Finance

The financial state of the Golf Club is very strong. The financial plans regarding the master plan are conservative and based on our current membership levels and no collection of future initiation fees.

Q. If we need debt, do we have a bank who will loan us the money?
A. Yes, we have met with our banking partner, and they are excited and willing to extend us a line of credit for the estimated $4M in our plan. As a matter of fact, they are willing to loan us more money based on the strong financial position of the club.

Q. How will the debt be paid?

A. The debt will be serviced through the continued collection of capital dues and initiation fees. The initiation fee will increase by at least $15K once renovations are complete. We will also continue to invest our capital in safe interest-bearing accounts, adding additional income through interest.

Q. When will the assessment for the course be due?
A. July 2025 for payment in full or first installment.

Q. What are the payment options available for the assessment?
A. You can pay 100% July of 2025 or 50% down July 2025, 25% July 2026, 25% 2027. If you choose to finance there will be Interest charged and a note signed.

Q. Is there a discount to pay the assessment in full July of 2025?
A. No, there will be a financing plan available.

Q. Will there be a second assessment if the project cost is different than expected or through loss of members?
A. There will be no additional assessments regarding the renovation. We are confident in the plan and have needed contingencies in place. Bill Bergin our golf course architect, has a strong reputation in the industry for delivering projects at or under budget and on time. Our plan is conservative and based on our current membership levels with no growth and no collection of future initiation fees. For your reference, our initiation fees collected over the last 3 years total $1,283,750.

Q. Will annual operating dues go up?
A. We anticipate annual operating and capital dues, if they increase, will be based on the pace of inflation. Based on the strong financial management of the club this past year our operating dues increase was less than the rate of inflation. For 2026 the board has already determined there will be no increase in operating dues.

Q. Will we keep money in the capital fund for unplanned or future expenses?
A. Yes, we will not use 100% of our capital funds.

Q. What are the expected capital dues for the next 5 years?
A. Capital dues for 2025 are as follows: Golf $2,640, Sport $1,740, Social $600. There will be no increases in Operational or Capital dues in 2026. Capital dues should not increase for several years after the project is completed as capital needs should be less.

Q. Is there an option to pay the assessment via credit card.
A. Yes, however the credit card processing fees would be applied to the payment.

Q. How much have we spent to date on the masterplan?
A. Approximately $36,000 which includes the plan for the golf course renovation as well as the first steps and renderings for the outdoor clubhouse expansion.

Q. Are the assessments reduced for single household and legacy members?
A. Single Household members pay full capital dues and assessments. Legacy 1 members (95-104) receive a 20% reduction in operating dues and a 33% reduction in capital dues and assessments. Legacy2 members (105+) receive 50% reductions in operating dues, capital dues and assessments.

Q. Would the assessment be less if we do not complete the clubhouse?
A. No, the assessments would be the same, we would lower our borrowing needs if the project was reduced. The non-course renovations are 9% of the overall plan which includes: expanded practice facilities, outdoor covered dining and bar, updated kitchen equipment and space for additional parking.

Q. Why is the assessment due in 2025 when the renovation begins in April 2026?
A. The assessment is due in July 2025 as the work and spend on the project will begin as soon as there is a positive vote. A mid-year assessment was chosen to reduce the impact on the memberships cash flow versus January 1. This way the member would not be paying all dues and assessment at one time. Furthermore, we will begin incurring costs beginning in 2024 and through 2025 in preparation for the renovation in 2026. Some examples of these costs include but are not limited to: design and engineering work needed to begin permit and bidding process, securing irrigation pipe and irrigation heads, deposits to secure favorable contractors for the project.
Additionally, our bank's final decision on interest rates, loan amount and terms is influenced by the amount of cash and equivalents on the club's balance sheet. The larger amount of cash the club has, the more favorably the bank looks at the club and project with reduced risk.

General

Q. Will the golf course renovation and clubhouse improvements have an anticipated impact on our homes' values in the Crown Colony neighborhood?
A. While we cannot speculate on home values, studies show that homes that have golf course views have 15%-30% higher property values with a well-maintained golf community. A reference article is included in the materials.

Q. How long will the course be unavailable for the members in 2026?
A. The course renovation is anticipated, from April 2026 until December 2026. We will have a robust offering reciprocal options for playing during the course shutdown.

Q. Will we have reciprocal options?
A. Yes, there will be a robust offering of reciprocal clubs.

Q. Will the clubhouse be closed during construction and renovation?
A. The clubhouse is planned to remain open during the course closure and renovation of the outdoor space.

Q. Do different classes of membership have the same weight on the vote?
A. No. Votes are weighted in the following fashion. Golf - 6 , Sports – 3 and Social – 1.

Q. Who and how are we going to count the proxies and/or the votes for the project?
A. The board Secretary will lead a committee to count the votes/proxies with Sue Zsebe Controller and two at-large members yet to be determined. They will ensure ballots are signed, recorded votes in accordance with the membership category, and that there is no duplication of ballots.

Q. If the vote is negative, what is the backup plan? Is there a plan B?
A. The board has put forward the plan that is needed for ensuring an excellent golf club which requires significant infrastructure replacements and an outdoor experience that is competitive in the marketplace. There is no current plan B, as infrastructure needs alone account for 94% percent of the golf course cost and 91% of the total plan. This includes: $9.56M infrastructure and $950K in shutdown and contingency cost. Improving club amenities, which include: expanding outdoor bar and dining, adding restrooms, improvements in kitchen equipment and possible bocce courts are 9% of the overall plan.

Q. Won't we still need to fix the infrastructure on the course if the vote is, no?
A. Yes. Performing the infrastructure replacements in pieces will cost more and be significantly more disruptive to our members.

Q. Will the USGA re-rate the course?
A. Yes, with a new course and scorecard, the course from all tees will be re-rated and re-sloped with new handicap allocations for all holes.

Q. Will the new Paspalum behave differently than the grass we have today?
A. The course will play differently to being freshly renovated and having modern drainage and irrigation systems, the Platinum Paspalum will have the same characteristics as our current Paspalum but a darker green color.

Q. How will we maintain our employees during the shutdown?
A. It is critical for our club to retain and attract professional and experienced staff to deliver the member experience. As part of the plan, we have $950K for contingency and shutdown costs, which includes money to ensure we retain our great staff. The clubhouse will be open, but we anticipate lower revenues during the renovations.

Membership

Q. If the vote passes, do we expect to lose members?
A. Yes, we anticipate we may lose members if the vote passes as well if it does not pass. This may be consistent with the annual average attrition rate in southwest Florida of 6%-8% or potentially higher. We understand not everyone agrees on every aspect of the master plan and everyone's circumstances are unique. We do know the club cannot stay static and both the golf course and the amenities need to be upgraded and repaired to stay competitive in our marketplace.

Q. What have other clubs seen post renovation in membership?
A. Clubs experience net growth and more accelerated growth than before renovations.

Q. What is our current membership levels?
A. 220 Golf, 45 Sports, 60 Social. We added 28 new members in the last 12 months.

Q. What are our 5-year targets?
A. Full membership of 260 Golf, 75 Sports and 75 Social.

Q. Why not wait for the renovation until we hit our membership targets?
A. The renovation will accelerate membership growth, getting us to our targets faster. Without the renovations, the course will continue to deteriorate, and our amenities will not remain competitive, making achieving target levels and maintaining membership a challenge.

Q. When does a member need to resign if they don't want to be part of the renovation?
A. A member would need to resign by September 30, 2024, which would be effective January 1, 2025, consistent with our by-laws, as assessments will be collected starting in July 2025, whether in full or installment payment.

Construction

Q. Will we enter fixed price bids for the construction and renovation? Will there be penalties for delays?

A. Yes, we will have fixed price bids. We will consider penalties or liquidated damage clauses when we enter negotiations which can only occur after a vote of yes.

Q. Can any of the project be done before April 2026? How long does permitting take to allow the project to proceed?

A. No. It is not advisable to mobilize at separate times. Doing any of the work prior to 2026 would be too disruptive and would incur a greater cost overall. We estimate the permit process will take roughly 6-12 months.

Q. How will the club manage the dust from the proposed screenings and aggregate cart paths?

A. Other SWFL clubs have had success applying Calcium Chloride over the paths to bond the screening material together.

Q. Will we need the normal shutdown period if the vote is yes, and we are renovating n in 2026?

A. We would anticipate a shorter shutdown period this summer and no shutdown in the summer of 2025.

Q. Will we be able to include pickleball?

A. We will have the opportunity to add bocce, but we have no current solution for pickleball. We know several other clubs in the same position. There was a very initial inquiry on considering developing a joint private club together. There is nothing concrete, but we continue to explore the options.