course whether it is the new 18 hole moderate course or the existing North Course. ERA projects the peak resident green fee for the moderate course to be \$51 dollars where as the composite resident green fee would be \$40 dollars. Currently the regular weekday fee for the North Course is \$33 for a weekday and \$36 for a weekend. While "affordable golf" is related to what each individual is willing to pay, management believes that the moderate course in either plan will be affordable.

The green fee for the high end course would range from a peak resident fee of \$81 to a composite fee of \$65 dollars. While there are certainly some people who will not want to pay these fees, there are others who will want to pay for a better golf experience. As previously mentioned, ERA projects 24,000 annual rounds of golf on the high end course. As long as there continues to be a golf experience available at moderate fees, there is no reason why an additional better course should not be constructed (and thus generate more income for the Park) for that part of the public who wish a better golf experience.

2. Golfers who favor the plan – Most of these comments come from golfers who simply want a better golf experience and are willing to pay for it. Reese Jones Golf Architects is a nationally known firm and will certainly provide a first rate golf course in Phase I.
3. Park users who do not want the damaged courses repaired – These comments come from people who enjoy walking or riding in the damaged courses in their current state. A number of speakers or people who submitted written comments ventured that many people currently enjoy the experience of walking on the courses and that they far outnumbered the potential golfers. An order of magnitude count of users of the area on a recent beautiful weekend counted 228 people on a Saturday and 335 people on a Sunday utilizing these areas. This is not an insignificant number of people. It is not however a number that would "far outnumber" potential golfers. For example, it is not unusual for the North Course to accommodate over 225 golf users on a typical weekend day.

It should also be clear that the areas which are the subject of these types of comments are damaged golf courses. They are not natural areas which are being proposed to convert from their natural state to golf courses. They became golf courses almost from the moment the land was incorporated into the Park in the late 1920's and the Works Progress Administration built the East Course in 1933.

The area that people are experiencing as a “natural area” now is criss crossed with golf paths (something that assuredly enhances the experience of people using the area) and golf shelters. While it is certainly true that the area receives minimal maintenance and grass cutting effort, the area is not a natural habitat area proposed for conversion.

Nevertheless it is clear that there is a demand for increased passive or natural park areas to be available for people who enjoy this type of activity. The Park has responded to this demand by closing one golf course already (the South Course) and converting it to passive uses. In addition, the Park has already initiated a planning process with nearly 20 nature stakeholders to develop a dynamic plan for the integration of both Couturie Forest and Scout Island into a consolidated natural resource area.

Conclusions and Recommendations

A. Conclusions:

- 1. The proposed golf plan is consistent with the action taken in 2007 to identify land in the Park which could be utilized for golf. The total area of the Park utilized for golf (not counting water and roadways) has been significantly reduced with the closing of the South Course. The proposed plan indicates that golf occupies approximately 429 acres of land. This represents a reduction from 39% of the Park's total acreage pre-Katrina to 33%.*
- 2. The plan both as a Phase I effort as well as the fully completed plan will generate badly needed net operating income for the Park consistent with the historic role golf has played in financing Park operations.*
- 3. Existing public funds are not sufficient to construct the full plan or the Phase I plan. In order to proceed with the Phase I plan a Request for Proposals for private participation in the construction will be necessary. The Park must look carefully at the amount of shared operating revenue which may be requested as a return for contributed capita as it could impact the Park's net operating income. Previously, management had recommended that the Park's goal should be to earn a minimum of \$1.0 million in net operating income by the third normalized year of operation.*
- 4. Should no additional private capital be made available through the RFP process, the Park has essentially three choices. One would be to proceed with a repair of the courses focusing on a substantial upgrade to the existing East Course utilizing damage claim funds and capital outlay allocations. This is would be consistent with the original strategy for golf renovations approved in 2005. The second choice would be to wait until additional public or non-public funds become available to proceed with the original Phase I plan or a greatly scaled*

back Phase I which would essentially only construct the 18 hole course. The third choice would be to proceed with construction 9 holes of the Phase I plan and then work to raise funds for the second 9 holes.

- 5. Assuming capital is raised to implement the Phase I plan, it is likely going to be a number of years before funding is secured to proceed with a Phase II of the plan. This will allow time to analyze how market responds to the Phase I plan as well as how the complex actually produces revenue as compared with projections.*
- 6. The proposed plan is consistent with the Park's history of providing a hierarchical level of golf experiences and prices. Options will continue to exist at City Park to play golf at a moderate price range.*
- 7. Small changes to the plan such as allowing for a bicycle path between Filmore and Harrison and repositioning and expanding the practice range should be considered. As funds become available the construction of a small set of practice holes should be considered west of Wisner.*
- 8. The acquisition of the former John F. Kennedy High School and its incorporation into the Park would make numerous options available for recreation and event related uses available in conjunction with the current driving range area.*

Management believes that the three main goals for golf in City Park, providing a first rate recreational experience, generating significant income, and providing for maintenance of the grounds utilized by golf, can all be achieved through the proposed plan including just the Phase I of the plan.

Recommendations:

- 1. The golf master plan should be adopted in its entirety and a RFP put out to solicit non-public contributions for Phase I.*
- 2. Prior to beginning any effort to implement Phase II, an evaluation of the Phase I plan including new market studies should be undertaken.*
- 3. Should insufficient funds be available to implement Phase I as proposed, the Park should proceed with a renovation and upgrade to the East Course with currently available funds.*