

# Building a Clubhouse

CHARTING A NEW DIRECTION

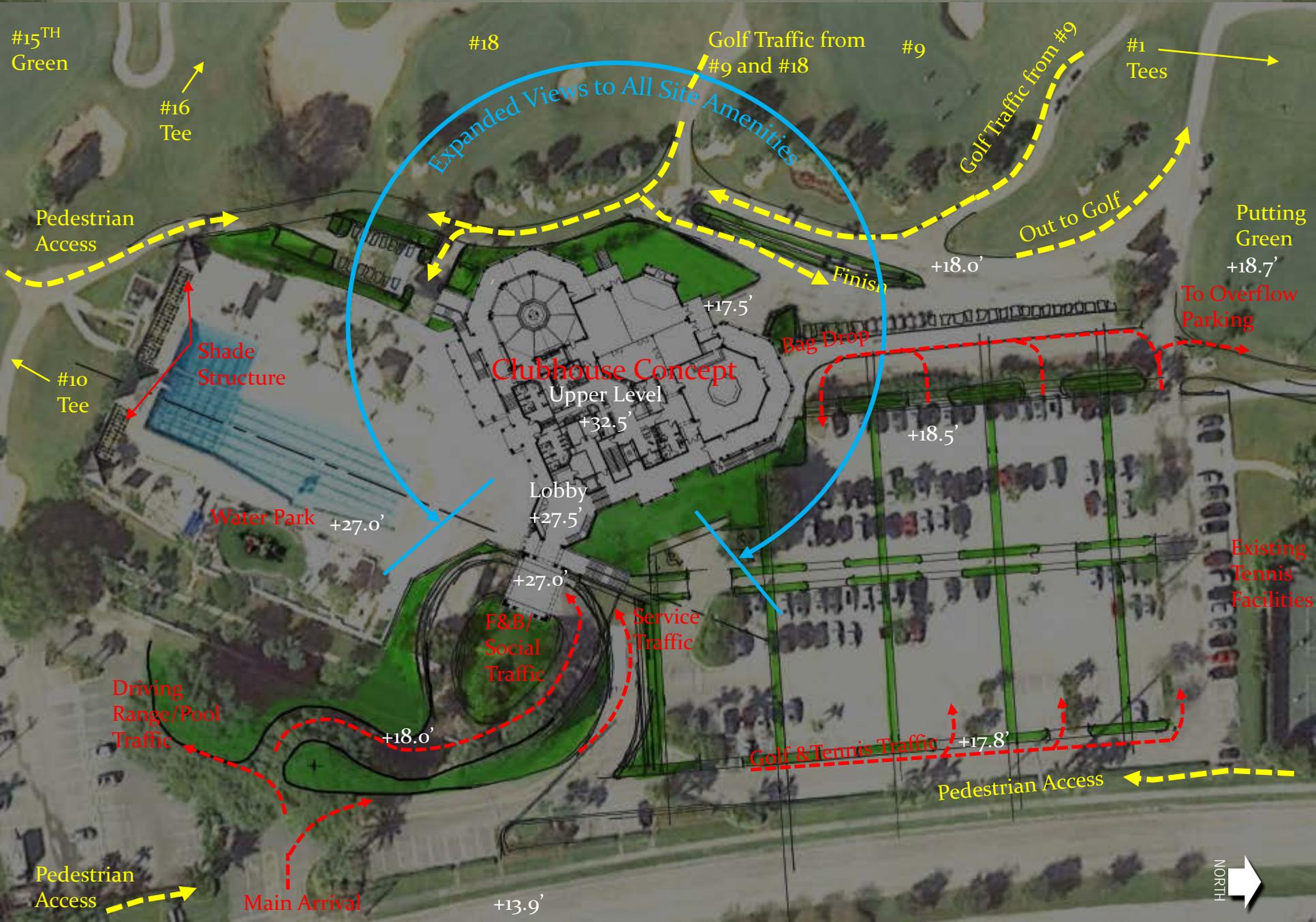
Village of North Palm Beach  
Council Workshop  
Thursday, September 22, 2016

# RESPONSE TO COUNCIL'S REQUEST:



- ☑ We further reduced the size of the clubhouse  
(54,000 sq. ft. to 42,000 sq. ft. – 22% since A-4 plan)
- ☑ We further reduced the overall project budget to under \$15 million.
- ☑ We have increased the flexibility and multi-purpose room(s) size in the building.
- ☑ We have relocated the pool locker rooms adjacent to the pool deck.
- ☑ We have researched and documented three other Florida municipal/public access golf course clubhouse projects.
- ☑ We have updated the graphics and renderings for Village use in marketing the project.
- ☑ We are ready to move forward and make this reality!

# Country Club Amenities Concept



# Concept Floor Plans

## Main Level

(+32.5 +/-)

### Tiki Bar Seating Inside – 57 Total

- 9 – 4 Tops = 36
- 21 – Barstools = 21

### Tiki Bar Seating Outside – 68 Total

- 12 – 4 Tops = 48
- 5 – 4 Tops = 20

TOTAL TIKI BAR SEATING = 125

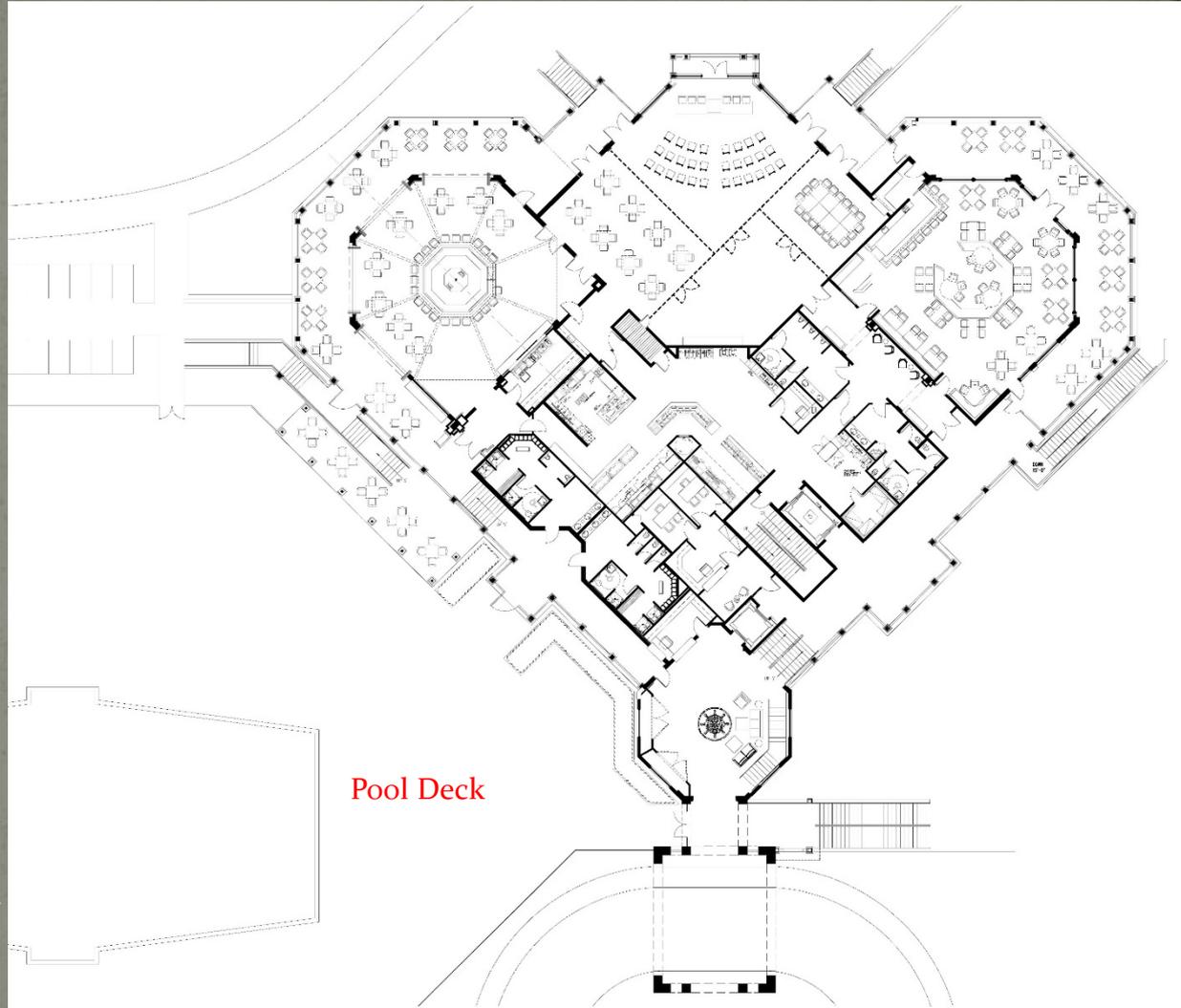
### Restaurant Seating Inside – 96 Total

- 4 – 6 Top Booths = 24
- 3 – 4 Top Banquettes = 12
- 5 – 4 Tops Table = 20
- 7 – 4 Tops Bistro = 28
- 2 – 6 Top Table = 12

### Restaurant Seating Outside – 49 Total

- 9 – Bar Seats = 9
- 10 – 4 Tops = 40

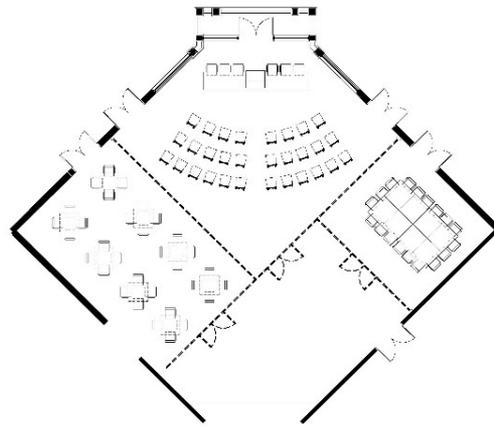
TOTAL RESTAURANT SEATING - 145



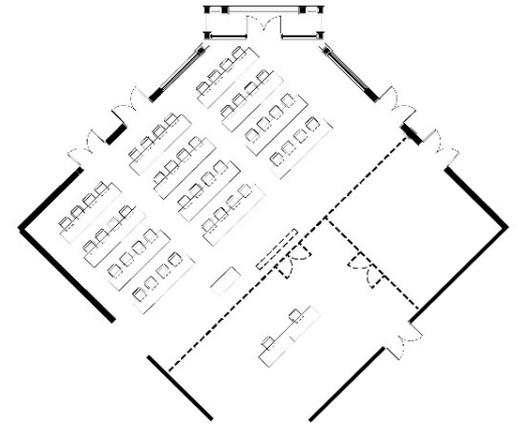
# Concept Floor Plans

## Main Level

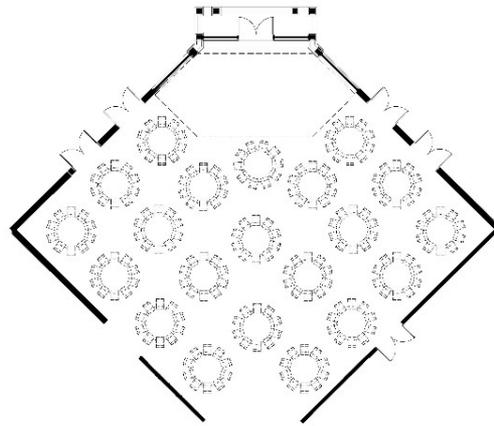
Multipurpose Room(s)  
Layout Options



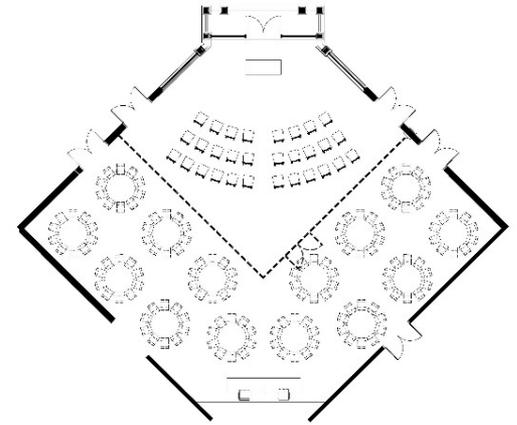
Layout 1



Layout 2



Layout 3

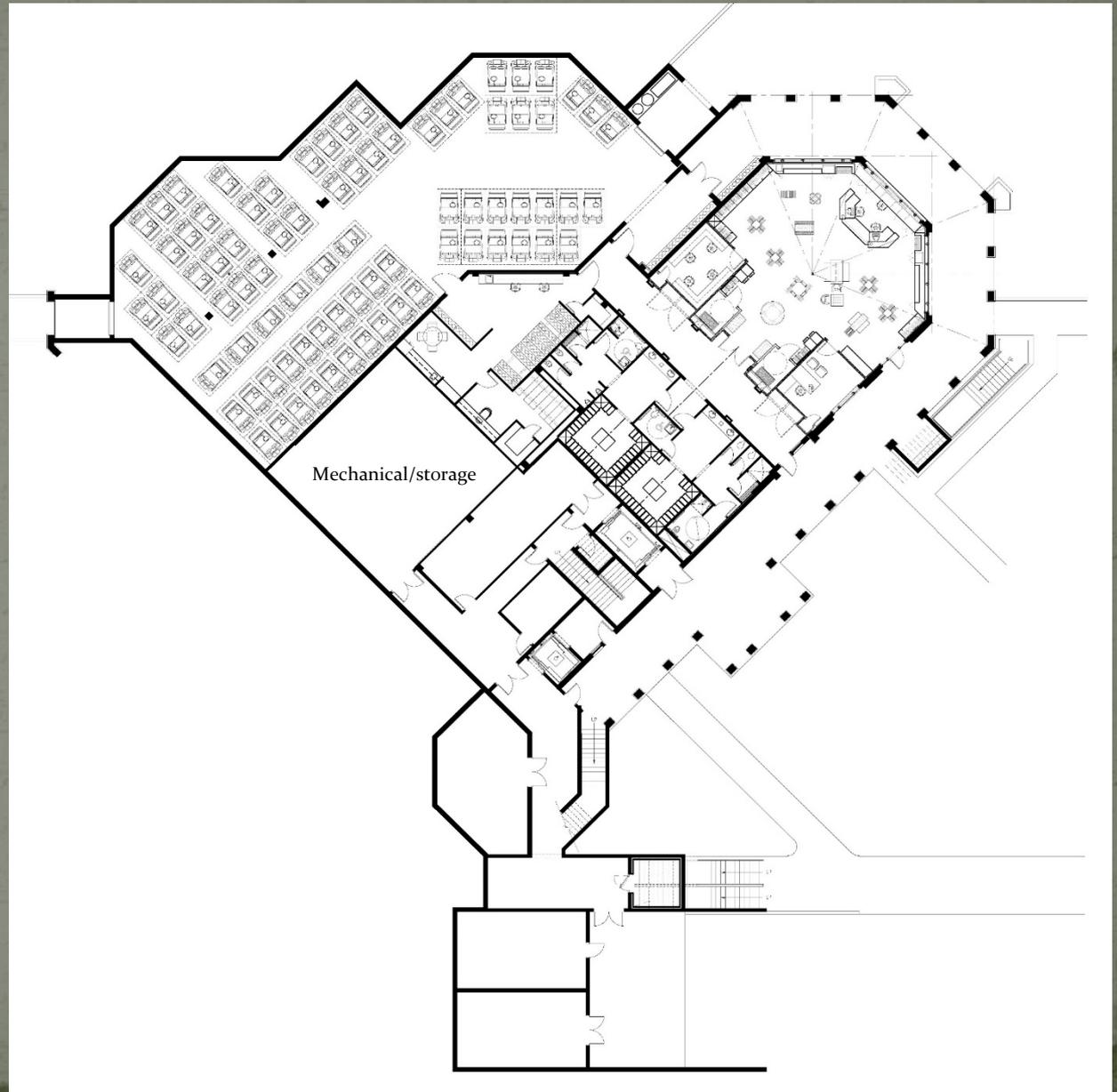


Layout 4

# Concept Floor Plans

## Lower Level

(+17.5)





# Concept Elevations



West Elevation (View from Golf Course – Between #9 and #18 Greens)



Northeast Elevation (View from Parking Lot)

# SUMMARY OF PROJECT COSTS

## New Clubhouse

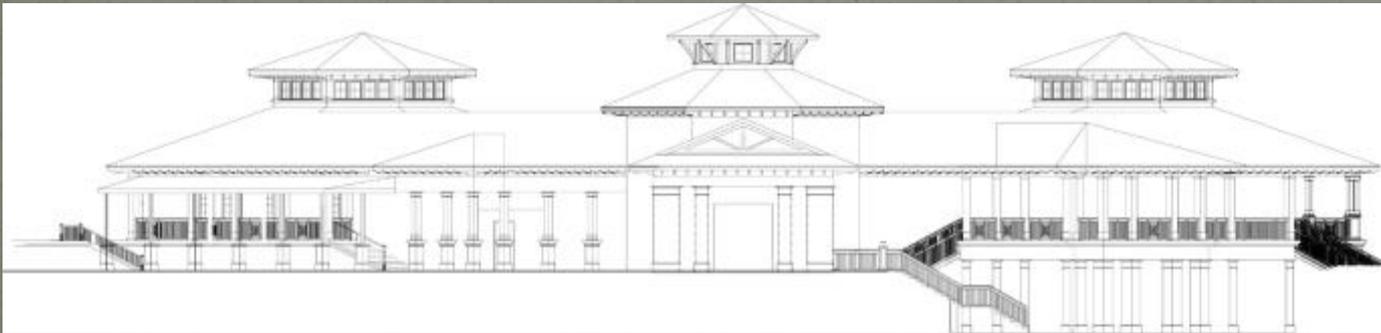
\$9,510,000

Community Use (CH) (18,089 S.F.)	x \$227.00 <sup>(1)</sup>	\$4,106,203
Restaurant Operations (11,000 S.F.)	x \$227.00 <sup>(1)</sup>	\$2,497,000
Golf Operations (12,805 S.F.)	x \$227.00 <sup>(1)</sup>	\$2,906,735
Total Gross S.F.: 41,894 S.F. (22% Decrease)		\$9,510,000
(29,897 factored SF)		

Temporary Facilities	\$400,000
Demolition	\$200,000
Sitework	\$600,000

## Total Costs

\$1,200,000



*(1) Note: The new concept has 23,995 S.F. (57%) of covered and ventilated space and 17,899 S.F. (43%) air conditioned space. If covered and ventilated space is taken at half the value of the air conditioned space, the hard cost/S.F. would be \$318/S.F. for the new clubhouse.*

# SUMMARY OF PROJECT COSTS CONTINUED

Design Costs \$900,000

Architect, Interior Designer, Landscape Design, Engineering, etc.

Aquatics Improvements \$1,320,000

Pool Deck Replacement/Repairs	\$ 600,000
Sitework / Landscaping	\$ 200,000
Splash Park	<u>\$ 400,000</u>
	\$1,200,000

Contingency (10%)  
 $\$1,200,000 \times .1 =$  \$ 120,000

Total Cost for Aquatics Improvements \$1,320,000

Soft Costs \$2,045,000

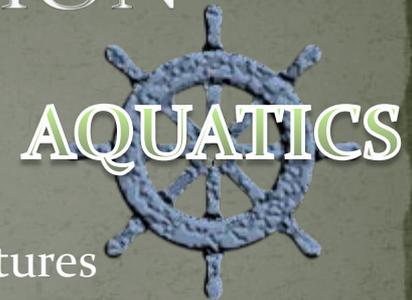
Furniture/Fixtures/Accessories	\$.7M
Kitchen/Bar Equipment	\$1.0M
Material Testing and Special Inspections	\$.05M
Phones/Computers/POS Systems/Sound	\$.10M
Golf Shop Retail Fixtures	\$.15M
Bag Storage System	\$.03M
Cart Wash-down Reclaim System	\$.04M
Additional Services/MISC	\$.375M
Contribution by Lessee	(\$.4M)

Note: The Village's public purchasing power will reduce costs in this area.



TOTAL PROJECT COST \$14,975,000

# COST FOR POOL REVITALIZATION



Current Estimates: \$200,000 for site work/landscaping  
\$400,000 for new splash park  
\$600,000 for new pool deck and shade structures  
\$1,200,000

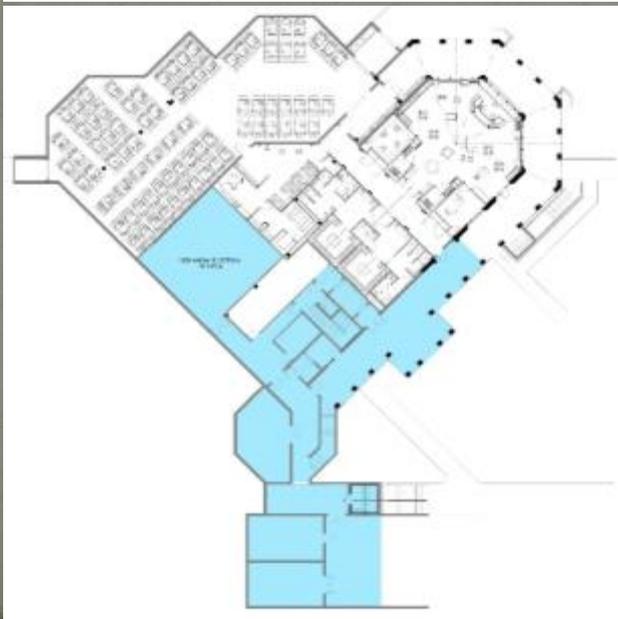
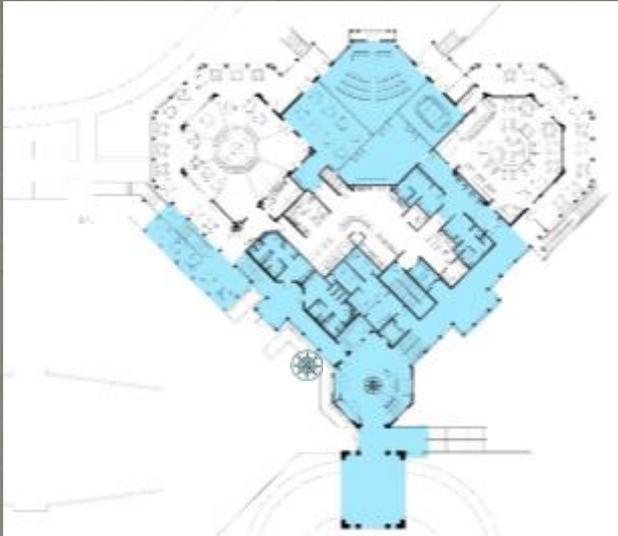
Contingency (10%)

\$1,200,000 x .1 = \$ 120,000

Total Cost \$1,320,000



# COSTS FOR COMMUNITY USE AMENITIES & GENERAL BUILDING AREA IN CLUBHOUSE



## Hard Costs

$$41,894 - (11,000 + 12,805) = 18,089 \text{ SF}$$
$$18,089 \times \$227 = \$4,106,203$$

## Site-work/Soft Costs

\$1,944,033

## TOTAL COST

\$6,050,236.00 (\$334/sf)

# TYPES OF EVENTS HELD IN THE MULTIPURPOSE ROOM(S)



## Multi Purpose Room Events

Events	per month	per year	Price	Value
Golf Tournaments	1	12	\$ 1,000	\$ 12,000.0
Community Events				
4th of July	0.08333	1	\$ 1,000	\$ 1,000.0
Other Holiday Celebrations	0.5	6	\$ 1,000	\$ 6,000.0
Elections	0.0838	1		
Special events	0.5	6	\$ 1,000	\$ 6,000.0
Public Information			0	
Town matters	0.5	6		
Guest speakers	0.5	6		
Educational	0.5	6		
Emergency preparedness	0.15	2		
Total Community events	2.82	34		
Weddings	3	36	\$ 1,000	\$ 36,000.0
Aniversaries	1	12	\$ 1,000	\$ 12,000.0
Birthdays	2	24	\$ 1,000	\$ 24,000.0
New Years Eve	0.08333	1	\$ 1,000	\$ 1,000.0
Non Profit Fund Raisers	2	24	\$ 1,000	\$ 24,000.0
Club & business luncheons	4	48	\$ 1,000	\$ 48,000.0
Other	4	48	\$ 1,000	\$ 48,000.0
	20	239		\$ 218,000

The purpose of this exercise is to determine a base revenue for the Village from a 220 seat venue. It appears that the rental rate for a comparable space fully occupied would be \$2,000 to \$2,500. Using a conservative approach, \$1,000 per event is used herein. This revenue estimate does not include potential Food and Beverage revenue.

Prepared for NPB Workshop 9/22/2016

# RENTAL RATES FOR MULTIPURPOSE ROOM(S)



## Rental Rates for Multi Purpose Spaces

Venue	Location	# Seats	Min. w/F&B	Rental Rate
Kravis Center	West Palm Beach	220	\$ 29,700	
Borland Center	Palm Beach Gardens			
PGA National	Palm Beach Gardens	180+		\$ 3,000+
Hyatt Place	Boca Raton	216		\$ 1,200
Abacoa	Jupiter	240		\$ 1,800
Kane Center	Stuart FL	220		\$ 2,300
Ritz Carlton	Ft. Lauderdale	400-500	\$ 45,000	
Ritz Carlton	Ft. Lauderdale	115-140	\$ 20,000	
Sawgrass Inn	Plantation	100-120		\$ 2,000
Roadway Inn	Ft. Lauderdale	230		\$ 950
Sheraton Airport	Ft. Lauderdale	192-240		\$ 3,000
Omni on the river	Jacksonville	178		\$ 2,500
Holiday Inn	Jacksonville	248		\$ 750
Holiday Inn	Clear Water	230		\$ 800
Sirata Bch Conf. Cntr.	St. Petersburg	330		\$ 5,000
Hilton Garden Inn	Pensacola	200-230		\$ 1,200
Radison N. W.	Atlanta GA	200-250		\$ 3,500
Hilton Garden Inn	Marietta GA	160		\$ 5,000
Scranton Cultural Center	Scranton PA	350		\$ 5,000

Prepared for NPB Workshop 9/22/2016

# COSTS FOR NEW FOOD & BEVERAGE OPERATIONS

## RESTAURANT



### Hard Costs

Main Level <sup>(1)</sup> 10,490 S.F.  
Lower Level 510 S.F.  
11,000 S.F. <sup>(1)</sup> x \$227 = \$2,497,000

### Sitework/Soft Costs (40%)

@\$227 = \$2,497,000 x .40 = \$998,800 <sup>(2)</sup>

### Contingency (10%)

\$3,495,800 x .1 = \$349,580

### Total Cost

\$3,845,380 (\$350/sf)



(1) Leased S.F. is actually 9,157 S.F. if covered area taken at half.  
(2) Deduct \$400,000 contribution by Lessor when agreement is signed.

# FOOD & BEVERAGE POTENTIAL NET REVENUE



**RESTAURANT**

Breakfast and Brunches	
Number of units Seating	100+
	50%
Served Per Day	50
Days of the year serving	365
Annual Breakfast and Brunches	18,250
Revenue per person	\$16.00
Brunch and Breakfast Revenue (Brunch sales will be big)	\$292,000
Lunch	
Number of Units of Seating	100+
	30%
Served Per Day	30
Days of Year Serving	365
Annual Lunches	10,950
Revenue per person (With beverages and cocktails)	\$22.00
Lunch Revenue	\$240,900.00
Happy Hour	
Number of Units of Seating	100+
	30%
Served Per Day	30
Days of year serving	365
Annual Happy Hour	10,950
Revenue per person	\$25.00
Happy Hour Revenue	\$273,750
Dinner	
Number of Units of Seating	100+
	65
Served Per Day	65
Days of year serving	365
Annual Dinner	23,725
Revenue per person	\$40.00
Dinner Revenue	\$949,000
Not including revenue for pool tennis and course	
Total Revenue Annual	\$1,755,650.00
* Includes cost for utilities and maintenance	NPB 9/22/16 Workshop

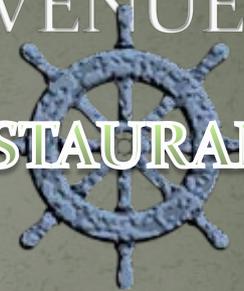
## Casual Dining Net Revenue Potential Year One

The chart represents a projection of the gross revenue potential for the casual dining venue. If we assume that the Village provides this space to the respondent in accordance with the construction budget including FF&E being presented 9/22/2016 and maintains the facility for year one of operations at a cost of \$52,670\*, then the Respondent can pay the Village 10% of Gross revenue (\$1,755,650) resulting in,

**NET INCOME to the Village of \$122,896**

# FOOD & BEVERAGE POTENTIAL NET REVENUE

RESTAURANT



## New North Palm Beach Country Club

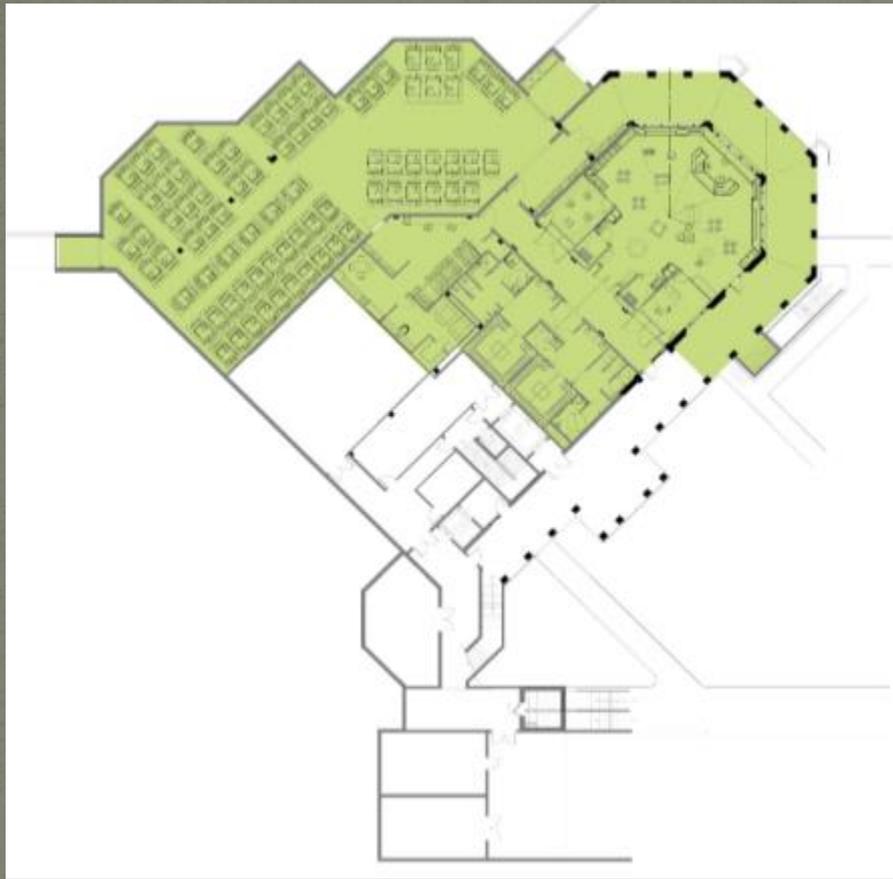
### Food and Beverage Year One Potential Net Revenue

RFP	\$	159,375
Multi purpose Room	\$	218,000
Casual dining	\$	122,896
Total F&B Revenue		<b>\$500,000</b>
Golf Ops. Revenue		<b>\$500,000</b>
Total Facility Revenue		<b>\$1,000,000</b>

With an investment of \$15,000,000 this revenue will generate a

**return of 6.66%**

# COSTS FOR NEW GOLF OPERATOR'S



## Hard Costs

Lower Level 12,805 (sq. ft.)  
(5,125 HVAC/7,680 Covered & Ventilated)

$$12,805 \times \$227^* = \$2,906,735$$

## Sitework/Soft Costs (30%)

$$@\$227: \$2,906,735 \times .3 = \$872,020$$

## Contingency (10%)

$$\$3,778,755 \times .1 = \$377,875$$

## TOTAL COST

\$4,156,630 (\$325/SF)

\*Figure represents a blended rate. Rates range from \$100-\$180 per sq. ft. to construct B.O.H. space.

$$\text{Lease Rate} = \$500\text{K}/\text{yr.} \div 12,805 \text{ S.F.} = \$39.00/\text{S.F.}$$

Savings to eliminate cart barn buildout = \$550K +/-  
Cost to rebuild it later = \$1,000,000 +/-

Year Ending	Rounds	Per Round	Gross Revenue
9/30/2013	43,893	\$ 70.55	\$3,096,460
9/30/2014	44,338	\$ 68.07	\$3,017,901
9/30/2015	42,934	\$ 71.11	\$3,053,216





























# COMPARABLE MUNICIPAL FACILITIES



## Palm Beach Par 3

### Positives:

- High Class Restaurant built on second floor to take advantage of views
- Revenue is high (\$4.1 M-restaurant | \$188,000-golf retail)
- Facility Structure: owned by the Town of Palm Beach – the City self operates the golf course and the F&B concession is leased to Al Fresco

### Issues to address for our clubhouse:

- Lacks storage and space in general (kitchen, golf shop, restaurant)
- Scheduling between restaurant and golf events is an issue
- Area is not lighted at night, but restaurant is open until 10:30 p.m.
- Not weathering well

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Completed 2014 - \$3.2 M  
6,650 sq. ft. – \$481/sq. ft.

55% HVAC / 45% Covered

# COMPARABLE MUNICIPAL FACILITIES



## Crandon Park Golf Club (Miami Beach)

### Positives:

- Crandon Park is considered one of the premiere public access golf courses in the state.
- Total golf play-related revenue in 2015 was \$2.4M or \$58.02 per round (in comparison to NPBCC of \$2.3M or \$52.02 per round).
- A quality course, located in proximity to resort hotels and seasonal residents can command premium high season rates.
- Restaurant pays 10% of gross revenues.
- Concessionaire does banquets utilizing outdoor area to supplement indoor area.
- Pro Shop generated \$501,000 in merchandise sales for 2015 – achieved with a Pro Shop of approximately 1,500 sq. ft.

### Lessons Learned for our Clubhouse:

- Locker room, although spacious (they were sized to host a tour event) are underutilized with very little locker rental income
- Unlike NPB, Crandon Park does not have the location to attract ball hitting and practicing public. Its range is not lighted and is solely used for warm up purposes.
- Cart storage area is poorly designed with no formal bag storage area.

12,750 Sq. Ft. – Clubhouse, Restaurant, Pro-Shop, Locker Rooms & Storage

16,250 Sq. Ft. – Total Usable with Outdoor Patio & Terrace

7,500 Sq. Ft. – Basement/Cart Storage

36,500 S.F. x \$227 = \$8,285,500

Site work/Soft cost x 40% = \$3,314,200

Contingency 10% = \$1,159,970

= \$12,759,670 (\$350/SF)

# COMPARABLE FACILITIES

## Abacoa Golf Club (Jupiter, FL)



### Positives:

- Abacoa Golf Club boasts that its club offers a full country club experience at a public course price.
- Estimated round of golf played in 2015 is 43,000 which translates to gross revenue of approximately \$3M.
- Recently added outdoor patio bar has been a great success allowing golfers access to F&B without interrupting events inside the building.
- Maximum seating capacity in ballroom is 240 but able to accommodate larger parties up to 300 by utilizing the indoor/outdoor space.
- Event users are categorized as middle to upper-class who are not members of a club but are willing to spend for a nice wedding, anniversary, Bar Mitzvahs, corporate and holiday parties.

### Lessons learned for our Clubhouse:

- Lacks storage and space in general (kitchen, golf shop, restaurant)
- Scheduling between restaurant and golf events is an issue (only one F&B space inside).
- Area is not lighted at night, but restaurant is open until 10:30 p.m.
- Not weathering well (Built in 2000)

Clubhouse – 10,500 sq. ft.

Basement & add. Cart Storage – 3,068 sq. ft.

13,568 S.F. x \$227	= \$3,079,936
Site work/Soft cost x (40%)	= \$1,231,974
<u>Contingency (10%)</u>	= <u>\$431,191</u>
	= \$4,743,101 (\$350/SF)