



**METRO**

**Agenda**

MEETING: METRO COUNCIL WORK SESSION  
DATE: July 8, 2008  
DAY: Tuesday  
TIME: 2:00 PM  
PLACE: Metro Council Chamber

**CALL TO ORDER AND ROLL CALL**

- |                |           |  |         |
|----------------|-----------|--|---------|
| <b>2:00 PM</b> | <b>1.</b> | <b>ADMINISTRATIVE/CHIEF OPERATING OFFICER COMMUNICATIONS</b>   |         |
| <b>2:15 PM</b> | <b>2.</b> | <b>BLUE LAKE NATURE AND GOLF LEARNING CENTER PROJECT</b>   | Neill   |
| <b>3:00 PM</b> | <b>3.</b> | <b>REQUEST FOR FUNDING FOR OREGON CONVENTION CENTER BUSINESS TO BUSINESS GREEN CONFERENCE</b>  | Blosser |
| <b>3:15 PM</b> | <b>4.</b> | <b>BREAK</b>   |         |
| <b>3:20 PM</b> | <b>5.</b> | <b>EXECUTIVE SESSION HELD PURSUANT TO ORS 192.660(1)(i) AUTHORIZED TO REVIEW AND EVALUATE THE EMPLOYMENT RELATED PERFORMANCE OF THE METRO ATTORNEY</b> |         |
| <b>4:20 PM</b> | <b>6.</b> | <b>COUNCIL BRIEFINGS/COMMUNICATION</b>   |         |

**ADJOURN**

**BLUE LAKE NATURE AND GOLF  
LEARNING CENTER PROJECT**

Metro Council Work Session  
Tuesday, July 8, 2008  
Metro Council Chamber

## METRO COUNCIL

### Work Session Worksheet

Presentation Date: 7/8/08 Time: 2:00 Length: 45 min.

Presentation Title: Blue Lake Nature and Golf Learning Center Project

Department: Regional Parks and Greenspaces

Presenters: Teri Dresler, Jeff Tucker, Lydia Neill

### ISSUE & BACKGROUND

Blue Lake was acquired from Multnomah County in 1994 and currently operates at over \$350,000 annual deficit. A master plan and Economic Feasibility Study were conducted in 2001 to determine which type of improvements to the park would provide the best revenue potential while maintaining the nature of the park. This study indicated that golf was the most suitable for the site. As a result conceptual designs for a nine-hole golf leaning center, a golf/operation center and a new Lake House event center have been completed based on “Integrating Habitats” design objectives.

In addition to determining the financial feasibility of the project and applying sustainable construction design and construction practices to the project a thorough environmental assessment was completed to ensure that the existing natural resources can be enhanced and drinking water supply is safeguarded. These studies included: Phase I Environmental study, Pesticide Fate and Transport Study, Environmental Monitoring Protocol Assessment, Environmental Risk Assessment and a Wetland Delineation.

A series of financial feasibility and market assessments were completed from 2004 through June 2008. As a result of these studies a pro forma and debt service financing plan have been prepared for review. The anticipated cost of this project is approximately \$11.5 million excluding any improvements made by project partners. Financing for the project would come from debt financing, general fund contributions, grants/sponsors and a reserve fund provided to Metro by Multnomah County. Given conservative assumptions the project is projected to break even in year 2, with return on equity in year 4. Projected net income in year 5 is a \$439,000 positive contribution to the General Fund. The projected return on investment for operating the proposed golf learning center and event facilities at Blue Lake Park is comparable to leaving the money in Metro’s fund balance and collecting interest.

### OPTIONS AVAILABLE

1. Instruct staff to move forward with fund raising and a formal financing proposal; as well as proceed with an RFP for Design and Engineering for the golf learning center concept, golf/operations center and the new Lake House events center.
2. Instruct staff to move forward with fund raising and formal financing proposal and return to Council once fundraising has been completed.
3. Terminate the project and continue current operations at Blue Lake Park.

## **IMPLICATIONS AND SUGGESTIONS**

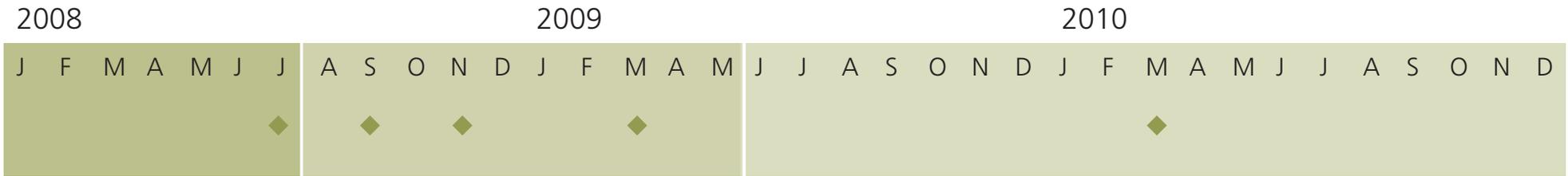
1. Golf is a viable revenue concept that can be sustainably managed and thoughtfully integrated into the current operation of Blue Lake Park. Design of the golf learning center will emphasize natural habitat enhancement and the highest environmental stewardship standards.
2. “Integrating Habitats” design objectives will be fully incorporated into all structures as is financially reasonable.
3. Design of the Lake House will be to LEED quality standards. Design the Golf and Operations Center will incorporate as many “integrating habitat” design concepts as financially feasible.

## **QUESTION(S) PRESENTED FOR CONSIDERATION**

1. Is the Council willing to pledge general fund and issue debt for this project?
2. What level of sustainable development is desirable for the new structures at Blue Lake? Is it important to obtain actual LEED certification?

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION  X Yes  No  
DRAFT IS ATTACHED  Yes  X No**

# Blue Lake Nature and Golf Project | 2008 – 2010 Timeline



		TIME PERIOD	◆ COUNCIL DECISION POINT
<b>PHASE I</b> <b>Determine feasibility</b>	Final pro forma and marketing plan for a nature and golf course	1/08 - 6/08	Proceed with additional fundraising and RFP
	Golf course, building and site concepts and cost estimates	1/08 - 6/08	
	Complete wetland and natural area assessment	1/08 - 8/08	
	Council approval required to proceed to Phase II	July 08	
<b>PHASE II</b> <b>Design and development</b>	Fundraising	7/8- 9/30	Evaluate fund raising success
	Land Use Development approval- City of Fairview	10/08 - 3/09	
	Environmental permitting	9/08 - 3/09	
	Contract for design/engineering services	11/08 - 1/09	Approve selected design team
	Finalize site design, golf course and structures	1/09 - 7/09	
	Council approval required for project financing	September 08	
	Begin Audubon Society certification	October 08	
	Negotiate contract with golf course operator	October 08	
<b>PHASE III</b>	Construction estimate and documentation: 60%, 75%, 90%	1/09 - 7/09	Based on 60% cost estimate, provide direction
	Building permit submittal and approval	6/09 - 8/09	
	Develop marketing plan	8/09 - 10/09	
	Request for bids: golf course, site work, structures	6/09 - 7/09	
	Construct and grow-in golf course	8/09 - 10/09	
	Construct Lake House, Operations Hub and new entry	8/09 - 2/10	
	Opening of new golf course and Lake House	May 2010	

# Blue Lake Nature and Golf Center Project

## Sustainable Design Objectives

### Overall Sustainable Objectives:

Enhance the natural features of the site and provide additional recreational and educational opportunities to park patrons. Design and construct all improvements to the park in the most energy efficient and sustainable manner that is financially feasible in both the short and long term.

### Golf Course Design

- Use native and drought tolerant plant materials
- Limit managed turf areas
- Minimize use of water
- Minimize the use of soil amendments and chemical application
- Highlight and improve the existing natural assets of the place
- Provide a walking trail and connections to the 40 mile loop
- Protect the drinking water supply through stringent best management practices

### Golf/Park Operations and Lake House Buildings

- Apply LEED Platinum standards to all design, construction practices and operations
- Incorporate pervious surfaces into parking areas and patio spaces
- Use natives for landscaping
- Direct storm water to bio-swales and avoid piped systems
- Take advantage of the prevailing wind patterns as an energy source
- Incorporate photo voltaic cells to power buildings
- Incorporate an eco-roof in all structures
- Use daylighting, natural ventilation and site location for heating and cooling
- Use recycled materials in construction including Metro paint
- Use low flow and waterless fixtures
- Create buildings that minimize future maintenance and extend replacement
- Choose natural materials for interior finishes
- Use structures to limit solar gain in summer months and maximize in winter

# **Blue Lake Nature and Golf Learning Center Project**

## **Financial, Environmental and Community Evaluation**

### **Project description:**

Parks staff has been actively studying how to address the annual operating shortfall to maintain Blue Lake Park. Blue Lake Park currently operates at a deficit of over \$350,000 per year and serves over 300,000 visitors annually. The park was acquired from Multnomah County in 1994 and has had only minor additions and improvements. A key study was performed in 2001 that identified golf as a revenue-generating idea that could address this shortfall and complement the existing park.

Blue Lake Park is located within the City of Fairview and contains over 185 acres with picnic facilities, a water spray ground, swim beach and a small lake house for events. An adjacent vacant parcel of land located north of Blue Lake Road is part of the Columbia South Shore wellhead complex. The City of Portland Water Bureau draws from these wells when the Bull Run Water supply needs to be supplemented.

A number of studies have been completed to evaluate the environmental impacts of developing a nine hole golf course and a new event center. The potential revenue opportunities, financing options, risk (environmental and financial) and sustainable design and operating practices have been addressed in these studies. A list of all of the studies completed to date has been included on page 2 of this document.

### **Political Issues Associated with the Project**

#### *Portland Water Bureau (PWB)*

Staff has worked very closely with PWB to ensure that the project would not negatively impact the drinking water supply provided by the Columbia South Shore Wellfields. PWB staff was actively involved in choosing consultants and reviewing all work products. Although staff will not be likely to explicitly endorse the project they recognize that a golf course can be designed and managed to safely ensure the quality of our water supply.

#### *City of Fairview and Blue Lake Neighborhood*

The City of Fairview staff and Parks Committee have expressed interest and enthusiasm for the project. The project is viewed as a way to provide additional increased recreational opportunities, a walking trail, golf learning center, community space, increased educational opportunities and a trail connection to the 40 Mile Loop.

The Blue Lake neighborhood has some concerns due to existing water quality problems at the lake. Metro has been working with the neighborhood to monitor the issue and develop solutions to control the seasonal water quality problems. Concerns center around diverting attention from solving the water quality issues at the expense of developing the new golf facility. Others are excited about the potential upgrades to the park.

## **Technical Work Completed**

The overall objective of the project is to develop a revenue generating source for the Blue Lake Park facility that would both enhance the park and support Metro's mission of providing quality natural areas leadership in instituting sustainable practices.

The following studies have been completed to assess the feasibility and risks associated with moving forward and developing a nine hole golf course, driving range, golf/operations center and a new event facility at the Lake House.

## **Site Acquisition and Master Planning**

- Site acquired from Multnomah County in 1994
- Master Plan completed in 1985 - 1986
- Master Plan update and Economic Feasibility Study, 2001 (identified golf as an ideal revenue source)

## **Financial Feasibility and Market Assessment**

- Market Feasibility Study, (Golf Catalyst), 2004
- Feasibility and Financial Sensitivity Study, (NGF), 2006
- Financial Operating and Marketing Plan (OB Sports), 2008
- Golf Market Overview (ERA), 2008
- Debt Service Analysis (SNW), 2008

## **Environmental Site Assessment**

- Phase I Environmental Study (Bergeson-Boese Associates), 2006
- Pesticide Fate and Transport Study (Envirologic Resources), 2006
- Environmental Monitoring Protocol Assessment (ETS), 2008
- Integrated Golf Course Management Plan (ETS), 2008
- Environmental Risk Assessment and Monitoring (ETS), 2008
- Wetland Delineation (Pacific Habitat Services), 2008

## **Conceptual Design**

- Conceptual Golf Course Design (Design Workshop), 2006-2008
- Lake House and Golf/Operations Center (Waterleaf Architecture), 2008
- Traffic Impact Study (Greenlight Engineering), 2008

Nature and Golf  
Learning Center  
at Blue Lake Park

---

Financial *Pro Forma*  
Summary Information

---

Jeff Tucker  
Finance Manager  
Metro Regional Parks

June 26, 2008

## ***Major Revenue Assumptions and Comparables Analysis Summary***

Metro has conducted a number of market studies to help determine market demand and appropriate pricing and revenue assumptions for the East Multnomah County golf market. Metro has also collected similar information from area municipal courses. Metro has also solicited pricing and revenue advice from OB Sports, a professional golf operations company with courses primarily in the western United States, includes courses in Portland, Medford and in the state of Washington.

The following summarizes the consensus views of these studies and the professional judgments of OB Sports, and compares them to the assumptions used in the Financial *Pro Forma* for the Nature and Golf Learning Center at Blue Lake Park. In all cases, the *pro forma* uses assumptions on the low end of suggested ranges, or even lower than recommended, in an effort to be conservative in revenue assumptions.

### **Sources of Information**

Market Feasibility Study – Golf Catalyst, 2004  
Feasibility and Financial Sensitivity Study – National Golf Foundation, 2006  
Golf Market Overview – Economic Research Associates, 2008  
Financial Operating and Marketing Plan – OB Sports, 2008  
Conversations with local area municipal golf course operators, 2008  
2006 and 2007 Audited financial statements for Glendoveer Golf Course

### **Nine Hole Rounds**

The National Golf Foundation (NGF) study suggested using an estimated low rounds number of 32,316 and a high estimate of 39,497 for the first year of operations, as part of its market and sensitivity analysis. Golf Catalyst suggested using 35,906, while Economic Research Associates (ERA) suggested 35,000.

Local municipal courses are seeing higher round numbers, but this is to be expected given their 18-hole format. Red Tail Golf Course (Portland Parks) sees 74,788 nine hole rounds annually (37,394 rounds equivalent), East Moreland (Portland Parks) has 84,973 rounds (42,486 equivalent) and Rose City (Portland Parks) has 72,356 equivalent (36,178 equivalent).

OB Sports has recommended the use of 32,000 rounds in the financial *pro forma*. While this number is lower than the market studies suggest, even lower than the low end of the NGF sensitivity study, and lower than other municipal courses in the area, this number has been used to remain conservative in the financial estimates.

### **Nine Hole Fee**

The 2004 Golf Catalyst study recommended that the market could support a nine hole round composite fee (averaging full rate and discounted rates) of \$10.67. The NGF study in 2006

## **Nature and Golf Learning Center at Blue Lake Park**

### **Major Revenue Assumptions – Comparables Analysis Summary**

---

suggested that the market would support a fee between \$9.54 and \$12.01. The ERA study in 2008 recommended a fee of \$12.55. OB Sports also recommended a composite fee of \$12.55.

Glendoveer Golf Course has a composite fee at \$13.19. We were not able to get composite rates for Heron Lakes, Red Tail, Rose City or East Moreland. However, as these facilities have comparable full rates and discount rates to Glendoveer, it is reasonable to assume that their composite fee is also around the same as Glendoveer's \$13.19 rate.

The financial *pro forma* assumes a composite rate of \$12.55 per nine hole round.

#### **Pitch-and-Putt Rounds and Fee**

The Golf Catalyst study recommended that Metro estimate 6,284 rounds for the pitch-and-putt course, at a fee of \$4.50 (\$28,278 in revenue). The NGF and ERA studies confirmed that the number rounds estimated by Golf Catalyst was reasonable, with ERA recommending a fee of \$4.46 (\$28,027 in revenue) and NGF recommending a fee of \$5.06 (\$31,797 in revenue). OB Sports recommended using 11,000, based on their experience with alternative courses, at a fee of \$4.00 per round (\$44,000 in revenue).

The financial *pro forma* assumes 6,300 rounds at \$4.25 per round (\$26,775 in revenue).

#### **Driving Range Usage**

Based on market demographics and usage rates at local facilities, Golf Catalyst estimated at the driving range should see a 30% usage rate per range stall. This percentage was confirmed by NGF, ERA and OB Sports. Using OB Sports' revenue assumption of \$6 per user of the range (a number comparable to ranges at Glendoveer, Heron Lakes, Red Tail and East Moreland), the revenue estimate for the driving range was recommended to be \$10,272 per stall. In comparison, the driving range at Glendoveer has revenue of \$8,406 per stall, East Moreland gets \$8,773 per stall, and Red Tail takes in \$8,938 per stall.

The quality of the driving range will also be considerably higher than Glendoveer, Red Tail and East Moreland. However, the financial *pro forma* assumes a lower utilization rate than recommended, at 26%, with the recommended range fee of \$6.00. The 'per stall' estimate in the *pro forma* is \$8,622.

#### **Golf Cart Rentals**

Golf cart rental revenue is usually a significant revenue source for golf courses. For example, Glendoveer and the city of Portland courses charge \$13.00 to rent a cart (\$6.50 per rider). Glendoveer has a utilization rate of 35%, which brings in \$335,000 in annual revenue. Given that this facility is a nine hole course and that it was unclear whether there was adequate space in the hole layouts for cart paths, the operating assumption was made that carts would only be available for those who physically could not play nine holes without a cart, to comply with ADA requirements.

OB Sports provided estimates of golf cart rental revenue, assuming that the course could accommodate it. OB Sports estimated 25% utilization rates at \$6.00 per rider, for estimated revenues of \$48,000.

## **Nature and Golf Learning Center at Blue Lake Park**

### **Major Revenue Assumptions – Comparables Analysis Summary**

---

The pro forma assumes a \$6 per rider rate, with 5% utilization rates, for annual revenue of \$9,600. If the design of the course does allow for golf cart utilization, this number should be revised upward.

#### **Food & Beverage**

The Golf Catalyst study estimated food and beverage revenues per round at \$1.97, with the assumption that there would be no alcohol (beer) sales. NGF included alcohol in its estimates and came up with a low estimate of \$3.12 per round and a high estimate of \$3.24 per round. ERA also assumed alcohol sales, and recommended \$2.74 per round.

OB Sports, based on their current golf course operations, have suggested using \$4.50 per round as an estimate.

The financial *pro forma* assumes \$3.00 per round for food and beverage revenue.

#### **Retail Revenue**

The Golf Catalyst study estimated \$1.83 per round for the sale of hard goods (clubs, balls), soft goods (clothing, gloves, shoes) and miscellaneous items. NGF in 2006 suggested a range of \$1.72 to \$1.83 for retail revenue. ERA in 2008 estimated \$2.29 per round.

OB Sports, based on its own retail operations, has suggested that we could expect \$4.00 per round.

The financial *pro forma* includes the assumption of \$2.00 per round.

#### **Miscellaneous Golf Revenues**

Miscellaneous revenue mostly consists of revenue from golf lessons and club rentals. Golf Catalyst assumed revenue of \$28,895 for this facility, while ERA estimated \$40,000 and NGF suggested that we could expect between \$28,187 and \$29,602 annually. Based on operations of golf facilities, OB Sports has recommended an assumption of \$24,000.

The financial pro forma assumes \$24,000 annually in miscellaneous revenues.

**Nature and Golf Learning Center at Blue Lake Park**  
 General Fund Impact Calculation

Net Cash Flows*	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
General and Administrative	(296,110)	(305,470)	(315,127)	(325,091)	(335,372)	(345,979)	(356,924)	(368,218)	(379,870)	(391,893)
Golf Course Operations	184,031	305,380	365,805	409,330	455,455	502,905	514,349	527,258	536,682	546,800
Golf Retail Shop	14,156	14,385	14,978	15,600	16,253	16,878	16,435	15,969	15,479	14,966
Food & Beverage	94,834	98,233	103,862	109,926	116,462	123,147	123,615	124,023	124,369	124,648
Event / Banquet	294,236	364,782	495,744	517,874	540,975	565,003	580,573	596,614	613,034	629,853
Net Cash Flow-all profit centers	291,147	477,311	665,262	727,639	793,774	861,954	878,047	895,646	909,693	924,373
Annual Debt Service*	(433,491)	(353,994)	(352,246)	(356,140)	(353,778)	(404,493)	(459,091)	(523,113)	(536,840)	(555,192)
<b>Profit (Loss)</b>	<b>(142,344)</b>	<b>123,317</b>	<b>313,017</b>	<b>371,499</b>	<b>439,995</b>	<b>457,461</b>	<b>418,955</b>	<b>372,533</b>	<b>372,853</b>	<b>369,181</b>
<b>Impact to Metro's General Fund</b>										

\* Net Cash Flows equal program revenues less associated expenses.

\* Annual debt service is based on financing \$6,500,000.

## Nature and Golf Learning Center at Blue Lake Park

### Financing Goals

#### **Metro Contribution**

Debt Financing	6,500,000
Mult. Co. Natural Areas Fund	900,000
Metro General Fund contribution	<u>2,500,000</u>
	\$9,900,000

#### **Partners / Grants**

Partners & Sponsors	750,000
Grants-Community Development, wetland restoration, and 40-mile loop improvements	<u>850,000</u>
	\$1,600,000

<b>Total Financing Available</b>	<b><u><u>\$11,500,000</u></u></b>
----------------------------------	-----------------------------------

Note: Financing for the First Tee Golf Learning Center is excluded under the assumption that the costs for these improvements would be equal to the revenue raised by First Tee to pay for the building.

## Nature and Golf Learning Center at Blue Lake Park

### Construction Allowances

#### Construction Allowances

##### **Golf Course**

Soft Costs - Design/Engineering, surveying, land use fee, etc.	455,000
Golf course construction	2,200,000
Grow-in Additional Cost	65,000
	<hr/>
	\$2,720,000

##### **Buildings - Golf Operations, Driving Range and Lake House**

Soft Costs - D&E, surveying, land use fee, etc.	1,000,000
Lake House Events Center	3,750,000
Driving Range	750,000
Golf and Park Operations Center	750,000
Sustainability improvements, Utilities, Furnishings and Landscaping	1,030,000
	<hr/>
	\$7,280,000

---

---

\$10,000,000

Construction contingency - 15%	1,500,000
	<hr/>
	<b>\$11,500,000</b>

Note: Costs for the First Tee Golf Learning Center are excluded under the assumption that the costs would be offset by revenue raised by First Tee to pay for the building.

**Nature and Golf Learning Center at Blue Lake Park**  
Return on Equity Investment Calculation

This sheet looks at revenue from investing \$3.4 million into the project (\$2.5 million from the General Fund and \$900,000 from a restricted Multhomah County source) and its projected return and compares it to leaving the money in fund balance and collecting interest.

**Proposal - Build Nature and Golf Learning Center**

	Debt Service	Cash Flow	Annual Impact	Cumulative Impact
Year 1	(433,491)	291,147	(142,344)	(142,344)
Year 2	(353,994)	477,311	123,317	(19,026)
Year 3	(352,246)	665,262	313,017	293,990
Year 4	(356,140)	727,639	371,499	665,489
Year 5	(353,778)	793,774	439,995	1,105,485
Year 6	(404,493)	861,954	457,461	1,562,946
Year 7	(459,091)	878,047	418,955	1,981,901
Year 8	(523,113)	895,646	372,533	2,354,434
Year 9	(536,840)	909,693	372,853	2,727,288
Year 10	(555,192)	924,373	369,181	3,096,469
Year 11	(571,994)	939,290	367,297	3,463,765
Year 12	(587,080)	954,448	367,368	3,831,133
Year 13	(606,492)	969,850	363,358	4,194,490
Year 14	(624,026)	985,500	361,474	4,555,965
Year 15	(645,580)	1,001,404	355,824	4,911,789
Year 16	(665,022)	1,017,564	352,542	5,264,331
Year 17	(682,312)	1,033,984	351,673	5,616,004
Year 18	(703,313)	1,050,670	347,357	5,963,361
Year 19	(721,793)	1,067,625	345,833	6,309,193
Year 20	(749,535)	1,084,854	335,319	6,644,513
Year 21	0	1,102,360	1,102,360	7,746,873

← Break even year

**Status Quo - Invest Cash and Earn Interest**

	Principal	Interest Earnings	Cumulative Impact
Year 1	3,400,000	119,000	119,000
Year 2	3,519,000	123,165	242,165
Year 3	3,642,165	127,476	369,641
Year 4	3,769,641	131,937	501,578
Year 5	3,901,578	136,555	638,133
Year 6	4,038,133	141,335	779,468
Year 7	4,179,468	146,281	925,749
Year 8	4,325,749	151,401	1,077,151
Year 9	4,477,151	156,700	1,233,851
Year 10	4,633,851	162,185	1,396,036
Year 11	4,796,036	167,861	1,563,897
Year 12	4,963,897	173,736	1,737,633
Year 13	5,137,633	179,817	1,917,451
Year 14	5,317,451	186,111	2,103,561
Year 15	5,503,561	192,625	2,296,186
Year 16	5,696,186	199,367	2,495,553
Year 17	5,895,553	206,344	2,701,897
Year 18	6,101,897	213,566	2,915,463
Year 19	6,315,463	221,041	3,136,504
Year 20	6,536,504	228,778	3,365,282
Year 21	6,765,282	236,785	3,602,067

← Break even

	Annual ROE	Cumulative ROE
<b>Year 1</b>		
Proposal	-4.2%	-4.2%
Status Quo	3.5%	3.5%
<b>Year 3-Break Even</b>		
Proposal	9.2%	8.6%
Status Quo	3.5%	10.9%
<b>Year 20</b>		
Proposal	9.9%	195.4%
Status Quo	3.5%	99.0%

ROE = Return on Equity  
(net cash flow / equity investment)

## ***Scenarios Analysis***

### ***Baseline***

#### **Baseline Scenario**

The baseline scenario is what the financial pro forma is based on. The revenue assumptions are conservative, using the low end of estimates provided from multiple sources, including market studies, comparison to local golf courses, and the advice of a professional golf course operator. Expenditure estimates assume current market conditions as being experienced by the professional golf course operator. Based on the numerous studies conducted, the consistency of the information provided, and the comparisons to other golf facilities in Portland, management believes that this the best information for projecting potential financial impacts of this project.

When doing sensitivity analysis with the baseline model, there were two assumptions identified that most impact the bottom line when the model is stressed. The two most sensitive values are the number of bookings at the Lake House Event Center (with associated food and beverage) and the use of the driving range.

This baseline scenario shows the project reaching profitability in the second year of operation, and profits stabilizing at approximately \$440,000 annually in Year 5.

### ***Downside Scenarios***

#### **Scenario One**

This scenario assumes that the event center falls short of revenue projections, with 20% fewer bookings and 20% lower per person food and beverage revenue than the baseline scenario.

This scenario shows the project reaching profitability in the second year of operation, and profits stabilizing at approximately \$337,000 annually in Year 5.

#### **Scenario Two**

Similar to Scenario 1, this scenario assumes that the event center does not meet revenue projections, with 20% fewer bookings and 20% lower per person food and beverage revenue than the baseline scenario. This scenario also assumes that driving range business is 10% less than projections.

This scenario shows the project reaching a break even in the second year of operation, and profits stabilizing at approximately \$300,000 annually in Year 5.

## **Nature and Golf Learning Center at Blue Lake Park**

### **Scenarios Analysis**

---

#### **Scenario Three**

This scenario is similar to Scenario 2, except that it assumes event revenues are closer to projections while golf revenues are further than projections. In this scenario, event center and food revenue is 10% lower than projections, while driving range business and the number of golf rounds is 20% less than baseline projections.

This scenario shows the project reaching almost at break even in the second year of operation, and profits stabilizing at approximately \$267,000 annually in Year 5.

#### **Scenario Four**

This scenario is the most severe of the scenarios. Here, event revenues are 10% lower than baseline projections, and golf revenues are 20% lower than projections. In addition, even though the baseline scenario assumes the current conditions of high fuel and utility costs, this scenario assumes that the costs of fuels and utilities increase an additional 20% from today's costs in Year 1, and also assumes an additional 6% inflation for all material costs in Year 2 and Year 3. These costs compound when calculating future inflationary factors.

This scenario shows the project being profitable in the third year of operation, and profits stabilizing at approximately \$207,000 annually in Year 5. Under Scenario Four, the investments made in the course fail to achieve a Return on Equity that exceeds the status quo use of that investment until several years after the retirement of the debt service.

### ***Upside Scenario***

#### **Scenario Five**

In several areas, the baseline scenario has assumed revenue projections lower than those provided by OB Sports, a professional golf course management company retained to provide their professional opinions pertaining to probably revenues and expenditures at the golf learning center envisioned in this project.

This scenario incorporates the revenue estimate recommendations of OB Sports. Using these numbers, the golf course breaks even in the first year of operation, with profits stabilizing at approximately \$554,000 annually in Year 5.



**The Lewis Course**

Hole	1	2	3	4	5	6	7	8	9	OUT
Par	5	4	3	4	4	3	4	3	4	34
Yardage	417	243	180	267	350	160	323	200	407	2547

**The Clark Course**

Hole	1	2	3	4	5	6	7	8	9	OUT
Par	4	3	4	4	4	3	3	4	5	34
Yardage	393	197	280	240	387	150	180	337	420	2583



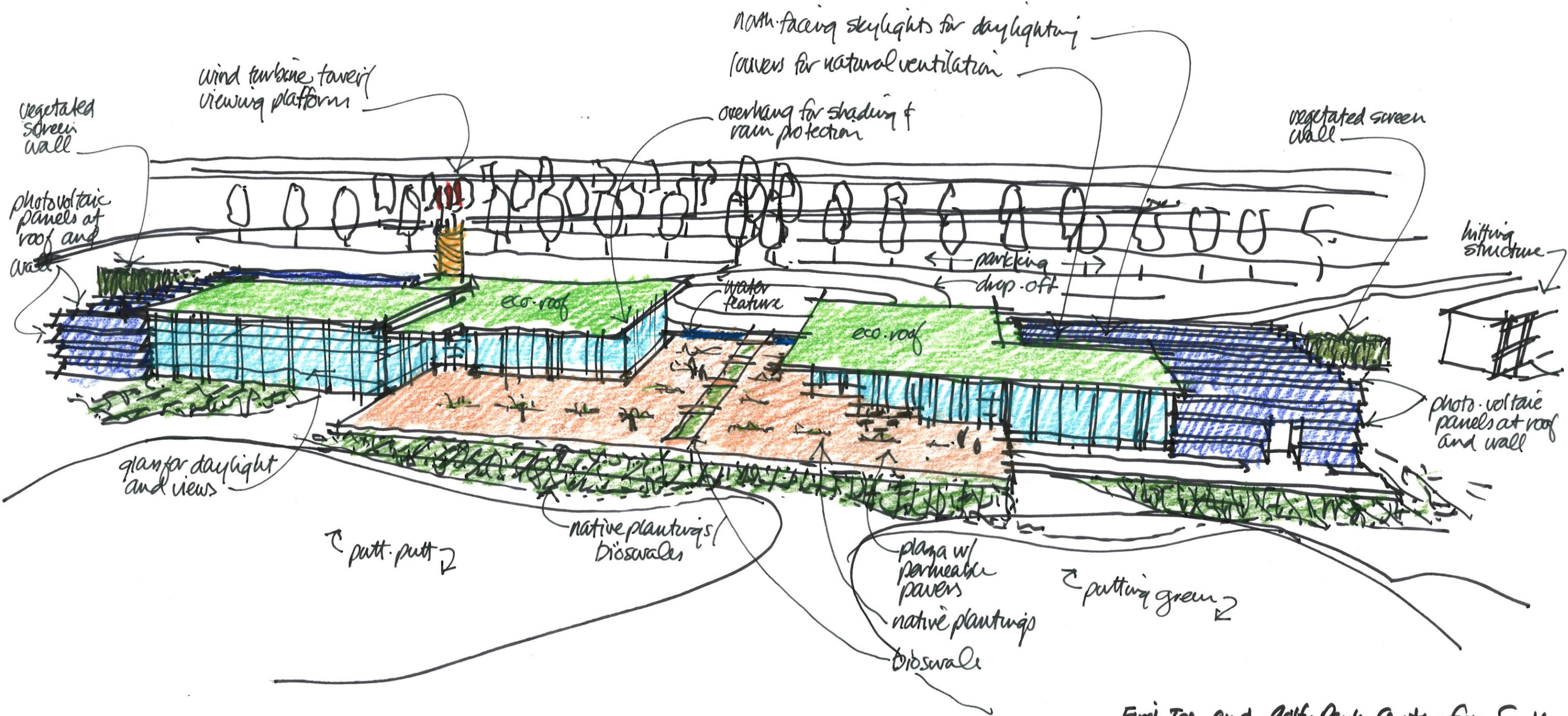
**The Lewis Course**

Hole	1	2	3	4	5	6	7	8	9	OUT
Par	5	4	3	4	4	3	4	3	4	34
Yardage	417	243	180	267	350	160	323	200	407	2547



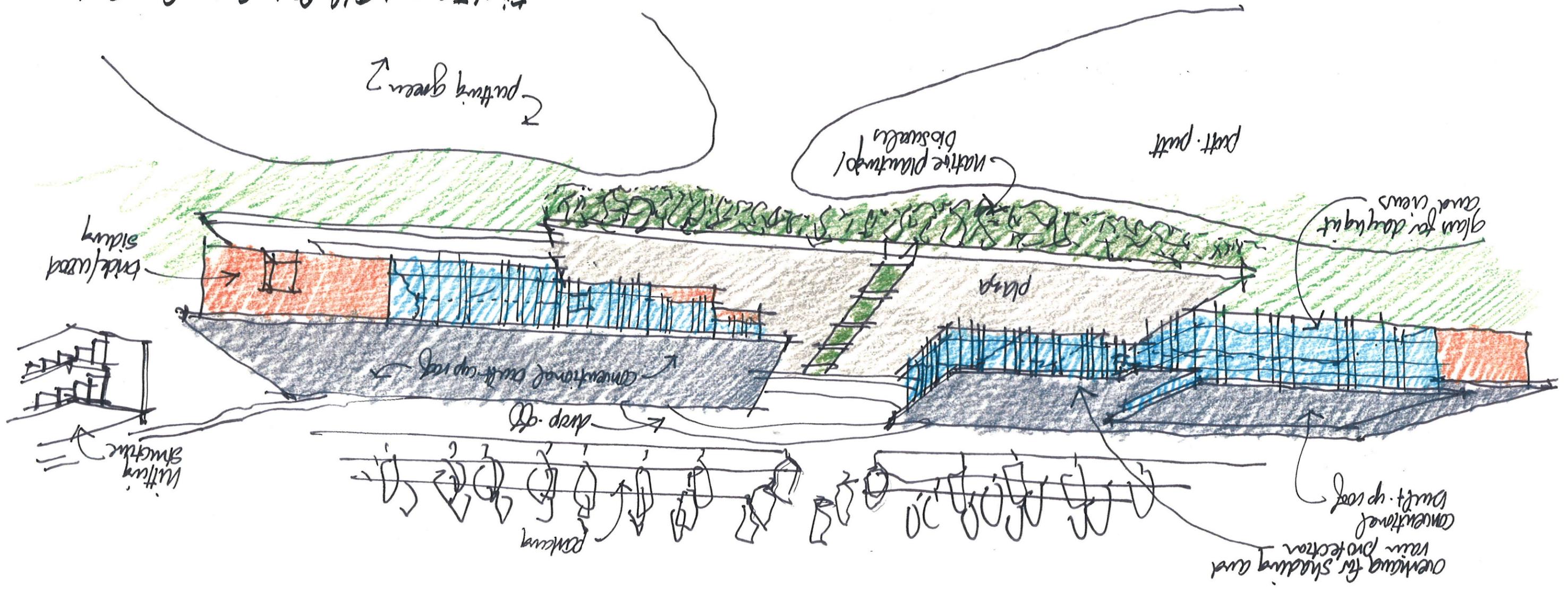
**The Clark Course**

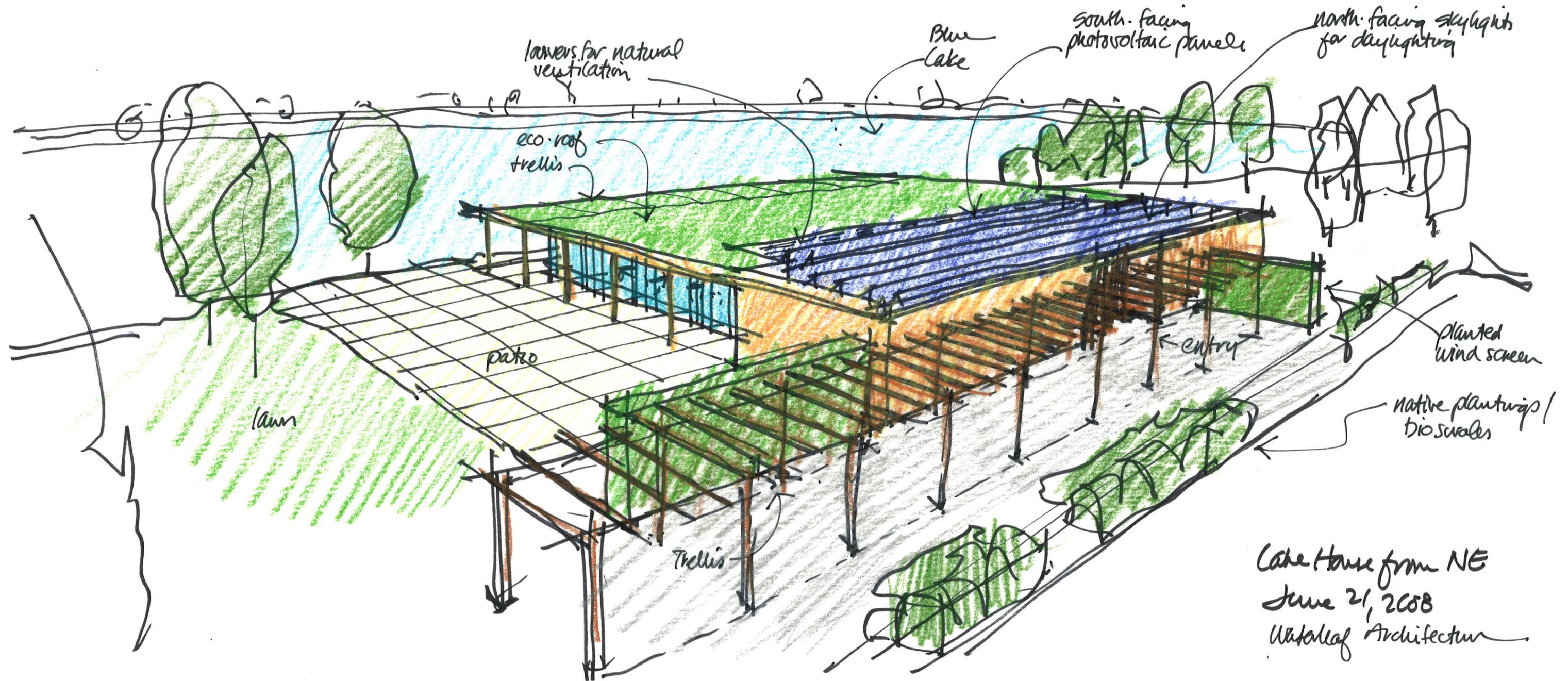
Hole	1	2	3	4	5	6	7	8	9	OUT
Par	4	3	4	4	4	3	3	4	5	34
Yardage	393	197	280	240	387	150	180	337	420	2583



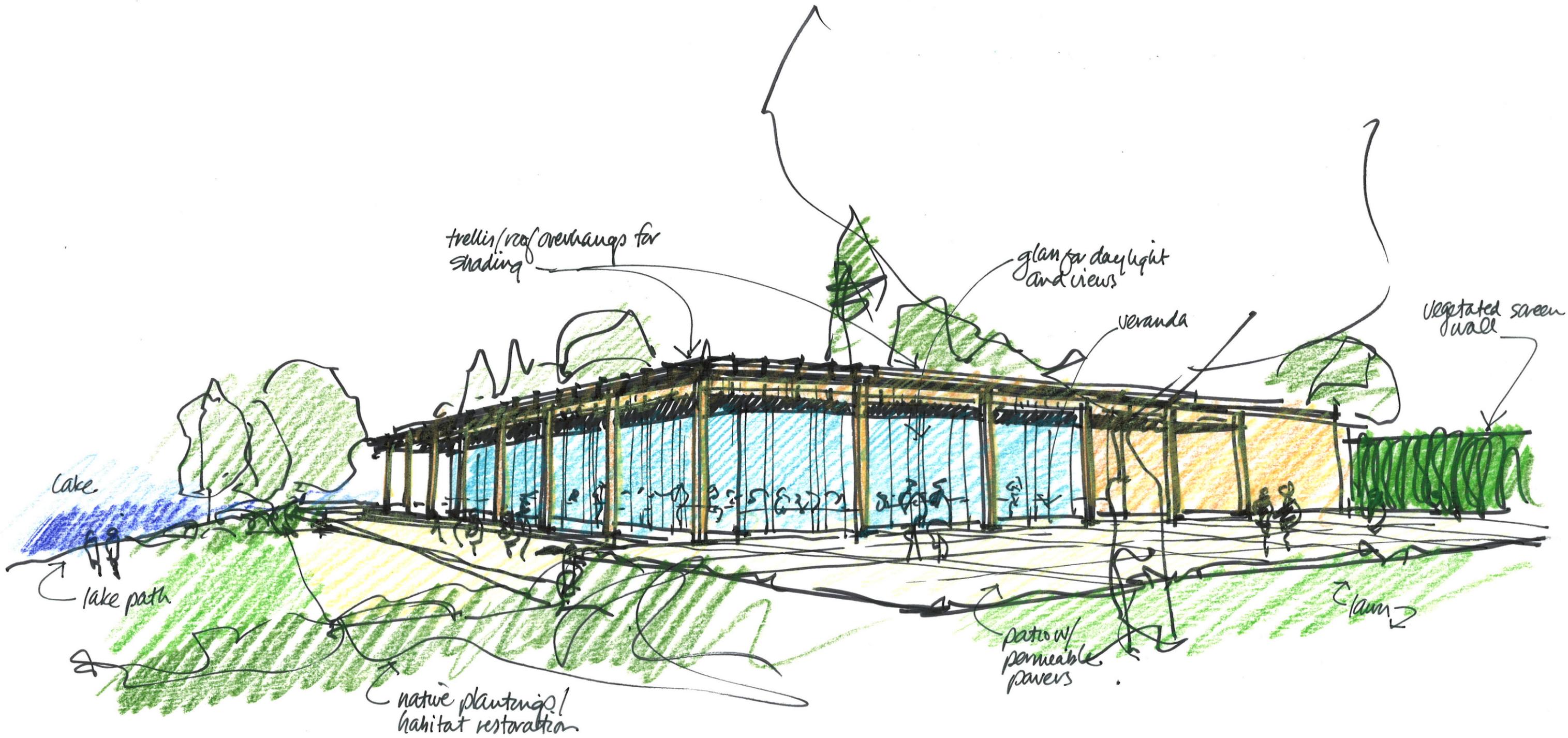
First Tee and Golf Park Center from South.  
 Waterloo Area. June 21, 2008

First Tee and Golf-Park Center from South  
Waterway Architecture  
June 21, 2008





Lake House from NE  
June 21, 2008  
Wutolaf Architecture



trellis/roof overhangs for shading

glan for daylight and views

Veranda

Vegetated screen wall

Lake

lake path

native plantings/habitat restoration

patio w/ permeable pavers

lawn

Lake House from SE  
June 21, 2008

**REQUEST FOR FUNDING FOR  
OREGON CONVENTION CENTER  
BUSINESS TO BUSINESS GREEN  
CONFERENCE**

Metro Council Work Session  
Tuesday, July 8, 2008  
Metro Council Chamber

# METRO COUNCIL

## Work Session Worksheet

Presentation Date: July 8, 2008      Time: 3:00pm      Length: 15 minutes

Presentation Title: Request for Funding for OCC Business to Business Green Conference

Department: Oregon Convention Center - MERC

Presenters: Mr. Jeff Blosser – Executive Director

### **ISSUE & BACKGROUND**

The Oregon Convention Center has been looking to create an event that educates businesses in the region on how to be green and sustainable. Many small businesses want to be sustainable in their operations but do not have the knowledge or resources to do so. This conference will fill that void.

### **OPTIONS AVAILABLE**

OCC has put together the following partners to supply the current level of support, knowledge, leadership and skills to make this happen financially and logistically: City of Portland Office of Sustainability, Portland Business Alliance, BOMA, Energy Trust of Oregon, Green Building Services, Natural Step of Oregon, Oregon Business Council, and PSU.

### **IMPLICATIONS AND SUGGESTIONS**

We are looking to Metro to also be a funding partner to get this new event off the ground.

### **QUESTION(S) PRESENTED FOR CONSIDERATION**

The request is for a one time sponsorship of \$5000 to help fund this new event. Current funds approved to date are \$30,000 and the requested amount will meet our goal of \$35,000 - \$40,000. [See attached details of the event].

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION** \_\_\_ Yes    **X No**  
**DRAFT IS ATTACHED** \_\_\_ Yes    **X No**

# **Green Event Topic Areas & Tentative Schedule**

## **Conference Areas**

1. Sustainability 101 Greening Your Business
  - A. How do I Build a Company Green Team
  - B. Programs and Resources (Recycling, Energy, Water, HVAC Efficiencies)
  - C. Buy Green for Facility, Operations, and Maintenance
  - D. LEED for Dummies
  - E. Case Studies (Practical Experience)
  
2. Legal/Regulatory Issues
  - A. Grant Writing
  - B. BETC Credits and How to Qualify for Rebates – Federal and State
  - C. Renewable Energy Requirements
  - D. What's New Legislation/Regulations on the Horizon
  - E. Financing Private Sector Ventures
  
3. Building Tomorrow's Facilities
  - A. Architecture/Designing Green
  - B. Building Materials/Construction
  - C. MED Design and Operation
  - D. Waste Water Maintenance – Operated
  - E. Green Procurement
  
4. What's Next – New Technologies
  - A. Renewable Energy
  - B. Green Technology
  - C. Marketing – PR Branding
  - D. Composting/Recycling
  - E. Organics, Buying Local

## **Program Schedule**

### **Day 1 8am – 6pm**

- ✘ Continental Breakfast/Registration
- ✘ Opening Speaker
- ✘ Sessions (held simultaneously)
- ✘ Lunch and Speaker
- ✘ Sessions (held simultaneously)
- ✘ Small Trade Show/Networking

### **Day 2 8am – 6pm**

- ✘ Continental Breakfast Registration
- ✘ Opening General Session
- ✘ Sessions (held simultaneously)
- ✘ Lunch and Speaker
- ✘ Sessions (held simultaneously)
- ✘ Small Trade Show/Networking

- ❖ Registration Fee to be about \$250-\$300
- ❖ Sponsorships Available
- ❖ Tradeshow to be about 20-25 booths inside of Reception/Networking area
- ❖ Recordings of all sessions available for purchase

# 2009 OREGON SUSTAINABILITY SUMMIT



## Conference Content:

Educational tracks will be available for informing professionals in the public and private sectors about the economic and environmental significance of renewable energy, green procurement, transportation, green building and social sustainability. Networking opportunities will provide the platform for attendees to come together and share strategies, resources and success stories. Attendees will learn how to create broad relationships with people of business and government within our state to solve problems and exchange ideas.

## Potential Topic Areas:

- Renewable Energy
- Carbon Footprints/Carbon Offsets
- Regulations, Safety and Quality Control
- Transportation
- Organics Recycling and Composting
- Green Technology
- Air, Water & Waste
- Social Sustainability
- Financing Private Sector Ventures and Operations
- Development – Buildings, Community and Land
- Green Procurement
- Marketing – PR & Branding

## Also Available:

- Continuing Education Credits
- Poster Sessions

**Estimated Cost Per Person for Registration: TBD**

**Two Day Conference w/ Plenary, Breakouts and Exhibits**

**Estimated Date: Spring 2009**

**Estimated Attendance: 500**

**Estimated Exhibitors: 50**

## Mission:

To produce a state-wide conference that provides a forum for people within the public and private sector to recognize how their interconnected sustainability roles will positively impact the entire community.

The goal of the conference is to enhance the opportunity for networking, education and communication among people from diverse sectors that are influenced by environmental and economic issues. Attendees will engage with leaders in the environmental industry, policy makers and business leaders that contribute to the efforts of environmentally responsible strategies.

## Prospective Founding Partners:

- BOMA
- City of Portland Office of Sustainable Development
- Energy Trust
- Greenbuilding Services
- Metro
- State of Oregon
- Stoel Rives

## Contact us

Cindy Wallace, CMP

Sales Manager

(503) 731-7803

Email: [CindyWallace@oregoncc.org](mailto:CindyWallace@oregoncc.org)

[www.oregoncc.org](http://www.oregoncc.org)



Printed on recycled paper