

**Joint Chelan City Council with the Parks
and Recreation Advisory
Board Special Meeting**

1. CALL TO ORDER AND ROLL CALL
2. CALL THE PARKS AND RECREATION ADVISORY BOARD TO ORDER AND ROLL CALL
3. AGENDA CHANGES
4. ADMINISTRATIVE REPORTS
 - A. National Golf Foundation (NGF) Final Report (Parks and Recreation Director Cooper)
5. ADJOURNMENT OF THE PARKS AND RECREATION ADVISORY BOARD MEETING
6. ADJOURNMENT

Our Vision

Chelan is a rural lakeside community surrounded by pristine natural beauty where generations of visitors and residents enjoy an exceptional quality of life.

Our Guiding Principles & Outcomes

Visionary & Strategic - A city that is forward-thinking, collaborative, and fiscally responsible.

Thriving & Connected - A vibrant, well-planned city where residents have a sense of home.

Healthy & Sustainable - A flourishing city that supports an active community.

Accessible & Welcoming - A safe city where everyone can find community.

The next meeting will be a City Council Strategic Meeting on June 30, 2026, beginning at 5:15 p.m. at the Chelan Senior Center, 534 East Trow Avenue, Chelan, Washington.

A City Council meeting packet is available for review on the City's Website:
cityofchelan.gov/meetings



Subject/Title: National Golf Foundation (NGF) Final Report (Parks and Recreation Director Cooper)

Department: Parks and Recreation

Staff Contact: Audrey Cooper

Guiding Principles: Visionary & Strategic

Initiatives: Establish a Long-Range Economic Strategy

Reviewed By: City Administrator and Finance Director

Number of Looks: Look No. 2 of 2

PREVIOUS ACTION TAKEN

In 2020, the City Council retained J.J. Keegan, a professional consultant on golf operations, to conduct a study of the Lake Chelan Golf Course operations and facilities. On May 5, 2026 Council met with Richard Singer who provided an overview of the National Golf Foundation findings.

OVERVIEW

Earlier this year, City Council again decided to seek the services and advice of national golf consultants to conduct an updated study of the Lake Chelan Golf Course. This decision arose out of the discussions held by City Council and City staff during the FY2026 Budget process, especially in regards to the growing capital project costs needed to improve or replace the failing irrigation system at the course. Following a competitive procurement process, the City engaged the services of National Golf Foundation Consulting, Inc. (NGF) to evaluate the operations and facilities of Lake Chelan Golf Course. On May 5th, Richard Singer of NGF presented to City Council and the Parks and Recreation Advisory Board the findings of the study. NGF has concluded their comprehensive review and analysis of the course's operations, capital needs and financial outlook and the Final Report is included in your packet.

The Parks and Recreation Advisory Board met on May 21st and June 1st to discuss the presentation and report from NGF and has prepared their recommendations to City Council. The Parks Board's recommendations are included in your packet. Based upon the information in the final report and the recommendations from the Parks Board, City staff are seeking direction from City Council on next steps. As is demonstrated by the amount of the capital costs outlined for capital improvements, continued deferral will result in further cost escalation and negative consequences for the course, its users and local taxpayers.

Critical decisions and direction from the Council are needed at this point in order for City staff to plan for the development of a fiscally sustainable operating and capital funding plan for Lake Chelan Golf Course.

FINANCIAL IMPLICATIONS

To be determined.

ATTACHMENTS

- 1. 2026 06 01 Parks Board Recommendations
- 2. 2026 05 26 NGF Lake Chelan GC Report

SUGGESTED MOTION

None.

Parks and Recreation Advisory Board
Recommendation for the Lake Chelan Golf Course

1. Structure/Oversight:
 - a. Continued self-operation with implementation of the operational recommendations from NGF
 - b. Only explore 3rd party management options with funding for irrigation replacement identified
 - c. Property lease as a last resort to City
2. Operations:
 - a. Implement the operational recommendations from the NGF report
 - b. Emphasized importance of the Food & Beverage service and contract; improvements to retail, driving range, and marketing.
3. Physical Recommendations:
 - a. Recommended funding ideas to consider: Lodging Tax dollars, community bond, rotary or service club, commercial loan, increase in rates for daily and annual fees, pre-paid golf passes for 5 to 10 years with an option to transfer one-time, fundraising tournaments, per round capital fees, future available debt service that rolls off in 2027, tax levy, sponsorships, private donors
 - b. Prioritize the following physical improvements: irrigation, cart paths, pro shop/retail space/golf simulator, driving range
 - c. Operational changes and irrigation replacement must occur in concert, cannot do one before the other, should be done together. Irrigation could be split into two phases.

Operations and Financial Evaluation for the Lake Chelan Golf Course in Chelan, WA



CITY OF **CHELAN** PARKS & RECREATION

Prepared For:

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Lake Chelan Golf Course
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Prepared By:

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Table of Contents

GENERAL LIMITING CONDITIONS.....	1
EXECUTIVE SUMMARY	2
Introduction And Purpose.....	2
Summary of Lake Chelan Golf Course	3
Key Benchmark Summary.....	4
External Environment.....	5
NGF Recommendations.....	5
Structure and Oversight Recommendations	6
Basic Operational Recommendations	6
Specific Physical Recommendations	6
Financial Analysis	7
Projection Results.....	7
Summary Statement	8
SUBJECT FACILITY REVIEW – LAKE CHELAN GOLF COURSE	9
Lake Chelan Golf Course Facility Overview	9
Location, Access and Surrounding Elements	10
Lake Chelan Golf Course Summary of Facilities	12
18-Hole Golf Course.....	12
Lake Chelan GC Clubhouse.....	13
Driving Range / Practice Amenities	14
Lake Chelan GC – Condition of Facilities	15
Review of Golf Course Components	15
Review of LCGC Clubhouse	23
Considerations to Improve Lake Chelan GC Condition	24
Lake Chelan GC Capital Investment Considerations	24
Estimated Cost of Recommended Improvements.....	26
Lake Chelan GC – Capital Improvements Undertaken (2021-2025)	27
Review of Golf Operations - Lake Chelan GC	27
Chelan Responsibilities	27
On-Site Management and Staffing of Lake Chelan GC	28
Position Profiles and Expected Duties	29
Review of Technology, Website and Marketing	30
Golf Playing Fees	32
Annual Pass Review.....	33
Review of Food & Beverage Operations	35
Golf Cart Operations.....	37
Merchandise Operations	37
Lake Chelan GC Driving Range Operation	38
The Green on Lake Chelan – Putting Course	38
Golf Programming and New Player Development	39

Lake Chelan GC Recent Operational Performance	40
Rounds Played at Lake Chelan Golf Course.....	40
Recent Revenue Performance at Lake Chelan Golf Course	42
Lake Chelan GC Expenses	43
Summary Financial Performance (2021-2025)	44
EXTERNAL FACTORS AFFECTING THE OPERATION OF LAKE CHELAN GC	46
Market Overview	46
Demographic Analysis – Local Permanent Residents	46
Key Tourist and Economic Factors	47
Golf Market Supply and Demand Indicators	49
Estimated Local Market Demand	49
Estimated Visitor and Seasonal Resident Demand	49
Local Golf Supply	50
Golf Course Market Supply / Demand Summary	50
National Golf Industry – Key Trends and Data	51
Key Trends in Golf Demand and Supply	51
National Golf Industry Overview Summary – Potential Implications for LCGC.....	53
Local Competitive Golf Market	53
Competitive Public Access Golf Facilities Map	54
Summary Information	55
Market Area Daily Fee and Membership Information.....	56
Local Golf Facility – <i>Placer AI</i> Cellphone Data	57
Key Findings – Competitive Golf Market	58
RECOMMENDATIONS FOR THE CITY OF CHELAN AND LAKE CHELAN GC	59
Basic Oversight and Structure.....	59
Structure Considerations.....	59
Specific Physical Recommendations.....	62
Completion of Capital Investment Considerations	63
Operational Recommendations	63
Driving Range Improvements.....	63
Enhance Marketing and Technology.....	64
General Operations	65
LAKE CHELAN GC – PROJECTED FUTURE PERFORMANCE 2026-2030.....	66
Summary of Assumptions for Lake Chelan GC Projections.....	66
Estimated Performance – Lake Chelan GC (2026-2030).....	66
Projected Revenue Assumptions – Lake Chelan GC	67
Projected Expense Assumptions – Lake Chelan GC.....	68
Estimated Future Performance – Lake Chelan GC (2026-2030).....	69
Estimated Future Performance – The Green Lake Chelan Putting Course (2026-2030)	70
Summary of Future Performance Projections (2025-2030).....	71
Support for Projections and Potential Mitigating Factors	71
Limiting Conditions.....	72

SUMMARY STATEMENT.....73

APPENDICES.....74

 Appendix A – Local Demographic, Demand and Supply Data.....75

 Appendix B – The Graffis Report – 2026 Leaderboard.....78

 Appendix C – National Rounds Played Report.....79

General Limiting Conditions

This report is based on information collected from direct NGF research completed for the City of Chelan, WA (“City”) in 2026. The assessment is based on conditions at the time of the analysis (e.g., economic and market conditions) and significant changes in those conditions may affect the relevance of the business plan. National Golf Foundation Consulting, Inc. (“NGF”) has not undertaken any update of its research effort since such date. Because future events and circumstances, many of which cannot be predicted as of the date of this plan, may affect the estimates contained therein, no warranty or representation is made by NGF Consulting that any of the projected values or results contained in this study will actually be achieved.

Although we believe that the expectations in this report are reasonable, any or all of the estimates contained herein could prove to be incorrect. To the extent possible, the NGF has attempted to verify and confirm all estimates and assumptions used in this analysis. However, some assumptions may not materialize as a result of known or unknown risks and/or unanticipated events. Consequently, actual results achieved by any golf facility during the period covered by NGF projections may vary from our estimates, and these variations may be material. As such, the National Golf Foundation accepts no liability in relation to the estimates provided herein.

To protect you and other clients, and to assure that the research results of NGF Consulting's work will continue to be accepted as objective and impartial by the business community, it is understood that our fee for the undertaking of this project is in no way dependent upon the specific conclusions reached or the nature of the advice given by us in our report to the City of Chelan or Lake Chelan Golf Course.

Every reasonable effort has been exerted in order that the data contained in the written report reflects the most accurate and timely information possible and is believed to be reliable. However, no responsibility will be assumed for inaccuracies in reporting by the client, client's agents, or any other data source used in preparing the report.

The client agrees that the report is not to be used in conjunction with any public or private offering of debt or equity securities or to otherwise induce investment without the prior written consent of NGF Consulting, which may be conditioned upon client agreeing to pay an additional fee in an amount to be reasonably determined by NGF Consulting.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

Executive Summary

The following is a summary of key findings made by National Golf Foundation in its study of the Lake Chelan GC. The supporting text and tables are found in the body of the attached report. Some items are repeated from the full report.

INTRODUCTION AND PURPOSE

National Golf Foundation Consulting, Inc. (“NGF”) was retained by the City of Chelan, Washington (“City”) to review the operation and facility condition of the City’s Lake Chelan Golf Course (“Lake Chelan GC” or “LCGC”). The City requires a strategic review of the golf facility as part of its ongoing plan to provide outstanding public golf to the Chelan community at a time when the course is nearing 60 years old with much of its original infrastructure still in place and needing upgrade and modernization. The following report details findings on Lake Chelan GC, with analysis of the physical and economic condition of the facility and the market environment within which it operates. Based on these findings, NGF has provided a set of recommendations that we believe will help sustain the golf facility in Chelan for future generations with as little economic support from the City’s taxpayers as is reasonably possible. The NGF sees the presence of the Lake Chelan GC as a positive for the Chelan community by helping to attract tourists to the City and providing high-quality outdoor recreation.

Lake Chelan GC is an appealing golf facility that consists of an 18-hole regulation-length golf course, small clubhouse and practice amenities, all with nice views of Lake Chelan and the surrounding mountains. The golf course dates to 1969 when it was developed as a recreational amenity and economic development driver. Lake Chelan GC is a public-access golf facility that is owned and operated by the City, except for the food and beverage (F&B) service that is operated via contract with a private vendor. The golf course includes a simple design, featuring small greens, small tees and few golf “hazards,” all resulting in a golf course that is easy and fun to play. However, this golf course is now nearly 60 years of age and much of its original infrastructure is still in place, leading to challenges in maintaining outstanding conditions.

Lake Chelan GC produced total top-line revenue of about \$1.77 million in 2025, the highest total ever recorded for the facility and 7.1% higher than the \$1.65 million in 2024 and 26.4% higher than the \$1.40 million generated in 2021. With combined operating expenses totaling close to \$1.63 million, Lake Chelan GC operates with a small net income from on-site operations but has additional City (“interfund”) and capital expense requirements that lead to an overall loss on operations for the golf course. This means that the capital needed to invest in facility improvements is not available through normal operations and must be derived from some external source. This current financial condition is common in municipal golf, as most public-sector golf operations in the U.S. **cannot cover both on-site expenses and additional items** such as capital costs and municipal overhead without any subsidy from the governing agency.

In our review of Lake Chelan GC, the NGF found a good-quality public golf course that appeared to be popular with golfers, but with some long-term investments that are warranted to address aging features and amenities. We observed that this golf facility is in a strong competitive position compared to other public courses in this market with a championship golf course, good-quality greens and extensive clubhouse operation, and lower playing fees. Going forward, the key issue for the City in the LCGC operation is recognizing that there is no simple solution to improving the golf economics in Chelan, and that the course’s future sustainability is dependent on a combination of operational improvements, pricing adjustments and infrastructure investment.

SUMMARY OF LAKE CHELAN GOLF COURSE

Lake Chelan GC is an important public golf facility with a location in the heart of the small city of Chelan, WA, a popular summer tourist destination along the shores of Lake Chelan. The facility includes elements that correlate with success in public golf, but some investment to improve aging infrastructure and golf course features would greatly enhance its long-term potential. A summary of NGF key findings on the LCGC facility and operation include:

- Lake Chelan GC has a unique location, with an entrance less than two miles from the primary downtown intersection. The course is proximate to all key roadways that provide access to Chelan, with strong traffic activity for a small city, showing the appeal of the area in the peak summer season. As a result, the facility is fully active with rounds of golf nearing capacity at most times during the peak summer season.
- Lake Chelan GC includes a desirable mix of golf features with a traditional par-72 layout and a nice mix of short, middle and long holes. The two ponds on property provide some impact of water hazard on three holes, adding to the playing challenge. Golf holes #12 and #13 have the highest elevation and are the farthest from the clubhouse but have great appeal with outstanding views of lake Chelan. Lake Chelan GC includes all of the basic design elements that are commonly associated with a regulation-length course that can appeal to a wide variety of golfer skill levels.
- Lake Chelan GC has a small, multi-faceted clubhouse that includes basic support functions for a public golf course (pro shop, restaurant, bar, restrooms, meeting space, etc.), with elements that are popular for both golfers and non-golf patrons. The facility is in good working order with no issues to key infrastructure (roof, HVAC, electric, plumbing, etc.), and a vendor-completed interior improvement to F&B service areas and restrooms in 2022-24, leaving the pro shop as the only section without improvement.
- Food and beverage service at Lake Chelan GC is provided via contract with an independent third-party provider under the brand Albatross by Karma. The F&B service provided at LCGC includes the main grill service and bar area in the recently renovated clubhouse, providing a concession that closely resembles a full-service restaurant, complete with tableside service and a full bar. Although there is a separate golfer snack bar (“the Fairway”), seating for this service is often unavailable, which has caused some anxiety among golf patrons at LCGC.
- The golf course playing area at Lake Chelan GC appeared to be in good condition, although the NGF review took place in February when the golf course was closed for the winter. The course has aging infrastructure and several basic challenges, and these are impacting both overall course conditions and the labor required to maintain those conditions. The most significant of these issues is the outdated irrigation system that adds stress to both labor and water resources at the facility.
- This golf course is being maintained by a staff of 13 employees (3 year-round full-time and 10 seasonal) for a total of about 500+/- hours per week in peak golf season (including overtime). This activity is slightly higher than the 450 hours per week ‘standard’ for maintenance of a good quality 18-hole public golf course in northern climates. It seems that additional labor is required at LCGC due to aging infrastructure and antiquated irrigation that requires excess labor to manage properly.
- The NGF identified three levels of property enhancement that should be considered by the City, including high-priority projects (\$4.4M to \$5.5M), lower priority projects (\$750,000 to \$900,000), and other investments to help grow revenue (\$500,000 to

\$850,000). In all, the City could consider an investment of between \$5.7 to \$7.3 million in capital projects to maximize the potential of LCGC. The most significant of these investments include the irrigation system, potentially costing more than \$4.0 million. The City of Chelan has invested over \$780,000 in facility improvements since 2021.

- LCGC operates with five (5) year-round full-time positions, plus 17 other positions that are a mix of seasonal full-time (11) and part-time (6) positions in the season (8 or 9 months). Compared to national public golf standards, the NGF team finds this facility has an appropriate roster of staff in golf maintenance, with generally fewer employees in golf operations. Budget documents provided by the City show a total facility labor expense that exceeded \$1.0 million in 2025, or 62.2% of total direct operating expenses compared to an NGF standard of +/-55% for labor in a public golf operation.
- Playing fees for golf are in the middle range of this golf market, lower than key comps but higher than other regional public courses. The actual realized golf fee revenue per round (ARGRPR) was \$52.29 at LCGC in 2025, or about 58.0% of the 2025 peak green + cart fee (\$90.00). NGF has found that successful public golf courses tend to operate with actual realized average golf revenue per round of about 65% of the highest green fee, indicating **LCGC is undertaking some discounting to attract its volume of rounds activity** in 2025. We note that LCGC has implemented a significant fee increase for 2026, likely resulting in a higher ARGPR for 2026.
- Lake Chelan GC offers a pre-paid annual golf pass of several types (including cart plans) and includes a restriction on activity for the peak summer season. The City has 234 adult passholders in 2025, with about 1/3 Chelan residents, 1/3 other regional Lake residents and 1/3 not local to the area. Annual pass players average \$23.57 in golf playing fees per round compared to \$52.11 per round for daily fee players. The **55% discount** is greater than the 35% - 40% standard for annual pass programs.
- The City also offers an 18-H Grass Putting Course in Don Morse Park called “The Green on Lake Chelan.” This Putting Course offers a nice family entertainment venue maintained by City staff assigned to the property, augmented by LCGC golf maintenance staff. The Green generated over \$194,000 in revenue in 2025 on about 12,500 to 13,000 rounds. Revenue has increased by about 55% since 2021. The putting course also has interfund charges, expected to exceed \$51,000 in 2026.

Key Benchmark Summary

A summary of selected benchmarks comparing Lake Chelan GC to industry averages is presented below (details provided in NGF’s full written report):

Metric	LCGC in 2025	U.S. 'Standard' ¹	Difference – LCGC vs. Std.
Total Rounds (8 Month Season)	29,180	29,000 ²	+180
Total Facility Revenue ³	\$1,770,000 ³	\$1,500,000 ³	+\$270,000
Total Facility Expense (on site)	\$1,631,000	\$1,500,000	-\$131,000
Revenue per Round	\$60.64	\$43.90	+\$16.74
Labor Expense Pct.	62.2%	55%	-7.2%
ARGRPR ⁴ %	58%	65%	-7.0%
Annual Pass Discount	55%	40%	-15.0%
Annual Pass “Break-Even” Rounds	14.8	20	-5.2

1-From NGF’s Golf in the U.S. Economic Impact Study (standards rounded - 2024). 2- 8-month season average. 3- U.S. Standard includes F&B revenue – not included at LCGC. 4 - Average Realized Golf Revenue per Round

EXTERNAL ENVIRONMENT

The NGF market analysis shows that golf is an important part of the overall Lake Chelan lifestyle, with several golf facility offerings and prices. The Chelan regional market has become a popular visitor destination, hosting over 2 million visitors annually and a population that swells from roughly 4,000 to over 25,000 during the peak summer months. As the continued influx of visitors is so important in the Chelan economy, all businesses in the Lake area valley (including golf facilities) are subject to uncontrollable factors that could reduce visitation to the Chelan area. Other key findings from NGF's analysis of the Lake Chelan GC market include:

- From a macro standpoint, the fears expressed by some that golf was a “dying sport” in the late 2010s are a distant memory and demand for golf is stronger than ever, bolstered by the Covid pandemic. However, golf is changing, and the demand preferences documented by NGF show a younger demographic seeking new ways to consume golf that are more fun and less time consuming, suggesting that golf courses with a variety of amenities - like Lake Chelan GC - have the potential to grow in popularity, provided the golf course quality matches expectations and associated amenities are modern and in good condition.
- The market area that supports LCGC includes several key elements that draw residents and visitors to the region, ultimately helping to support golf facility operations. Tourism is the defining industry of Chelan County, with the area attracting over 2.0 million visitors who spent more than \$675 million in 2024.
- Chelan permanent resident market is small, but large visitor population equals strong summer golf demand – upwards of **67% of total demand is non-local**. Supply/demand balance is favorable when visitor demand is factored. The overall balance between golf demand and supply in this market is favorable when visitor demand is factored, but unfavorable from permanent residents only.
- The primary competition for Lake Chelan GC includes the four most proximate facilities (Bear Mountain, Desert Canyon, Gamble Sands, Alta Lake), all within 15 miles of LCGC. Other regional facilities include Highlander, Kahler Mtn., Three Lakes and Leavenworth. These golf facilities are divided into two clear pricing segments – a premier segment including Gamble Sands (\$295), Desert Canyon (\$180) and Bear Mountain (\$145), all with peak summer green + cart fees higher than LCGC's \$100 and a lower segment with Highlander (\$95), Leavenworth (\$89), Kahler Mountain (\$84), Three lakes (\$82), Rock Island (\$68) and Alta Lake (\$65).
- *Placer AI* tracking Data collected by NGF shows that LCGC customers have higher incomes and higher educational attainment than most of the identified competitors, and that the facility tends to draw local play with 33% of the patrons to LCGC coming from the two most local zip codes and 40% from the five most local zip codes.
- Finally, all golf facilities face a couple of other factors beyond their control that will impact performance. This includes the high fixed expense structure that is growing more rapidly than revenues, unexpected challenges like weather and the economy, and the challenge of attracting younger, less traditional segments to the facility.

NGF RECOMMENDATIONS

The NGF team prepared a schedule of specific recommendations to be considered for the continued operation of Lake Chelan GC. These recommendations have been organized into: (1) basic oversight and structure; (2) physical enhancements; and (3) other operational insights.

Structure and Oversight Recommendations

The City of Chelan currently self-operates its golf course with golf operations and maintenance staff all employed directly by the City, which is **still the most common form of municipal golf operation** in the country, although third-party management via contract is growing in popularity. In considering alternatives for Chelan, the NGF finds it might be possible for the City to improve its municipal golf operation by switching to an alternate form of operation provided certain conditions are present, but it is unlikely that a change in structure would lead to a drastic change in facility performance. There are three realistic options for the City of Chelan:

1. **Continue self-operation** – This allows greatest City control but is subject to higher fixed costs, especially related to labor and union regulations.
2. **Management Contract** – The City can hire a private golf management company to bring in golf business expertise, possible labor relief and an opportunity for higher revenue, but at the cost of a mostly fixed golf management fee.
3. **Property lease** – The City can lease the property to a private operator in exchange for a lease payment (“privatization”). This solution seems to only make sense if the new lease partner will complete a major facility upgrade, including a new irrigation system.

NGF Recommendation

The NGF does not offer a formal recommendation for the Lake Chelan GC operating structure, as the decision is ultimately a political decision that includes several uncertain outcomes that are difficult to estimate. However, if the City continues to self-operate the facility, some change in the roles and responsibilities of golf operations leadership is warranted. The City can also engage in an “exploratory” review of management company options by issuing a formal “Request for Interest” (RFI) to gauge interest and what the change to a management agreement form of operation might look like for the City of Chelan.

Basic Operational Recommendations

In addition to oversight recommendations, NGF offers other ideas to help the City improve the performance of the golf course in the body of this report. The most significant of these relate to the importance of improving the business / entrepreneurial focus within senior golf leadership, most notably in technology (website, marketing, online sales). Other suggestions from NGF include: (1) Improving F&B convenience to golfers; (2) Driving range improvements (including programs); (3) increases in annual pass fees to at least \$1,550 for a single (other categories adjust in proportion); and (4) improving retail space and expanding pro shop inventory to match a “resort” retail program.

Specific Physical Recommendations

The NGF recommendations for enhancing the physical plant of Lake Chelan GC consider specific capital investments to preserve the integrity of the property and enhance the offering for maximum benefit to the community. The most significant of these improvements include replacing an antiquated irrigation system (both below ground and above ground). Changes to the property can also include potential new investments to enhance the overall facility offering and help improve revenue. The NGF vision for the future of Lake Chelan GC considers the most ideal physical condition of the facility to maximize the potential economic performance.

Completion of Capital Investment Considerations

The specific capital projects identified by the NGF team were documented previously in this report, and include investments with high priority, lower priority and other changes that can help improve revenue. These are all summarized by necessity and investment in the table below:

**Lake Chelan Golf Course
Summary of Capital Upgrades by Type**

	Items	Low Estimate	High Estimate
Highest Priority Items	Irrigation, tee boxes, cart paths, selected greens, restrooms, drainage, parking lot	\$4,434,000	\$5,548,000
Lower Priority Investments	Maintenance facility (repair <i>not</i> replace), accoutrements, bunkers	745,000	904,000
Other Investments to Improve Revenue	Pro shop remodel, driving range improvements, patio improvement	500,000	850,000
Grand Total of Capital Projects		\$5,679,000	\$7,302,000

All figures are NGF Consulting estimates based on similar projects completed in the region in the last 3 years that have been provided to allow for preliminary planning. These amounts may or may not reflect actual costs for Chelan, and the City should engage appropriate research to cost out specific projects.

FINANCIAL ANALYSIS

NGF has assisted the City of Chelan in preparing an analysis to show what the potential economic performance of Lake Chelan GC could be over the next few years considering the strong recent performance and changes recommended by NGF. This analysis was prepared based on a set of assumptions that may or may not become reality but represent a “fair estimate” of performance for this golf facility over a future five-year period based on our review of the market, site and projected LCGC operation. We completed this estimate of future economic performance considering the direct and indirect impact of improvements, while also projecting this performance based on current (2026) inputs. This projection was provided to show what the basic economic structure would look like assuming current trends are continued given current market conditions and existing LCGC amenities.

Projection Results

The results of the economic projections for Lake Chelan GC show that the City’s adoption of NGF recommendations should lead to improved revenue, but the expenses required to support the revenues generated by ongoing operations are increasing at a faster rate. The changes recommended by NGF should get LCGC past \$2.0M in revenue by 2027 and as high as \$2.2M in 2028 (24% increase). However, on-site operating expenses are expected to exceed \$2.0M in 2027 and 2028, meaning strong **revenue growth is needed just to keep up with expense inflation** (not including interfund and capital). Interfund expense will increase to over \$327,000 in 2026, producing a projected loss of nearly **(\$200,000)** on golf in 2026. Over the next five years, **interfund expenses will total over \$1.7M** – money not available to fund capital projects or assist in funding a new irrigation system.

The NGF projections represent a conservative view of the golf facility based on actual performance of the subject LCGC considering reasonable inputs with normal weather. The real benefit from the improvements and changes proposed for LCGC will come from ongoing facility sustainability and the ongoing increases in fees, leading to improved golf revenue, which is needed to keep up with increasing expenses, especially the cost of labor. The NGF has chosen to present this future projection in a conservative fashion to provide a base level of projection for decision-making purposes and for comparison to possible future investment under consideration by the City. Still, the projection shows that there is **no realistic pathway to using future revenue growth to fund new irrigation at Lake Chelan GC.**

Support and Potential Threats to Projections

While growth in rounds and revenue is expected at LCGC in the next five years, there are mitigating factors that could negatively affect the facility, including:

Projections are Supported by:	Potential Threats / Mitigating Factors
<ul style="list-style-type: none"> -Large tourist base - Accessible site with proximity to the lake + Resorts -Proposed enhancements will improve sales 	<ul style="list-style-type: none"> -Regional economic recession -A return to golf participation decline -Rapid inflation in golf maintenance expenses

SUMMARY STATEMENT

Chelan owns the 18-hole Lake Chelan Golf Course, a 57-year-old golf facility that is serving a niche as the affordable public golf option in the popular Lake Chelan tourist region. Although the course generated its best-ever activity and revenue in 2025, the facility’s infrastructure needs to be improved and modernized, most notably the irrigation system that has been identified as needing replacement for almost 20 years. In our review, NGF has found that while Lake Chelan GC is performing at its highest level, there is more the City can do to maximize its economic potential. Golf courses in tourist markets, like LCGC, will often find it easy to sell premium green fees at peak demand times, but filling in the only open inventory - off-peak/shoulder season – **will require business initiative and marketing** to fill with events, lodging tie-ins, leagues, outings, etc., even if they sell at lower green fee rates.

In summary, Lake Chelan GC is an outstanding City amenity and is ready for the “next stage” in its evolution with some new investment to help sustain the recent successes and best serve the needs of the modern golf consumer. The upgrades identified by NGF in this report address deficiencies in this property that will become more serious over time, if left unchecked. LCGC is also challenged by a high and rapidly inflating labor cost, as well as large internal “interfund” charges. It is important that the City understands that these interfund costs impact golf net revenue performance and **take funds away from needed capital improvements** and/or new investments. In our review of this public golf facility, the NGF finds that there is no easy solution to long-term sustainability of this golf course, and that improvement will have to come from a combination of items, including:

1. Annual pass and other price increases;
2. Filling in off-season capacity with additional discounted play;
3. Undertaking a slight golf operations staff re-organization to enhance entrepreneurial initiative;
4. Improve the driving range with new programs;
5. Enhance retail sales with new inventory and a new course logo; and
6. Consider a small (\$2-\$5) capital fee to every round of golf.

Subject Facility Review – Lake Chelan Golf Course

The subject property is the Lake Chelan Golf Course (“Lake Chelan GC” or “LCGC”), an 18-hole public golf facility that is owned by the City of Chelan (“City”) and operated directly by the City, except for a separate food and beverage concession. The facility consists of a regulation length 18-hole course, small driving range, full service restaurant, small meeting room and maintenance facility all dating to an original construction in 1969. Lake Chelan GC has a location in the heart of the small city of Chelan, WA, a popular summer tourist destination along the shores of Lake Chelan. The golf course is a popular recreation amenity for the small city, offering an affordable golf experience, but with aging infrastructure that will require new investment to secure a longer term future.

Lake Chelan GC includes a mix of amenities that are common in public golf and generally correlate well with economic success. The facility offers a full 18-hole golf layout with a standard playing length and a par of 72. This golf course configuration has strong appeal to golfers, with modest difficulty and attractive and challenging golf features. The LCGC facility includes several key elements that are needed to generate revenue and sustain operations, and it is of utmost importance that these elements remain in good working order and retain a positive visual appeal and established functionality.

Lake Chelan GC produced total top-line revenue of about \$1.77 million in 2025, the highest total ever recorded for the facility and 7.1% higher than the \$1.65 million in 2024 and 26.4% higher than the \$1.40 million generated in 2021. With combined operating expenses totaling close to \$1.63 million, Lake Chelan GC operates with a small net income from on-site operations but has additional City (“interfund”) and capital expense requirements that lead to an overall loss on operations for the golf course. This means that the capital needed to invest in facility improvements is not available through normal operations and must be derived from some external source. This current financial condition is common in municipal golf, as most public-sector golf operations in the U.S. **cannot cover both on-site expenses and additional items** such as capital costs and municipal overhead without any subsidy from the governing agency.

In our review of Lake Chelan GC, the NGF found a good-quality public golf course that appeared to be popular with golfers, but with some long-term investments that are warranted to address aging features and amenities. We observed that this golf facility is in a strong competitive position compared to other public courses in this market with a championship golf course, good-quality greens and extensive clubhouse operation, and lower playing fees. Going forward, the key issue for the City in the LCGC operation is how to maximize new investment in the property to enhance amenities and expand the property’s market reach, thus securing the City’s signature amenity for generations to come.

LAKE CHELAN GOLF COURSE FACILITY OVERVIEW

Lake Chelan GC is a popular recreation amenity for the scenic resort City of Chelan, located at the southeast end of the 50-mile-long, glacier-fed Lake Chelan. This golf facility has remained popular among local golfers who find the layout appealing and the affordable price a good match. As a result, the facility is fully active with rounds of golf nearing capacity at most times during the golf season. As growth in revenue is needed at the facility to match increasing expenses, the City may have to consider some increases in fees to enhance revenue performance needed to help fund the improvements needed at the facility.

Location, Access and Surrounding Elements

Lake Chelan GC has a unique location in Chelan, with an entrance less than two miles from its primary downtown intersection. The golf facility is located at the end of Golf Course Rd., which connects to W. Manson Hwy (SR 150) in a roundabout about ¼ mile from the facility parking lot. W. Manson Hwy is a main thoroughfare through Chelan, connecting the area to Manson to the west along Lake Chelan and to Highway 97 across the Columbia River (via Beebe Bridge) to the east. Highway 97 is the primary highway connecting Chelan to Spokane (about 120 miles east) and Seattle (about 110 miles west).

The primary roadways in Chelan show high activity despite the small size of the City, showing the appeal of the area in the peak summer season. The primary intersection in Chelan is the SR 150, NW/O Columbia St Intersection, which hosts an average annual daily traffic (AADT) count of 11,200 (Washington State Dept. of Transportation). Other key locations in Chelan that show the volume of local traffic include E. Woodin/S. Sanders intersection (8,700 AADT) and the SR 97 / SR 150 intersection at the Beebe Bridge (5,840 AADT). The LCGC location is only accessible from SR150, but from several directions, providing the facility with limited reach for non-local golfers. As such, adequate signage will always be required to help golfers find the facility from all parts of the Chelan area.

Overall, the immediate area surrounding Lake Chelan GC includes the roadways as noted, plus a modest and growing suburban/residential community in proximity to Lake Chelan GC. The implication for the golf course is that Lake Chelan GC is proximate to several key elements that are expected to provide support to the golf course for the foreseeable future, and the course is convenient enough for the enhanced attraction of non-local golfers using the area's roadways that are needed to provide activity and economic support.

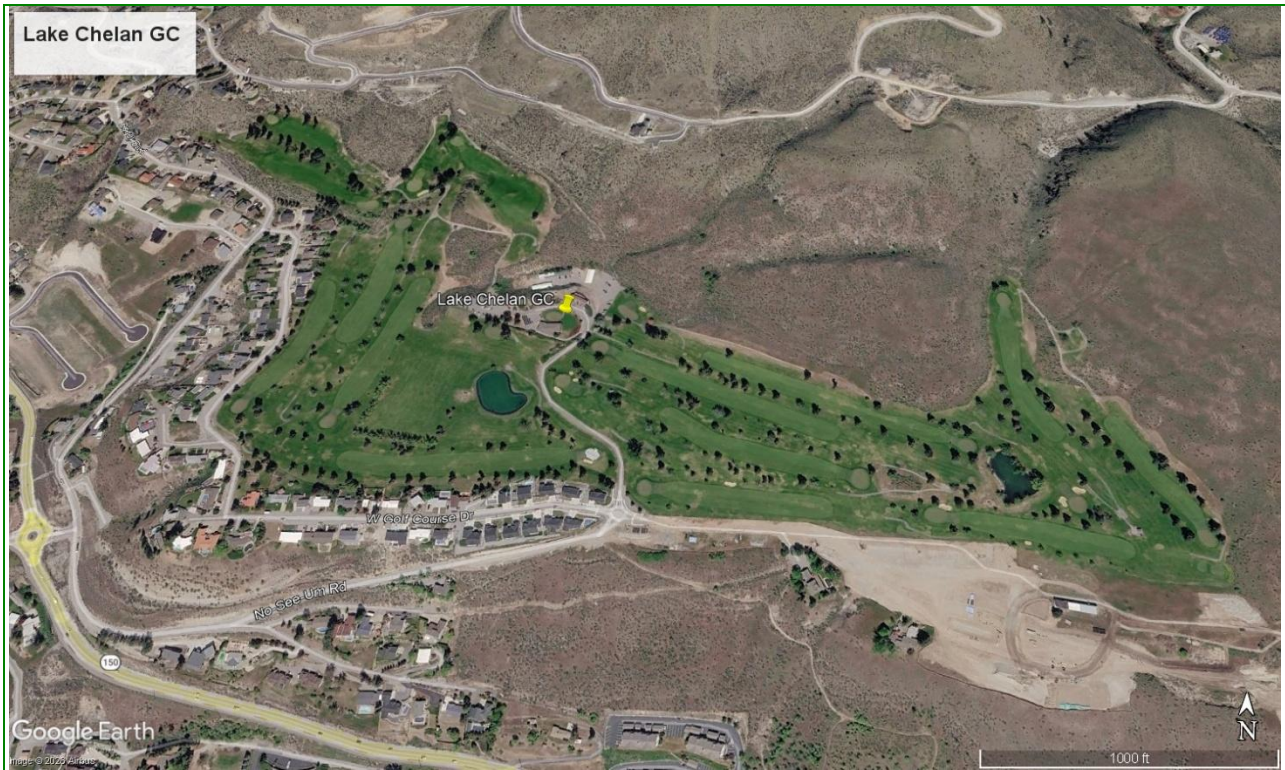
Site Positives

- **Location:** While Chelan is a small community, the location of the golf course along the W. Manson Hwy is convenient for the Chelan area and proximate to most all the residences, hotels and resorts in the area.
- **Site Setting and Topography:** The site has outstanding natural features, outstanding lake views, trees, topography and good natural drainage, which leads to positive feedback from golfers and provides a high degree of potential for golf improvement.

Site Negative

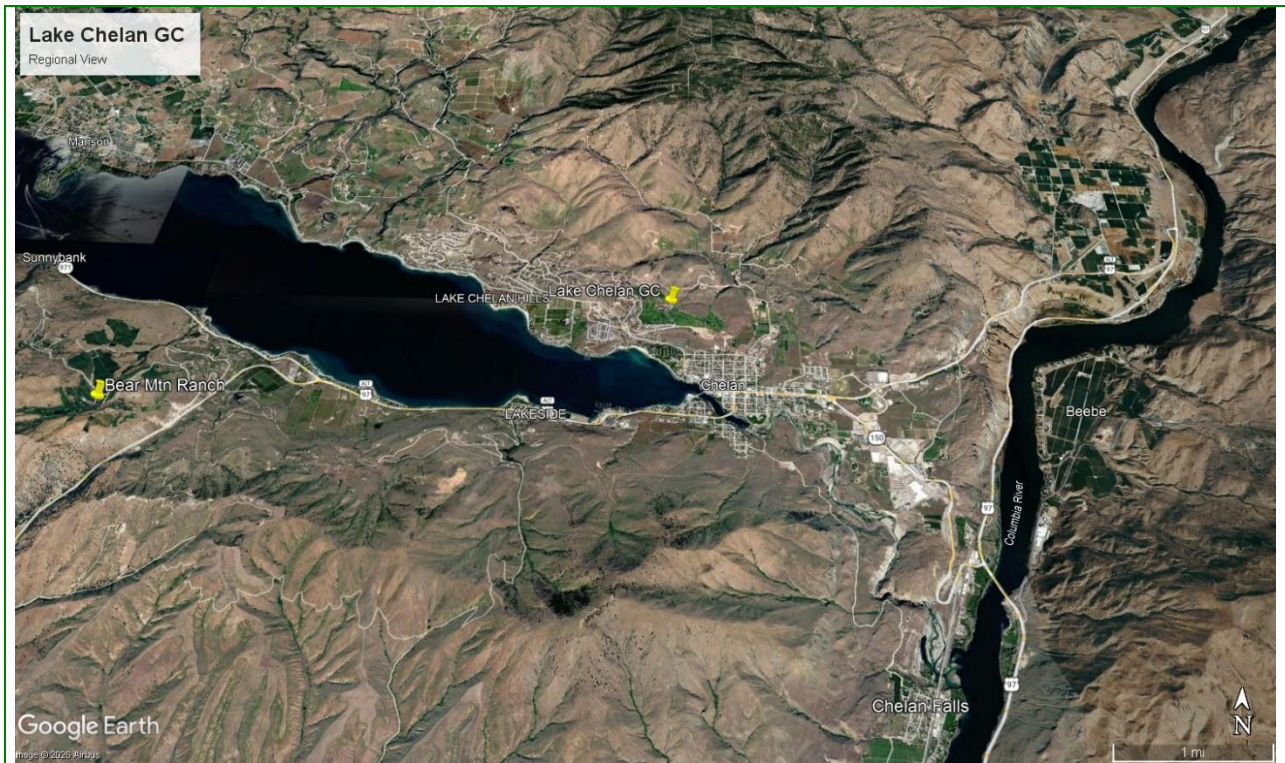
- **Entrance Presentation and Logistical Clubhouse Layout and Organization:** The Lake Chelan GC property is not well organized and has an inefficient layout for arrival and cart staging. All the key customer "touchpoints" (parking, clubhouse, pro shop, first hole, 10th hole, cart access) are not close to each other and can be challenging for patrons.

Aerial View – Lake Chelan GC



Google Earth image showing LCGC with its layout and adjacent real estate that is growing and could add new market support for the facility.

Regional View – Lake Chelan GC



Google Earth regional image showing LCGC and its location in Chelan and proximity to Lake Chelan, the Columbia River and regional roadways. LCGC's location is such that it requires full support from the local Chelan area to sustain golf revenue to support all facility expenses.

LAKE CHELAN GOLF COURSE SUMMARY OF FACILITIES

Lake Chelan GC is a public golf course located on about 115 acres of open space in the foothills over downtown Chelan and the lake, with an appealing layout and appropriate support components (driving range, clubhouse, parking, practice areas, maintenance, etc.). As of April 2026, the Lake Chelan GC facility includes the following key components:

- An 18-hole regulation-length golf course with a par of 72 and up to 6,459 yards and all commonly associated amenities (challenging greens, multiple tee boxes, tree-lined fairways, cart paths, on-course restrooms, etc.).
- A multi-level golf support building (clubhouse) with a “footprint” of approximately 5,000 square feet (sf) with separate sections for pro shop, bar/snack bar, small kitchen, banquet space, restrooms and offices. Areas surrounding the clubhouse include a large practice putting green, cart staging area and parking lot.
- Practice amenities that include a driving range with 12 hitting stations and about 25 yards of grass tee depth. The range is 225+/- yards in length with a back end close to hole #17 (separated by trees). There is also a small practice chipping area with a practice bunker and a second practice putting green down the hill close to the #1 tee.
- A 1.5-acre maintenance compound with four buildings for staff offices, employee spaces, equipment storage and golf cart storage.
- An entrance and parking area that includes defined parking for up to 110 autos (65 primary and 45 in overflow areas), plus small spaces surrounding the clubhouse.

18-Hole Golf Course

Lake Chelan Golf Course includes an 18-hole golf course that was constructed in the mid 1960's and designed to be a municipal golf course, although the individual golf architect is not publicized in documents from the period. The course is situated in several sections, including unique golf holes that are routed in corridors with several parallel holes, all surrounded by open hillsides with some single-family residential housing. The golf course is built on a rolling site with two separate ponds and a mix of smaller trees that were planted during construction. The result is a unique golf course layout that features some interesting topography and several holes with appealing views of Lake Chelan, some tree-lined fairways and small challenging greens.

The course involves a desirable mix of golf settings with a traditional par-72 layout with the standard mix of short, middle and long holes on each of the front and back nine. The two ponds on property provide some impact of water hazard on three holes, adding to the playing challenge. Golf holes #12 and #13 have the highest elevation and are the farthest from the clubhouse but have great appeal with outstanding views of lake Chelan. Lake Chelan GC includes all of the basic design elements that are commonly associated with a regulation-length course that can appeal to a wide variety of golfer skill levels. Other NGF observations:

- The Lake Chelan GC scorecard shows a maximum distance of 6,459 yards, which is appropriate for a regulation course that can host championship events. The course has four tee box positions (Blue, White, Yellow and Red), which is common for a public golf course although many newer courses are using five or six placements, plus adding “combo” tee settings to the scorecard. The Blue (longest) tee shows a USGA slope rating of 124, which represents that the back-tee golf course is more difficult than the ‘standard’ slope of 117. The more forward white and Yellow tee placements have lower slope ratings (121, 113), closer to the standard. The forward (Red) tee offers a 5,058-

yard course with a slope rating of 117, close to the standard. In all, these numbers suggest that this golf course provides a solid mix of challenge for championship appeal, but without extreme difficulty to discourage less-skilled players. This design to suit all skill levels is **ideal for a public golf course**.

- The most forward tee on the course (commonly associated as the “ladies” tee) is 5,058 yards, which is longer than the NGF-recommended distance of under 4,600 total yards for a Red tee course. This current Red tee placement makes the course longer and more difficult for some players, and NGF suggests that the City consider adding a new (shorter) Red tee to help improve rounds and revenue from that segment. If a new Red tee course is added at 4,600 yards, the current Red tee could become a “green” tee course that is ideal for senior players or better lady players, thus providing a fifth tee position for the facility.
- The golf course at Lake Chelan GC has design features that make it challenging, yet playable, for all golfers (shorter par 4’s, water hazards, a few bunkers, and interesting shapes, etc.). The course has only 11 bunkers, most on the front nine holes. The small greens (avg. +/-3,500sf) add much to the play appeal of the golf course but also present challenges for maintenance staff with limits for hole locations and care for edges and green surrounds areas. This layout provides good separation of golf holes to prevent close interaction between golfers on parallel holes due to trees and separation spacing.
- This golf course is marketable in this area given its attractive and challenging layout and scenery, although this must include a high-level maintenance standard. The golf course provides enough challenging and unique features to add to its overall appeal and provides a unique golf experience proposition that can be marketed by the City through photos on the website and in the hosting of tournaments and events.
- This course has good on-course services with one restroom station on both the front and back nines, each including a vending machine for cold soft drinks. Golfers patronizing higher quality public golf courses tend to value these on-course services along with the shelter/covering for rain and/or lightning protection.

The NGF finds this golf course has the physical elements to be economically successful, including a challenging golf layout that can appeal to all skill levels, including beginners. However, as the NGF review will show, this golf course is now nearly 60 years of age and much of its original infrastructure is still in place, leading to challenges in maintaining outstanding conditions. A program of high-quality maintenance to provide outstanding conditions (including some down time for applications) should be part of the operating program to ensure the good-quality remains in place, providing services that are a match to the fees being charged.

Lake Chelan GC Clubhouse

Lake Chelan GC has a modest and multi-faceted clubhouse that includes both basic support functions for a public golf course (pro shop, restaurant, bar, restrooms, meeting space, etc.), as well as rear patio space that has become very popular for both golfers and non-golf patrons. The building has a 5,000sf ‘footprint,’ with two levels, which is adequate space for a public golf facility clubhouse program. The primary areas of customer service and support are on a main level, with a lower level reserved for a separate lounge and meeting/small banquet room. This building has the appropriate mix of components to provide a proper support function for a modern public golf course and has undergone recent enhancements as part of a new F&B concession deal that began in March 2022.

This building is providing the basic service for which it was designed, with the only upgrade identified in a 2025 building conditions assessment noting improvements to meet ADA standards (more later in this report). The clubhouse facility includes the following basic features:

Main Level	
Pro Shop	Retail area that includes the main check-in counter, a club repair shop and the manager's office (open to the pro shop).
Bar / Grill area	Main F&B service area with bar and seating for up to 50+/- patrons, plus additional space on a real outside covered patio.
Snack Counter	Walk-up F&B service area with "grab-n-go" items, beverage coolers, and other easy to prepare food items (no direct seating).
Outdoor Patio	Additional space at the rear of the clubhouse with seating for about 20+/- patrons with shade provided and full wait service.
Kitchen	Small kitchen with full service, but limited storage.
Lower Level	
M & W Restrooms	Two total restrooms on the lower level that serve the full facility.
Lounge / Meeting Room	Flexible space with small lounge area, meeting space, a separate small bar and additional outdoor patio space. Capacity is about 50 patrons for events.

The clubhouse program includes elements that are commonly associated with successful public golf courses, with all key services in place and easily accessible. LCGC does have bar area for gathering after golf and outdoor seating for F&B service. Public golf facilities with these elements tend to support a higher level of ancillary revenue than the standard public golf facility. In addition, the event space affords this facility an opportunity to expand activity and revenue, although this involves direct interaction between the elements (restaurant customers, events and golfers). LCGC has limited space available for F&B service and some golfers have expressed concern that service to golfers is limited due to a focus on non-golf patronage and events (more later in this report).

Driving Range / Practice Amenities

Lake Chelan GC has extensive practice amenities that appear to be popular and heavily utilized. LCGC has a large practice putting green immediately proximate to the clubhouse and the cart staging area. Additional practice amenities include the driving range with both natural grass and artificial turf hitting stations. With 225+/- yards in length, the range is small in size, and golfers are encouraged to limit use of longer clubs. The range faces south, which helps to avoid golfers hitting directly into the late afternoon setting or early morning rising sun. Range balls are acquired from the pro shop, which is less convenient for golfers as automated ball dispensers have become a popular feature at modern golf facilities.

There is also a small practice chipping area that includes a practice sand bunker and second practice green in immediate proximity to hole #1 tee. Each of these elements is offered for use at no additional charge. The practice facilities at LCGC are clearly an area where this facility has advantages over its competition, and helps to enhance the appeal for programs, lessons and other golf practice. The practice facilities at LCGC are sufficient to support any program of lessons, camps, schools and/or other new player development programming.

This concept of golf practice amenities has proven to be very successful in public golf and can be a key support for both direct (fees generated from patrons) and indirect (helps to sell facility and train new customers) revenue. As such, it is assumed that additional features and amenities that correlate to success in this area will be present, such as high-quality hitting surface with daily tee-line changes, high quality golf balls and convenient access to range balls (through automated "swipe card" or "key" system). Industry "standards" suggest that on-course driving ranges average around \$2.00 per round in revenue, comparable to revenue generated at LCGC despite the small size with only 12 stations.

LAKE CHELAN GC – CONDITION OF FACILITIES

The golf course playing area at Lake Chelan GC appeared to be in generally good condition considering the review took place in February when the golf course was closed for the winter. The course has aging infrastructure and several basic challenges, and these are impacting both overall course conditions and the labor required to maintain those conditions. The business plan going forward assumes that high quality is maintained so the overall facility has a match of value between the facility quality and the price being charged. This NGF consulting engagement included a basic site review by the NGF consultant for the purpose of documenting the relative quality of the golf property and highlighting areas of needed improvement and potential capital investment.

Based on this consultant's review in February 2026, the NGF has made observations on facility conditions along with input from Lake Chelan GC staff. This review was provided to help the City understand the basic challenges of operating and maintaining a "living and breathing" asset, and to provide our estimate of ongoing maintenance and capital requirements for LCGC for the coming years. The primary areas of NGF review for the City include the following elements:

Review of Golf Course Components

The initial observation from the NGF is that the golf course playing area at Lake Chelan GC is in acceptable physical condition but would benefit from upgrades to address aging infrastructure that negatively impact conditions and add stress to labor requirements. The most significant of these issues is the outdated irrigation system, where concerns such as broken heads, leaking pipes, poor head spacing and other mechanical system problems were noted by staff and reported in a comprehensive irrigation assessment completed in 2021.¹ The golf course would also benefit from some subtle changes like tee enhancements, drainage improvements and some fixes to cart paths. This golf course is being maintained by a staff of 13 employees (3 full-time and 10 part-time) for a total of about 420+/- hours per week in peak golf season. Specific golf course components were reviewed as follows:

- **Global Conditions (Turf and Soil):** Originally opened for play in the 1960s, Lake Chelan GC appears to have been built using methodology consistent with that time. The original design and routing of the golf course is solid, but the course was constructed with small greens and some narrow hole corridors that still exist today. LCGC is built on good soil and good quality turf conditions can be achieved with proper irrigation and maintenance. At the time of the NGF review, turf coverage generally appears to be full, but factors resulting from inefficiency of water distribution is evident in some locations. Creating more consistency in all areas of the golf course will require pond and irrigation improvements (more later in this section).

¹ Golf Course Irrigation Assessment Report - Mears Design Group, LLC - November 2021.



- Greens:** The LCGC greens are small, averaging around 4,000+/- square feet (sf) in size, compared to a more common space of about 5,500+/- on a regulation golf course. Upon inspection in May 2025, the overall turf canopy and density appeared excellent, and the mowing height and fertility was adequate to withstand a high volume of golf rounds. The concerns reported by City staff focused on the small size of greens and limited locations for moving the hole and some issues with shrinking as green surrounds encroach on the green surface. The condition appeared good enough that the City should assume that a full replacement of greens with fresh turf is **unlikely to be required** in the next 5-10 years.



Images of selected LCGC greens showing the small size and mix of turf as viewed during a winter site visit. The greens appear to have a smooth surface with a true roll, which is important for public golf course and a key part of the course's appeal.

- Tees:** Many tees on the golf course need some renovation and/or expansion, mostly to address conditions related to overuse and unlevel surfaces. This is a result of the increase in normal wear and tear that comes with the recent uptick in rounds played. Most notably, the tees on par-3 holes have endured a great deal of damage from stress and the staff is struggling to keep up through routine maintenance. Utilizing some golf staff to fill divots and remove broken tees during peak usage would create a nicer look (additional golf maintenance staff is needed). Expanding overall tee space will provide more square feet of tees to spread out wear and tear and other tees will be stripped and leveled to maximize usable tee space. Additionally, the City should consider creating an additional set of forward tees on some holes in front of the current forward (Red) tees to help expand appeal to a wider base of “less skilled” golf customers.



Images of selected tees on holes at LCGC showing overuse and unlevel conditions that require additional space to move tee positions away from areas that get overused, especially on par-3 holes. Some of these conditions represent urgent improvement and staff reported activity to improve the tees on five holes (No. 4, 7, 11, 17, 18)

- **Bunkers:** As noted, there are only 11 bunkers on the LCGC golf course, and these bunkers are in good condition with proper edge maintenance although some improvement to sand quality appears to be warranted. As such, NGF does not expect that a course-wide bunker renovation to address both condition and size is needed at LCGC.





Images of select bunkers on LCGC showing good quality edging and defined separation from surrounding turf areas. Good bunker upkeep is an “attention to detail” sign of good maintenance that is noticed and appreciated by golfers.

- Cart Paths:** Cart paths are an important feature of a golf course and having a smooth cart path system will help prevent the damage done by carts driving off path. LCGC has a limited cart path system that is mostly focused close to tees and greens, with some extended areas to cover the space in between. Further, we note some declining condition with cart paths with a few areas of cracking that should be addressed.



Images showing examples of where cart paths should be fixed to provide a smooth surface and encourage golfers to keep carts on path.

- Drainage:** This golf course has only minor drainage issues, mostly related to irrigation leaks. The course is built on a hillside with outstanding natural drainage, so drainage issues related to excess rainfall are non-existent at LCGC. Outside of isolated spots, drainage is not a major concern. As such, it is not expected that this golf course will require any large-scale drainage improvement, although some minor investment and staff time is required to address irrigation-related drainage projects as they arise.



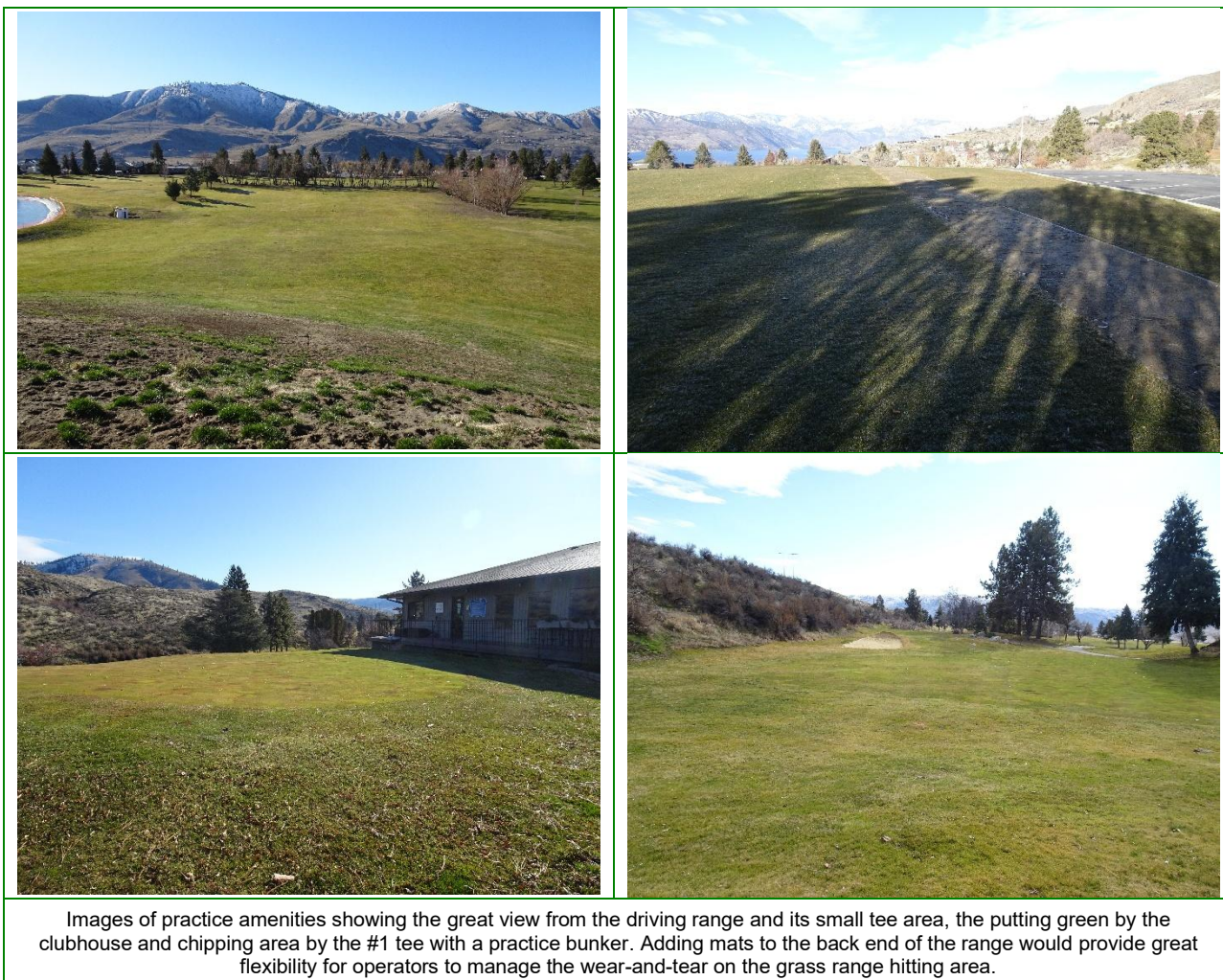
Images of ongoing drainage enhancements on hole #17 in February 2026.

- On-Course Services:** LCGC has on-course services with permanent restroom stations on both the front and back nine holes. Golfers also pass the clubhouse when going from hole #9 to #10 allowing for additional refreshment and/or restroom service. This is ideal for a public golf course and correlates well with higher-end customer expectations. As such, a regular schedule of maintenance for these services should be a part of the maintenance plan for LCGC.



Images of on-course services at LCGC in 2026 that includes a beverage vending machine at each station (soft drinks only), potentially impacting the demand for beverage service from on-course staff using a vending cart (can allow beer/alcohol on vending cart).

- Practice Amenities:** As noted, Lake Chelan GC has extensive practice amenities with a popular driving range and practice chipping area. These amenities are appealing even though they are not that convenient to the pro shop. The driving range is small but has potential to improve revenue. The large putting green by the clubhouse is used regularly but occupies a prime location that may be more beneficial in an alternate use (cart staging, more parking, gathering tent, etc.). The other practice areas are close to the #1 tee, which is ideal for a popular golf course.



Irrigation System

The irrigation system is the most significant problem that needs to be addressed on Lake Chelan GC and a complete renovation must be the primary step in any property renovation. **Without dependable and modern irrigation, no other investments (greens, bunkers, tees, turf, etc.) should be made on the golf course as the other areas will be dependent on irrigation.** This would include a new pump station, new in-ground pipes and isolation valves, new heads, wiring, and a new modern central control system that will be more reliable, more efficient, and save money on labor and save wasted water in the long run.

The water source for irrigation at Lake Chelan GC is Lake Chelan, with water pumped from the lake to the main pond on the golf course. Staff reports that the intake valve in the lake is not far/deep enough and that when the lake is lower in the off-season, the availability of water for irrigation can be limited. Also, the lack of automation in the system requires direct manual operation, thereby taking staff time away from other needs on the golf course.

A golf course irrigation system has two primary components: (1) Above ground components such as controllers, switch boxes, irrigation heads and pump stations; and (2) Below ground components that are primarily piping. Key issues and observations from the NGF on irrigation system components are noted in this section. This includes both NGF observations as well as review of the comprehensive irrigation assessment completed in 2021.² Key findings include:

- **Distribution and Pressure:** This System performance is limited, and the 2021 irrigation report documented a lack of “distribution uniformity,” leading to unequal irrigation of turf and plants in different sections of the system.
- **Outdated Components:** The current valve-in-head sprinklers were installed during the 1990’s and have been discontinued by the manufacturer. This creates challenges when the existing irrigation sprinklers fail and replacement is required.
- **Control:** Some controls in the system are manual, which require the irrigator to manually flip a switch to start the booster pump when irrigating the holes. This requires irrigation to be turned on by hand with no automatic watering at night possible. Watering the turf in this way wastes valuable work hours, is conducted around golfers in play, and is very inefficient.
- **Below Ground Pipes:** The existing irrigation system was originally designed as a block system with center row mainline and multiple sprinkler heads linked together. This design is outdated causing reduced pressure at the sprinkler head which is reflected in coverage of golf course turf and compromises the integrity of the pipe. Several main line and lateral line breaks were visible during our course review, and these breaks are an enormous problem for LCGC, impacting both the play of golf and the effective maintenance of the course.
- **Pump Stations and Ponds:** This golf course includes two pump stations and ponds, one each for the back and front nine holes. Both pump stations are having failures with valves and other inefficiencies that impact irrigation pressure, water waste and excess energy demand. The 2021 irrigation report³ determined that a 1,000 gallon per minute pump for eight hours would be required to irrigate the entire course during peak load times. However, the current pump station would need more than 12.75 hours to produce that same amount due to the lack of efficiency (plumbing, wiring, layout, etc.), creating longer run times.

In summary, this irrigation system has lived well past its assumed life expectancy. The plumbing is having significant failures, valves are failing, wiring is inadequate, sprinkler heads are outdated, solenoids are failing, and spacing is inconsistent. The pump systems are inefficient and are continually cycling causing issues with their efficiency and reliability. The resulting limits on pressure lead to brown areas of golf holes in the summer or during drier periods (as reported by staff). In summary, although some newer sprinkler heads have been replaced over the years, the irrigation system, piping, and pump station are all desperately in need of total replacement and are well past the expected useful life of all components of the system. The turf quality documented by NGF in this report is largely a result of insufficient irrigation. It is assumed that any improvement in the condition of this golf course must include an irrigation replacement with updated below-ground and above-ground components.

² Golf Course Irrigation Assessment Report - Mears Design Group, LLC - November 2021.

³ Golf Course Irrigation Assessment Report - Mears Design Group, LLC - November 2021.

Maintenance Facility

The maintenance facility at LCGC includes a defined 1.5-acre compound with four buildings for staff offices, employee spaces, equipment storage and golf cart storage. The main building that houses the repair and maintenance of course equipment is a two-level wood framed structure that is basic and functional. The additional buildings are used for equipment and cart storage and are adequate for the golf operation. The building conditions assessment completed in July 2025⁴ noted that many of the mechanical and electrical systems in the main building are near end of life and are also undersized for the type of work and area that they serve. The report also noted that basic clearances were inadequate and that some equipment servicing is completed outdoors due to low ceilings and undersized door access. Other concerns noted in the assessment report included:

- Garage door too short to house machinery and not enough space to increase height
- Chemical storage is not separate from workspace
- Breakroom lacks adequate space for employees, meals, lockers, restrooms, etc.
- Building has poor insulation and some leaks

The report concluded that the maintenance buildings are not adequately serving the golf facility and there is a demonstrated need for a new maintenance facility at the golf course. Absent a new building, the report identified some structural upgrades and repairs that could be addressed provide a short term fix for some of the identified issues.

Maintenance Equipment

The equipment needed to maintain the LCGC is owned by the City and there has been a recent and aggressive push to modernize the fleet after years of neglect as reported by staff. The equipment appears to be in good working order with no urgent replacement needs reported by staff, but this follows many large purchases in 2021-2025. NGF review of the golf course vehicle fleet spreadsheet shows that most equipment is less than six years old and there is a schedule for replacement of each unit from 2026 through 2035. The equipment condition is a positive observation about this golf facility and the written replacement plan is an industry best practice that will help the City maintain a proper fleet of equipment.

Review of LCGC Clubhouse

The clubhouse facility at LCGC is a two-story wood framed facility with a small pro shop and a restaurant/bar with indoor and outdoor seating on the main level, and a smaller venue space for catered events, along with restrooms, storage, and mechanical spaces on the lower level. The building is generally in good shape, with adequate mechanical, electrical and plumbing for the type of use that it serves.⁵ The building has had recent renovations that were completed by the F&B contractor, although these renovations were focused on the F&B service areas and restrooms but did not address the pro shop section of the building. The primary concern noted in the conditions assessment report was that the building is not ADA compliant (restrooms on lower floor). The pro shop would benefit from a remodel to improve flow of visitors through merchandise displays, remove unused dressing rooms, improve office privacy, and meet storage needs.

⁴ Building Conditions Assessment – MMEC Architecture & Interiors – July 2025.

⁵ Building Conditions Assessment – MMEC Architecture & Interiors – July 2025.



Selected images of the LCGC clubhouse, including the attractive new bar/seating area, small snack station near the doorway, rear patio with protection from the elements and the small pro shop space that could be reorganized to stimulate merchandise sales and improve check in.

CONSIDERATIONS TO IMPROVE LAKE CHELAN GC CONDITION

The NGF observed several concerns related to the condition of Lake Chelan GC in February 2026, supported by interviews and discussions with staff and other stakeholders. In order to maintain the highest quality golf facility conditions, the City would benefit from select upgrades to the facility. Outlined below are the capital investment considerations that can be undertaken at LCGC to improve the physical condition of the property and help keep this facility functioning properly and improve the facility’s competitiveness in the marketplace.

Lake Chelan GC Capital Investment Considerations

The most important areas of capital investments recommended for Lake Chelan GC over the next few years are listed below in priority order, and divided between high priority improvements, lower priority improvements and other ideas to help grow revenue at the facility. We note that the dollar costs estimated by NGF are intended to be rough “ballpark” estimates and that more comprehensive cost bids should be obtained before undertaking completion.

Highest Priority Capital Investments

At a minimum, the following items need to be addressed to allow Lake Chelan GC to achieve its full potential:

1. **Irrigation System** – The system is outdated, inefficient and should be improved both below-ground and above-ground with a new system that includes modern controls and improved pumping. The new system will make irrigation more efficient, save water and reduce required staff hours required to address irrigation shortfalls.
2. **Tee Improvements** – Improvement of tee boxes include soil enhancements, leveling, alignment and re-grassing. Existing tee boxes should be improved, and new boxes added for enhanced appeal to a wider variety of golfers.
3. **Cart Paths** – This project would involve fixing cracks and adding paths in some areas to allow for a “cart path only” routing for players to help flow and turf health. The cart path improvements will direct traffic and minimize wear and tear to green and tee surrounds, provide a more comfortable experience for golfers and improve the wear-and-tear on golf carts. This is **not a full path replacement** program, but improvements in selected locations totaling 10,000 linear feet (lf).
4. **Restroom Enhancement** – This project would include completion of all needed repairs to, and expansion of, the restrooms in both the clubhouse and on the golf course to improve the service of both golfers and F&B patrons.
5. **Selected Greens Improvement** – Complete needed upgrades to selected greens on the course, most notably hole #12 (surface damage, shrinking and surrounds) and the practice green in front of the clubhouse. These improvements will correct visible deficiencies, improve turf health and add appeal to the property to allow for marketing as the ‘best in the area.’
6. **Drainage Improvements:** Improvements involve modifications to alleviate flooding issues related to irrigation problems and include new trenches, water diversion and/or new drain systems.
7. **Parking Lot Improvement** – new lights to improve parking lot visibility and new surface and striping. The lights may impact golfers but would be primarily for F&B patrons present on site in evening hours.

Lower Priority Capital Investments

8. **Maintenance Facility** – Upgrades to address deficiencies noted for equipment storage, maintenance areas and employee spaces (break room, lockers and restrooms). NOTE: this is for enhancement as recommended by the conditions assessment report and does not consider site work and site improvements (building only).
9. **Add Accoutrements** – The property would be enhanced by adding new amenities common in golf such as benches in tee areas, new ball washers, tee/hole signs and a more defined bag drop area. This program can help improve the visual appeal of the golf course and provide comforts that are appreciated by golfers and expected at better quality golf courses.
10. **Bunkers**—bunkers need new sand and/or new lining for enhanced playability and longer life. Improved bunkers create a better golf experience with more visual appeal and strategy. This can be done a few each year or as a single project.

Other Investments to Enhance Revenue

In addition to the capital improvements noted above, the City can consider other investments that could lead to new centers of revenue production and encourage greater patronage of the facility. These potential investments include:

1. **Driving Range Enhancement** – The range could be improved to include an automated ball dispensing system, new mats, lighting and some level of F&B service (vending or other). Ranges that offer new technologies like ball tracking and lights tend to generate much higher revenue.
2. **Patio Improvement** – The rear patio could be enhanced and/or expanded to provide an ideal outdoor dining venue with views out on to the golf course. This is consistent with the changing demand profile and has been successful at other public golf courses.
3. **Pro Shop** – The small pro shop at LCGC is seemingly fixed within its boundaries and expansion is likely cost prohibitive. However, the existing pro shop could be reconfigured to improve check-in and add retail focus.

Estimated Cost of Recommended Improvements

The capital investments recommended by NGF for LCGC are listed along with a preliminary estimate of cost for completion for each item. We note that the dollar costs presented are NGF estimates and more comprehensive cost bids should be obtained before undertaking completion:

Lake Chelan GC Recommended Upgrades – by Type			
High Priority Capital Investments	Inputs	Low Estimate	High Estimate
New Irrigation System	Double row combo system with new pump station and modern controls (Lump Sum)	\$3,750,000	\$4,500,000
Tee Improvements	25,000sf @ \$6-\$8.00/sf	150,000	200,000
Cart Path Improvements	10,000lf @ \$20-\$25/lf	200,000	250,000
Restroom Enhancement	Lump Sum	100,000	150,000
Selected Greens Enhancement	2-4 Greens (10,000-20,000sf) at \$10-\$12/ sf	100,000	240,000
Drainage Improvements	\$20-\$40k for systems, \$10-\$20k for soil and turf improvements + \$20-\$40k for additional retention	50,000	100,000
Parking Lot Upgrade	24,000sf @ \$3.50-\$4.50/sf	84,000	108,000
Total High Priority Projects		\$4,434,000	\$5,548,000
Lower Priority Capital Investments	Inputs	Low Estimate	High Estimate
Maintenance Facility Upgrade (primary Bldg.)	2,200sf @ \$250-\$300/sf	\$550,000	\$660,000
Golf Accoutrements	Lump Sum	75,000	100,000
Bunker Improvements (Incl. practice bunker)	12 bunkers @ \$10,000-\$12,000 per bunker	120,000	144,000
Total Lower Priority Projects		\$745,000	\$904,000
Other Investments to Improve Revenue	Inputs	Low Estimate	High Estimate
Driving Range Upgrade	Lump Sum	\$100,000	\$150,000
Patio Improvement and Covering	Lump Sum	150,000	200,000
Pro Shop Re-Modeling	Lump Sum (cost TBD at least \$250,000)	250,000	500,000
Total of New Investments		\$500,000	\$850,000
Grand Total of Capital Projects		\$5,679,000	\$7,302,000
<small>All figures are NGF Consulting estimates based on similar projects completed in the region in the last 3 years that have been provided to allow for preliminary planning. These amounts may or may not reflect actual costs for City of Chelan, and the City should engage appropriate research to cost out specific projects. cy= Cubic Yard; lf= linear feet; sf= Square Feet; Ac = Acre</small>			

Lake Chelan GC – Capital Improvements Undertaken (2021-2025)

The City continues to demonstrate its commitment to Lake Chelan GC with ongoing investment into the property, with several projects and equipment additions identified during 2021-2025. The City reports a total of more than \$784,000 spent on course improvements, most of which is related to equipment purchases that were needed to bring the fleet up to an acceptable level after many years of reported neglect. The capital investments reported by LCGC for 2021-2025 are listed below:

Lake Chelan GC Capital Improvements (2021-2025)		
Year	Improvements Undertaken	Total Capital Investment
2021	Equipment + Irrigation repairs	\$121,708
2022	Equipment (tractor + thatcher)	\$93,925
2023	Irrigation analysis	\$17,490
2024	Equipment (greens mowers + Ventrac) + lake pump fixes	\$310,966
2025	Equipment (utility vehicles + thatcher)	\$240,085
Total Investment (2021-2025)		\$784,174

REVIEW OF GOLF OPERATIONS - LAKE CHELAN GC

The Lake Chelan GC is a City-owned public-access golf facility that is self-operated by Chelan and staffed by City employees, except for food and beverage service that is staffed by a private contractor. The City has expressed a clear desire to continue to operate the LCGC in such a way that the facility and all amenities will be “open and available to the public” at an affordable rate. In the following section, NGF reviews the structure, staffing, technology, marketing, fees, carts, merchandising, food & beverage service, player development programs and other organized activities associated with the operation of the City facility. Lake Chelan GC is currently administered through the City’s General Fund and a defined golf budget. Direct on-site management of the facility falls to a Head Golf Professional, who is a City employee.

Chelan Responsibilities

Lake Chelan GC is owned by Chelan and operated through a defined golf budget with direct oversight by the Parks Director. Even though the golf facility is expected to be economically self-sufficient and produce enough revenue to not adversely impact other City operations, Chelan has financial responsibility to support the facility and cover any operational losses that may occur. City leadership is also involved in developing long-range planning for the golf facility and must approve any initiatives to alter physical spaces or change basic fees and charges.

Public Purpose of Lake Chelan GC

As a municipal golf facility under the umbrella of Chelan, the LCGC operation has a defined “public purpose,” which provides various benefits to the community that supports a public purpose of the Lake Chelan GC, including:

- Opportunity for extensive junior golf programming that could include expansion of junior summer camps, scholastic golf events, a defined junior green fee discount, and other junior golf activities.

- Lake Chelan GC hosts several important regional events and tournaments that attract visitors to the City, including charity tournaments, and other regional tournaments.
- Lake Chelan GC is open and available for charitable groups to host events at the facility to raise money for various charities.
- The presence of the Lake Chelan GC enhances the overall quality of life and adds significantly to the property value of homes in Chelan, ultimately helping to support the region's property tax base.

On-Site Management and Staffing of Lake Chelan GC

Documentation provided by the City of Chelan shows a total facility labor expense that exceeded \$1.0 million in 2025, or 62.2% of total direct operating expenses. The NGF standard is around +/- 55% for labor in a public golf operation. All staff at Lake Chelan GC are employed directly by Chelan and subject to City-wide employment terms and benefits. There is a total of five (5) year-round full-time positions plus 17 other positions that are a mix of seasonal full-time (11) and part-time (6) working between 20 and 40 hours per week in the golf season (8 or 9 months). In general, full-time (FT) staff at Lake Chelan GC are those working 40 hours per week and include benefits, while hourly rates vary by position and are between \$17.71 and \$25.23/hour.

The staffing required to successfully operate LCGC includes key on-site management positions and support positions in golf operations and golf course maintenance (food & beverage positions are staffed by the concessionaire). This structure allows the City to provide hands-on control of LCGC and maximize implementation of program elements that are required to succeed in golf. A summary of all staff and full-time equivalent (FTE) estimates at LCGC are summarized below:

Lake Chelan Golf Course Total Facility Staffing – 2026	
Golf & Clubhouse Operations	Golf Course Maintenance
Head Golf Professional (FT)	Golf Course Superintendent (FT)
Assistant Golf Professional (FT)	Asst. Golf Superintendent (FT)
Golf Shop Assoc (4 - FTH)	Mechanic (FT)
Cart / Range (3 – PT)	Greenskeepers (5 – FTH)
	Asst. Greenskeepers (5 – PT)
Total Staff Charged to LCGC = 6.5 FTE	Total Staff Charged to LCGC = 9.25 FTE
<small>Full-Time Equivalent (FTE) calculation: FT = Full-time w/benefits; FTH = full-time hourly during the March – November golf season (est 1,440 hours 0.75 FTE); PT = limited part-time positions (under 1,000 hours 0.5 FTE).</small>	

Comparison to National Standards

Compared to national public golf standards, the NGF team finds this facility has an appropriate roster of staff in golf maintenance, with generally fewer employees in golf operations. While there are no industry standards that can be referenced to determine the **appropriate** staffing levels for a golf operation, the **industry averages** are presented below. Personnel costs typically represent the largest single expense item at a golf course, as is the case for Lake Chelan GC. The NGF data on public golf operations in 2024 show averages for full-time staffing at 18-hole public golf courses nationwide (table below). After the table, NGF presents a more thorough review of golf maintenance staffing and the total hours per week needed to properly maintain an 18-hole public golf course.

Lake Chelan Golf Course Total Facility Identified Staffing – 2025				
Facility	Golf Staff (FT / PT) *	Maintenance Staff (FT / PT)	Food/Bev. Staff (FT / PT)	Total Staff (FT / PT)
Lake Chelan GC (18H)	2.0 / 7.0	3.0 / 10.0	N/A	5.0 / 17.0
Industry “Standards” (per 18 holes)				
Total U.S. Average (per 18 Holes)	4.0 / 16.0	5.0 / 10.0	2.0 / 9.0	11.0 / 35.0
* The national average for operations staff includes F&B services.				

Position Profiles and Expected Duties

The golf staff at Lake Chelan GC is employed directly by the City of Chelan, with five full-time positions and additional staff of seasonal full-time (full-time hourly) and part-time positions with varying levels of labor hours in each golf season. A summary of key positions and ideal responsibilities are detailed below:

Golf Operations

- ▶ **Head Golf Professional (Pro):** The Pro is responsible for full facility oversight, administrative/financial reporting, inventory, ordering, forecasting, hiring, scheduling, training, marketing, social media, technology, and many other duties on an “as needed” basis. The Pro must be capable and available to engage in many support functions, including some time behind a pro shop counter. This position requires specific focus on overseeing the golf operation, driving range, outside services, programming, and golf lessons. The individual in this position should possess a strong background in business administration, accounting, finance and marketing (including technology), as the position is highly entrepreneurial for the City.
- ▶ **Assistant Golf Professional (Asst. Pro):** The Asst. Pro is responsible for managing & coordinating events, lessons, leagues, and programs, as well as business support and golf oversight. LCGC is always run with at least one of the senior staff on site when the facility is open. This individual should possess a background in business administration and marketing PGA certification a plus.
- ▶ **Golf Shop Attendant:** Provides service to guests and assists the Pro and Asst. Pro. in golf shop operations, merchandise sales and other golf-related sales activities and customer service.
- ▶ **Carts / Range Attendants:** These positions provide golf bag, golf cart and driving range assistance to guests of the property. Their duties will also include maintenance of these physical spaces such as cleaning carts and tidying facilities.
- ▶ **Starters / Rangers:** These positions provide guest services by directing players to the first tee at appropriate times and controlling a smooth pace of play on the golf course. They will also provide other guest services in the form of communication, directions, advice and answer questions on other topics related to the golf course.

Golf & Facility Maintenance

- ▶ **Grounds Superintendent:** The maintenance of the golf playing area is overseen by a GCSAA Class-A Golf Superintendent. This position involves primary oversight and staff allocation responsibilities, scheduling, purchasing (equipment and supplies) and prioritization of activities. This position may require direct maintenance activities, depending on support staff size.

- ▶ **Assistants, Mechanics, Specialists & Groundskeepers:** Assists in the daily maintenance and preparation of the golf course under the supervision of the Golf Superintendent. These positions are a mix of full-time staff working over 2,000 hours per year (5), full-time hourly staff working 40 hours per week in the golf season and some part-time staff limited to 20 hours per week in the golf season. These positions involve responsibility to operate large pieces of golf maintenance equipment, including riding equipment.

Golf Maintenance Staff Considerations

Suggestions for improving day-to-day course conditions must take in consideration the available labor man hours and the materials that can be utilized within the current approved budget. LCGC is allocated three (3) full-time (150 man-hours/week – incl. overtime), five (5) full-time hourly staff (200 hours/week in golf season), and five (5) part-time staff (100 hours per week in golf season) for a total of 500 hours per week to maintain LCGC in the golf season or (approximately 16,000+/- hours per year). This activity is close to the 14,400 hours per year ‘standard’ for maintenance of a good quality 18-hole public golf course in northern climates (equates to 450 hours per week for 32 weeks). It seems that additional labor is required at LCGC due to aging infrastructure and antiquated irrigation that requires excess staff time to manage properly.

Review of Technology, Website and Marketing

POS System

Lake Chelan GC is currently using the *ForeUp* system for its Point-of-Sale (POS) and tee-time reservation system on a fee-for-service basis. The service includes the POS system, online tee-time support, website support, hardware support and email services (including templates). The system is purchased as a professional service, totaling \$10,650 in 2026. This amount is comparable to industry expectations and includes some marketing services related to direct messaging and email blast communications. The contract does not include services related to website development or advanced marketing, which can be included for additional fees. Services in the higher fee agreement include more fully integrated tee sheet management, ability to include gift card purchasing and loyalty programs on the website, dynamic pricing options, a marketing suite and other features.

The NGF sees the POS system as an essential component for a successful golf operation, and a good public golf POS should allow golf course managers to integrate the system to its website to allow online purchases, offer online tee-times, reliable credit card processing and customer tracking. The system can also create ongoing marketing and communications to a set of email addresses that are collected by *ForeUp* for LCGC.

Lake Chelan GC Website

In 2026 and the foreseeable future, the Internet is the most significant tool in golf marketing. Golfers, especially when traveling, use the web to find places to play. **As such, the Internet is now the most important element in golf facility marketing.** NGF studies show that upwards of 90% of all golfers will view web content on a regular basis. The web has several key advantages over other forms of advertising, such as low cost, wide reach and unlimited information.

The website for LCGC is located at www.cityofchelan.gov/184/Lake-Chelan-Golf-Course, which is the City’s website, but the golf site can be found by entering Lake Chelan Golf in search engines. The site includes several of the basic information components that are common in golf websites but has a more “government” look and feel and limited information and appeal. The websites for successful public golf courses include more pictures, a clearer rate card, better course description, directions, and more information about F&B offerings and banquets. NGF has identified the most

important features of a golf facility website should include the items noted above, and the best sites are the ones that are constantly being updated, so that customers get in the habit of checking them. Maintaining the golf course website should be an ongoing task with input from senior staff and City marketing staff for maintaining the website.



Comparative image of the landing page for LCGC and Bear Mountain GC showing stark contrast in both image appeal and usability of the site and access to key information. The difference in appeal continues in all “click through” pages on the two sites.

Search Engine Optimization

The most effective websites are those that can be found easily, and Lake Chelan GC could use some upgrade. With its strong name match to the facility, the Lake Chelan GC site is found easily in a narrow local search based on “Chelan” but is much more difficult to find in the broader context of “Seattle” or “Washington” golf, indicating some tags could be added to the course website landing page. Search Engine Optimization (SEO) is the process of maximizing the number of visitors to a particular website by ensuring that the site appears high on the list of results returned by a search engine. The process is optimized by providing important HTML clues (page headings / detailed descriptions) that help search engines (and users) determine relevancy to search clues.

Lake Chelan GC Marketing

Traditionally, NGF recommends marketing budgets for golf courses of about 1-2% of total gross revenue, or roughly \$17,000-\$34,000 for Lake Chelan GC in 2026. In tourist markets where a high proportion of golf demand is coming from non-local golfers (like Chelan), marketing budgets tend to be on the higher end of this range. Review of data show that the City spent about \$10,000 on marketing in 2024 and 2025, mostly related to the Seattle Golf Show (travel & booth) and an advertisement in the *Pacific Northwest Golfer* magazine.

Going forward, the key marketing initiatives that should be part of the program for LCGC include the items more common in modern (2026) golf marketing, like the electronic methods that typically have much lower cost and are likely a part of upgrade modules that can be added to the *ForeUp* POS contract. This would make the budget requirement less important than the effectiveness of electronic and website methods. It should be noted that given the high compaction rate with golf demand in Chelan, and the limited availability of prime tee times, that marketing initiatives should be targeted to off-peak demand periods (shoulder seasons + mid-week in season). Key marketing initiatives that have grown in appeal and success at public golf courses include off-peak pricing specials, targeted email communications and activity on social media.

Golf Playing Fees

The primary source of revenue to the Lake Chelan GC is from green and cart fees, plus other ancillary revenue. The fees for daily golf play for the last two years appear in the table below. The maximum golf playing fee includes a prime 18-hole green fee and ½ cart fee and totaled \$100.00 in 2026, up about 11% from the \$90.00 in 2025. Overall, fees are increased for 2026, ranging from 11% to 50% for some fee categories. Annual pass fees have also increased between 18% and 25%, while annual cart fees have declined 6-7% in 2026.

Daily Green and Other Fees

The table below shows the green + cart fee rates at Lake Chelan GC for 2024-2025. The basic pricing convention at Lake Chelan GC is different from other public golf courses in this market, as having a separate fee for weekdays and weekends is common in this market (many courses will include Friday as a weekend rate). With the market consisting mostly of visitors and/or vacationers, the lack of a separate weekend rate would seem to fit with the local market demand (more in Competitive section).

Lake Chelan GC – Golf Playing Fees (2025-2026)				
	2025		2026	
Daily Green Fees	Off Season	Peak Season	Off Season	Peak Season
Adult 9-Holes	\$30.00	\$40.00	\$48.00	\$60.00
Adult 18-Holes	\$50.00	\$74.00	\$58.00	\$84.00
9-Hole Twilight (after 2PM weekdays)	\$22.00	\$32.00	\$25.00	\$35.00
18-Hole Twilight (after 2 PM weekdays)	\$34.00	\$44.00	\$38.00	\$49.00
Annual Passes	2025		2026	
Annual Single	\$1,050		\$1,240	
Annual Family	\$1,700		\$1,995	
Annual Junior	\$135		\$150	
Annual Single (Twilight)	\$600		\$750	
Annual Family (Twilight)	\$900		\$1,000	
Cart Fees	2025		2026	
Annual Single Lease	\$650		\$600	
Annual Family Lease	\$850		\$800	
Annual Cart Storage	\$425		\$400	
Annual Cart Usage	\$325		\$325	
Daily Cart Rental (per Rider - 9H)	\$8.00		\$8.00	
Daily Cart Rental (per Rider - 18H)	\$16.00		\$16.00	
Driving Range	2025		2026	
Annual Range Pass	\$175		\$175	
Small Bucket	\$7.00		\$8.00	
Large Bucket	\$10.00		\$13.00	

Lake Chelan GC Golf Fee Summary and Notes

- The NGF uses a metric of total average realized golf revenue per round (ARGRPR) to assist in showing the health of golf revenue and how much discounting is needed to attract activity. The ARGRPR was \$52.29 at LCGC in 2025, or about 58.0% of the 2025 peak green + cart fee (\$90). NGF has found that successful public golf courses tend to operate with actual realized ARGRPR of about 65% of the highest green fee, indicating **LCGC is undertaking some discounting to attract its volume of rounds activity in 2025**, but this is not severe. We note that **LCGC has implemented a significant fee increase for 2026**, likely resulting in a higher ARGRPR for 2026.
- The market review (presented later in this report) shows that Lake Chelan GC is in the middle segment of a market with high fees for public golf. LCGC daily green fees are higher than Alta Lake and other regional public courses, but lower than Bear Mountain and Desert canyon and much lower than Gamble Sands. As we explore in our competitive analysis, the daily green fees at LCGC fit well with the market while annual pass fees may still have room for increase even after the recent rise in 2025.

Annual Pass Review

Lake Chelan GC offers golfers an option to pre-pay for golf through the issuance of annual golf passes. These passes come in several types, including cart plans, but include a key restriction on activity for the peak summer season. The annual pass at LCGC includes a tee time restriction for a defined three-hour block during July and August from 7 to 10 AM. Daily fee players can make tee times up to 30 days in advance, while annual pass players are excluded from the early morning in July and August, allowing the facility to maximize activity from higher-paying golf tourists.

Annual Pass Data and Revenue Analysis

The annual passes are offered in several types, divided between individual and families, with a few sub-categories of each. The total number of passes has been steady in the last few years, but some reduction was reported in 2025. These pre-paid green fee arrangements are common at public golf courses nationwide and in this local market and offer frequent golfers an opportunity to lower their average cost per round while providing significant up-front revenue to the facility. The total cost for these passes has increased by about 17-18% from 2024 to 2025, now peaking at \$1,840 for an individual pass with cart and \$2,795 for a family pass with cart. A summary of the membership roster from 2021-2025 is shown below:

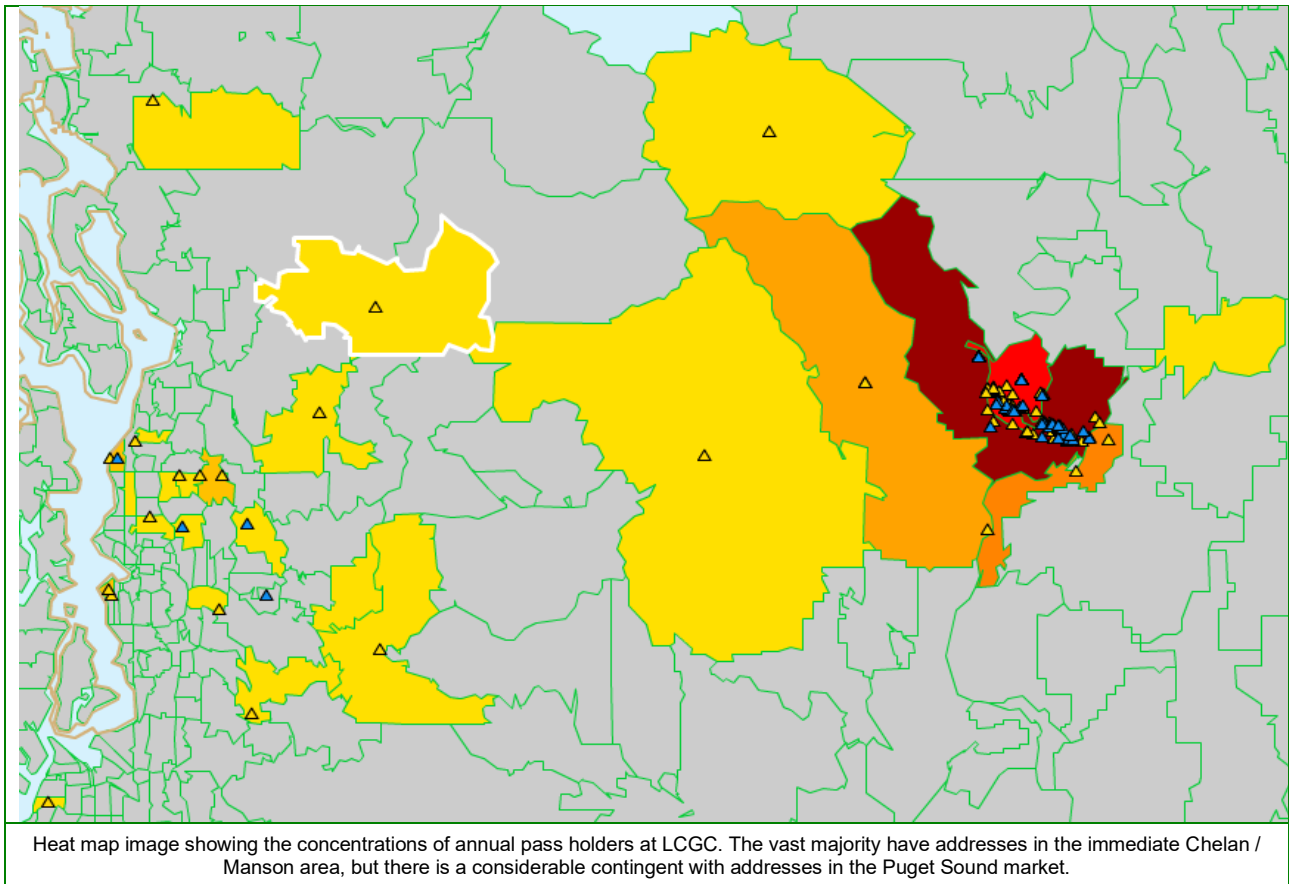
Lake Chelan Golf Course Annual Passes by Type (2021-2025)					
Annual Passes	2021	2022	2023	2024	2025
Annual Single	164	172	171	183	167
Annual Family	70	64	63	66	67
Total Passes	234	236	234	249	234

At present, total rounds played at Lake Chelan GC are divided between daily fee players who pay a unique fee for a single round of golf, and annual pass players who pay an annual fee for unlimited golf during the year. Traditionally, passholders play about 35% of total rounds at LCGC and 65% of rounds come from daily fee players. On a per round basis, annual pass players paid around \$23.57 per round for green fees (2025) compared to an average of \$52.11 for daily fee players. This represents a discount of about 55% for members compared to the 35% discount that is the target for public courses operating with memberships (also known as semi-private):

Lake Chelan Golf Course Annual Passholder Analysis (2021 – 2025)					
Revenue	2021	2022	2023	2024	2025
LCGC Pass Revenue	\$193,131	\$209,217	\$214,588	\$244,829	\$258,167
No. of Passes	234	236	234	249	234
Passholder Rounds	7,864	6,749	8,832	10,762	10,953
Avg Rounds/Pass	33.6	28.6	37.7	43.2	46.8
Total Passholder Fees	\$825.35	\$886.51	\$917.04	\$983.25	\$1,103.28
Revenue per Pass Round	\$24.56	\$31.00	\$24.30	\$22.75	\$23.57
Rev. per DF Round	\$42.33	\$41.93	\$44.60	\$49.16	\$52.11
Annual Pass Discount %	42.0%	26.1%	45.5%	53.7%	54.8%

Annual Passholder Origin

Of the 234 primary pass holders identified in 2025, 156 (approximately 67%) are from the two primary zip codes proximate to Chelan (98816 & 98831), while the remaining 78 are from other areas in and around Washington with some concentration in the Puget Sound area market. A summary of the origin of LCGC passholders is shown in the exhibit below:



Annual Pass Summary

The annual pass program at LCGC is a great way to provide some discount golf to Chelan area residents that often experience a higher cost of living due to residence in a heavy tourist area. Ultimately, the appropriate level of discount for these local residents is a decision for the City of Chelan. The NGF analysis shows that these local players are paying less than half the average rate of daily fee players, and that some of the passholders have a primary residence address that is not local to Chelan. If the national standard for annual pass discounts is applied to Chelan, the resulting cost would be closer to \$1,500+/- for a single and \$2,400 for a family, assuming the same rounds activity among pass holders (averages to about \$32.50+/- per round).

Review of Food & Beverage Operations

A high-quality Food & Beverage (F&B) operation correlates well with success in public golf. Traditionally, golf course F&B services do not produce strong net revenue, but provide a service to golfers to help enhance golf fee revenue. One exception to this standard is golf facilities that include services and features that appeal to non-golf patrons, thus augmenting the revenue potential. Below, we discuss the service that is provided via contract with a private vendor, Albatross by Karma, and how this service structure and profile impact the economics of Lake Chelan GC from the City's perspective.

Contract Agreement

Food and beverage service at Lake Chelan GC is provided via contract with an independent third-party provider under the brand Albatross by Karma. The agreement calls for significant capital investment in the clubhouse to improve the bar, dining area, patios, downstairs meeting room and the restrooms, all of which have been completed between 2022 and 2024. As such, there is no direct financial consideration paid by Albatross to the City (capital-in lease). The private vendor owns all the revenue generated from F&B sales on property and is responsible for all expenses, including labor. The service agreement specifies the basic level of service that is to be provided, including service to golfers and some on-course service during peak demand (beverage cart). Total gross revenue earned by the contractor for F&B service at LCGC was not provided to NGF.

Basic Service – Bar, Grill, Snack Bar

The basic food and beverage service provided at Lake Chelan GC includes the main grill service and bar area in the recently renovated clubhouse. This operation provides a level of service that closely resembles a full-service restaurant, complete with tableside service and a full bar. Seating for this service is often restricted to reservation-only patrons, most of whom are not playing golf. This service restriction has caused some anxiety among golf patrons at LCGC, expressed to NGF through our stakeholder engagement.

It is common for public golf courses to include a convenient walk-up / take-away form of restaurant service that is preferred by public golf customers, which is accommodated at LCGC as “the Fairway.” However, it was reported to NGF that the hours of operation for this service are limited and not a full match to golf activity. As a general rule in golf concessions, some form of food and beverage service should be open and available to golfers at all times that golf is allowed and played. The seating for the Fairway service is limited, and in many cases not available at all if the Albatross restaurant needs the tables. There is a patio area at the rear of the clubhouse that is a popular space for golfers to use upon purchase from the Fairway menu, but space is often limited or unavailable.

The F&B service at Lake Chelan GC is divided between the two basic operations – Albatross and the Fairway. The fairway menu offers burgers and sandwiches (from 10 to \$15), snacks (\$10-\$12), breakfast (\$12) and beverages (specialty drinks \$16). The Albatross has a more comprehensive

menu but is less available to golfers as noted. This menu offers a wide range of appetizers and meals from \$10 to \$35 but is only available through tableside wait service. LCGC offers a full bar with a wide variety of wine, beer (domestic & imports) and cocktails (Albatross owns the liquor license). The basic set up at the facility appears to create some separation between basic support for golfers, with increased focus on non-golf restaurant patrons. While the Fairway menu provides appropriate service to golfers, the limited seating options seem to be suppressing the demand from golfers who may otherwise consume more, if adequate seating was available.

Banquet and Events Operation

LCGC includes primary indoor space capable of hosting up to 150+/- patrons. While modest, the space is capable of hosting some banquets and parties using both primary restaurant space and the downstairs meeting room. This level of size and accommodation can be an advantage for a public golf course and provides an opportunity for LCGC to capitalize and grow its tournament and event segment in the golf operation, at a time when golf activity may be reaching a peak. As per the contract, the City would not earn direct revenue from these golf events or non-golf events and banquets, but the availability of this service and the presence of these elements helps the golf course sell more tee times, ultimately leading to improved City revenue.

Outside F&B Operations (Beverage Cart)

Beverage cart operations at LCGC can produce modest revenue if run properly with well-trained servers. This service is not expected to contribute profit in a public golf operation, but rather is viewed as a service to golfers, ultimately leading to more repeat sales of green fees and cart fees. Most public golf course operations earn less than \$1.00 per round of golf on the beverage cart, with a total cost of sales at 40%. Sales can be improved by offering credit-card processing directly on the beverage cart through a remote system linked to the POS.

Despite vendor concerns that the service was not economically efficient, it is expected that this service will continue into the foreseeable future. We note that LCGC has two beverage vending machines on the golf course that can provide some beverage service to golfers, but these machines are limited in volume and exclude any alcohol or beer, which is a popular on-course beverage purchase. Albatross has set up a call-in line for golfers to order items from the Fairway menu and have them ready to pick up after the 9th hole. This is common in public golf and provides a service that is often appreciated by golfers.



Image of the sign on hole #8 for golfers wishing to place a food order and have it ready by the time they finish hole #9.

Albatross Website

Albatross has a modern and effective website with an appealing homepage with scrolling pictures of the property, the clubhouse and food service. The site menu is comprehensive and detailed about all offerings, specials, catering, events, parties and a link to a newsletter. The site is linked to the golf course website, but the differences between the two sites are striking. As golfers and/or non-golf patrons don't necessarily know the relationship between the golf and F&B service, a more unified look between the two services tends to produce a more unified look for the whole facility that is appreciated by both groups of customers.

Golf Cart Operations

Lake Chelan GC operates a fleet of 72 gasoline-powered Club Car golf carts that were delivered to the course in January 2026 under a new five-year lease. The carts are stored in a separate cart barn, which includes storage space that is sufficient to contain the fleet as it exists. The lease for the carts is approximately \$5,800 per month, or \$69,600 per year for the fleet of 72 carts. The total cost is well within the NGF's expected standard of about \$1,200 per cart per year, regardless of lease or purchase. The fleet is gasoline powered, which is not preferred by golfers who indicate in surveys a preference for the cleaner and quieter electric-powered carts. However, gas carts are required at this facility due to steep hills, the need to turn carts over for multiple rounds per day and the lack of storage facilities that would be needed for an electric-powered cart fleet.

Having newer carts in good condition is a high priority for public golf courses. Having cleaner carts in good condition with modern features will reflect positively on the facility and encourage more rounds. The carts at Lake Chelan GC include some key features that are consistent with higher-end golf such as windshields and phone chargers, but do not have sand buckets for divots, no coolers and no rain covering for golf clubs.

Merchandise Operations

Lake Chelan GC has a modest-sized pro shop (under 1,000sf) and offers a mix of merchandise for sale, highlighted by logo-embazoned wearable items. Merchandising at the course consists of mostly impulse items (balls, tees, gloves, hats, etc.), extensive soft goods (mainly logoed shirts, vests & sweaters) and some clubs and club repair. The items that tend to sell best at facilities like Lake Chelan GC are the obvious impulse items as noted above, but also logoed merchandise like shirts and outerwear. Chelan is not active in selling golf clubs and other hard goods, which is consistent with the trend NGF has documented in on-course retailing not wanting to compete with "big-box" retailers or the internet.

NGF Consulting sees good performance in the pro shop operation at LCGC, despite a relatively modest amount of floor space dedicated to retail sales. Merchandise sales at LCGC reached \$140,700 in 2025 compared to just \$117,300 in 2021 (20% increase). Total merchandise sales averaged \$4.82 per round of golf in 2025, much higher than the industry standard for on-course pro shop sales at public golf courses of \$3.14 per round (2024 data). The U.S. average for direct cost of merchandise sold was 70% in 2024, compared to 75.8% reported by LCGC in 2025.

Logoed Merchandise

The items that tend to sell best at facilities in tourist markets like LCGC are the obvious impulse items as noted above, but also logoed merchandise like shirts, outerwear equipment covers, golf towels and other items that can display an attractive logo for the facility. The shop should accommodate a wide range of sizes and include some ladies wear. As shown below, LCGC has out of date logos that should be modernized for greater appeal on shirts and other items sold in the LCGC pro shop.



Lake Chelan GC Driving Range Operation

For many public golf courses, the driving range can be a significant source of revenue if it includes good quality turf (use mats occasionally), good golf balls, convenient accessibility (kiosk with automated range ball dispensing) adequate size (275 yards+ of length) and a covering to protect from the sun and/or rain. The LCGC range is small with only about 12 tee stations, only about 220 yards of length and about 25 yards of depth in the tee area, thus limiting the number of hitting zones that can be accommodated with too much damage to the grass. The City did add new artificial turf mats that can be used once or twice per week to allow the grass tee area to recover from overuse.

Over the past five years, the Lake Chelan GC driving range has seen considerable growth in revenue, growing from around \$48,886 in 2021 to \$62,906 in 2025. This equates to over \$5,200 per range station, which is higher than the industry standard of between \$4,000 to \$4,500 per station per year. The 2025 revenue equates to \$2.16 per round, which is also comparable to the industry standard of \$2.00 per round (2024 data). As the range is one of the highest margin revenue centers in a golf operation, any growth in this area will lead to improvements in facility net revenue. Key recommendations to increase range revenue at LCGC include adding some kind of automated range ball dispenser system and possibly even adding some form of ball-tracking technology to allow golfers to use for golf practice or entertainment for an additional fee. Other ideas like playing some light music (after hours), making concessions more convenient to the range, and promoting organized activities (range games) have worked to enhance range ball sales at public courses nationwide. These ideas, coupled with other activities to increase rounds activity, should greatly enhance range revenue.

The Green on Lake Chelan – Putting Course

The City of Chelan also offers an 18-Hole Professional Grass Putting Course on Lake Chelan, located between Don Morse Memorial Park and Lakeshore Marina. The facility, known as "The Green," is a popular family-oriented entertainment venue that is open from 10:00am until 8:00 on weekdays and until 10:00 PM on weekends (Fri – Sun). The cost to play the small putting course is around \$12 to \$15 for youth under 18 and \$15 to \$17.50 for adults. Although activity is not tracked by the City, data from the operation suggests The Green hosted around 12,500 to 13,000 rounds in 2025.

The property is approximately 1.7 acres and is maintained by a City staff assigned to the property, but with some augmentation from the Lake Chelan GC golf maintenance staff. The property includes a small kiosk to support sales and a small utility garage for storing a greens mower and other hand tools. The course is lighted for night use and much of the activity is reported to be near or just after sunset.



Images of the putting course in Chelan, showing well-maintained natural grass and view of the lake. The course is lighted to allow for some night use.

Economic Performance

Over the past five years, the Green putting course has seen considerable growth in revenue, growing from around \$125,500 in 2021 to over \$194,500 in 2025. Record keeping was improved in 2024 to show the split between youth and Adult categories to aid in better reporting, planning, and marketing. The expenses shown in the table below do not include any hours from LCGC staff, although staff estimated to NGF that it was no more than 10 to 12 hours over one or two days at the beginning of each season when the putting course is opened. As this course is part of the City’s overall golf offering, any efforts to increase revenue will ultimately improve the golf performance for the City. However, given this volume it is not expected that improvement in putting course revenue will change the economics of golf in Chelan by more than +/- \$50,000 in any year:

The Green on Lake Chelan Putting Course Annual Revenue & Expense (2021 – 2025)					
Revenue	2021	2022	2023	2024	2025
Putting Course Youth Fees	N/A	N/A	N/A	\$40,448	\$61,438
Putting Course Adult Fees	N/A	N/A	N/A	95,419	133,138
Total Putting Course Revenue	\$125,520	\$143,889	\$136,982	\$135,867	\$194,576
Putting Course Expense	\$107,779	\$131,859	\$131,441	\$145,015	\$186,344
Net Putting Course (Loss)	\$17,741	\$12,030	\$5,541	(\$9,148)	\$8,310

Golf Programming and New Player Development

One of the keys to successful public golf facility operations is the continued promotion and hosting of organized activities and programs, such as leagues, outings, tournaments, and player development. These activities are important to maximize rounds activity at public golf courses and NGF observations show Lake Chelan GC has an active league and tournament calendar, with events and leagues actively promoted and managed by staff. Traditionally, large golf events tend to stimulate activity and generate more rounds than at courses that do not have an active event

calendar, but many golf facilities find that discounting to attract a large tournament only takes tee times away from higher-paying daily fee customers, especially if the tournament does not fulfill its full roster reservation. As such, LCGC tends to host large golf events and tournaments in the shoulder season (April or October), and away from peak summer season.

Lessons and New Player Development

We note that player development will be one of the critical elements to the long-term viability of Lake Chelan GC, and this should remain a point of emphasis for LCGC and the City. At present, the senior golf shop staff are key facilitators for instruction which can make the monitoring of other duties and time management important. This facility has an active lesson program with individual lessons offered for a variety of rates from \$30 for a ½ hour to \$50 for an hour, as well as group rates and lesson packages. Data from the City show that total revenue generated from lessons has grown each year since 2021, from \$1,845 in 2021 to \$7,600+ in 2025.

The position descriptions for the Golf Professional and Assistant Golf Professional include lessons as position activities and the City's structure also allows for these individuals to earn extra income providing golf lessons. However, this structure allows senior golf leadership positions to provide golf lessons while "on the clock," potentially impacting other position duties and the volume of overtime hours that are worked by senior golf staff. The standard in the industry is for golf lessons to be provided only during time-off periods, unless the City wants to promote lessons as key for the long-term success of the facility.

The NGF has documented that a key to success at a public golf course is player development, especially a strong Junior Program, and it is important that these initiatives are continued at Lake Chelan GC. LCGC should sustain its activity in junior golf programming that includes a summer golf camp program, the host site for several scholastic programs and a summer junior golf league. Player development programs at golf courses are important for generating interest in golf and creating future customers, thus total revenue derived from the programs is much less important.

LAKE CHELAN GC RECENT OPERATIONAL PERFORMANCE

Lake Chelan GC earns revenue from the sale of green and cart fees, annual passes, merchandise, driving range and other items. The expense needed to operate the facility is derived primarily from these revenues, with any profit accruing to the City enterprise fund for use to cover additional expenses like capital improvements and debt service (if any). As is typical in public golf, much of the total expense is fixed and must be borne regardless of activity.

The following paragraphs summarize the activity, revenue, and expenses for LCGC for 2021-2025. In summary, it appears that LCGC is performing with activity, revenue and expenses that are comparable to standards, but that fall into negative territory when additional items like City transfers, interfund charges and capital is included in the equation. The review below covers rounds, revenues, and expenses for each year at LCGC from 2021 through 2025, the last completed full year of operation.

Rounds Played at Lake Chelan Golf Course

The table below displays total rounds from 2021, showing a clear jump in activity after 2020, reflecting a nationwide trend. The more than 29,000 rounds hosted in 2025 were the most in any single year that staff can recall. The standard for rounds played in the U.S. is 34,000 rounds per 18 holes per year, or about 29,000 in winter season markets and 36,000 in year-round golf markets.

In comparison, the total U.S. experienced a significant increase in rounds played of 13.9% for 2020. In Washington, the increase was more subtle, with a 3.6% increase but “caught up” to the nation with a dramatic 16.6% increase in 2021. In 2022, there was some decline with the total U.S. down -3.7% and Washington down -10.9% compared to 2021. In 2023 the industry saw a rebound with the total U.S. up 4.2% and Washington up 6.1%. In 2024, the U.S. and Washington were up around 2.0, showing consistent growth in activity. Through December 2025, total rounds were up 1.2% year-to-date in the U.S. and up 4.3% for Washington, showing good weather positively impacted activity at the subject LCGC. **The total U.S. standard for rounds played (“starts”) at an 18-hole golf course is at 34,012 per 18 holes in 2024.** A summary of total paid rounds by year at Lake Chelan GC since 2021 is shown in the table below:

Lake Chelan Golf Course Total Rounds and Pass Activity (2021 – 2025)							
	2021	2022	2023	2024	2025	Avg. (2021-25)	Pct. Of Total
Annual Fee Rounds	7,864	6,749	8,832	10,762	10,953	9,797	35.7%
Green Fee Rounds	16,873	16,657	17,741	17,601	18,227	17,671	64.3%
TOTAL	24,737	23,406	26,573	28,363	29,180	27,468	100.0%
Annual Change		-5.4%	13.5%	6.7%	2.9%		
1 st Quarter Rounds	937	343	0	959	744	597	2.3%
2 nd Quarter Rounds	9,939	9,361	10,375	11,299	12,115	10,618	40.1%
3 rd Quarter Rounds	12,240	12,110	14,218	13,925	14,311	13,361	50.5%
4 th Quarter Rounds	1,621	1,592	1,980	2,180	2,010	1,877	7.1%
Annual Passes							
Annual Single	164	172	171	183	167	171.4	72.2%
Annual Family	70	64	63	66	67	66	27.8%
Total Passes	234	236	234	249	234	237.4	100.0%
Source: City of Chelan.							

Capacity Issues and Rounds per Day

A golf course’s **theoretical capacity** can be determined mathematically by multiplying the number of available tee times (utilizing only the first tee as the starting hole) by the maximum number of players in a group, usually a foursome. This measure, while not realistic for any golf course, results in a total available inventory of golf rounds of around 250 rounds per day in the peak June-July golf season when the days are longest, and around 200 during the spring and fall shoulder seasons. However, a more realistic measure is **actual capacity** which considers the loss of tee times for weather, unplayable conditions, desire to maintain conditions, cancellations, no-shows, groups of less than four players, and other reasons a golf course would never actually play the theoretical capacity. LCGC hosted as many as 258 rounds on July 3, 2025 and 221 rounds on the following July 5, indicating that this course can reach extreme activity on peak demand days.

In estimating capacity, NGF Consulting has defined a “round” as one person teeing off in an authorized start, so 9-hole and 18-hole rounds are counted equally. In the Central Washington market golf facilities are operating with daily capacities within a May – September timeframe, with limited activity in March, April, October and November, and virtually no activity in December – February. Based on Lake Chelan GC’s course type and size, fee structure, weather conditions, down time for maintenance, NGF has estimated an actual capacity of about 200 rounds per day in the peak June-August season, 180 per day in May & September, and 140 per day in April & October. The table below shows rounds activity per day at LCGC in each key golf season month vs. the estimated actual capacity:

Peak Month	Average Rounds per Day (2021-2025)	Pct. Of Realistic Capacity
April	76.5	54.6%
May	126.9	70.5%
June	146.3	73.2%
July	160.4	80.2%
August	150.5	75.2%
September	124.1	69.0%
October	54.3	38.8%

The review shows that LCGC operates at levels close to capacity, but with some openings in off-peak periods like afternoon weekdays and other lower demand periods. Attracting activity to fill these open times is usually difficult for public golf courses and is often filled in through aggressive pricing (adding 2nd twilight rate), weekday afternoon leagues and other tournaments. In all, NGF sees public golf courses operating above 80% of estimated actual capacity as being healthy, with only limited space available for new activity.

Recent Revenue Performance at Lake Chelan Golf Course

The table below shows the total revenue broken out by source since 2021. For comparison, the NGF estimated the ‘average’ revenue for an 18-hole public golf course was about \$1.5 million in 2024, including all ancillary sources (F&B, merchandise, lessons, etc.), which Lake Chelan GC has exceeded by a wide margin. Lake Chelan GC has seen total revenue reach a new level since the pandemic. The nearly \$1.77 million generated in 2025 is 26.4% higher than the total revenue generated in 2021. The strong revenue growth at this facility appears to NGF to be reflective of both enhanced demand for golf since 2020 and improved facility conditions after recent City investment and strong staff performance and dedication.

Lake Chelan Golf Course Total Facility Operating Revenue by Source (2021 – 2025)					
Revenue	2021	2022	2023	2024	2025
Daily Green Fees	\$714,262	\$698,487	\$791,300	\$865,198	\$949,803
Annual Green Fee Passes	193,131	209,217	214,588	244,829	258,167
Daily Cart Rental	267,051	265,172	279,434	292,357	300,027
Annual Cart Rental	21,305	21,951	17,600	16,663	17,794
Driving Range	48,886	49,493	51,765	59,546	62,906
Pro Shop Sales	117,299	131,755	133,312	124,579	140,744
Golf Pro Other	17,908	19,832	17,496	12,298	14,882
Concession Income	6,482	9,449	15,852	13,048	13,516
Other Misc.	1,136	(572)	4,158	11,802	1,510
Other Rentals	12,011	13,059	13,179	11,948	10,172
Total Revenue	\$1,399,471	\$1,417,843	\$1,538,684	\$1,652,268	\$1,769,521
Annual Change		1.3%	8.5%	7.4%	7.1%

Source: City of Chelan.

Average Revenue Analysis

The total facility-wide average revenue per round was \$60.64 in 2025, of which \$52.29 was derived from golf playing fees (green + pass + cart fees), \$4.82 from merchandise sales, \$2.16 from driving range sales and the remaining \$1.37 derived from other sources like other rentals. The NGF average for public golf courses in the U.S. (calculated in 2024) was \$43.90 for total revenue per round, with \$31.91 from golf playing fees (green, cart, membership), plus an additional

\$6.75 for F&B, \$3.14 for merchandise and \$2.10 for other (range, instruction, etc.). In summary, LCGC exceeds the average in every category except F&B, where the separate contract distorts the comparison and actual gross revenue has not been provided by the City. The actual 2025 average revenue per round compared to 2024 standards shown below:

Year	LCGC in 2025	U.S. 'Standard' ¹	Difference – LCGC vs. U.S. Avg.
Paid Rounds	29,180	29,000²	+180
Green + Cart + Passes	\$52.29	\$31.91	+\$20.38
Golf Shop Merchandise	\$4.82	\$3.14	+\$1.68
Food & Beverage ³	\$0.00 ³	\$6.75	-\$6.75 ³
Driving Range	\$2.16	\$2.00	+\$0.16
Other (lessons & other rentals)	\$1.37	\$0.10	+\$1.27
Total	\$60.64	\$43.90	+\$16.74

1-From NGF's Golf in the U.S. Economic Impact Study (2024). 2 – avg. for 8-month golf season. 3 - F&B income at LCGC includes the Albatross contract – currently requiring no rent. Total gross F&B sales is not available for this location.

Lake Chelan GC Expenses

The table below shows total on-site operating expenses by major line-item since 2021. The overall expenses to operate LCGC are comparable to national standards for public golf courses, with the NGF standard for total operating expenses at \$1.5 million per 18 holes. In all, this expense summary shows a complete business-like operation at LCGC with a service profile that has been instrumental in generating the strong revenue performance noted earlier. Total expenses have increased in the last few years, most notably in labor costs that now account for over 62% of total operating expense at LCGC, compared to the NGF standard of around +/-55% for labor in a public golf operation:

Lake Chelan Golf Course Total Combined Operating Expense by Source (2021 – 2025)					
Golf Operations Expense	2021	2022	2023	2024	2025
Total Wages & Benefits	\$275,762	\$307,422	\$316,752	\$355,023	\$402,567
Supplies	14,746	16,195	13,740	19,282	15,703
Cart Lease	39,867	44,277	47,292	45,969	45,772
Insurance	34,373	40,071	66,385	96,208	59,800
Advertising	6,584	15,498	11,278	9,994	7,388
Utilities	7,583	13,321	12,612	11,678	13,416
Credit Card Fees	37,702	50,617	60,159	63,907	70,397
Other Services	42,739	59,741	43,791	42,968	43,650
Total Golf Operations Expense	\$459,356	\$547,142	\$572,009	\$645,029	\$658,693
Golf Maintenance Expense					
Total Wages & Benefits	\$383,815	\$400,940	\$405,939	\$506,674	\$611,694
Maintenance Supplies	129,573	146,297	165,560	210,082	194,847
Maint. Services	17,391	49,593	43,486	37,834	37,037
Insurance	34,373	40,071	66,385	96,208	93,644
Utilities (Incl water)	34,316	30,352	33,302	29,818	34,898
Total Maintenance Expense	\$599,468	\$667,253	\$714,672	\$880,616	\$972,120
Total Facility Operating Expense	\$1,058,824	\$1,214,395	\$1,286,681	\$1,525,645	\$1,630,813
Plus:					
Cost of Goods Sold (Pro Shop)	\$81,454	\$87,753	\$123,496	\$107,811	\$106,742
Total Expenses (W/COGS)	\$1,140,278	\$1,302,148	\$1,410,177	\$1,633,456	\$1,737,555
Annual Change		14.2%	8.3%	15.8%	6.4%
Source: City of Chelan.					

Summary Financial Performance (2021-2025)

In the table below, the NGF provides a review of the Lake Chelan GC operation from a business perspective. We note that some of the organization may not match various LCGC or City accounting, but the line items have been re-organized by NGF to show a more business-oriented standpoint. Our review shows that Lake Chelan GC has been operating with a positive net income on-site, which has been shrinking in recent years. When additional City expenses like interfund are added the facility becomes more economically challenged and requires a substantial “transfer in” to cover large capital expenditures in 2024 and 2025. As a best business practice, it is usual and customary for any operational profit that is earned on-site should be retained at the golf facility and utilized as a “reserve” to help improve the property and address items to ensure LCGC retains a high standard of maintenance so as to remain competitive.

**Lake Chelan Golf Course
Summary of Performance (2021 – 2025)**

Revenue	2021	2022	2023	2024	2025
Total Golf Revenue	\$1,195,749	\$1,194,827	\$1,302,922	\$1,419,047	\$1,525,791
Total Ancillary Revenue	203,722	223,016	235,762	233,221	243,730
Total Revenue	\$1,399,471	\$1,417,843	\$1,538,684	\$1,652,268	\$1,769,521
Less: Cost of Sales	\$81,454	\$87,753	\$123,496	\$107,811	\$106,742
Gross Margin	\$1,318,017	\$1,330,090	\$1,415,188	\$1,544,457	\$1,662,779
Total Facility Expense					
Golf Operations Expense	\$459,356	\$547,142	\$572,009	\$645,029	\$658,693
Maintenance Expense	599,468	667,253	714,672	880,616	972,120
Total Facility Expense	\$1,058,824	\$1,214,395	\$1,286,681	\$1,525,645	\$1,630,813
Net Operating Income	\$259,193	\$115,695	\$128,507	\$18,812	\$31,966
Other Items					
Maint. Revenue	\$62,500	\$61,615	\$70,000	\$60,000	\$62,001
Golf Ops Interfund	(\$26,955)	(\$26,955)	(\$26,955)	(\$26,955)	(\$39,593)
Maint. Interfund	(\$37,548)	(\$37,548)	(\$37,548)	(\$37,548)	(\$51,853)
Net Other Items	(\$2,003)	(\$2,888)	\$5,497	(\$4,503)	(\$29,445)
Net after Other / Before Capital	\$257,190	\$112,807	\$134,004	\$14,309	\$2,521
Capital Expenditures	(\$121,709)	(\$93,925)	(\$17,490)	(\$307,739)	(\$240,085)
Total Golf Enterprise Net Income (Loss)	\$135,481	\$18,882	\$116,514	(\$293,430)	(\$237,564)
Source: City of Chelan.					

External Factors Affecting the Operation of Lake Chelan GC

NGF has provided a summary of important external factors that have the potential to affect the continued operation of the Lake Chelan GC. The summary includes a review of the permanent population in Chelan, along with other factors that can impact golf demand like local economic factors, Chelan area visitation and broader trends in golf demand and supply. We also provide an analysis of other golf courses in the area that compete with LCGC for market share. To conclude this section, we will summarize these factors and how they relate to the continued operation of the LCGC.

In summary, the NGF finds that the market environment for Lake Chelan GC presents many challenges and opportunities. The Chelan regional market has become a popular visitor destination, with the Chelan Chamber of Commerce reporting that the valley hosts over 2 million visitors annually, with population swelling from roughly 4,000 to over 25,000 during the peak summer months. It appears that participation in golf has become a key component of the Lake area lifestyle, with golf facilities supported by these visitors and seasonal residents. As the continued influx of visitors is so important in the Chelan economy, all businesses in the Lake area valley (including golf facilities) are subject to potential slowdowns due to uncontrollable factors such as weather, natural disasters, economic downturn, and any other variable that could reduce visitation to the Chelan area.

MARKET OVERVIEW

Lake Chelan GC has an ideal location in the heart of Chelan, in immediate proximity to key attractions in the City like the lake, downtown, and important roadways. Chelan is small with modest permanent population but is an important seasonal destination that attracts a high volume of visitors and seasonal residents that can add to the region's golf demand. The City of Chelan and Chelan County are census-designated places with a resident population of 4,027 in the city and 82,900 in the County (2025 estimates). Tourism is the defining industry and characteristic of Chelan County, with the area attracting over 2.0 million visitors who spent more than \$675 million in 2024.⁶

Demographic Analysis – Local Permanent Residents

The local permanent Chelan County population has demographic characteristics that correlate to weaker-than-average golf demand, with the high volume of seasonal residents and visitors to the area providing additional support for golf facilities. The table in [Appendix A](#) summarizes the population, income and age of local permanent residents within 10-, 20- and 30-mile radial markets around LCGC, plus all of Washington and the U.S.

⁶ Chelan County Tourism Impact Assessment – March 2026.

Market Data Comparisons 2025

Lake Chelan GC	10-Mile Radius	20-Mile Radius	30-Mile Radius	State of Washington	Total U.S.
Population 2025 Estimated	13,510	25,556	187,501	7,827,681	336,661,764
Population 2030 Projected	13,874	26,252	191,642	8,262,255	344,877,902
Med. HH Income (2025)	\$72,933	\$71,923	\$82,760	\$97,429	\$80,417
Median Age (2025)	42.7	41.7	38.9	37.9	38.2

Source: NGF Consulting, GbBIS, Applied Geographic Solutions (AGS).

- The markets around Lake Chelan GC show small permanent population, with about 26,000+/- residents within 20 miles. However, this is the permanent population and does not include the high volume of visitors and short-term (seasonal) residents that can impact commercial activity in Chelan in the peak summer months (more below).
- Median age is higher than average and median household income is lower than average in the local market around LCGC compared to the State of Washington, suggesting a higher proportion of older age and lower-income residents in areas close to the facility. In general, the propensity to play golf with greater frequency increases with age and income, making relatively older and higher-income markets more attractive to golf facility operators. This finding lends support for the continuing need for LCGC to attract a high volume of visitors and seasonal residents to the facility to support rounds activity and revenue.
- An estimated 33% of households within 20 miles of LCGC's area have incomes over \$100,000 annually, comparable to the national figure of 32%. About 9% show income exceeding \$200,000, also comparable to the U.S. benchmark of 9.3%. We note that this income profile is among permanent residents and not reflective of the much larger and more affluent summer seasonal residents and visitors to Chelan. The generally lower income residents close to LCGC might suggest a limited tolerance for higher golf playing fees.

Higher Income Households	10-Mile Ring		20-Mile Ring		30-Mile Ring	
	No.	Pct.	No.	Pct.	No.	Pct.
No. of Households over \$100,000 Income	1,970	36.7%	3,294	33.2%	26,906	37.9%
No. of Households over \$200,000 Income	525	9.8%	903	9.1%	7,532	10.6%

Key Tourist and Economic Factors

Chelan is a popular, scenic resort city located at the southeast end of the 50-mile-long, glacier-fed Lake Chelan. Known for over 300 days of sunshine, it is a year-round destination featuring a thriving wine industry, boating, water sports, hiking, and a charming small-town atmosphere surrounded by the Cascade Mountains. While the City's permanent population is only about 4,460 residents (2025 estimate), Chelan County's 2025 population is estimated to be 82,900, making it the 17th most populous county in the state.

Located in North Central Washington, the Chelan area acts as a hub for tourism in the valley around Lake Chelan, attracting over 2.0 million people, with summer population numbers swelling from roughly 4,000 to over 25,000 in the City. This represents a large enough market area to support golf facility operations. Below, the NGF provides observations on the key economic drivers of the area and the potential impact on golf activity at Lake Chelan GC:

- **Climate:** As with any outdoor recreation, golf demand is impacted by weather. NGF data estimates that almost all golf is played with temperatures between 50- and 90- degrees Fahrenheit. Understanding local weather patterns helps determine the number of golf playable days. Golf is primarily a seven-month activity in Washington (April – October), with some activity recorded at LCGC in March and November. Climate data collected by NGF shows an estimated 48 days with at least some precipitation between April and October (24.3 inches of rain), modestly impacting the potential for golf activity. Still, NGF has observed demand for golf even during periods of mild precipitation, helping to support golf facility activity. In addition, the longer length of day in the summer months can enhance late afternoon (after work) activity.
- **Key Industries and Economic Drivers:** The Chelan area was traditionally supported by apple orchards and agriculture, and the local economy has shifted to a heavy reliance on tourism and a rapidly growing wine scene. In fact, tourism is reported as Lake Chelan’s second largest industry, with a cluster of wineries in the valley. With over 350 acres of wine grapes and over 40 wineries, the Lake Chelan Valley has become a wine-lovers destination. This growing wine scene is attracting attention from winemakers, grape growers and wine enthusiasts from throughout the region. Many wineries feature live summer music and savory dining options.
- **Tourism:** Tourism is the key economic driver in this part of central Washington, hosting at least 2.6 million visitors in the County in 2024 with a total economic impact of over \$675.5 million and at least 5,000 additional jobs.⁷ Most of these visitors to the Lake Chelan area come from other areas of Washington State, with visitors from the central Puget Sound area providing the strongest contingent, followed by the Leavenworth area. These visitors, almost all of whom come to Lake Chelan in the peak summer months, are the key to successful economic performance at area public golf courses.
- **Hotel & Lodging:** Chelan County estimates that 15% of the County’s 40,000 housing units are used for seasonal, recreational, or occasional use. The immediate area around LCGC includes a very active market of hotels, lodging properties, vacation rentals, resorts, and lodges. Data provided by the City of Chelan shows at least 26 different options for lodging properties with at least 10 units, including popular spots like The Lookout (325 rooms), Campbell's Resort (170), Lake Chelan Shores (134), Peterson’s Waterfront (102) and the Lakeshore RV Park (165). The size and demographics of the occupants in these properties during the summer shows strong correlation with high demand for golf and is likely to be a strong source of activity and revenue for the facility.
- **Local Transportation:** The automobile transportation infrastructure in the Chelan area is sufficient to support public golf operations at LCGC. As activity is primarily supported by auto transport, convenient access to major roadways is important and LCGC is accessible to key arterials in the area, notably Highways 97 and 150, each with direct access to LCGC. The closest airport with regularly scheduled commercial airline service is Pangborn Memorial Airport (EAT) in Wenatchee, about 30 miles away and provides connection to Seattle-Tacoma International Airport (SEA), roughly 170 miles from Chelan. Spokane International Airport (GEG) is another option, approximately 150-160 miles east of Chelan.

⁷ Visit WA, 2024; Tourism Economics, 2024; BERK, 2025.

GOLF MARKET SUPPLY AND DEMAND INDICATORS

The total demand for golf in Chelan is derived from two key segments – permanent residents and the visitors to the Chelan each year. The NGF provides an estimate of demand from each segment showing the importance of the transient population on golf facility activity. Combined, the NGF is estimating total demand for golf in Chelan is in the range of 100,000+/- golf rounds per year, with at least two-thirds of this total coming from visitors to the area. We note that our estimates may not fully factor the high golf pricing at several area golf resorts in Chelan, which could impact overall demand in ways that traditional modeling will not capture.

Estimated Local Market Demand

The table below details basic golf market data indicating the strength of the local golf demand compared to national benchmarks (additional support data in [Appendix A](#)).

Summary of Market Indicators	10-Mile Radius	20-Mile Radius	30-Mile Radius	State of Washington	U.S.
Golfers and Rounds					
Number of Golfing Households	698	1,214	9,334	507,181	19,801,066
Number of Golfers	974	1,741	13,284	694,851	28,097,196
Rounds Potential (resident golfers)	15,038	26,427	197,459	10,546,692	412,703,490
Golf Indices*					
Golf Participation Index	86	82	85	112	100
Golf Rounds Activity Index	90	84	86	102	100

US = 100; Source: GbBIS, Inc. and NGF Consulting

- The subject market area has demographic characteristics among the permanent population that correlate with lower-than-average participation in golf, which is reflected in golf participation indexes for the local markets of around 82-85, compared to 112 for the State. Additionally, the rounds-played-per-golfer index is also lower than the state and the total U.S. in this market, partially reflective of a shorter golf season, although the overall state activity is 2% higher than the total U.S. (Index=102).
- The NGF estimates about 1,700 permanent resident golfers within 20 miles of Lake Chelan GC. These golfers have the potential to demand up to 26,400+/- rounds each year. Divided between the two courses in Chelan, NGF estimates that resident golfers in the Chelan area demand about 13,200+/- rounds per 18 holes annually, much lower than the national average of about 31,300 rounds per 18 holes and likely not enough to support the golf courses in the area. This data supports the reality that some external supply of golfers (visitors or seasonal residents) is required to support golf facility operations in Chelan.

Estimated Visitor and Seasonal Resident Demand

Earlier we noted about 2.6 million annual visitors to Chelan County in 2025, clearly contributing to golf course activity in the valley. NGF research shows that roughly 10% of visitors are likely to be golfers, and that one-third of all golfers participate in the activity while traveling. Based on these inputs, the estimate for total visitor golf rounds in the Chelan market area is at least 87,000+/- rounds annually. Though Lake Chelan GC would likely capture some portion of these visiting golf rounds, it is clear that this activity is key to sustaining activity and revenue at LCGC and how important it is for the City to maintain a strong marketing presence, specifically targeting visiting golfers, especially those staying in nearby lodging components.

Local Golf Supply

NGF observations regarding key golf supply measures for the Lake Chelan GC market area:

- There are only four golf facilities (all public) within 20 miles of Lake Chelan GC and 21 within 30 miles (20 public and 1 private club). The nearly 100% proportion of public courses in the region is higher than the total U.S. where 74.6% of all golf courses are open and available to the public, showing a very accessible golf market in the region.
- Golf affordability is mixed in this region, as six of the 20 public golf courses (30%) in the region are in the NGF-defined 'premium' price segment (over \$80 peak fee w/cart – includes LCGC), nine (45%) in the 'standard' (between \$40 - \$80) and five (25%) in the 'value' (under \$50) segment. In the U.S., 16.5% are 'premium', 29.0% 'standard' and 54.6% are 'value.'
- The NGF Golf Facility Database indicates no new golf facilities either in planning or under construction in the central Washington market area as of January 2026, although Gamble Sands is reported to be considering expansion. There are several other renovation projects ongoing in the region.

Golf Course Market Supply / Demand Summary

Using the basic measures of golf demand and supply, we note four possible combinations for any given market area: (1) favorable demand and favorable supply ("potential growth market"); (2) favorable demand and unfavorable supply ("competitive"); (3) unfavorable demand and favorable supply ("inactive"); and (4) unfavorable demand and unfavorable supply ("saturated"). The review of data for Chelan suggests an 'inactive' market for golf, with softer demand from permanent residents combined with favorable supply-per-18-holes. As with almost all of the demand analysis, this finding further supports the need for transient golf demand to support public golf operation in the Chelan market.

Market Area Strengths

- The local area immediately proximate to Lake Chelan GC is an active visitor destination with a large tourist population that includes many seekers of outdoor recreation. The high volume of seasonal visitors has a positive impact on golf demand.
- The Chelan area includes other elements that correlate well with golf course economic success, including residential neighborhoods, regional commercial centers and proximity to major automobile thoroughfares.
- The high concentration of higher-income patrons among both residents and visitors to the Lake Chelan area enhances demand for Lake Chelan GC.

Market Area Weaknesses

- While the data shows a favorable demand in proportion to golf courses, the balance is subject to continued support among a non-local golf population that could be reduced for a variety of reasons (weak economy, increase gasoline prices, etc.).
- The seasonal population reduces demand in winter and shoulder seasons, often leaving a high inventory of unsold tee times that typically have a lower green fee and can only be filled with aggressive marketing.
- Lake Chelan GC has a more "out of the way" location for visiting golfers and potential customers less familiar with the area and local directions. As such, appropriate directional signage will always be important to maximize activity at Lake Chelan GC.

NATIONAL GOLF INDUSTRY – KEY TRENDS AND DATA

Momentum across the recreational side of the U.S. golf industry remained broadly positive in 2025, and indicators continue to point to sustainability in both participation and play. As shown in the NGF's Graffis Report "Leaderboard," ([Appendix B](#)) all measures researched by NGF in 2025 show significant increases in golf activity in compared to previous years. Total golf participation is up 28% since 2019 and off-course participation (driving range, golf entertainment, simulators, putting courses, etc.) is up 55% in the last five years. The strongest key measure to support the participation statistics is the sale of golf balls, and actual wholesale shipment data for golf balls shows a 5% increase in 2024 over 2023 and a 40% increase over 2019. From this data, it is clear that golf received a strong, though perhaps temporary, boost in demand from the Covid-19 crisis.

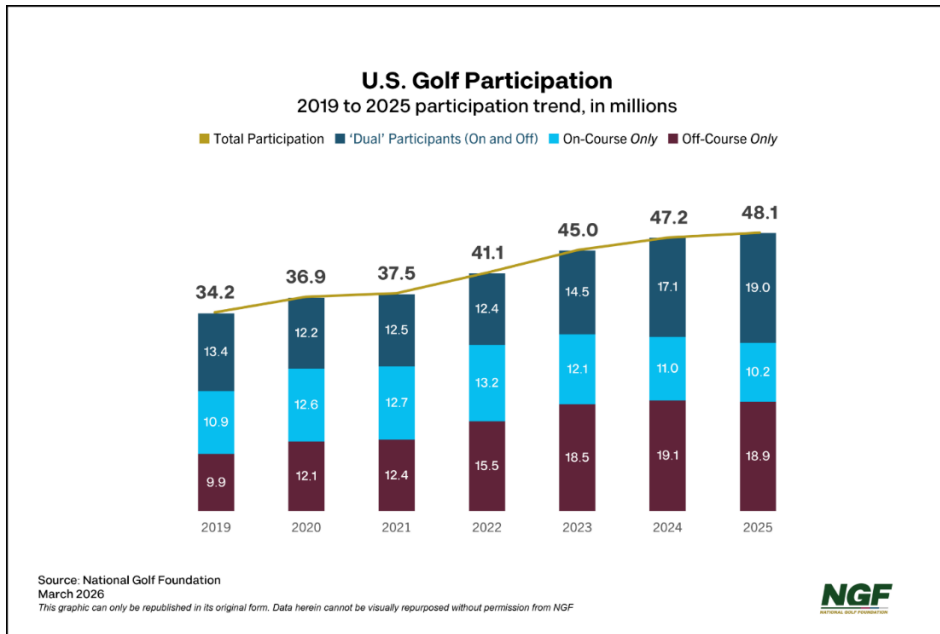
Green-grass golf participation surpassed 29 million in 2025 (record is 30.6 million in 2003), marking an eighth consecutive year of growth and a net increase of roughly one million golfers year-over-year. Over the past eight years, on-course participation has risen by over five million, reinforcing that this is not a short-term COVID bump but a broader, lifestyle-driven shift toward experiences that deliver social connection, time outdoors, and physical / emotional well-being. There is a renewed appreciation for the holistic benefits of the green-grass game, and tens of millions of Americans now recognize golf's public health benefit as one of the ultimate wellness activities — combining exercise, stress relief, challenge, self-improvement and community in a uniquely accessible outdoor setting.

Ultimately, total spending on golf and club memberships will always be vulnerable to outside forces such as the economy, but the game remains popular and is fortunate to have a deep well of interested prospects. As we begin to consider the potential effects of a new younger generation coming into the game, we note that golf activity has increased in the U.S. at off-course golf facilities, golf entertainment locations and at shorter-length golf courses in the 2020-2025 period. This is further supported by the **28% increase in driving range revenue at Lake Chelan GC** between 2021 and 2025.

Key Trends in Golf Demand and Supply

Total golf participation (on-course and off-course, using a real club and ball with a full swing) climbed to an all-time high, fueled by both traditional play and the continued expansion of technology-enabled ranges, simulators and entertainment venues. Other basic findings from NGF's ongoing study of the national U.S. golf market:

- **Participation** - Golf participation is one of the core measures of golf's vitality. There has been a net gain of 5.8 million on-course golfers over the past seven years, with 2025 marking the 8th straight year overall of green grass participation increases. Gains away from the golf course are more significant, with a 5% year-over-year jump and a remarkable 63% increase vs. 2019. In 2022, total off-course engagement (27.9 million) for the first time eclipsed those who play on the course. Overall, golf's U.S. consumer base is now a record 48.1 million, with three distinct participant groups (on-course / off-course / both - see graphic below):



- **Rounds Played 2020-2025** – As noted previously, the increase in rounds activity at LCGC (up 18% since 2021) is supported by national and regional trends in golf. The NGF has estimated that overall rounds activity is up 20% in the U.S. since 2020 and up 22% in the State of Washington. Many of the local and regional trends in rounds activity are affected by changes in weather, with many recent decreases directly attributed to unfavorable weather. (source: Golf Datatech – see [Appendix C](#)).
- **Golf Course Supply** - In recent years, rounds growth at U.S. golf facilities has decoupled from course supply. As rounds have surged to their highest levels in recent years, there are about **3,000 fewer courses today** than there were two decades ago. The combination of more golfers and fewer courses has made for busy tee sheets (in some places), but a healthier industry.
- **Off-Course Participation** - Driven primarily by the popularity and growth of *Topgolf*, a non-traditional form of golf entertainment, there were an estimated 27.9 million off-course participants (only those activities that involve hitting a ball with a golf club) in 2025, up by 5% from 2024 and by 63% since 2019. Off-course participation has eclipsed on-course in each of the past four years and more than doubled since 2014.
- **Latent Demand:** In 2025, the number of “non-golfers” who indicate strong interest playing golf exceeded 21 million. This measure, which NGF terms “latent demand,” reflects opportunity for the game to convert this interest into positive experiences and committed, long-term participants. **There’s no question increased access to less-intimidating and approachable forms of off-course golf has contributed to increased interest in taking up the traditional game.**
- **Golf Course Closures** - The NGF counted **72.7 18HEQ closures in 2025**, the third straight year of fewer than 100 closures after 17 consecutive years over 100. Golf course closures remain a natural part of the industry’s business cycle and are influenced by local economic conditions, evolving customer preferences, competition within saturated markets, rising property values and “higher and better use” opportunities, as well as normal ownership transitions and exit strategies. This has not been an issue locally, as NGF counts only one course closure in the region – Lake Woods GC (9H) – was part of Bridgeport state park and closed in 2018.

National Golf Industry Overview Summary – Potential Implications for LCGC

Golf facilities – both nationally and in Washington – are largely in a healthy place in 2026, with many public golf courses experiencing strong rounds and pricing power. Continued growth in beginning golfers, increasing player diversity, surging “off-course” participation, and the presence of a large cohort of non-golfers that have expressed strong interest in playing golf (“latent demand”) all bode well for the near-term future of facilities such as Lake Chelan GC.

It is difficult to conclude how the national trends discussed above will affect any particular golf course, as we cannot definitively predict which, if any, of these trends will continue. On balance, however, we believe that a continuation in the growth of beginning golfers, increased interest in “alternate” forms of golf among other younger prospects and the successful activation of the large cohort of “latent demand” should have a positive effect on golf facilities like Lake Chelan GC, which is open to the public and can improve its practice amenities and driving range.

While demand for golf remains strong, the Covid “dividend” may wane at some point, so operators must be vigilant to keep golfers – especially those that are relatively new to the game - engaged. Aside from the possibility of decreasing demand, headwinds for golf operators largely center around rapidly rising input costs – especially labor. As long as pricing power remains in place, golf facilities should be able to at least mitigate increasing expenses and maintain operating margins.

LOCAL COMPETITIVE GOLF MARKET

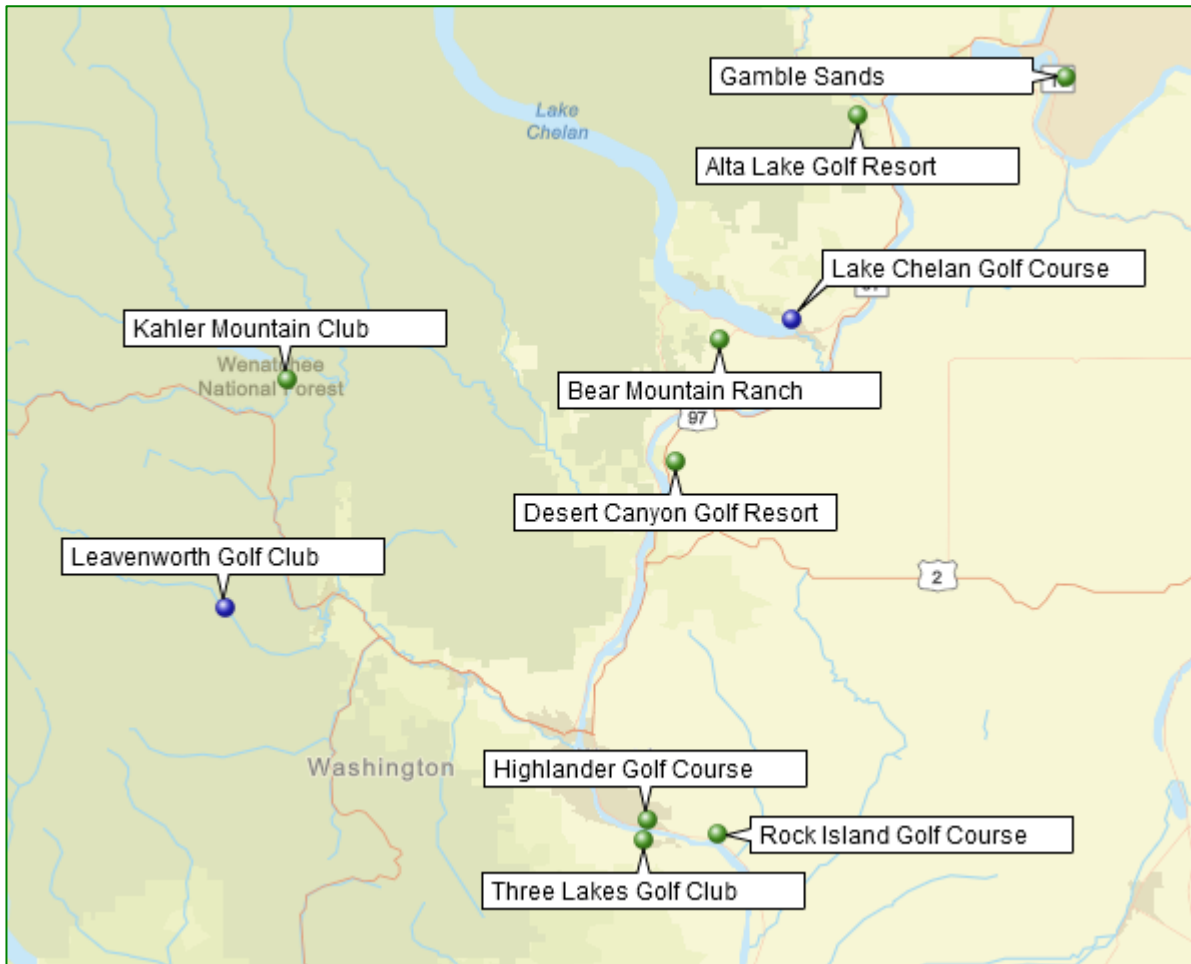
NGF has reviewed the public golf market in the local area, with particular emphasis on the current market position of Lake Chelan GC, and the potential for maintaining and/or building additional market share in the future. Given its remote location, current condition and pricing, the competitive set for Lake Chelan GC is generally small, but includes a variety of facilities with a mix of golf amenities generally within a 40-mile radius from the Lake Chelan GC site. On the following pages, we list summary and operating information for these facilities identified as the most important competition to LCGC.

Primary Competitors	Other Regional Golf Facilities of Note
Bear Mountain Ranch	Highlander Golf Course
Desert Canyon Golf Resort	Kahler Mountain Club
Alta Lake Golf Resort	Rock Island Golf Course
Gamble Sands Golf Course (27h)	Three Lakes Golf Club
	Leavenworth Golf Club

This list was not meant to be totally exhaustive or account for all the potential public golf competition to Lake Chelan GC, but rather to offer a frame of reference in evaluating actual performance of the subject courses as compared to other potentially competitive golf facilities. The map on the following page shows the locations of the various public courses selected as the key competitors. Following the map, we provide summary operating information for these key competitors, as well as key pricing & fee information in comparison to Lake Chelan GC.

Competitive Public Access Golf Facilities Map

The map below shows the relative locations of golf facilities identified as competition to Lake Chelan GC.



Summary Information

A summary of the eight primary competitors, three other local facilities and the subject Lake Chelan GC is shown in the table below:

Facility Summary Information – Lake Chelan GC Competitive Set								
Golf Facility	Location	Type	Year Open	Back Tee Par / Slope	Front Tee/ Back Tee	Location Relative to LCGC*	Amenities	Approx. Clubhouse Size
Lake Chelan GC	Chelan	MU-18H	1970	72 / 124	5,058 / 6,459	--	FCH, CE, DR, PS, SB, FR, OP, SBQ	4,900sf+ lower level
Bear Mountain Ranch	Chelan	DF-RD-18H	2005	72 / 140	5,043 / 7,231	4.8 Miles	PS, FCH, OP, SBQ, SB, FDR	6,000sf+ lower level
Desert Canyon GR	Orondo	DF-RR-18H	1993	72 / 136	5,170 / 7,216	11.7 Miles	FCH, FDR, PS, OP, SB, FR, PC, OSL	8,300sf+
Alta Lake GR	Pateros	DF-RS-18H	1976	72 / 124	5,535 / 6,678	13.6 Miles	CH, PS, SB, OP, OSL	5,200sf
Gamble Sands GC	Brewster	DF-RR-32H ¹	2014	72 / 128	4,804 / 7,151	23.3 Miles	FCH, FDR, FR, LBQ, OSL, OP, PC, PS, SB	6,800sf+ 9,500sf banquet hall
Highlander GC	East Wenatchee	DF-RD-18H	2002	70 / 123	4,503 / 5,899	33.4 Miles	FCH, DR, LBQ, PS, EP, OP	9,000sf
Kahler Mountain	Leavenworth	DF-RR-18H	1989	70 / 122	4,610 / 5,894	32.5 Miles	OSL, PS, FR, SIM, OP, DR ²	4,200sf + Athletic club bldg
Rock Island GC	Rock Island	DF-JG-18H	1978	72 / 129	4,946 / 7,150	33.3 Miles	CH, PS, SB, DR	2,800sf
Three Lakes GC	Malaga	DF-JG-18H	1953	69 / 117	5,175 / 5,378	34.7 miles	CH, PS, FDR, FR	5,200sf
Leavenworth GC	Leavenworth	MU-JG-18H	1927	71 / 125	4,910 / 5,746	40.7 miles	FCH, SBQ, FR, SIM, PS	7,500sf

*Air miles from subject site - actual driving distances will likely be greater. N/A = information not available.
¹-Gamble Sands includes a 14-hole executive course. ² - Kahler has an aqua range
 Type: DF – Daily Fee; MU – Municipal; JG=just golf, RD=adjacent residential development RS – Resort; RR – Resort & Real Estate.
 Amenity code: FCH=full-service clubhouse (w/banquet space); CH = small or temporary clubhouse; CE=clubhouse events/theme nights; FTR=driving range structure w/technology; FDR = full driving range; DR = small range; SC = short course; SIM = indoor simulators; PS = pro shop; EP=event pavilion; SB=snack bar; FR=full restaurant; OP=outdoor patio; GA=golf academy; LBQ=large banquet space; SBQ – small banquet space; PC = grass putting course; FC = fitness center; RQ = racquet sports; SW = swimming pool; OSL = on site lodging.

Market Area Daily Fee and Membership Information

This table presents the fee structure of the identified key competitors to Lake Chelan GC, including both daily fees and the various membership / season pass options available at these facilities. These fees represent peak season fees for the summer of 2026.

Summary Peak Season Green Fees - Lake Chelan Golf Course and Other Area Public Golf Courses							
Facility	Peak Weekend 18-Holes w/Cart	Peak Weekday 18-Holes w/Cart	Twilight 18H (WD/WE)	Cart Fee 9/18 (per Player)	Other Discounts	Range Bucket (Sm /Med / Lg)	Annual Season Pass or Membership Options
Lake Chelan GC	\$100.00	\$100.00	\$49.00	\$8.00 / \$16.00 ¹	9h, JUN, SEN (55+) Twilight Disc.	\$7 / - / \$10 ¹	Full Single = \$1,240 + Cart Plan \$650 ¹ Full Family = \$1,995 + Cart Plan \$850 Twilight = \$750 / \$1,000 // Junior \$150
Bear Mountain Ranch	\$145.00	\$115.00	\$85 / \$95	\$21.00 ²	JUN, PC, RP, 9h	N/A	7-Day Single = \$3,170 / Family = \$3,840 ² 5-Day Single = \$1,975 / Family = \$3,170
Desert Canyon GR	\$180.00	\$140.00	\$115 / \$150	N/A	JUN, PC, RP, 9h	\$10.00	7-Day Single = \$3,900 / Family = \$5,000 5-Day Single = \$2,500 / Family = \$3,900
Alta Lake GR	\$65.50	\$65.50	\$56.37	\$16.00	JUN, SEN (60), 9h	No Range	7-Day Pass \$875 (Ind.) / \$1,180 (Couple) / \$1,400 Family 5-Day Pass \$650 (Ind.) / \$925 (Couple)
Gamble Sands GC	\$295	\$295	\$150 / \$195	Carts required and included in fee	N/A	Included in green fee	No memberships or passes Residents can get 10% discount with resident card
Highlander GC	\$95.00	\$82.00	\$55 / \$59	Carts required and included in fee	JUN, PC, 9h	\$10.00	10-round player card = \$525 20-round player card = \$950
Kahler Mountain	\$84.00	\$63.00	\$50 / \$66	\$18.00	JUN	N/A	7-Day (Ind) = \$1,350 / \$1,450 w cart 7-Day (Fam.) = \$1,800 / \$2,150 w cart 5-Day (Ind) = \$790 / \$930 w cart 5-Day (Fam.) = \$1,220 / \$1,300 w cart 10-play pass w/cart = \$700
Rock Island GC	\$68.00	\$61.00	\$33.00	\$9.00 / \$18.00 ³	JUN, 9h	\$10 / - / \$16	Ind. - 5-Day = \$1,200 / 7-Day = \$1,500 Cpl. -5-Day = \$1,700 / 7-Day = \$2,300 7-Day Family = \$2,500 / Corporate = \$6,500
Three Lakes GC	\$82.00	\$75.00	\$65 / \$69	\$16.00	JUN, 9h	\$7 / - / \$12 ⁴	Single Pass = \$2,200/ Couple = \$3,085 Young Adult (>25) \$1,500 / Junior = \$300 10-round punch card = \$500
Leavenworth GC	\$89.00	\$59.00	\$49 / \$69	\$15.00 / \$19.00 ⁵	JUN, 9h	No Range	Single Pass = \$1,218/ Couple = \$1,837

1 - Also offers various cart plans from \$325-\$650 for season and a range card with value program discounts. Passes have restrictions during July and August.
2- Member cart fee is shown – all daily green fees include cart which is always required. Bear Mtn pass can be combined with Desert Canyon for \$3,000 to \$5,700.
3 – cart plans range from \$200 - \$650. 4 – Annual range pass = \$375. 5 - cart plans range from \$600 - \$850.
Discount Code = 9h = sperate 9-hole rate; JUN = Junior rates; SEN = Senior rates; RP = repeat play discount.
WD=Mon-Th.; WE = Fri-Sat-Sun + Holidays.
N/A = information not available

Local Golf Facility – *Placer AI*/Cellphone Data

Below, NGF presents additional information on selected locations, including golf competitors, in the Chelan area from data / information obtained through *Placer AI* review of aggregate cellphone tracking. This includes total facility visits, unique visitors, basic demographics, customer origin and other favorite locations as of December 2025.

Summary 2025 Information Detail – Selected Local Golf and Other Facilities

Facility	<i>Placer AI</i> – Total Facility Visits / Unique Visitors	Pct. Change Total Visits (1yr./2yrs.)	Med. HH Income of Visitors	Pct of Visitors w/ College or Advanced Degree	<i>Placer AI</i> Cellphone – Top 5 Origin Zip Codes / % of Total Visits From Top-2 / % of Total Visits From Top-5	<i>Placer AI</i> Cellphone – Most Frequent other Locations (in Order of Importance)
Lake Chelan GC	50,200 / 22,600	+21.0% / +10.9%	\$86,800	33.8%	98831, 98816, 98072, 98846, 98843 / 32.9% / 39.7%	Safeway (Chelan), Walmart (Chelan), T-Mobil Park (Seattle), Campbell's Resort, Don Morse Park, Bellevue Sq., WorldMark Chelan Lake House, Lakeshore RV Park, Grandview on the lake, IGA Market (Chelan), Peterson's Waterfront Resort, Manson Bay Market, Wapato Point Resort
Bear Mountain Ranch	20,900 / 12,600	+29.0% / +16.8%	\$82,200	28.4%	98831, 98816, 98846, 98033, 98801 / 24.7% / 33.2%	Chevron (Chelan), Starbucks (Chelan), IGA Market, Desert Canyon GR, Lakeshore RV Park, Campbell's Resort, Grandview on the lake, Peterson's Waterfront, Safeway (Chelan)
Desert Canyon GR	46,100 / 17,600	-11.1% / -19.4%	\$71,000	27.0%	98843, 98801, 98831, 98802, 98296 / 27.3% / 38.2%	Market Place 76, Lone Pine Fruit & Espresso, Walmart (Chelan), Peterson's Waterfront Resort, Safeway (Chelan), Shell Gas, Milestone Vinyard, 12 Tribes Lake Chelan, WorldMark Chelan lake House, Lakeshore RV Park
Alta Lake GR	27,400 / 8,900	+11.4% / +3.9%	\$59,600	20.3%	98846, 98812, 98801, 98816, 98391 / 12.5% / 23.4%	Chevron (Pateros), Chelan Walmart, Chelan Safeway, T-Mobile Park (Seattle), Valley N. Shopping (Wenatchee), Bellevue Sq., Univ. of WA (Seattle), Sweet River Bakery (Pateros)
Gamble Sands GC	44,900 / 19,300	+30.7% / +31.6%	\$76,400	19.5%	98812, 98841, 98855, 98813, 98816 / 16.8% / 24.9%	Danny Boy Bar & Grill, T-Mobil Park (Seattle), Bellevue Sq., Spokane Intl. Airport, Okanogan Market IGA, Chief Joseph Dam @ Bridgeport, WorldMark Chelan Lake House, Desert Canyon Golf Resort, 12 Tribes Omak, Pateros Lakeshore Inn, Market Place 76, Mc Donalds (Brewster)
Campbell's Resort	257,600 / 104,500	+8.8% / +1.9%	\$78,200	26.4%	98816, 98831, 98801, 98802, 98012 / 13.6% / 19.7%	Bellevue Sq., Safeway (Chelan), T-Mobil Park (Seattle), Don Morse Park, Walmart (Chelan), Starbucks (Chelan), Univ. of WA (Seattle), Westfield Southcenter (Seattle), Alderwood (Lynnwood), Grandview on the Lake, Senor Frogs

Source: *Placer ai* (December 2025).

Key Findings – Competitive Golf Market

A summary of general findings regarding the competitive market for LCGC:

- The local Chelan area region has a very active golf market, and Lake Chelan GC represents an important part of the public golf landscape in this lake resort area. The market includes mostly newer golf facilities, with Lake Chelan GC representing the oldest golf course in the 30-mile region (1969). Key competitors Bear Mountain (2005), Desert Canyon (1993) and Gamble Sands (2014) are much newer, and this is reflected in the quality of golf and associated amenities.
- The primary competition for Lake Chelan GC includes the four most proximate facilities Bear Mountain, Desert Canyon, Gamble Sands and Alta Lake, all within 15 miles of LCGC. Other facilities offering similar quality and similar price include Highlander, Kahler Mountain, Leavenworth and Three Lakes.
- The golf facilities in this region are divided into two clear pricing segments for daily fee rates, with the subject LCGC in the middle. The premier public facilities in this market include Gamble Sands (\$295), Desert Canyon (\$180) and Bear Mountain (\$145), all with peak summer green + cart fees higher than LCGC's \$100. Lower priced facilities in the market include Highlander (\$95), Leavenworth (\$89), Kahler Mountain (\$84), Three lakes (\$82), Rock Island (\$68) and Alta Lake (\$65).
- Pre-paid green fee arrangements (memberships or passes) are common in this market, as most facilities offer a season pass or card system, or both. The lowest priced unlimited annual membership for a single was \$875 at Alta Lake and three facilities with individual passes around \$1,200+/- (Rock Island, Leavenworth and the subject LCGC). The most expensive passes are \$3,900 at Desert Canyon and \$3,170 at Bear Mountain, indicating there may be some room to increase pass fees at Lake Chelan GC and still be the most affordable option for a good quality, full-length 18-hole par-72 golf course.
- NGF has observed that golf playing fees in this market include various forms of discounts for day of week, time of day, in-season/off-season, juniors, military, seniors and various packages (punch cards, passes, etc.). Considering all the discounts, even some higher quality public golf courses in this market will see green + cart fees fall below \$50 for certain off-peak time periods.
- *Placer AI* tracking Data collected by NGF shows that the customers at LCGC have generally high incomes and higher educational attainment than most of the identified competitors, and that the facility tends to draw local play with 33% of the patrons to LCGC coming from the two most local zip codes and 40% from the five most local zip codes.
- As was the case in most markets nationally, local golf operators reported a general decline in rounds activity after an early 2000s peak, with severe drops in 2006, 2010 and 2013, followed by some recovery in 2015-2019 and very strong recovery in 2021-2025. Total rounds activity among golf courses in this market tends to be between 25,000 and 35,000 rounds per 18-hole course annually, with some facilities even exceeding this total. According to NGF interviews with local golf operators in early 2026, the subject LCGC is one of the more active golf facilities in this market with over 29,000 rounds in 2025.

Recommendations for the City of Chelan and Lake Chelan GC

Based on our evaluation of Lake Chelan GC and the local market, NGF has formulated a set of recommendations to help the City maximize the performance and community benefit of Lake Chelan GC. The objective of NGF recommendations is to provide the City with a strategic vision for the future of golf and maintain the appropriate physical plant and service that will elevate the patron experience, maximize the economic performance and provide continued sustainability of this golf facility. NGF notes the recent improvement in performance of the Lake Chelan GC, which suggests a high-quality operation is in place in Chelan. NGF has prepared a schedule of specific recommendations to be considered by the City, organized into: (1) basic oversight and structure; (2) physical enhancements; and (3) basic operational insights.

BASIC OVERSIGHT AND STRUCTURE

The City of Chelan currently self-operates its golf course with 5 full-time and 17 part-time staff, all employed directly by the City. There is no “one size fits all” solution to choosing a management structure and each municipality must weigh all variables related to the desired level of day-to-day control, operating expense differences, ease of hiring / firing, public policy objectives and potential revenue advantages. An NGF survey of nearly 1,000 municipal golf courses in the U.S. in 2023 (40% of the total 2,500) found that the **Chelan structure is still the most common form of municipal golf operation** in the country with approximately 56% of golf courses still self-operated by the municipality, although third-party management via contract is growing in popularity.

In considering alternatives for Chelan, the NGF finds it might be possible for the City to improve its golf operation by switching to an alternate form of operation provided certain conditions are present, but it is unlikely that a drastic change in structure would lead to substantial improvement. To help improve the understanding among City officials, NGF has provided a summary of alternatives the City can consider for golf operations along with a recommendation for the future operation of LCGC.

Structure Considerations

The City will operate the Lake Chelan GC with all facilities, services, and amenities open and available to the public at an affordable rate, especially to Chelan residents. In our experience, there is no ideal operating scenario that fits all situations, and each public entity must arrive at its own unique approach to operation and maintenance. The most common management options are shown below (these are not intended to be exhaustive, as there are hybrids and variations), presented in order from most direct City involvement to the least direct City involvement:

1. **Self-Operation.** This is essentially the “status quo” for the City of Chelan with the City directly employing all staff assigned to operate and maintain the golf course, with a separate contract for F&B service. In this form of management, the City has direct control of the golf operation, earns all revenue from golf activity and is responsible for all expenses and capital improvements, except in F&B.
 - The primary **advantages** are that the City has control over the day-to-day operation of the golf course for maximum benefit to the community and there is no obligation to pay an annual management fee. These tend to be the primary reason why most public sector golf courses remain self-operated.

- The chief **disadvantages or challenges** are mostly economic, as the City retains all economic risk. Other challenges include finding and retaining qualified personnel (especially in lower-level part-time positions), the cost of public labor and benefits is higher than the private sector and there is no “buffer” between golf course patrons and City leadership.
2. **Concession Agreements:** Similar to lease agreements and can come in several types or combinations. The advantage is shifting some risk and payroll to a private entity, but most economic risk is still maintained by the City. The key areas of operation include pro shop, maintenance and/or F&B, and involve the City contracting for one, some, or all these services. The most common concession agreements for public golf include:
 - a) **Contract for Food / Beverage Services** involves the City hiring a separate operator for the F&B service, usually through fixed rate or percentage compensation. This is the case at LCGC where the City has retained Albatross through an agreement that ends in 2030 and included investment in facilities to provide the highest level of service to F&B customers.
 - b) **Contract for Maintenance Services** involves contracting with a private entity to provide golf course maintenance services in exchange for a pre-determined fee. This agreement can include labor, materials and equipment, and result in golf maintenance costs that could be lower than current maintenance spending (although this is not certain). This would represent a significant change in City golf operations and would impact the existing maintenance staff’s structure, compensation, hours, and benefits.
 - c) **Pro Shop Concession** involves the City hiring a separate operator for the pro shop operation, often including segments like driving range, golf carts and/or merchandise in exchange for separate employment for pro shop staff.
 3. **Full-Service Management Contract - Fixed Fee:** This option involves the municipality hiring a single, independent third-party to manage all aspects of the golf course in exchange for a pre-determined fixed management fee – typically in the range of 3-5% of facility total gross revenue. The municipality earns all revenues, is responsible for all expenses, funds capital improvements, and pays a management fee to an operator.
 - **Advantages** to this strategy include the benefit of professional management; ease of procurement of goods and services; access to national purchasing and marketing programs (with larger firms); and savings over the cost of public labor.
 - The potential **disadvantages** include some loss of control over day-to-day operations (compared to self-operation); lack of a performance-based financial incentive for the operator under a fixed-fee arrangement; and the obligation of the management fee, regardless of yearly variations in performance.
 4. **Full-Service Management Contract - Fixed Fee + Variable (i.e., “Hybrid”).** Increasingly, NGF Consulting has observed management agreements in which total compensation to the contractor comprises both a fixed fee component and an additional incentive-based, or variable, component (most typically gross revenue-based) that allows the operator and municipality to share in the risk of the operation. A principal **advantage** of this “hybrid” scenario is financially incentivizing the operator with respect to the revenue performance of the golf facility. The variable part of the compensation may also be partly tied to meeting other performance standards, such as those related to customer service, etc. The disadvantages match those of any management contract.

5. **Operating Lease(s).** The only true “privatization” option would be for the City to lease the operation to a private operator in exchange for a defined lease payment that is set between the parties. NGF experience tells us that these agreements must be sustainable through both good and bad performing years to be “win-win,” where the owner collects fair rent and the operator is able to recoup investment (reverts to the municipality at lease end) in the property and make a yearly profit.
- The **advantages** of this option include the avoidance of financial subsidy (shift the risk) of the golf course, the collection of rent / lease payments each year, and - depending on the length of the contract and rent terms - having an **outside party pay for some or all of the needed capital improvements.**
 - The key **disadvantage** is the potential for limited control over day-to-day operations, including policies, procedures, and fees (depending on agreement terms). Another concern involves an operator controlling the decisions related to reductions in operating expenses the lessee may need to meet minimum economic requirements or even lease payments, which could put the physical integrity of City’s golf course at risk. One common reason a City will enter into this form of agreement is **to fund large-scale capital improvements** – which are necessary at Lake Chelan GC.

Most Viable Considerations

NGF has identified the two most viable options for consideration in operating structure at Lake Chelan GC. The NGF can quickly eliminate the lease option given the City’s desire to retain control, unless the City can find a **private partner will provide capital to complete property upgrades** that are needed at Lake Chelan GC. Traditional concessions also do not make sense for Chelan, as the City would lose control with no pathway to capital improvements. As a result, the two most viable options for Lake Chelan GC operations and maintenance would be:

- **Continued Self-Operation.** The City can continue to operate Lake Chelan GC as current, with no changes in structure, but with some possible adjustment in staff, interfund charges, pricing changes, and more clearly defined senior staff operating responsibilities and business growth efforts.
- **Fee-for-Service Management Contract.** In consideration of the aging infrastructure at LCGC, the need for larger staff to support golf maintenance and the need to attract non-local golfers, the City could consider a **change to a full-service management contract.** Lake Chelan GC has a chance to increase rounds and revenue through facility improvements and enhanced management and marketing and reduce expenses through labor structure modifications. Employing an operator with experience and expertise in these areas might help to maximize the total economic performance of LCGC and provide benefit to the City of Chelan.

NGF Recommendation

The NGF team does not offer a formal recommendation for the Lake Chelan GC operating structure, as the decision between a management company and continued self-operation is ultimately a political decision that includes several uncertain outcomes that are difficult to estimate (labor cost, revenue growth, union issues, City control, interfund charges, and others). As NGF noted in this review, the City is now exceeding \$1.0 million in the total labor expense for Lake Chelan GC in 2025, an amount that is higher than the standard for a public golf course of this quality. In addition, the City has budgeted over \$327,000 for interfund costs tied to the golf operation, all of which is reported to remain in place even if the golf course retains some new form of private management.

Over time, the City may find that adoption of a new golf management contract may become necessary if the current structure is not adequate to support growing expenses, and if the new contract **can provide labor cost relief to the City**. If the City is to explore the possibility of retaining a professional golf management company to oversee golf operations, then NGF recommends the City include some key terms/provisions in a new golf management agreement for LCGC:

- Compensation to the operator should be a combination of fixed base fee + variable incentive – with variable incentive tied to growth in revenue (not net income or rounds played).
- The City maintains right of approval on all golf fees and charges and will collaborate with the vendor on annual operating budgeting and capital plans.
- There will be incentive for the operator to maintain active player development programming, with special focus on juniors and cultivating more golf participation among Chelan residents.
- The operator is required to employ a PGA Head Golf Professional and a GCSAA/Class-A Superintendent.
- The operator will employ senior staff with demonstrated expertise in managing higher-end public golf courses in resort areas, where strong seasonality of demand is expected.
- The contract will include defined standards for facility conditions (golf course, range, clubhouse) and customer service, with remedies for deficiencies.
- There will be active compliance mechanisms and oversight, utilizing regular customer satisfaction surveys, secret shoppers and regular (quarterly or semi-annual) independent inspections.

SPECIFIC PHYSICAL RECOMMENDATIONS

The NGF recommendations for enhancing the physical plant of Lake Chelan GC consider specific capital investments to preserve the integrity of the property and enhance the offering for maximum benefit to the community. The most significant of these improvements include replacing an antiquated irrigation system (both below ground and above ground). Changes to the property can also include potential new investments to enhance the overall facility offering and help improve revenue. The NGF vision for the future of Lake Chelan GC considers the most ideal physical condition of the facility to maximize the potential economic performance.

Completion of Capital Investment Considerations

The specific capital projects identified by the NGF team were documented previously in this report, and include investments with high priority, lower priority and other changes that can help improve revenue. These are all summarized by necessity and investment in the table below:

Lake Chelan Golf Course Summary of Capital Upgrades by Type			
	Items	Low Estimate	High Estimate
Highest Priority Items	Irrigation, tee boxes, cart paths, selected greens, restrooms, drainage, parking lot	\$4,434,000	\$5,548,000
Lower Priority Investments	Maintenance facility (repair <i>not</i> replace), accoutrements, bunkers	745,000	904,000
Other Investments to Improve Revenue	Pro shop remodel, driving range improvements, patio improvement	500,000	850,000
Grand Total of Capital Projects		\$5,679,000	\$7,302,000
<small>All figures are NGF Consulting estimates based on similar projects completed in the region in the last 3 years that have been provided to allow for preliminary planning. These amounts may or may not reflect actual costs for Chelan, and the City should engage appropriate research to cost out specific projects.</small>			

OPERATIONAL RECOMMENDATIONS

In addition to the physical recommendations, NGF Consulting offers the following ideas to help the City with some adjustments that can be made to help improve the long-term economic position of Lake Chelan GC. The most significant of these relate to the importance of maintaining a high-quality facility with outstanding service and communicating this reality to the golfing public (both local and non-local). This will involve a renewed commitment to improving the business / entrepreneurial focus within senior golf leadership, most notably in technology (website, marketing, online sales).

In this review, NGF will not address details regarding the day-to-day operation of Lake Chelan GC, which we find to be well-run. Rather, the NGF team has provided a broad overview of key issues in the operation comprising: (1) Driving range improvements with new programming; (2) marketing and technology; (3) improving F&B convenience to golfers; (4) ideas for improving retail sales; (5) pricing adjustments; and (6) enhancing and expanding golf programming. It is hoped that review of NGF recommendations on these topics can provide the City a basic framework for improved operations and economic return in the operation of its golf facility.

Driving Range Improvements

The driving range at Lake Chelan GC can become a more significant source of revenue but maximizing the segment will require some physical change and new investment. Driving ranges represent the highest margin revenue source in a public golf facility operation as the marginal cost to provide the service is relatively low. The recent growth in driving range revenue at LCGC demonstrates there is demand for this service and any new investment to improve practice amenities will contribute directly to increased revenue at the facility.

Making a commitment to improving driving ranges has proven to be very successful in public golf and can be a key support for both direct (fees generated from patrons) and indirect (helps to sell facility and train new customers) revenue. As such, it is assumed that additional features and amenities that correlate to success in this could be added, if allowable, to help improve the revenue of the driving range at LCGC. Key recommendations to increase range revenue at LCGC include:

- Making the purchase of range balls easier and more convenient for golfers using an advanced automated range ball dispensing machine that can accept credit cards to make range ball sales easier and not require golfers to enter the pro shop.
- Adding some form of technology that uses computers and laser-technology to track the flight of golf balls and provide feedback to users. This technology has become popular for both golf practice (help golfers understand their ball flight) and in entertainment (create games from the technology), both of which lead to enhanced range revenue (but require both upfront and ongoing expense).
- Adding a covering to protect from the hot summer sun. This covering can be in the form of a temporary moving structure with soft covering and can include other features such as fans or misters for keeping patrons cool (see photo below).
- Add lighting for night use (if allowable by local guidelines). Ranges open in the evening tend to increase sales by 40% to 50% over previous performance, but can also add expense in staffing and costs for electricity.



Image of a portable range covering on a public golf course with a grass driving range. This type of enhancement is relatively low priced and can provide shade for range users that can lead to enhanced range ball sales.

Enhance Marketing and Technology

Few things can positively affect rounds and revenue performance more than marketing. A marketing emphasis is critical to creating awareness and attracting the large volume of transient visitors who form the core of the summer population in Chelan. The NGF observed a modest program to market Lake Chelan GC, primarily through participation in regional golf shows and an advertisement in the Pacific Golfer magazine. Efforts to enhance golf activity at Lake Chelan GC should include technology improvements (website), selected advertising and personal activities in direct selling.

Going forward, NGF recommends marketing Lake Chelan GC by: (1) improving the attraction of golfers visiting the Lake Chelan area; and (2) developing a new outreach strategy to attract increased play in the shoulder season (Mar.-Apr. / Oct. -Nov.) through group outings, and more extensive tournament programming for off-peak periods when utilization is low. Strategies include enhanced marketing via digital and social channels, using the website to promote the property, direct selling

through local lodging partnerships, and utilizing “meta-tag” opportunities to improve search engine hits (website improvements).

Better Employment of Technology

Technology is one of the most important tools available to a golf course management team, and its deployment is critical in golf operations in 2026 and beyond. Technology defines and guides the marketing strategy, helps to generate exposure and provides tools to manage a customer database, create loyalty and boost revenue. In our review, NGF found that Lake Chelan GC has potential to improve its market reach in the NGF identified areas to improve technology, but more can be done by golf staff to enhance these initiatives, especially in website improvement and social media involvement.

E-mail databases are essential as a means of staying in touch with the golf customer base in today’s golf market. E-mail marketing is now the most cost-effective advertising possible. Creating and augmenting the database should be a top priority for LCGC operators so that email marketing can be optimally implemented. A key goal for the future should be to capture the email address for ALL golfers, especially those who only use the facility once or twice each year.

General Operations

Other recommendations relating to the general operation of Lake Chelan GC include:

- **Golf Playing Fees** - NGF’s strongest recommendation related to golf playing fees is for the City of Chelan to adopt increases in annual pass fees (increase to a target of \$1,500 per year for individual pass), increase per-rider cart fee to at least \$18 and to implement automatic annual increases to keep up with expense inflation.
- **Enhance Lessons and Golf Programming** - We note that new player development will be one of the critical elements to the long-term viability of Lake Chelan GC, and this should be a point of emphasis at the facility. The City should continue its commitment to junior and other golf programming identified earlier. Expand golf programming and fun activities centered on the driving range. Improvements to the driving range can help support this purpose.
- **Food and Beverage Recommendations** – Even though the City does not own and operate the F&B service at LCGC, there are adjustments to consider that can improve this service, ultimately leading to improved golf sales (golf + cart fees). Most food and beverage operations at public golf courses that are economically successful are those that offer simple, quick, and inexpensive service that is convenient to the round of golf. At Lake Chelan GC, NGF observed an F&B service with a focus on higher quality and service to non-golf patrons and less focus on convenient service to golfers. Examples of industry best practices with respect to providing F&B service at golf courses include consistent hours of operation, easy access to F&B services for golfers while a round of golf is ongoing (beverage cart, service window, more outside seating, etc.) so that golfers do not have to wait before or midway through their rounds and improving the condition and comfort of the outside dining area, especially on hot summer days.
- **Pro Shop / Merchandise Sales** - Improve retail space, create a new course logo for apparel and other items and renew focus on high-traffic merchandising, targeted promotions, and branded apparel. LCGC would benefit from "eye-level" shelving for high-margin items and place sales racks in the flow of traffic. Staff can also set up unique, engaging displays using props to highlight new inventory. Also, keeping the shop looking new by changing displays and rotating inventory frequently is a best practice within the golf industry.

Lake Chelan GC – Projected Future Performance 2026-2030

NGF has assisted the City of Chelan in preparing an analysis to show what the potential economic performance of Lake Chelan GC could be over the next few years considering the strong recent performance and changes recommended by NGF. In this section, we provide economic estimates based on assumptions that may or may not become reality but represent a “fair estimate” for this golf facility over a future five-year period based on our review of the market, site and projected LCGC operation. We have completed this estimate of future economic performance considering the direct and indirect impact of improvements, while also projecting this performance based on current (2026) inputs. This projection was provided to show what the basic economic structure would look like assuming current trends are continued given current market conditions and existing LCGC amenities.

SUMMARY OF ASSUMPTIONS FOR LAKE CHELAN GC PROJECTIONS

NGF has prepared a projection based on expected performance in a “normal” environment and the continuation of success parameters including direct City oversight and the retention of professional golf staff. In preparing our estimates, the NGF has made several assumptions for input variables and external market conditions. We recognize that this estimate is prepared in April 2026 for a golf facility that is currently operating on an “as-is” basis through the first quarter of 2026. As such, all financial estimates are presented using 2026 dollars, even for later years in the projection. A summary of NGF assumptions is detailed below:

- The overall economic condition remains stable, without any sizable increase or decrease in the Lake Chelan area economy, employment, or visitation. Additionally, there are no significant setbacks relative to health status or pandemics like Covid-19.
- The recent surge in golf interest documented by NGF in this report is sustained, but with more modest growth.
- LCGC will continue to operate with its existing mix of amenities and revenue centers, with golf activity derived from daily fee customers, plus some additional revenue from a clubhouse operation that includes food service with improved access to golf patrons (even though LCGC does not accrue F&B revenue). Some enhancement to features is assumed to achieve the estimated future performance projections.
- LCGC will operate with service and conditions as described, placing the facility in the mid-to-upper range of public golf courses in the greater Lake Chelan market area.
- LCGC will operate under direct supervision of Chelan with golf operations and maintenance provided by City employees (separate F&B contract). For this projection, NGF has assumed full City oversight of all elements, except F&B.

ESTIMATED PERFORMANCE – LAKE CHELAN GC (2026-2030)

NGF has prepared a cash flow model for the Lake Chelan GC operation for the next five years of operation, including the current 2026 which is ongoing. The primary consideration that drives NGF projections is that LCGC will continue to provide outstanding facilities in the best physical condition possible, a high level of customer service to both golfers and non-golf clubhouse patrons, and a commitment to efficient operations with enhanced marketing. A summary of NGF revenue and expense assumptions is detailed below.

Projected Revenue Assumptions – Lake Chelan GC

A summary of key assumptions that drive the revenue estimates for LCGC for the next five years are detailed below. We note that the 2026 projection is an early estimate of performance for the current year, which is already underway. Other assumptions that drive the projections are noted below:

- NGF has assumed a basic inflation factor of 4.0% for general expenses, 6.0% for all labor expenses, 2.5% for most revenue inputs except for Annual Pass fees (15% increases in 2027-28), Premium golf rounds (9% increase in 2027-28) and average cart rate (12.5% increase in 2027). This assumption reflects the reality of expenses growing faster than revenue in the public golf industry.
- The projection for future performance assumes the trends established in recent years are continued, and respecting the peak summer activity at LCGC is at or near capacity. The changes projected here reflect a new emphasis on off-season activity and a slight reduction in annual pass activity, replaced by new rounds sold at higher fees. The NGF has assumed a stable level of rounds activity through 2030 at about 30,000. The projected activity through 2030:

Lake Chelan GC	2026*	2027	2028	2029	2030
Annual Pass Rounds	11,475	10,800	10,350	10,125	9,900
Premium In-Season	9,000	9,000	9,500	9,800	10,000
In Season Discount	4,000	4,000	4,000	4,000	4,000
Off Season Rounds	5,000	6,000	6,500	7,000	7,000
Total Rounds	29,475	29,800	30,350	30,925	30,900
Annual Passes	255	240	230	225	220
Avg. Rounds per Pass	45	45	45	45	45

*Estimate intended to represent actual 2026 – already underway.

- NGF has prepared financial projections based on blended average green and cart fees for the various categories of rounds derived from green fee pricing presented earlier. The projection assumes the same basic pricing structure for 2026, followed by significant increases in annual pass rates and premium green fees in 2027 and 2028, plus a one-time jump in cart rate for 2027. Average revenue for additional ancillary items such as merchandise, driving range and other rentals have also been projected on a per-round basis using estimates derived from actual performance in 2025. These average rates are then applied to estimated rounds, cart, pass and card activity through 2030:

Blended Average	2026*	2027	2028	2029	2030
Avg. Annual Pass Rate	\$1,150.00	\$1,322.50	\$1,520.88	\$1,596.92	\$1,676.76
Per Round Averages:					
Premium In-Season Rounds	\$70.00	\$76.30	\$83.17	\$85.25	\$87.38
In Season Discount	\$45.00	\$47.70	\$50.56	\$51.83	\$53.12
Off Season Rounds	\$35.00	\$36.40	\$37.86	\$38.80	\$39.77
Avg Cart rate	\$10.50	\$11.81	\$12.11	\$12.41	\$12.72
Avg Range Rev	\$2.25	\$2.53	\$2.85	\$2.92	\$2.99
Avg Pro Shop	\$4.25	\$4.78	\$5.38	\$5.51	\$5.65
Avg Other Rentals	\$0.70	\$0.72	\$0.74	\$0.75	\$0.77

*Estimate intended to represent actual 2026 – already underway.

Projected Expense Assumptions – Lake Chelan GC

Operating expense projections are based on the City's 2026 budget and expectations for the continued operation of Lake Chelan GC under the existing program of City operation for all facets of the facility, except food and beverage service. Key factors in estimating future expenses at LCGC include:

- Total personnel expenses assume the current roster of positions and are based on the City's total labor budget of \$1,196,400 for 2026. This budget represents a 17.9% increase over 2025, despite small or no changes to staff. NGF has assumed a 6.0% inflation for labor expenses from 2027-2030. A reduction of two (2) part-time maintenance positions is assumed for 2028 to reflect ***reduced labor requirement if the irrigation system is replaced with a modern system with up-to-date computerized controls.***
- Other expenses assume a continuation of existing structure with exceptions that include:
 - The cart lease estimate for 2026 includes initial program expenses that will not continue through the next four years of the cart lease. Cart expenses are reduced to \$72,000 in 2027 and fixed throughout the remainder of the lease term.
 - Total site utilities expense can be reduced by \$8,000 beginning in 2028 to reflect more efficient lake intake collection and reduce the need for City water as a backup.
- Interfund expenses are assumed at levels established in the 2026 budget, subject to 4.0% annual inflation.
- In keeping with the conservative posture taken for this future projection, NGF has assumed an ongoing annual capital expense of \$39,500 in 2026, subject to a 4.0% annual inflation factor.

Estimated Future Performance – Lake Chelan GC (2026-2030)

Using the above-noted assumptions, a cash flow model for LCGC for the next five years is presented in the table below. Each category of revenue and expense has been listed separately, and all figures have been rounded to the nearest \$100 for simplicity.

Projected Revenue and Expense Analysis Lake Chelan Golf Course (2026* – 2030)					
	2026*	2027	2028	2029	2030
Daily Green Fees	\$985,000	\$1,095,900	\$1,238,400	\$1,314,300	\$1,364,700
Annual Green Fee Passes	293,300	317,400	349,800	359,300	368,900
All Cart Rentals	309,500	352,000	367,500	383,800	393,100
Driving Range	66,300	75,400	86,400	90,300	92,400
Pro Shop Sales	125,300	142,500	163,200	170,500	174,600
Golf Pro Other/Rentals	20,600	21,400	22,300	23,300	23,900
Concession Income	13,000	13,300	13,600	13,900	14,200
Total Revenue	\$1,813,000	\$2,017,900	\$2,241,200	\$2,355,400	\$2,431,800
Less Cost of Sales: (COS)					
Pro Shop Merchandise	\$97,100	\$110,400	\$126,500	\$132,100	\$135,300
Total COS	\$97,100	\$110,400	\$126,500	\$132,100	\$135,300
Gross Margin	\$1,715,900	\$1,907,500	\$2,114,700	\$2,223,300	\$2,296,500
Golf Operations Expenses					
Total Wages & Benefits	\$481,000	\$509,900	\$540,500	\$572,900	\$607,300
Supplies	20,000	20,800	21,600	22,500	23,400
Cart Lease	80,000	72,000	72,000	72,000	72,000
Insurance	67,900	70,600	73,400	76,300	79,400
Advertising	8,700	9,000	9,400	9,800	10,200
Utilities	11,500	12,000	12,500	13,000	13,500
Credit Card Fees	71,000	73,800	76,800	79,900	83,100
Other Services	77,500	80,600	83,800	87,200	90,700
Total Operations Expense	\$817,600	\$848,700	\$890,000	\$933,600	\$979,600
Golf Maintenance Expenses					
Total Wages & Benefits	\$715,400	\$758,300	\$715,400	\$744,000	\$773,800
Maintenance Supplies	162,000	168,500	175,200	182,200	189,500
Maint. Services	65,400	68,000	70,700	73,500	76,400
Insurance	117,100	121,800	126,700	131,800	137,100
Utilities (Incl water)	35,000	36,400	28,000	29,100	30,300
Total Maintenance Expense	\$1,094,900	\$1,153,000	\$1,116,000	\$1,160,600	\$1,207,100
Total LCGC Expenses	\$1,912,500	\$2,001,700	\$2,006,000	\$2,094,200	\$2,186,700
Operating Income (Loss)	(\$196,600)	(\$94,200)	\$108,700	\$129,100	\$109,800
Other Expenses					
Ops Interfund (Admin/Fin/HR)	\$127,500	\$132,600	\$137,900	\$143,400	\$149,100
Maint. Interfund (Admin/Fin/HR)	\$201,700	\$209,800	\$218,200	\$226,900	\$236,000
Capital Expenditures	\$39,500	\$41,100	\$42,700	\$44,400	\$46,200
Total Other Expenses	\$368,700	\$383,500	\$398,800	\$414,700	\$431,300
Net After Other (Loss)	(\$565,300)	(\$477,700)	(\$290,100)	(\$285,600)	(\$321,500)
*Estimate intended to represent actual 2026 – already underway.					

Estimated Future Performance – The Green Lake Chelan Putting Course (2026-2030)

NGF has also estimated the future performance of the City's 18-Hole Grass Putting Course known as "The Green." A summary of key assumptions in preparing this estimate is shown below:

- Data from the City shows the Green hosted 17,873 rounds in 2025, divided between youth rounds (40%) and adult rounds (60%). The green is projected to host 17,000 to 19,000 putting "rounds" between 2026 and 2030, with the same division between youth (40%) and adult rounds (60%).
- The cost to play the putting course in 2026 is between \$12 and \$15 for youth under 18 and \$15 to \$17.50 for adults. Assuming all discounting and a 2.5% average annual inflation factor from 2026-2030, the average rates will reach between \$10.00 and \$15.50 by 2030.
- Total operating expenses are estimated at \$228,600 for 2026, an amount established by the City in its annual budget. Assuming 4.0% annual inflation, total expenses will grow to \$267,400 by 2030. These expenses do not include any charge for Lake Chelan GC golf maintenance personnel that may provide services at the putting course during a given year, nor does it include the interfund charges to the putting course.
- According to the City's 2026 budget, total interfund charges to the putting course will be \$48,000 in 2026, growing to \$56,200 by 2030 (4.0% inflation).
- Assuming these inputs, the Chelan putting course is not expected to produce a large positive net income over the next five years, unless the total rounds activity can exceed 21,000, or the total average revenue per round can exceed \$15.25 by 2027:

Projected Revenue and Expense Analysis Lake Chelan Golf Course (2026* – 2030)					
	2026*	2027	2028	2029	2030
Youth Fees	\$61,200	\$66,600	\$70,300	\$74,100	\$76,000
Adult Fees	137,700	151,200	161,000	171,000	176,700
Total Revenue	\$198,900	\$217,800	\$231,300	\$245,100	\$252,700
Operating Expense	\$228,600	\$237,700	\$247,200	\$257,100	\$267,400
Net Operating Income	(\$29,700)	(\$19,900)	(\$15,900)	(\$12,000)	(\$14,700)
Putt Course Interfund (Admin/Fin)	\$48,000	\$49,900	\$51,900	\$54,000	\$56,200
Net After Interfund (Loss)	(\$77,700)	(\$69,800)	(\$67,800)	(\$66,000)	(\$70,900)

*Estimate intended to represent actual 2026 – already underway.

SUMMARY OF FUTURE PERFORMANCE PROJECTIONS (2025-2030)

The results of the economic projections for Lake Chelan GC show that the City's adoption of NGF recommendations should lead to improved revenue, but the expenses required to support the revenues generated by ongoing operations are increasing at a faster rate. The changes recommended by NGF should get LCGC past \$2.0M in revenue by 2027 and as high as \$2.2M in 2028 (24% increase). However, on-site operating expenses are expected to exceed \$2.0M in 2027 and 2028, meaning strong **revenue growth is needed just to keep up with expense inflation** (not including interfund and capital). Interfund expense will increase to over \$327,000 in 2026, producing a projected loss of nearly **(\$200,000)** on golf in 2026. Over the next five years, **interfund expenses will total over \$1.7M** – money not available to fund capital projects or assist in funding a new irrigation system.

The NGF projections represent a conservative view of the golf facility based on actual performance of the subject LCGC considering reasonable inputs with normal weather. The real benefit from the improvements and changes proposed for LCGC will come from ongoing facility sustainability and the ongoing increases in fees, leading to improved golf revenue, which is needed to keep up with increasing expenses, especially the cost of labor. The NGF has chosen to present this future projection in a conservative fashion to provide a base level of projection for decision-making purposes and for comparison to possible future investment under consideration by the City. Still, the projection shows that there is **no realistic pathway to using future revenue growth to fund new irrigation at Lake Chelan GC.**

Support for Projections and Potential Mitigating Factors

Support for Projections

- A large base of tourists and seasonal residents with demographics favorable for golf.
- Accessible site with proximity to the Lake, all local resort properties and important local roadway infrastructure.
- Property enhancements under consideration that could add attraction to LCGC and help increase sales.

Potential Threats / Mitigating Factors Relative to Projections

While there is evidence to support strong activity and revenue performance at LCGC, there are mitigating factors that could reduce revenue and/or increase expenses. These include:

- **Regional economic recession** – previous recessions have impacted the performance of public golf courses, especially with larger-than-expected increases in expenses.
- **Golf maintenance expenses** – The cost to maintain golf courses is dependent on items such as fuel, chemicals, other utilities, labor, and other maintenance expenses have shown high inflation in recent years, which could negatively impact the operation.
- **A return to decline in golf participation** – prior to 2020, trends showed declines in golf participation, especially among the younger generation. Limited time availability for golf due to other ongoing commitments, long commute times and other family responsibilities may work to reduce the non-local demand base that is required to sustain golf at this location.

LIMITING CONDITIONS

The income estimates presented in this report have been prepared based on existing and projected market conditions, the quality of the subject facility and the intended segment of the golf market toward which it is oriented. Particular focus was paid to the actual performance of area public golf courses, and the potential impact of enacting various improvements at LCGC, most notably a more comprehensive maintenance program and modernization of aging infrastructure. The NGF is confident that growth in revenue can be achieved at Lake Chelan GC, even if activity is stalled due to capacity in the peak summer season, considering the good condition of the facility and outstanding operating profile. From a practical standpoint, those managing the facility will need to respond to variable market conditions as well as unforeseen maintenance needs. NGF is confident that the facility will be able to continue to achieve results as presented in our analysis beyond the next five years of operation.

When projecting a realistic market share, it is important to realize that the total number of rounds to be played on a golf course in any given year may be lower than the market opportunity appears to suggest. NGF believes it is important to project the future performance of the City's golf facility in such a way as to help the City make financial decisions based on realistic expectations. It is obviously possible that either more or fewer golf rounds can be sold. We note that our projections for future performance of Lake Chelan GC anticipate strong market demand through the next decade of operation.

Summary Statement

Chelan owns the 18-hole Lake Chelan Golf Course, a 57-year-old golf facility that is serving a niche as the affordable public golf option in the popular Lake Chelan tourist region. Although the course generated its best-ever activity and revenue in 2025, the facility's infrastructure needs to be improved and modernized, most notably the irrigation system that has been identified as needing replacement for almost 20 years. In our review, NGF has found that while Lake Chelan GC is performing at its highest level, there is more the City can do to maximize its potential. Golf courses in tourist markets, like LCGC, will often find it easy to sell premium green fees at peak demand times, but filling in the only open inventory - off-peak/shoulder season – **will require business initiative and marketing** to fill with events, lodging tie-ins, leagues, outings, etc., even if they sell at lower green fee rates. The City also owns a nice 18-hole grass putting-course that provides high-quality family entertainment and generated close to \$200,000 in revenue in 2025.

The economic condition of the property observed in 2025 is mixed, with LCGC generating nearly \$1.77 million in operating revenue, which was enough to cover its day-to-day expenses in 2025 but will not be sufficient to cover these costs in 2026 due to high labor inflation. In addition, the City has other “interfund” and capital expenses tied to the golf operation that when applied, will leave the Lake Chelan GC operating deep into negative territory – perhaps as far as a **(\$700,000)** net loss on golf. As we move into 2026 and beyond, the City will need to begin planning for the needed enhancement of aging systems (irrigation, tees, some greens, cart paths, maintenance facility, etc.) and the expansion of creative marketing and operations needed to maximize the use of the facility and take advantage of the recent surge in golf interest.

In summary, Lake Chelan GC is an outstanding City amenity and is ready for the “next stage” in its evolution with some new investment to help sustain the recent successes and best serve the needs of the modern golf consumer. The upgrades identified by NGF in this report address deficiencies in this property that will become more serious over time, if left unchecked. LCGC is also challenged by a high and rapidly inflating labor cost, as well as large internal “interfund” charges. It is important that the City understands that these interfund costs impact golf net revenue performance and **take funds away from needed capital improvements** and/or new investments. In our review of this public golf facility, the NGF finds that there is no easy solution to long-term sustainability of this golf course, and that improvement will have to come from a combination of items, including:

1. Annual pass and other price increases;
2. Filling in off-season capacity with additional discounted play;
3. Undertaking a slight golf operations staff re-organization to enhance entrepreneurial initiative;
4. Improve the driving range with new programs;
5. Enhance retail sales with new inventory and a new course logo; and
6. Consider a small (\$2-\$5) capital fee to every round of golf.

Appendices

A: Local Demographic, Golf Demand and Golf Supply

B: 2025 Leaderboard / The Graffis Report

C: Data National Rounds Played Report

APPENDIX A – LOCAL DEMOGRAPHIC, DEMAND AND SUPPLY DATA

Lake Chelan Golf Course	10-miles	20-miles	30-miles	U.S.
Summary Demographics				
Population 2000 Census	9,495	18,757	148,080	281,398,967
Population 2010 Census	10,444	20,234	163,993	308,745,560
CAGR 2000-2010	0.96%	0.76%	1.03%	0.93%
Population 2024	13,510	25,556	187,501	336,661,764
CAGR 2010-2024	1.86%	1.68%	0.96%	0.62%
Population 2029 Projected	13,874	26,252	191,642	344,877,902
CAGR 2024-2029	0.53%	0.54%	0.44%	0.48%
Median HH Income (2024)	\$72,933	\$71,923	\$82,760	\$80,417
Median Age (2024)	42.7	41.7	38.9	38.2
Ethnicity				
White	67.3%	66.7%	68.0%	63.0%
African American	0.7%	0.6%	1.2%	13.7%
Asian	1.0%	0.9%	1.5%	6.4%
All Other	31.0%	31.7%	29.2%	16.8%
Hispanic Population				
Hispanic	32.8%	33.9%	32.6%	18.7%
Not Hispanic	67.2%	66.1%	67.4%	81.3%
CAGR = Compound Annual Growth Rate				
Lake Chelan Golf Course	10-miles	20-miles	30-miles	U.S.
Golf Demand Indicators				
Total Households	5,364	9,923	70,928	131,553,905
Number of Golfing Households	698	1,214	9,334	19,801,066
Seasonal Golfing Households	621	1,009	3,213	2,384,089
Current Demand/Interested Non-Golfers	1,002	1,912	14,679	24,095,173
Golfer Participation Rate	7.60%	7.20%	7.50%	8.80%
Number of Golfers	974	1,741	13,284	28,097,196
Number of Projected Golfers	997	1,790	13,574	28,796,086
Projected Annual Growth Rate	0.50%	0.60%	0.40%	0.50%
Rounds Potential (resident golfers)	15,038	26,427	197,459	412,703,490
Estimated Course Rounds (in-market supply)	53,541	93,602	393,680	412,703,490
Demand Indices				
Golfer Participation Rate	86	82	85	100
Seasonal Golfing Households	639	561	250	100
Latent Demand/Interested Non-Golfers	104	105	109	100
Rounds Potential per capita (resident golfers)	90	84	86	100
Est. Course Rounds per capita (in-market supply)	322	298	171	100

Lake Chelan Golf Course	10-miles	20-miles	30-miles	U.S.
Golf Supply				
<i>Golf Facilities</i>				
Total	2	4	21	13,952
Public	2	4	20	10,225
Public: Daily Fee	1	3	15	7,640
Public: Municipal	1	1	5	2,585
Private	0	0	1	3,727
<i>Public Golf Facilities by Price Point</i>				
Premium (>\$80)	1	2	6	1,829
Standard (\$50-\$80)	1	2	9	3,068
Value (<\$50)	0	0	5	5,328
<i>Golf Holes</i>				
Total	36	72	329	237,286
Public	36	72	311	168,502
Public: Daily Fee	18	54	239	125,556
Public: Municipal	18	18	72	42,946
Private	0	0	18	68,784
Non-Regulation (Executive & Par-3)	0	0	32	19,414
<i>Net Change*</i>				
Net Change in Holes past 5 years	0	14	14	-3,212
Percentage Total Holes Past 5 Yrs	0.0%	19.4%	4.3%	-1.4%
Net Change in Holes past 10 Years	0	5	5	-19,907
Percentage Total Holes Past 10 Yrs	0.0%	6.9%	1.5%	-8.4%
*Numbers may include courses under construction and temporarily closed at the end of the year.				

Lake Chelan Golf Course	10-miles	20-miles	30-miles	U.S.
Supply-Demand Ratios				
<i>Population per 18 Holes</i>				
Total	6,755	6,389	10,258	25,538
Public	6,755	6,389	10,852	35,963
Public: Daily Fee	13,510	8,519	14,121	48,264
Public: Municipal	13,510	25,556	46,875	141,104
Private	0	0	187,501	88,100
Premium (>\$80)	13,510	12,778	27,664	155,696
Standard (\$50-\$80)	13,510	12,778	23,438	103,457
Value (<\$50)	0	0	75,000	85,342
<i>Golfers per 18 Holes</i>				
Total	487	435	727	2,131
Public	487	435	769	3,001
Public: Daily Fee	974	580	1,000	4,028
Public: Municipal	974	1,741	3,321	11,776
Private	0	0	13,284	7,353
Premium (>\$80)	974	871	1,960	12,994
Standard (\$50-\$80)	974	871	1,661	8,634
Value (<\$50)	0	0	5,314	7,123
<i>Population Indices (National 100)</i>				
Total	26	25	40	100
Public	19	18	30	100
Private	0	0	213	100
Premium (>\$80)	9	8	18	100
Standard (\$50-\$80)	13	12	23	100
Value (<\$50)	0	0	88	100
<i>Golfers Indices (National = 100)</i>				
Total	23	20	34	100
Public	16	15	26	100
Private	0	0	181	100
Premium (>\$80)	7	7	15	100
Standard (\$50-\$80)	11	10	19	100
Value (<\$50)	0	0	75	100
<i>Rounds per 18 Holes</i>				
Rounds Potential (resident golfers)	7,519	6,607	10,803	31,307
Estimated Course Rounds (in-market supply)	26,771	23,401	21,539	31,307

APPENDIX B – THE GRAFFIS REPORT – 2026 LEADERBOARD

2026 Leaderboard		NGF NATIONAL GOLF FOUNDATION		
Golf Industry 2025 – Key U.S. Statistics			# New high mark	
		vs. '24	vs. '19	
Total Reach	136M	▼1%	▲26%	The total number of Americans (age 6+) who played, watched, read about and/or followed golf is up 43% since record-keeping began in 2016 (95M)
Total Participation	48.1M[#]	▲2%	▲41%	The total number of golf participants (on- and off-course included), has increased 55% in the past decade, up from approximately just over 31M total in 2015
Total Off-Course	37.9M[#]	▲5%	▲63%	Participation in off-course forms of the game have eclipsed on-course in each of the past four years, and more than doubled since 2014 (14.3M)
Total On-Course	29.1M	▲4%	▲20%	2025 marked the eighth straight year on-course participation has increased, including three consecutive years with a net gain of 1 million or more
Beginners	3.3M	◀▶	▲32%	The number of first-time on-course players has topped 3M in each of the past six years (after averaging 2.6M from 2016 to 2019)
Youth (ages 6-17)	4.0M	▲9%	▲58%	The number of youth golfers who played on a golf course in 2025 is the second-highest on record, trailing only the 4.1M juniors in 2004
Young Adult (ages 18-34)	6.3M	▼6%	▲4%	The 18-34 cohort has almost the exact same number of on-course participants as the 65+ segment, although the latter group plays and spends at a significantly higher level
Middle-Aged (ages 35-64)	12.5M	▲6%	▲13%	While there's been a lot of attention on the recent growth on the younger and older ends of golf's age spectrum, the 50-64 cohort saw the biggest year-over-year increase in 2025 with a net gain of more than half a million on-course golfers
Senior (ages 65+)	6.3M[#]	▲8%	▲38%	The oldest age cohort has seen a net gain of 1.7M "green grass" golfers over the past three years as Baby Boomers continue to hit retirement age at a rate of 10,000 per day
Female	8.1M[#]	▲4%	▲46%	Six straight years of gains have yielded a 2.5M participation increase since 2019; females comprise 28% of all on-course golfers – equaling the record high established in 2024
People of Color	7.7M[#]	▲10%	▲61%	People of color (+2.9M since 2019) now represent 26% of all green grass golfers – a new high mark in racial and ethnic representativeness. The net gain of about 700,000 golfers from 2024 to 2025 is the largest year-over-year change on record
Latent Demand	21.2M	▼12%	▲37%	The number of Americans who didn't play on-course golf in the past year but are "very interested" in playing dropped (~3 million YOY), attributable to more people taking-up the game
Rounds Played	549M[*]	▲1%	▲25%	There were a record-setting number of rounds-played in 2025 for the fourth time in the past five years. Since 2020, the past six years have seen 500M+ rounds played in the U.S.
Golf Course Supply	16,034	◀▶	▼2%	Course closures have outnumbered openings in the U.S. for 19 straight years, but the correction continues to slow significantly, with virtually no change in overall course supply since 2021
Openings (18HEQ)[†]	22.6	◀▶	▲146%	New openings in 2025 were on par with the previous two years, a slight uptick from the average of 14 openings per year (18HEQ) from 2011-23. Just over one-third are 18-hole courses and almost half are categorized as "short courses"
Closings (18HEQ)[†]	86.0	▼19%	▼74%	The U.S. closure total has been under 100 18HEQ for three straight years after 17 years above that mark, with the closures accounting for less than 0.5% of total supply
Public Cost to Play	\$47[‡]	▲4%	▲29%	The average estimated playing fee at 18-hole public courses (including discounts) has continued to increase every year since 2019 after a decade of limited cost-to-play hikes
Ball Sales (in units)	+6.3%	▲6%	▲49%	Wholesale shipments of golf balls (dozens) outpaced 2024, marking a fifth consecutive YOY increase, an indicator of sustained demand that matches the momentum in rounds
Club Sales (in units)	-3.8%	▼4%	▲9%	Wholesale shipments of golf clubs (units) fell a little short of 2024, yet remain ahead of 2019 by 9%; dollars were up almost 4% (not inflation adjusted)

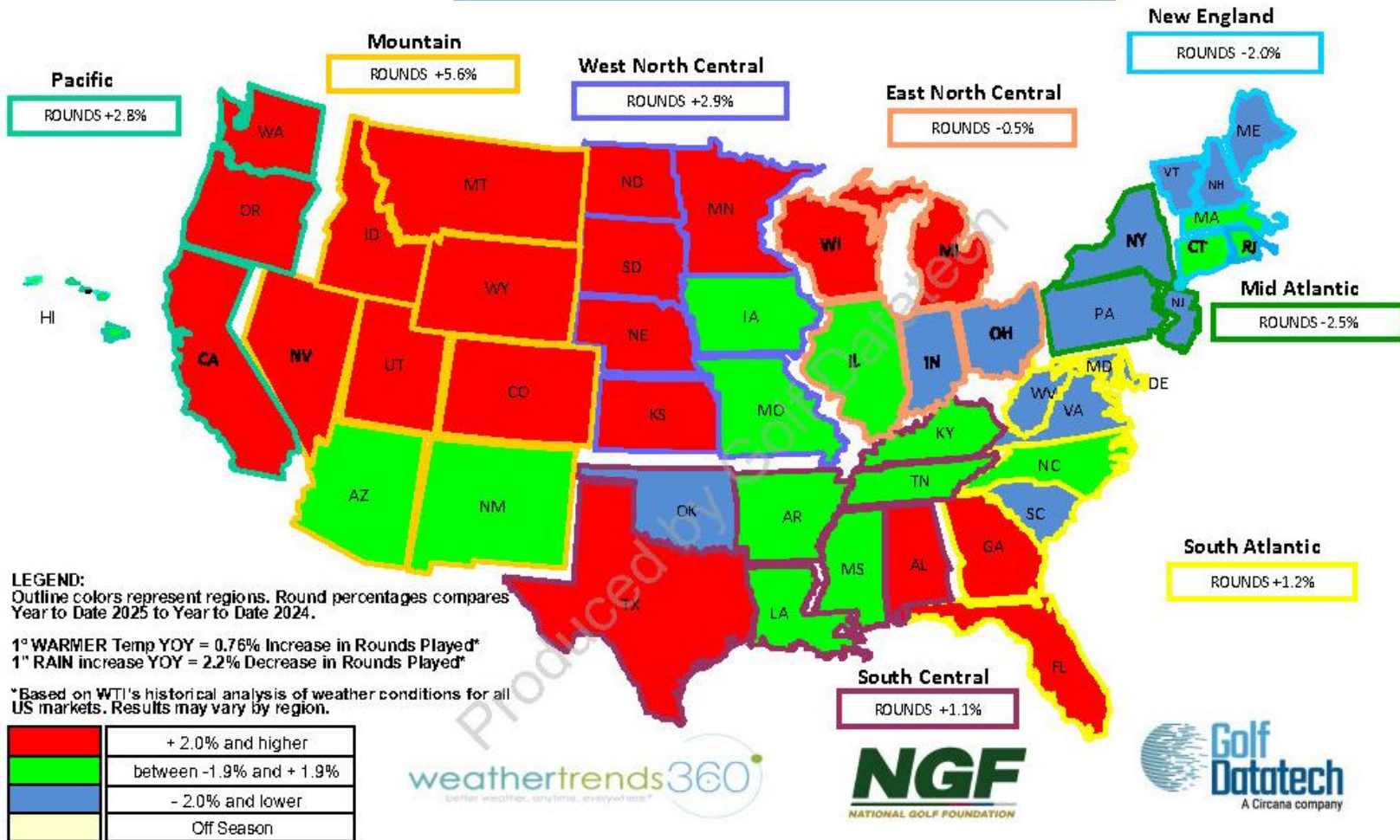
* Source: Golf DataTech (National Golf Foundation data support and analysis)
† For course supply, openings and closings, NGF tallies the number of total holes and divides by 18; totals not divisible by 0.5 suggest one or more opening(s) and/or closing(s) in an increment other than 9 or 18 holes
‡ "Average estimated playing fee" is calculated by accounting for differences between peak rates and "realized rates" (total fee revenues divided by total rounds played) created by discounting (time of day, senior rate, etc.)

APPENDIX C – NATIONAL ROUNDS PLAYED REPORT



National Rounds Played Report

US 2025 vs. 2024 YTD through December +1.2%



National Rounds Played Report

December 2025

	DEC	YTD
PACIFIC	-6.0%	2.8%
CA	-9.5%	2.3%
Los Angeles	-3.2%	4.8%
Orange County	-11.3%	-0.4%
Palm Springs	-16.5%	-4.5%
Sacramento	1.0%	9.4%
San Diego	-13.9%	3.1%
San Francisco/Oakland	-5.6%	6.2%
HI	27.0%	1.6%
OR	8.8%	3.9%
Portland	8.3%	4.5%
WA	-7.1%	4.3%
Seattle	0.7%	3.7%
MOUNTAIN	2.0%	5.6%
AZ	-1.6%	1.5%
Phoenix	-1.6%	1.7%
CO	2.8%	7.8%
Denver	1.9%	10.9%
ID, WY, MT, UT	35.3%	8.2%
NM	-6.3%	-1.6%
NV	8.2%	9.0%
Las Vegas	7.0%	9.5%
WEST NORTH CENTRAL	27.9%	2.9%
KS, NE	13.5%	3.2%
ND,SD	NA	4.9%
MN	NA	4.6%
Minneapolis/St.Paul	NA	4.4%
IA, MO	40.6%	1.1%
St Louis	24.2%	0.6%
Kansas City	30.7%	1.1%

	DEC	YTD
UNITED STATES	0.2%	1.2%
Public Access	-0.8%	0.7%
Private	3.1%	3.0%

	DEC	YTD
EAST NORTH CENTRAL	-29.9%	-0.5%
IL	-8.3%	0.5%
Chicago	-22.5%	0.0%
IN	-11.2%	-4.2%
MI	-56.6%	2.8%
Detroit	-59.2%	3.6%
OH	-51.6%	-4.2%
Cincinnati	-26.6%	-0.3%
Cleveland	-87.2%	-3.5%
WI	6.3%	3.0%

	DEC	YTD
SOUTH CENTRAL	11.4%	1.1%
AL	9.3%	2.7%
AR, LA, MS	9.4%	0.8%
OK	8.0%	-6.8%
KY, TN	13.5%	-1.9%
TX	12.6%	4.3%
Dallas/Ft. Worth	19.5%	5.6%
Houston	12.5%	5.3%
San Antonio	14.5%	9.2%

*NA= not reporting this month

	DEC	YTD
SOUTH ATLANTIC	0.9%	1.2%
DE, DC, MD	-32.6%	-2.6%
Washington/Baltimore	-27.4%	-3.3%
FL	3.5%	4.1%
Jacksonville	10.2%	3.5%
Orlando	-25.3%	3.8%
Tampa	5.5%	4.2%
Palm Beach	-2.4%	-1.3%
Naples/Ft Myers	8.7%	7.7%
Miami/Ft.Lauderdale	-0.4%	2.0%
GA	12.7%	3.7%
Atlanta	16.3%	1.7%
NC	4.5%	-0.4%
Greensboro/Raleigh	4.6%	-0.1%
SC	-5.1%	-2.6%
Charleston	2.9%	1.5%
Hilton Head	4.1%	4.3%
Myrtle Beach	-12.0%	-3.7%
VA, WV	-20.5%	-2.1%
MID ATLANTIC	-58.3%	-2.5%
NJ	-53.3%	-2.5%
NY	-41.1%	-2.4%
New York City	-51.4%	-0.9%
PA	-67.6%	-2.7%
Philadelphia	-59.4%	-2.9%
Pittsburgh	-90.8%	-6.3%
NEW ENGLAND	-25.1%	-2.0%
CT, MA, RI	-25.1%	-0.2%
Boston	-15.0%	0.3%
ME, NH, VT	NA	-5.3%

The percentages represent the differences in number of rounds played comparing December 2025 to December 2024.
For more information contact Golf Datatech @ GolfRoundsPlayed@Circana.com