
Special Council Meeting Agenda

Thursday, June 30, 2016

1:00 PM

Indian Wells Golf Resort, Celebrity Ballroom



The Indian Wells City Council welcomes and encourages participation at City Council meetings. The Council requests speakers present their remarks in a respectful manner, within the 3 minute time limit, and focus on issues which directly affect the City or which are within the subject jurisdiction of the City. Please fill out a blue Speaker Request form and give it to the City Clerk, preferably before the start of the meeting.

Any public records, relating to an open session agenda item, that is distributed within 72 hours of the meeting is available for public inspection at City Hall reception, 44-950 Eldorado Drive, Indian Wells during normal business hours.

1. CONVENE THE CITY COUNCIL, PLEDGE OF ALLEGIANCE AND ROLL CALL

MAYOR DANA REED
MAYOR PRO TEM RICHARD BALOCCO
COUNCIL MEMBER DOUGLAS HANSON
COUNCIL MEMBER TED MERTENS
COUNCIL MEMBER TY PEABODY

2. APPROVAL OF THE FINAL AGENDA**3. PUBLIC COMMENTS**

The Council requests speakers present their remarks in a respectful manner, within the 3 minutes time limit, and focus on issues which directly affect the City or which are within the subject jurisdiction of the City. The Mayor will call upon the members of the public to address the Council. When you're called please come forward to the podium, and state your name for the record.

The Brown Act, with certain exceptions, does not permit the Council to discuss or take action on issues not listed on the agenda. The Council may respond briefly to statements made or questions posed, request clarification, or refer the item to Staff.

A. PUBLIC COMMENTS

B. RESPONSE TO PRIOR PUBLIC COMMENTS

4. GENERAL BUSINESS

The Mayor will call upon the members of the public to address the Council regarding the agenda item being considered. After the public has provided comment, the item is closed to further comment and brought to the Council for discussion and action. Public comments are limited to 3 minutes per speaker, please state your name for the record.

- A. [1469-16](#) **Strategic Planning Session to Discuss, Evaluate Priorities, and Provide Direction to Staff Relating to Business Segments and Improvements at the Indian Wells Golf Resort**

RECOMMENDED ACTIONS:

Council **DISCUSSES, EVALUATES,** and provides **DIRECTION** to Staff relating to business segments and improvements at the Indian Wells Golf Resort; and

APPROVES any related supplemental appropriations.

- Attachments:*** [Strategic Plan](#)
 [Event planners comments](#)
 [Clive Clark recap](#)

5. ADJOURNMENT

To a regularly scheduled meeting of the City Council to be held at 1:30 p.m. on September 15, 2016 in the City Hall Council Chambers.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Chief Deputy City Clerk at (760) 346-2489. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. 128 CFR 35.102.35.104 ADA Title III

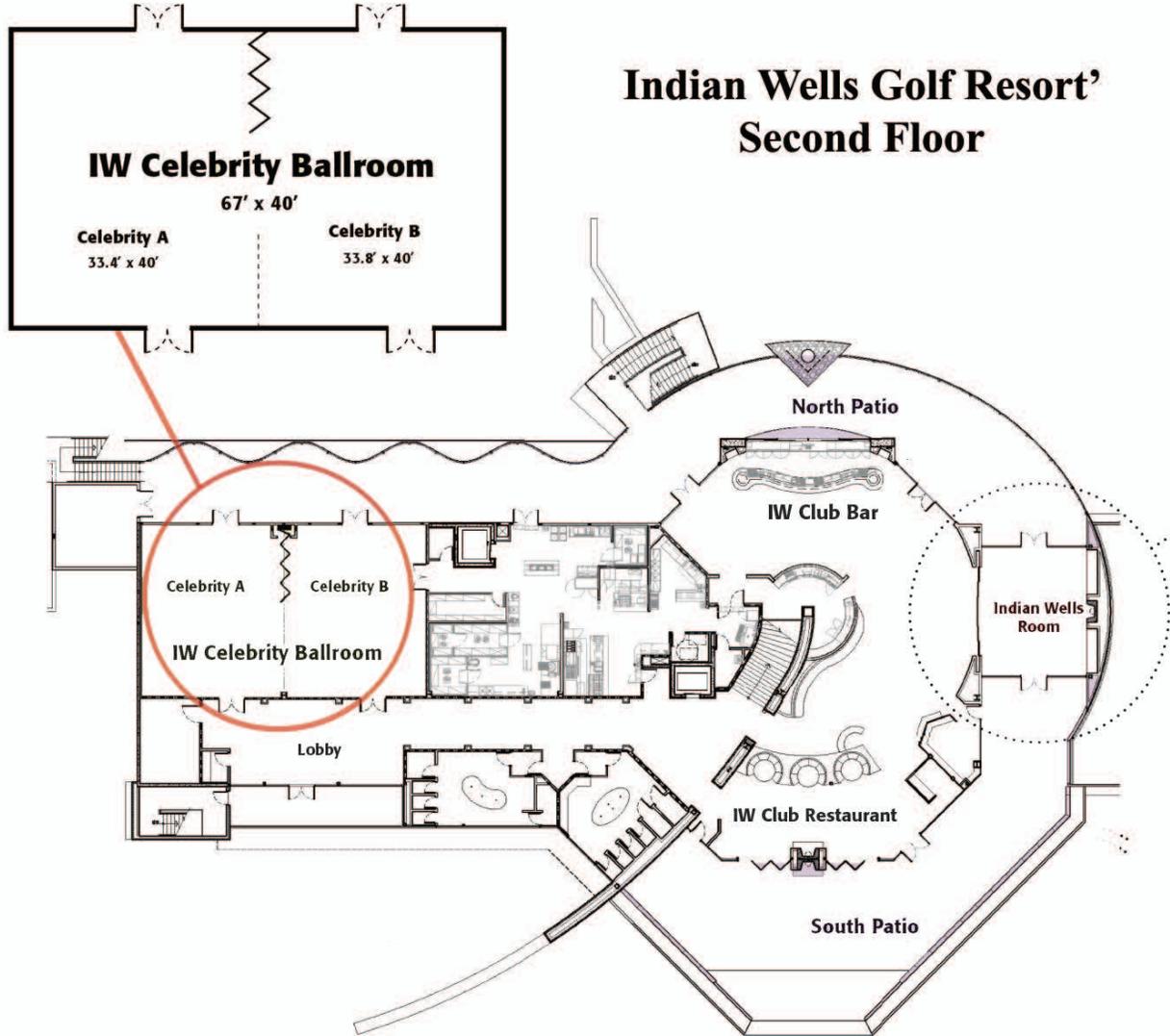
Affidavit of Posting and Notice

I, Anna Grandys, certify that on June 24, 2016, I caused to be posted and served upon all members of the City Council, a notice of a City Council Special Meeting to be held on June 30, 2016 at 1:00 p.m. at the Indian Wells Golf Resort, Celebrity Ballroom.

Notices were posted at Indian Wells Civic Center, Village I [Ralph's], and Indian Wells Plaza [Indian Wells Chamber of Commerce], and were delivered to all City Council members.



Anna Grandys
City Clerk





6/30/2016

File #: 1469-16 Item #: A.

Indian Wells City Council ***Staff Report - City Manager's Office***

Strategic Planning Session to Discuss, Evaluate Priorities, and Provide Direction to Staff Relating to Business Segments and Improvements at the Indian Wells Golf Resort

RECOMMENDED ACTIONS:

Council **DISCUSSES, EVALUATES,** and provides **DIRECTION** to Staff relating to business segments and improvements at the Indian Wells Golf Resort; and

APPROVES any related supplemental appropriations.

DISCUSSION:

Troon's Strategic Plan for the Indian Wells Golf Resort is attached.

ATTACHMENT:

1. Strategic Plan
2. Event planners comments
3. Clive Clark recap



INDIAN WELLS
GOLF RESORT

Strategic Plan
June 30, 2016

Attachment 1



Background

January 27, 2016 – City Council defined Strategic Planning goal for Troon: To create a 5-Year Strategic Plan to bring before City Council review.

March 17, 2016 – The City Council held a study session to provide clarification and direction to Troon and City Staff regarding the Indian Wells Golf Resort Strategic Plan

May 4, 2016 - Troon presented 5-year strategic plan, the City Council requested additional information, clarification, details and revisions to the plan that outline each segment, their brand and position, and each segment strategies and goals.



Today:

June 30, 2016 – Troon and City Staff present an updated Strategic Plan to the City Council.

Future Schedule:

September, 2016 – Indian Wells Golf Resort 2016/17 recommend budget (reflecting Strategic Plan recommendations) presented to City Council.

November, 2016 – City Council to consider viability study for range enhancements and expansion of the resort as an “entertainment venue” on the IW Campus.

Quarterly – City Council updated on Strategic Plan implementation and the impact to revenue and profitability.



Overarching Goal of the Indian Wells Golf Resort

To become self-sustaining at the Indian Wells Golf Resort. Strategies are based on a changing market place, conservative fiscal projections and focusing in on higher profit market segments like Golf and Catering.

City's Brand Statement

Create an unsurpassed quality of life for residents and guests by providing superior public safety, exceptional service, and outstanding amenities that will further enhance our image as a prestigious community and international resort destination.



Indian Wells Golf Resort Brand Statement

Leverage the IW brand to position the Indian Wells Golf Resort as a centerpiece of the community that delivers a memorable and unique sophisticated experience in a multi-dimensional resort.

Brand Promise

The Indian Wells Golf Resort is dedicated to providing a luxurious world-class resort experience that is comfortable, accommodating and memorable. Whether golfing, dining, shopping or simply gathering, our promise is to deliver a distinctive experience that is exceptionally enjoyable for residents and visitors alike.



Indian Wells Golf Resort Brand Statement

Led by Troon, the world leader in golf hospitality management, the mission of the Indian Wells Golf Resort is to offer our residents and guests top rated golf, exceptional event and entertainment venues paired with an award-winning restaurant. Delivered all under spectacular views and stunning architecture, their mission is to deliver superior service for an exceptional guest experience.



Business Segments

Below outlines each business segment of the resort to include:

- Business Segment 1: Beverage Carts
- Business Segment 2: Café
- Business Segment 3: Catering/Meetings/Banquets
- Business Segment 4: Golf
- Business Segment 5: Merchandise
- Business Segment 6: VUE Grille, VUE Bar, VUE Sushi
- New Business Segment 7: New Event/Entertainment Venue



Each Business Segment will include the following:

- Issue
- Positioning Statement
- Breakeven Analysis for 2014/15
- Goals
- Strategies & Tactics
- Estimated Cost Breakout



SEGMENT 1

Beverage Carts

Issue:

Beverage Carts need to capture more on-course golfers to increase this segments revenue.

Positioning Statement:

A quality, quick choice Beverage Cart offering snacks, hot and cold food and beverages for on-course golfers to enjoy.



Beverage Cart' con't

2014/15 Beverage Cart – Breakeven Analysis	
Current Cost of Sales	26.3%
Payroll	\$84,641
Emp. Related	\$25,603
Operating expenses	\$35,753
Building Allocation/G&A	\$82,265
Total Costs	\$228,262
Breakeven	\$309,925
Year End Revenue	\$443,725
Variance	\$133,800



Beverage Cart con't

Goals:

- 2% topline increase (hand-held credit card machines)
- 5% increase revenue (GPS screens)
- Increase Food & Beverage spend on-course

Strategies & Tactics:

- Increase food selection
- GPS screen to call carts to golfers and expedite service
- Encourage Golfers to order more hot & cold food items
- Decrease wait time for food
- Implement of hand-held credit card machine for more user-friendly experience



Beverage Cart con't

Estimated Cost Breakout:

ITEM	Cost to implement	Potential Revenue	NOI
Credit card machines (currently all cash)	\$1,500	2% increase in revenues=\$8874	\$2,795
Add key to GPS screens to call cart	N/A	5% increase in revenues =\$22,186	\$6,988
Total	\$1,500*	\$31,060	\$9,783

*\$1,500 will be an additional cost to implement; will not be reflected in the 2016/17 budget



SEGMENT 2

Café

Issue:

The Café need to capture more on-site guests, like the golfer, to increase these segment revenues. Because of lack of visibility and communication of the food and beverage options, strategies to capitalize this audience already on property need to be implemented to increase spend at the café.

Positioning Statement:

A quality quick choice menu offering breakfast, coffee, beverages and snacks delivering speed of service, quality products and a variety of selection for the golfer and resort guests.



2014/15 Café – Breakeven Analysis	
Current Cost of Sales	30.2%
Payroll	\$116,107
Emp. Related	\$28,197
Operating expenses	\$23,837
Building Allocation/G&A	\$58,550
Total Costs	\$226,691
Breakeven	\$324,626
Year End Revenue	\$315,809
Variance	(\$8,817)



Café con't

Goals:

- 10% topline revenue increase
- Reduce C.O.S in Café by 2%
- Increase ADR by \$.25
- Increase % of golfers at players course turn
- Decrease wait time for food
- Increase café visibility
- Increase beverage spend



Café' con't

Strategies & Tactics:

- Increase marketing/communication to the golfer regarding Café menu
- Increase food selection, offer heartier/hot breakfast items for golfers
- Add Café Signage in Lobby and on Landing
- Add coffee station to increase flow and reduce bottleneck
- Add BBQ cook on weekends as a trial to see if capture is achieved
- Develop golfer centric grab and go for on-course golfers



Café con't

Estimated Cost Breakout:

ITEM	Cost to implement	Potential Revenue	NOI
Increase in A.D.R. Café by \$.25	N/A	Quicker service more visual and enhanced product mix	\$9,250
Total	N/A		\$9,250

Stretch Goals

Add signage in Café	\$9,287*	10% increase in topline revenue or \$31,500	\$6,300
Weekend BBQ at Fairway area	\$7500 in labor	\$4000 per month for seven months=\$28,000	\$5,600
Reduced C.O.G. Café	N/A	\$6300 all pass through in savings	\$6,300
Total	\$16,787		\$18,200

*\$9,287 will be an additional cost to implement; will not be reflected in the 2016/17 budget



SEGMENT 3 – Catering/Meetings/Banquet

Issue:

The resort has a variety of meeting spaces that are underutilized or missing key elements for closing more business. The Catering segment proves to be one of the two most profitable segments at the facility, so necessary strategies and investments need to be analyzed for growth.

Positioning Statement:

Offering over 53,000 square feet of meeting and event space, the Indian Wells Golf Resort offers a variety of unique venues for your perfect wedding, event, or corporate meeting. The talented culinary team offers creative selections and customizes menus to exceed the client's expectations. The unique premier indoor/outdoor venue of the Pavilion offers panoramic views in the ultimate resort destination event space.



Catering con't

2014-15 Catering /Meetings/Banquets Breakeven Analysis

Current Cost of Sales	24.2%
Payroll	\$284,301
Emp. Related	\$71,528
Operating expenses	\$137,372
Building Allocation/G&A	\$271,134
Total Costs	\$764,333
Breakeven	\$1,008,209
Year End Revenue	\$1,462,450
Variance	\$454,241



Catering con't

Goals:

- Evaluate Improvements to Pavilion to grow Corporate and Local Meeting Business and improve Social/Wedding Closure Rate
- Increase Banquet Revenues by 5%
- Increase wedding by 10 per year (2017/18) and then five per year on year after that
- Increase close rate on events

Strategies & Tactics:

- Insure catering and banquet pricing is in line with the comp set
- Build a wedding/green room for private area for brides and other entities to increase closure rate and build in other potential streams of revenues with hosted beverages and food



Catering con't

Strategies & Tactics con't:

- Build ready room or green room suite for social and meeting functions over at the Pavilion
- Change front of the Fairway Grill look to make it more conducive for receptions
- Change the floor to an epoxy finish with a more durable finish and look to it
- Build an air baffle from the Northwest doors to assist with AC loss in summer when groups enter
- Add sun shades to the windows in Pavilion
- Add draping to back wall of Pavilion



Catering con't

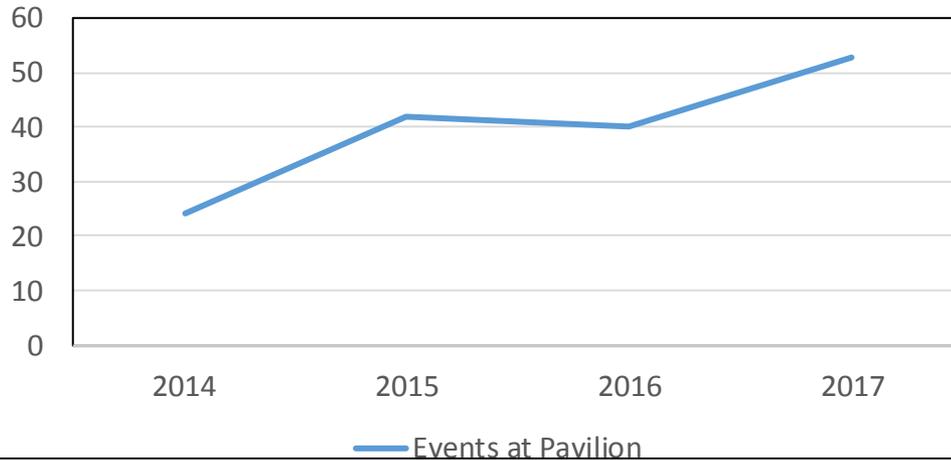
Estimated Cost Breakout:

ITEM	Cost to implement	Potential Revenue	NOI
Build ready room or green room suite for social and meeting functions over at the Pavilion 5% increase in revenues top line	\$350,000		
Change front of the Fairway	\$25,000	N/A	N/A
Change the floor to an epoxy finish	\$30,000	N/A	N/A
Build an air baffle from the Northwest doors to assist with AC loss in summer when groups enter	\$50,000	N/A	N/A
Add sun shades to the windows in Pavilion	\$35,000	N/A	N/A
Goal of adding 10 additional wedding this season	N/A	\$2M over the five years	\$928,880
Total	\$490,000*	\$2M	\$928,000

*\$490,000 will be an additional cost to implement; will not be reflected in the 2016/17 budget

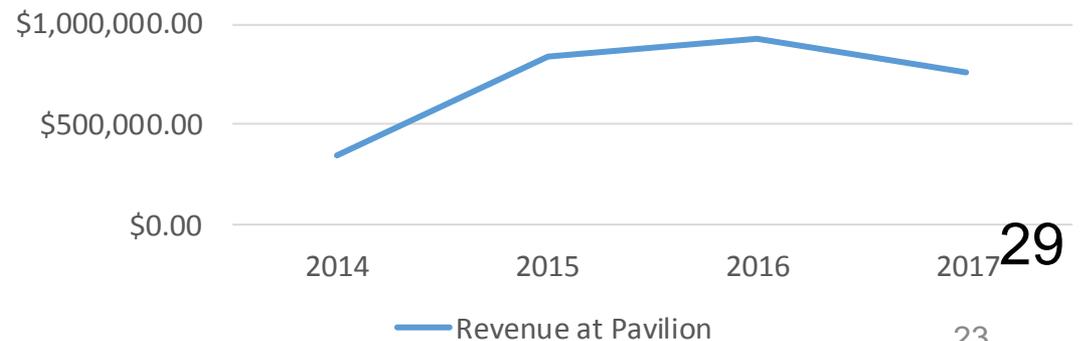


Booked Events at Pavilion



Events numbers and revenues expected still to grow in 2017

Revenue at Pavilion Based on Current Bookings





SEGMENT 4 –

GOLF

Issue:

With a stagnant and saturated golf market, where the average golf rates have not grown, impedes golf rate increases* to significantly offset bottom line revenues to the resort. With lost rounds year over year by the hotels** and resident play *** consuming a third of the prime peak hours for higher rate hotel/street golfers, the golf resort is currently running at a deficit. Strategies need to be discussed and implemented to impact revenues as golf is one of the two segments that has the most potential to increase bottom line profit for the resort.

* *Competitive Set:*

\$149-\$205 PEAK
\$99-\$169 SHOULDER
\$69-\$89 OFF-PEAK

***Resorts indicated that the lost rounds are in part due to corporate meetings changing focus and resort guest not booking farther out. Also, corporate incentive groups only allow 20-30% (estimated) free time, and non-incentive have no free time allocated while at a conference.*

****Address in resident golf scenario below*



Positioning Statement:

An award winning golf resort delivering two 18-hole exceptional golf courses, educated staff and outstanding customer service for the individual, corporate and celebration golf outings. The Indian Wells Golf Resort courses offers a golfer a unique experience; tree-lined and unobstructed mountain views, wide fairways, well-positioned bunkers, well-maintained greens all delivering a memorable desert golfing experience year-round for the resident and guest.

Golf con't



2014/15 Golf – Breakeven Analysis	
Current Cost of Sales	1.7%
Payroll	\$2,335,249
Emp. Related	\$693,929
Operating expenses	\$317,654
Sales and Marketing	\$171,280
R&M	\$797,609
Utilities	\$426,381
Leases	\$373,955
Building Allocation/G&A	\$1,274,838
Fee/permits	\$10,767
Total Costs	\$6,401,662
Breakeven	\$6,509,577
Year End Revenue	\$6,544,195
Variance	\$34,618



Golf con't

Goals:

- Increase ADR \$2 year over year (as long as market can bear this rate)
- Grow incremental rounds and revenue from our targeted key segments
- Proactively sell catering and upsell groups
- Maintain Competitive Market Share
- Maintain first class course rate conditions
- Increase Hotel Resort Rounds



Golf con't

Strategies & Tactics:

- Implement already approved Stay & Play software (approved by City Council)
- Improve guest service experience
- Capitalize and grow IW 10 Play Card/Troon Rewards
- Expand Marshal program that designates holes on course to specific associates
- Implement course improvements from architect Clive Clark*

*see detailed addendum regarding Clive Clark recommendations



Golf con't

Estimated Cost Breakout:

ITEM	Cost to implement	Potential Revenue	NOI
Add element of 3rd party vendor for tournament items increased A.D.R. \$.25 x 75000 rounds	N/A	\$18,750	\$5,400
Obtain \$1.00 per tourn. Round through third party store sales	N/A	\$18,000	\$4,500
Look for a 4 to 1 return on the marketing investment with PGA Tour experiences	\$10,000	\$40,000	\$8,000
\$2.00 A.D.R. increase for golf with continued efforts on Dynamic pricing	N/A	\$150,000	\$150,000
TOTAL	\$10,000*	\$226,750	\$167,900

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*\$10,000 will be an additional cost to implement; will not be reflected in the 2016/17 budget



Issue:

Does the City Council want to consider modifying the current resident golf amenity with any of the 8 scenarios outlined below?



Scenario #1

Resident play at current published resident rate May – October

- Residents would pay normal published/hotel/street rate November-April Replacing 75% of rounds hotel/street play at higher rate (13220 rounds) - generate min. of **\$812,087** to bottom line

	November	December	January	February	March	April	Totals	Subtract R & RG Revenue
Resident & RG Rounds Replaced	2804	2307	2770	2815	3972	2959	17,627	\$836,572
ADR - WORRI	117.72	105.84	128.11	141.15	135.33	112.95		
75 % Fill	\$247,565	\$183,130	\$266,149	\$298,003	\$403,148	\$250,664	\$1,648,659	\$812,087
50% Fill	\$165,043	\$122,086	\$177,432	\$198,669	\$268,765	\$167,110	\$1,099,106	\$262,534



Scenario #2

Resident Play limited to One Golf Course November – April

- Replacing 75% of rounds hotel/street play at higher rate (6610 rounds) - generate min. of **\$406,043** to bottom line

	November	December	January	February	March	April	Totals	Subtract R & RG Revenue
Resident Rounds Replaced	1402	1154	1385	1408	1986	1480	8814	\$418,286
ADR - WORRI	117.72	105.84	128.11	141.15	135.33	112.95		
75 % Fill	\$123,783	\$91,565	\$133,074	\$149,001	\$201,574	\$125,332	\$824,329	\$406,043
50% Fill	\$82,522	\$61,043	\$88,716	\$99,334	\$134,383	\$83,555	\$549,553	\$131,267



Scenario #3

Resident Play limited to after 12:00 p.m. both courses November – April

(85% of resident rounds played are played in the morning)

- Replacing 75% of rounds hotel/street play at higher rate (11,237 rounds) - generate min. of **\$690,274** to bottom line

	November	December	January	February	March	April	Totals	Subtract R & RG Revenue
Resident Rounds Replaced	2383	1961	2355	2393	3376	2515	14983	\$711,086
ADR - WORRI	117.72	105.84	128.11	141.15	135.33	112.95		
75 % Fill	\$210,430	\$155,660	\$226,226	\$253,302	\$342,676	\$213,065	\$1,401,360	\$690,274
50% Fill	\$140,287	\$103,773	\$150,817	\$168,868	\$228,451	\$142,043	\$934,240	\$223,154



Scenario #4

- ❑ **Resident Play limited to after 12:00 p.m. One Course November – April** (85% of rounds played are played in the morning)
 - ❑ Replacing 75% of rounds hotel/street play at higher rate (5618 rounds) - generate min. of **\$345,137** to bottom line
Residents still have access to 1/3 of the available rounds on the other course at the current resident rate

	November	December	January	February	March	April	Totals	Subtract R & RG Revenue
Resident Rounds Replaced	1192	980	1177	1196	1688	1258	7491	\$355,543
ADR - WORRI	117.72	105.84	128.11	141.15	135.33	112.95		
75 % Fill	\$105,215	\$77,830	\$113,113	\$126,651	\$171,338	\$106,532	\$700,680	\$345,137
50% Fill	\$70,143	\$51,887	\$75,409	\$84,434	\$114,225	\$71,022	\$467,120	\$111,577



Scenario #5

- Keep Residents at 1/3 times allocated (current policy*) but any additional available rounds would be billed at the hotel/street rate**
 - Available rounds above the 1/3 would be priced at hotel/street play (900 rounds) – generating min. of **\$67,138** to bottom line

	November	December	January	February	March	April	Totals	Subtract R & RG Revenue
Resident Rounds Replaced	0	0	0	127	996	79	1202	\$54,090
ADR - WORRI	117.72	105.84	128.11	141.15	135.33	112.95		
75 % Fill	\$0	\$0	\$0	\$13,445	\$101,092	\$6,692	\$121,228	\$67,138
50% Fill	\$0	\$0	\$0	\$8,963	\$67,394	\$4,462	\$80,819	\$26,729



Scenario #6

Change Resident booking window to 24 hours November-April

- Replacing 75% of rounds hotel/street play at higher rate (13220 rounds) - generate min. of **\$1,027,351** to bottom line

	November	December	January	February	March	April	Totals	Subtract R & RG Revenue
Resident Rounds Replaced	2103	1730	2078	2111	2979	2219	13220	\$209,143
ADR - WORRI	117.72	105.84	128.11	141.15	135.33	112.95		
75 % Fill	\$185,674	\$137,347	\$199,611	\$223,502	\$302,361	\$187,998	\$1,236,494	\$1,027,351
50% Fill	\$123,783	\$91,565	\$133,074	\$149,001	\$201,574	\$125,332	\$824,329	\$615,186



Scenario #7

Raise Resident Rate to Cost to produce a round - \$80 - November – April

- Cost to produce a round is \$80, charging residents the \$80 November – April would generate a min. of **\$573,588**

	November	December	January	February	March	April	Totals	Subtract R & RG Revenue
Resident Rounds Replaced	2804	2307	2770	2815	3972	2959	17,627	\$836,572
Cost to Produce - \$80	\$224,320	\$184,560	\$221,600	\$225,200	\$317,760	\$236,720	\$1,410,160	\$573,588



Scenario #8

Discontinue Resident Guest Rate November – April

Replacing 75% of rounds hotel/street play at higher rate (6610 rounds) – generate min. of **\$85,512** to bottom line

	November	December	January	February	March	April	Totals	Subtract R & RG Revenue
Resident Guest Rounds Replaced	830	594	801	844	1295	814	5178	\$401,626
ADR - WORRI	117.72	105.84	128.11	141.15	135.33	112.95		
Fill @ 75%	\$73,281	\$47,152	\$76,962	\$89,348	\$131,439	\$68,956	\$487,138	\$85,512
Fill @ 50%	\$48,854	\$31,434	\$51,308	\$59,565	\$87,626	\$45,971	\$324,758	-\$76,868



SEGMENT 5

Merchandise

Issues:

Not enough product mix to appeal to current golfer demographics.

Positioning Statement:

Continue as a top 100 golf shop in the United States that carries a variety of men's and ladies quality merchandise and lifestyle apparel for our traveling hotel guests and golfers.



2014-15 Merchandise Breakeven Analysis	
Current Cost of Sales	52%
Payroll	\$164,829
Emp. Related	\$33,827
Operating expenses	\$45,513
Building Allocation/G&A	\$247,416
Total Costs	\$491,585
Breakeven	\$1,028,113
Year End Revenue	\$1,307,935
Variance	\$279,823



Merchandise con't

Goals:

- Continue to win Top 100 golf shop in US
- Increase higher profit items that cater to a more diverse demographic of golfer
- Increase Retail ADR \$.25
- Decrease Cost of Goods sold by 1%
- Increase Inventory turns from 1.3 to 2 per year



Merchandise con't

Strategies & Tactics

- Enhance look of displays in the shop so everything is not at one level
- Develop Group Retail online store with third party vendor
- Enhanced display racks to aid with adding dimension to the shop
- Reduce number of vendors and buy better and increase amounts of selection
- Better turnover of inventory
- Include more logo items to “upsell” to corporate groups/incentives
- Open gift shop on resident event nights



Merchandise con't

Estimated Cost Breakout:

ITEM	Cost to implement	Potential Revenue	NOI
Enhanced display racks to aid with adding dimension to the shop	\$30,000	\$18,750	\$5,625
Add element of 3rd party vendor for tournament items	N/A	\$18,000	\$5,400
Total	\$30,000*	\$36,750	\$11,025

*\$30,000 will be an additional cost to implement; will not be reflected in the 2016/17 budget



SEGMENT 6 –

VUE Grille, VUE Bar, VUE Sushi

Issue:

The VUE Grille, VUE Bar & VUE Sushi, to stay competitive in the marketplace, needs to implement strategies to increase revenue, decrease expenses while positioning themselves in the valley to capture diners, whether locals or guests.

The restaurant at the Indian Wells Golf Resort is the cornerstone of entry for non-golfers, locals, resort guest, and especially event and meeting planners and the place for golfers to enjoy after a round. The restaurant itself will not have the necessary large impact to garner the overall goal of the resort, but any losses cannot be sustained so implementation of strategies needs to be immediate.

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Positioning Statements:

VUE Grille - A classic upscale American dining experience for the discerning guest. The VUE Grille delivers culinary excellence paired with a superior wine list; engaging, high-level friendly service, and offering the most outstanding “VUE’s” in the Desert all in an elegant yet casual atmosphere.





VUE Bar - A sophisticated Bar offering the best panoramic VUE's in the Desert while rooted in the history of Indian Wells and offers a casual resort/clubhouse experience delivering an American classic lunch menu and all day bar menu featuring selection of burgers, appetizers, creative craft cocktails, craft beers and other causal happy hour items, while featuring the largest selection of bourbons (200) in the desert.



VUE Sushi – As the only sushi offering on the IW Campus, these outstanding handmade rolls are created by our third generation trained sushi chef and allow resort guests, residents and locals the ability to enjoy top-notch sushi in a unique atmosphere and extends the menu offering so all diners have satisfying options.

VUE con't



2014/15 VUE Grille & Bar – Breakeven Analysis

Current Cost of Sales	38.9%
Payroll	\$1,711,792
Emp. Related	\$5,498
Marketing	\$109,575
R&M	\$27,744
Operating expenses	\$334,396
Cable, Fee, Lic., Permits	\$9,867
Building Allocation/G&A	\$514,096
Total Costs	\$2,712,968
Breakeven	\$4,443,438
Year End Revenue	\$2,772,944
Variance	53 (\$1,660,494)



VUE con't

Goals:

- Increase Net Operating Income in VUE Grille, VUE Bar and VUE Sushi
- Reduce food cost by 3%
- Increase ADR per check by \$2.00
- Increase VUE Reward holders by 25%
- Improve Brand Awareness to differentiate ourselves from the competition

Strategies & Tactics:

- Add new signage
- Increase average check with “upsell” opportunities
- Increase staffing ratios
- Develop and train associates to decrease table wait times



VUE con't

Estimated Cost Breakout:

ITEM	Cost to implement	Potential Revenue	NOI
Photos of golf in VUE Bar	\$6,000*	See below	N/A
Server ratio changes	\$150,000	See below	N/A
Monthly server meetings	\$2,000	See below	N/A
10 day server training	\$12,000	See below	N/A
Photos for VUE Bar new food	\$1,000*	See below	N/A
Placemats for VUE Bar	\$5,000*	See below	N/A
Salt and Pepper shakers	\$1,600*	See below	N/A
Increased laundry cost in Restaurant	\$10,000	See below	N/A
Laminated Happy Hour Cards	\$1,500*	See below	N/A
TOTAL	\$189,100	\$114,000	\$6,800

Stretch Goals

Reduction in Food Cost	N/A	Reduction of food cost 3%=\$60,000	\$60,000
Increase in A.D.R. VUE by \$2.00	N/A	Increase in ADR by \$2.00=\$220,000	\$220,000
TOTAL	\$189,100	\$280,000	\$280,000

*\$15,100 will be an additional cost to implement; will not be reflected in the 2016/17 budget



VUE con't

- ❑ Relaunch of VUE Grille, VUE Bar menu's
 - ❑ New soft roll-out of menu's (summer, 2016)
 - ❑ Local Marketing campaign to start in September (after soft-launch of new menu's)
 - Continue to update website
 - Produce new collateral
 - ❑ Focus on more consistent and improved service
 - ❑ Launch new Executive lunch menu
 - ❑ Revise dinner and lunch, bar, dinner menus to include signature items (summer, 2016) and concentrate on consistent quality of food
 - ❑ Revised lunch and dinner menus to include lighter fare, gluten free and healthier items (summer, 2016)
 - ❑ Promote all day Happy Hour to Golfers
 - ❑ Continue Resident Appreciation Nights
 - ❑ Add specialty nights to bring in new audiences: wine dinners, prime rib nights
 - ❑ Leverage Diner Reward Programs
 - ❑ Create incentive to concierge to increase business
 - ❑ Open at 10 am to capture more golfer business



New Segment 7–

Indian Wells Golf Resort/Entertainment Venue on the IW Campus

Issue –Does the City Council want to work with the hotel partners to expand the Indian Wells Golf Resort to more of an “entertainment” venue to create a centerpiece for the IW Campus? Funding considerations would be:

- 1) Look at using percentage of TOT or increasing current Cities percentage – which needs to go to voters
- 2) Add a resort fee to offset these costs
- 3) Consider Recreation District funding as a potential source
- 4) Other potential scenarios to be discussed for funding (TBID)



Goal:

- To create entertainment “hub” for residents and guests
- Increase Food & Beverage revenue by 2% (estimated \$54,000)
- Entertain and attract the Millennials
- Expand the offerings of the resort for golfers and non-golfers
- Facilitate more “on-course” experiences and use of range
- Stay competitive to attract more traffic

ITEM	Cost to implement
Bocce Ball	\$60,000
Pickle Ball	\$150,000
Range Enhancement	Current Study being conducted – presented in Oct.
Shuttle Service between hotels	\$137,412
Total Cost	\$347,412



2014/15 Variance

Segment	Variance
Segment 1 – Bev Car	\$133,800
Segment 2 – Café	(\$8,817)
Segment 3 – Catering	\$454,241
Segment 4 – Golf	\$34,618
Segment 5 - Merchandise	\$279,823
Segment 6 – VUE	(\$1,660,494)
TOTAL 2014/15 Variance	(\$766,829)



Council Considerations

- 1) Would the City Council want to invest in the segment goals and strategies outlined above?
- 2) Does the City Council want to consider modifying the current golf resident amenity based on the 8 scenarios outlined in this document?
- 3) Does the City Council want Troon and City Staff to move forward on Entertainment Segment 7? If so, what funding should be pursued?



Council Considerations

Segment	Cost to implement	Potential Revenue	NOI GOAL
Segment 1 – BevCart	\$1,500	\$,8,874	\$2,795
Segment 2 – Café	\$9,287	\$31,500	\$6,300
Segment 3 – Catering	\$490,000	\$2,000,000	\$928,000
Segment 5 – Merchandise	\$30,000	\$18,750	\$5,625
Segment 6 – VUE	\$15,100	\$280,000*	\$280,000
Segment 7 – Entertainment	\$347,412*	Funding under consideration	\$547,500-\$1,368,750
Total Cost to implement	\$893,299*	TBD	TBD

*Cost does not include range enhancement

Testimonials by wedding/event planners:

Troon staff interviewed 16 entities that have planned and executed events at the Pavilion: Their overall recommendations are as follows:

- Acoustics is not an issue
- Green Room/Inside Bathrooms
 - A green room would be a major improvement. All people interviewed wholeheartedly agreed that a green room and (by necessity) indoor restrooms would be a major benefit, and would be greatly appreciated by brides and vendors.
- Flooring
 - Everyone interviewed agreed that the painted concrete shows wear and tear quickly and it is not attractive to look at especially during the day. All agreed that the condition of the floor is not noticeable for nighttime events. However, one major wedding planner said that the condition of the floor during daytime site visits reflects poorly on the property and does not look appropriate for an upscale venue.
- Sunshield
 - Everyone interviewed agreed that a roll-down sunshield would be a nice improvement – reducing the heat during the day and reducing glare for daytime events.
- AV Capabilities
 - Having built-in speakers that could provide a house sound experience would be a nice feature, but not essential. If music/speakers were added, the speakers should be extended to the patio area as well.
- Lighting
 - The common request was to add a dimmer switch to the white lights and to the LED lights. Also mentioned was the request to add more landscape lighting outside that would help define the edges of the lawns and flower beds. Event planners saw this as an improvement for safety and for the beauty of the area.
- Other issues:
 - Several people mentioned that the patio area needs to be beautified: eliminate the roll down screen in the old Fairway Grill (described as an “eyesore”), extend the existing flower beds, or in some other way make the patio area more inviting.
 - Recommend to have permanent draping on the back wall.

Recap of site visit by course architect Clive Clark:

The following is a recap of the last few months regarding the replacement of trees caused by the storm on July 31, 2015. Since the season has begun to slow down we wanted to finalize the tree replacement portion for the claim. We thought it best to use experts in the field including to assist us in this process. We also brought in Clive Clark the Celebrity Course Architect to make certain that his design was not compromised. While we had Mr. Clark on property we also had him look at the entire course to see what enhancements he might suggest to improve the look and playability of the course. Based on the meetings over the past few months here are the conclusions we came up with:

Celebrity Course:

- **Hole #1** – Left side of fairway protecting #4 tee, Mr. Clark suggested adding on more pine
- **Hole #3** – Right side of fairway – Add four more pines to area where we replaced a couple already.
- **Hole #7/8** – Left side of #7 fairway. Replace two Ash trees, which separates the two fairways.

** Mr. Clark had two suggestions for improvement to the courses**; not related to tree damage.

- **Behind #3 Celebrity** – He thought the hillside needs to have color brought back into it, suggested flowers on that hillside
- **Fairway Bunker on Hole #7** – Mr. Clark thought the fairway bunker on the right could be re shaped. He thought the left side of the bunker could be removed to add more fairway and soften the tee shot look.

Players Course:

- **Hole #1** – Add a large Mesquite tree on right side of fairway to replace downed tree.
- **Hole #5** – Add two large pines left of green to replace downed tree, and one behind green on right.
- **Hole #8** – Add 4 Large pines behind green to enhance view.
- **Hole #8/1** - we looked at an area between #1 and #8 to protect 8 green. Need three large trees, species undecided at this point, but location to be closer to hole #1 tee.
- **Hole #15** – Left greenside – add two Jacarandas
- **Hole #16** – add one tree behind tee, and one adjacent to tee

Driving Range:

- Add two Mondell Pines to right side