

Lane Donovan Golf Partners, LLC

CITY OF EL SEGUNDO
REQUEST FOR PROPOSALS
FOR THE
THE LAKES AT EL SEGUNDO
RFP # 18-02

CITY OF EL SEGUNDO
c/o CITY CLERK'S OFFICE
350 MAIN ST.
EL SEGUNDO, CA 90245

Lane Donovan Golf Partners, LLC

June 14, 2018

City of El Segundo
Meredith Petit, Director of Recreation and Parks
350 Main Street
El Segundo, Ca 90245

Dear Ms. Petit,

Lane Donovan Golf Partners, LLC is honored to submit the following response to the City of El Segundo's Request for Proposal for The Lakes at El Segundo. We have provided the day to day management and operations of The Lakes since December 2004. We are proud of our accomplishments and service provided. We have worked closely with the staff of the Recreation and Parks Department, the Golf Course Subcommittee, some council members, the Men's Club and the Women's Club. Our management and this group effort have helped provide a family friendly, safe recreation facility for the residents of El Segundo and the public at large.

The last six years have provided many challenges to our operation. The uncertainty of the future of the Lakes has definitely affected the financial success. Despite this upheaval, the Lakes is still a much beloved place for many people. This is especially true within the golfing community. We do not believe the Lakes is "broken". It needs stability for the future and some gradual upgrades to the existing facilities. It is one of the few remaining golf courses that is really helping to grow the game. It is a great place for juniors, seniors, beginners, and experienced golfers. To summarize, we realize there will be responses to this RFP that will drastically change the Lakes and may provide more financial gain to the City. However, we strongly believe this will be a loss of a recreation use that is still needed in today's ever changing society.

As you will notice in our response we are proposing a similar management agreement to our current arrangement. We will provide all the day to day services etc that we currently provide. As our pro forma demonstrates, we are confident with stability, the restoration of the annual capital line to our budget, a full liquor license and a potential miniature golf component we can return the Lakes to a self-sustaining success.

Respectfully,



Michael Donovan
Member
Lane Donovan Golf Partners, LLC

B. Proposed Vision and Project Plan

- a. It is our intention to continue to manage all aspects of the operation. This includes the golf shop operations, the food and beverage operations, the driving range operations including the teaching programs, private events and the golf course maintenance. We will continue to provide high quality customer service throughout. We intend to obtain a full liquor license to help sustain the financial success of the food and beverage operation. As mentioned in our cover letter, we are once again proposing that a miniature golf course be added to the facility. This may be accomplished by relocating the current ninth green. The ninth hole will become a 150 yard par three. The miniature golf course will then be able to be built just off the current patio area out onto the current ninth green and approaching fairway area. We currently have a similar set up at the Arroyo Seco Golf Course and it is very successful. Our financial projections provided outline the return of a capital expense line. We will use this money annually to restore the facility.

- b. Not Applicable

C. Description of Business and Operating Plan

a. MISSION STATEMENT AND GOALS

To create an enjoyable golf experience to the greatest number of people as financially efficient as possible.

Goals

1. To make possible the best turf-playing conditions and operational services at minimum cost.
2. To cooperate with all agencies and organizations who promote, stimulate, and develop the advancement of golf.
3. To maintain an in-service training program for golf personnel that ensures a high quality of turf and operational services to golfers.
4. To develop and maintain a beautification program.
5. To maintain a safety program focused to benefit players and employees.
6. To maintain a high level of personnel efficiency on-the-job in maintenance and operations and to guarantee performance and fulfillment of required obligations to enhance the golf course as viewed by the golfers.

Lane Donovan Golf Partners approaches each property that they manage with a unique marketing philosophy: Inform and attract local golfers to each individual golf course in the best, most efficient way for that golf course. All marketing efforts are focused solely on the golf facility.

Competitive Market

The Lakes at El Segundo's current primary competitors for golf practice and daily play include Marriott Westdrift Golf Course, Alondra Golf Course, Westchester Golf Course, Chester Washington Golf Course, Maggie Hathaway Golf Course, Penmar Golf Course and Rancho Park Golf Course. The Lakes at El Segundo is a preferred practice and beginner golf venue for juniors, seniors, and woman due to our exceptional golf course condition, practice facility and customer service. With our practice facility's close proximity to an entry-level golf course, it makes for the ideal setting for inexperienced golfers and those honing their golf skills.

The table below summarizes some key facts of the competitive golf facilities:

Course	Current Peak Green Fees	Years Opened	Course Length (yards)	Distance From LES (miles)
The Lakes at El Segundo (9holes)	\$20.00	1994	1,327	N/A
Westchester (18 hole)	\$33.00	1965	4,364	4.9
Alondra (18 holes)-Par3	\$17.00	1946	2,252	5.7
Chester Washington (18 holes)	\$40.00	1928	6,300	6.4
Maggie Hathaway (9holes) –Par 3	\$17.00	1962	1,008	7.7
Penman (9 holes)	\$17.00	1962	2,582	8.8
Rancho Park (9 holes) –Par 3	\$9.00	1948	992	13.1
Marriott Westdrift Golf	\$27.00	1980	1209	2

Direct Marketing

Marketing Collateral

Working with the on-site staff, we will create promotional materials that fit the look and feel of each golf course. Collateral will be printed and displayed throughout the property to promote special events and upcoming promotions.

Print Advertising

We will create advertisements that bring more awareness for the Lakes at El Segundo. We will strategically use a mix of local and regional magazine to reach our target demographic accurately. Each campaign will be analyzed and tracked for overall effectiveness.

Social Media

We will continue to manage develop a social media campaign with The Lakes of El Segundo Facebook page, Instagram and Twitter accounts. This is a cost-effective medium for us to get the most current information out about special events and current programs to a group of people that already know, and like, The Lakes at El Segundo.

Website and Internet Marketing

We will use the website to reach customers that are seeking the golf course via the internet. The website will focus on getting visitors to become more aware of special events and promotions. It will be a vehicle to drive more people to "revisit" or come out for the first time to The Lakes at El Segundo. Once we have begun analyzing our website traffic, we will capture valuable information that will help us refine our advertising campaigns and website promotions. We will focus our website marketing efforts to those areas that a majority of our website traffic comes from.

We will use database of about 50,000+ golfer specific emails at www.donovandaily.com to help increase play on our slow days and gain participation in special events. This email list has been proven to be a tremendous driving force to introducing new golfers to a facility. We will have email capture points at the course to create a database of current, active, regular The Lakes at El Segundo customers. This list will be used to help promote special events more accurately to current customers.

Public Relations

Press Releases

We will strive to get write-ups in local media regarding course conditions, beginning golf programs and various accolades. Press releases will be sent to golf and community focused media contacts. These will attract media coverage to our special golf events. As we increase our community programs, these press releases will become important parts to informing the local community.

Special Events

We will create a special event calendar that will touch on each of the areas that the Lakes at El Segundo excel. Community events are an area that we will focus on to bring more people from the local community to experience The Lakes at El Segundo and everything we offer. Lane Donovan Golf Partners, LLC will work with the City of El Segundo to determine what events would fit best into the city's schedule and overall goals for the image of The Lakes at El Segundo.

Community Involvement

Charity Tournament

Local non-profits and charities play a huge role in the success of the golf course. Creating mutually beneficial tournament programs will attract many of these groups to use The Lakes at El Segundo as the venue for their fundraisers

Junior Golf Program

Junior golfers are the future of the golf industry. Bringing new people to the game of golf help perpetuate the industry and more importantly, our future business. As golfers grow up learning the game at a facility, they become attached and tend to frequent that facility. We have a tremendous facility for junior golfers from the golf course to the driving range. The course is long enough to be challenging, but not too long to discourage people learning the game of golf. We will continue our excellent junior programs and summer camps that will help attract junior golfers to our facility.

We are also working with great organizations that encourage juniors to start playing the game of golf. The First Tee Program and Southern California Golf Association's Youth on course program are two of the best program in junior golf. With sponsor donations, both programs allow junior to have access to the driving range, golf course and tournaments at a reduce fee. We are very excited to have the opportunity to participate in the development of golfers for life.

Introduction to Golf

Creating programs with Parks and Recreation Department, colleges, and retirement communities will allow us to introduce golf to more people foster the love of the game of golf

Local Business Support

Local produce vendors, employees, locksmith, plumbers, etc. will be used in normal operations. Local digital marketing, print advertising, bakeries, printing and copy services may be used if financial feasible. We have a responsibility to achieve financial goal and maintain our professional image. We will make every effort to use local vendors and business to reach those objectives.

Beginning Golfers

The "beginning golfer" is one of our primary markers. This includes smaller sub-groups of women and junior golfers. The beginning golfers need shorter courses to enhance enjoyment of the game of golf. This player is an important source of facility usage on both the driving range and golf course.

Loyalty Program

Creating loyal customers is a key to any successful business. Rewarding customers for choosing to conduct their business at our facility is a win-win situation.

Community Services

Utilizing the local Parks and Receptions Department can be a great way to bring more Golfers Development Program to the facility. We will create instructional clinics and group lessons that target city and county residents, as well as non-residents.

Customer Surveys

We want to hear directly from the customers what their wants and desire are and tailor our operation to satisfy their needs. We have found that customers love to give their input about golf. Follow-up surveys help isolate minor problems and adjustments that need to be made to continue to serve their needs.

- b. We intend to use the same reports, internal controls and reporting systems that we have developed and used for the last fourteen years. These have all been approved by the City.
- c. We are providing two five year pro formas. The first is with no miniature golf course and the second one includes the miniature golf course. Please keep in mind that in year six the scenario with a miniature golf course will then show a profit with a minimum increase of \$100,000.

Income Statement Description	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUES:					
Range	625,000	680,000	714,000	749,700	787,185
Greens Fees	625,000	670,000	703,500	738,675	775,609
Cart Rentals	15,000	17,000	19,000	21,000	23,000
Club Rentals	15,000	17,000	19,000	21,000	23,000
Hard Goods	60,000	65,000	70,000	75,000	80,000
Soft Goods	50,000	55,000	60,000	65,000	70,000
Lesson Rental Income	72,000	75,000	78,000	81,000	84,000
Junior Camps	120,000	125,000	130,000	135,000	140,000
Food	300,000	340,000	355,000	370,000	395,000
Beverage/Liquor	150,000	175,000	190,000	205,000	220,000
Total Revenue	2,032,000	2,219,000	2,338,500	2,461,375	2,597,794
COST OF SALES:					
Hard Goods	45,000	48,750	52,500	56,250	60,000
Purchase Discounts	-500	-500	-500	-500	-500
Soft Goods	37,500	41,250	45,000	48,750	52,500
Purchase Discounts	-1,200	-1,200	-1,200	-1,200	-1,200
Freight	2,500	3,000	3,500	4,000	4,500
Junior Camp Expenses	12,500	14,000	15,500	17,000	18,500
Teaching Comm - 1099	50,000	53,000	56,000	59,000	62,000
Food	135,000	153,000	159,750	166,500	177,750
Beverage/Liquor	45,000	52,500	57,000	61,500	66,000
Total Cost of Sales	325,800	363,800	387,550	411,300	439,550
Gross Profit	1,706,200	1,855,200	1,950,950	2,050,075	2,158,244
EXPENSES:					
Payroll - Course	160,000	171,200	183,184	196,007	209,727
Payroll - F & B	160,000	171,200	183,184	196,007	209,727
Payroll - G & A	130,000	139,100	148,837	159,256	170,403
Payroll - Pro Shop	65,000	69,550	74,419	79,628	85,202
Payroll - Range	40,000	42,800	45,796	49,002	52,432
Payroll Taxes - Course	16,000	17,120	18,318	19,601	20,973
Payroll Taxes - F & B	16,000	17,120	18,318	19,601	20,973
Payroll Taxes - G & A	13,000	13,910	14,884	15,926	17,040
Payroll Taxes - Pro Shop	6,500	6,955	7,442	7,963	8,520
Payroll Taxes - Range	4,000	4,280	4,580	4,900	5,243
Health Insurance - Course	3,000	3,150	3,308	3,473	3,647

Health Insurance - Course	3,000	3,150	3,308	3,473	3,647
Health Insurance - F & B	12,000	12,600	13,230	13,892	14,586
Health Insurance - G & A	19,000	19,950	20,948	21,995	23,095
Health Insurance - Pro Shop	6,500	6,825	7,166	7,525	7,901
Uniform Allowance - Course	500	525	551	579	608
Uniform Allowance - F & B	1,000	1,050	1,103	1,158	1,216
Uniform Allowance - Pro Shop	500	525	551	579	608
Insurance, WC - Course	9,600	10,272	10,991	11,760	12,584
Insurance, WC - F & B	9,600	10,272	10,991	11,760	12,584
Insurance, WC - G & A	7,800	8,346	8,930	9,555	10,224
Insurance, WC - Pro Shop	3,900	4,173	4,465	4,778	5,112
Insurance, WC - Range	2,400	2,568	2,748	2,940	3,146
Advertising - Course	5,000	5,250	5,513	5,788	6,078
Advertising - F & B	5,000	5,250	5,513	5,788	6,078
Advertising - G & A	5,000	5,250	5,513	5,788	6,078
Advertising - Pro Shop	5,000	5,250	5,513	5,788	6,078
Advertising - Range	5,000	5,250	5,513	5,788	6,078
Range Balls	30,000	35,000	40,000	45,000	50,000
Range Mats	7,000	8,000	9,000	10,000	11,000
Maintenance Range	12,000	13,000	14,000	15,000	16,000
Maintenance Contract	14,000	15,000	16,000	17,000	18,000
Maintenance - F & B	8,000	8,500	9,000	9,500	10,000
Maintenance - G & A	5,000	5,500	6,000	6,500	7,000
Clubhouse Landscape-G&A	1,500	1,750	2,000	2,250	2,500
Maintenance - Pro Shop	1,000	1,250	1,500	1,750	2,000
Maintenance - Course	6,000	6,500	7,000	7,500	8,000
Maint Supplies - Course	37,000	38,850	40,793	42,832	44,974
Maint Supplies - F & B	500	600	700	800	900
Maint Supplies - G & A	16,000	17,500	19,000	21,000	23,000
Maint Supplies - Range	8,000	9,000	10,000	11,000	12,000
Equipment Lease	1,000	1,200	1,400	1,600	1,800
Equipment Maintenance	6,000	6,500	7,000	7,500	8,000
Supplies - Course	25,000	26,250	27,563	28,941	30,388
Supplies - F & B	25,000	27,000	29,000	31,000	33,000
Supplies - G & A	1,000	1,100	1,200	1,300	1,400
Supplies - Pro Shop	3,000	3,200	3,400	3,600	3,800
Supplies - Range	10,000	11,000	12,000	13,000	14,000
Satellite Cable Service	3,000	3,200	3,400	3,600	3,800
Insurance, Other	25,000	26,000	27,000	28,000	29,000
Utilities, Water	135,000	139,050	143,222	147,518	151,944
Utilities, Electricity	30,000	31,500	33,075	34,729	36,465
Utilities, Gas	3,200	3,400	3,600	3,800	4,000
Credit Card Expense	43,640	47,880	50,770	53,728	56,956
Postage and Express Mail	250	275	300	325	350
Bank and Payroll Charges	7,000	7,200	7,400	7,600	7,800
Tax, Fees & Licenses	1,500	1,600	1,700	1,800	1,900
Security	8,000	8,250	8,500	8,750	9,000

Office Expense - G & A	7,500	7,600	7,700	7,800	7,900
Paper Goods - F & B	3,500	4,000	4,500	5,000	5,500
Employee Meals	6,000	6,250	6,500	6,750	7,000
Telecommunications	15,000	15,500	16,000	16,500	17,000
Dues & Subscriptions	500	700	900	1,100	1,300
Total Expenses	1,216,890	1,298,096	1,381,627	1,469,645	1,562,113
Net Income (Loss)-	489,310	557,104	569,323	580,430	596,130
Capital Reserve	75,000	75,000	75,000	75,000	75,000
Management Fee	108,000	108,000	108,000	108,000	108,000
City Draw	306,310	374,104	386,323	397,430	413,130

Income Statement Description	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUES:					
Range	625,000	680,000	714,000	749,700	787,185
Greens Fees	625,000	670,000	703,500	738,675	775,609
Cart Rentals	15,000	17,000	19,000	21,000	23,000
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Hard Goods	60,000	65,000	70,000	75,000	80,000
Soft Goods	50,000	55,000	60,000	65,000	70,000
Lesson Rental Income	72,000	75,000	78,000	81,000	84,000
Junior Camps	120,000	125,000	130,000	135,000	140,000
Food	300,000	340,000	355,000	370,000	395,000
Beverage/Liquor	150,000	175,000	190,000	205,000	220,000
Mini Golf	150,000	175,000	200,000	225,000	250,000
Total Revenue	2,182,000	2,394,000	2,538,500	2,686,375	2,847,794
COST OF SALES:					
Hard Goods	45,000	48,750	52,500	56,250	60,000
Purchase Discounts	-500	-500	-500	-500	-500
Soft Goods	37,500	41,250	45,000	48,750	52,500
Purchase Discounts	-1,200	-1,200	-1,200	-1,200	-1,200
Freight	2,500	3,000	3,500	4,000	4,500
Junior Camp Expenses	12,500	14,000	15,500	17,000	18,500
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Gross Profit	1,856,200	2,030,200	2,150,950	2,275,075	2,408,244
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Health Insurance - G & A	19,000	19,950	20,948	21,995	23,095
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Uniform Allowance - F & B	1,000	1,050	1,103	1,158	1,216
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Insurance, WC - F & B	9,600	10,272	10,991	11,760	12,584
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Insurance, WC - Range	2,400	2,568	2,748	2,940	3,146
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Advertising - G & A	5,000	5,250	5,513	5,788	6,078
Advertising - Pro Shop	5,000	5,250	5,513	5,788	6,078
Advertising - Range	5,000	5,250	5,513	5,788	6,078
Range Balls	30,000	35,000	40,000	45,000	50,000
Range Mats	7,000	8,000	9,000	10,000	11,000
Maintenance Range	12,000	13,000	14,000	15,000	16,000
Maintenance Contract	14,000	15,000	16,000	17,000	18,000
Maintenance - F & B	8,000	8,500	9,000	9,500	10,000
Maintenance - G & A	5,000	5,500	6,000	6,500	7,000
Clubhouse Landscape-G&A	1,500	1,750	2,000	2,250	2,500
Maintenance - Pro Shop	1,000	1,250	1,500	1,750	2,000
Maintenance - Course	6,000	6,500	7,000	7,500	8,000
Maint Supplies - Course	37,000	38,850	40,793	42,832	44,974
Maint Supplies - F & B	500	600	700	800	900
Maint Supplies - G & A	16,000	17,500	19,000	21,000	23,000
Maint Supplies - Range	8,000	9,000	10,000	11,000	12,000
Equipment Lease	1,000	1,200	1,400	1,600	1,800
Equipment Maintenance	6,000	6,500	7,000	7,500	8,000
Supplies - Course	25,000	26,250	27,563	28,941	30,388
Supplies - F & B	25,000	27,000	29,000	31,000	33,000
Supplies - G & A	1,000	1,100	1,200	1,300	1,400
Supplies - Pro Shop	3,000	3,200	3,400	3,600	3,800
Supplies - Range	10,000	11,000	12,000	13,000	14,000
Satellite Cable Service	3,000	3,200	3,400	3,600	3,800
Insurance, Other	25,000	26,000	27,000	28,000	29,000
Utilities, Water	135,000	139,050	143,222	147,518	151,944
Utilities, Electricity	30,000	31,500	33,075	34,729	36,465
Utilities, Gas	3,200	3,400	3,600	3,800	4,000
Credit Card Expense	40,640	44,380	46,770	49,228	51,956
Postage and Express Mail	250	275	300	325	350
Bank and Payroll Charges	7,000	7,200	7,400	7,600	7,800
Tax, Fees & Licenses	1,500	1,600	1,700	1,800	1,900
Security	8,000	8,250	8,500	8,750	9,000
Personal Prop damage	2,500	2,750	3,000	3,250	3,500

Personal Prop damage	2,500	2,750	3,000	3,250	3,500
Office Expense - G & A	7,500	7,600	7,700	7,800	7,900
Paper Goods - F & B	3,500	4,000	4,500	5,000	5,500
Employee Meals	6,000	6,250	6,500	6,750	7,000
Telecommunications	15,000	15,500	16,000	16,500	17,000
Dues & Subscriptions	500	700	900	1,100	1,300
Mini expenses	49,500	57,750	66,000	74,250	82,500
Total Expenses	1,269,390	1,359,346	1,451,627	1,548,395	1,649,613
Net Income (Loss)-	586,810	670,854	699,323	726,680	758,630
Capital Reserve	75,000	75,000	75,000	75,000	75,000
Management Fee	108,000	108,000	108,000	108,000	108,000
Mini loan payment	100,000	100,000	100,000	100,000	100,000
City Draw	303,810	387,854	416,323	443,680	475,630

- d. As demonstrated by our proposal we think The Lakes should remain a Recreation and Parks facility. We have provided a very family friendly, safe environment to enjoy the driving range, golf course, restaurant, patio and practice green. We are confident with the restoration of the capital expense line, the full liquor license and stability in the future the lakes will successful. We look forward to being a part of the only Recreation and Parks facility that does not need the general fund to operate.

D. Statement of Qualifications and Experience

Lane Donovan Golf Partners, LLC is one of many closely affiliated golf course management companies with common ownership. Daniel Lane and Michael Donovan are the Managing Members of this LLC. The following is the list of courses that the principals of Lane Donovan are currently or have managed in the past.

Golf Course: Arroyo Trabuco Golf Course **City:** Mission Viejo **Telephone:** 949-305-5100

Type: Regulation, Public, High end **Owner:** Rancho Mission Viejo

Role: Operate entire property, Golf Shop, Restaurant, Banquet, Course, Driving Range, Assisted with design and construction.

Golf Course: Costa Mesa Country Club **City:** Costa Mesa **Telephone:** 714-540-7500

Type: 36 hole, Regulation, Municipal **Owner:** City of Costa Mesa

Role: Operate entire facility, Golf Shop, Restaurant, Course, Driving Range. Design and construction of new clubhouse

Golf Course: Dos Lagos Golf Course **City:** Corona **Telephone:** 951-277-8787

Type: Regulation, Public **Owner:** Ali Sahabi

Role: Operate entire property, Golf Shop, Restaurant, Course, Driving Range, Assisted with design and construction

Golf Course: General Old Golf Course **City:** Riverside **Telephone:** 951-697-6690

Type: Regulation, Public, Military **Owner:** March Joint Powers Authority

Role: Operate entire facility, Golf Shop, Restaurant, Course, Driving Range

Golf Course: Links At River Lakes Ranch **City:** Bakersfield **Telephone:** 661-587-5465

Type: Regulation, Public **Owner:** Curci Company

Role: Operate entire property, Golf Shop, Restaurant, Banquets, Course, Driving Range

Golf Course: Menifee Lakes Country Club **City:** Menifee **Telephone:** 951-672-4824

Type: Regulation, Public, 36 holes **Owner:** Diamond Bar

Roles: No longer under management, operated entire facility for 15 years. Assisted with design and construction.

Golf Course: Saddleback Driving Range **City:** Mission Viejo **Telephone:** :949-347-7550

Type: Driving Range, Public **Owner:** Saddleback College

Role: Operate Driving Range, Assisted with design and construction

Golf Course: Santa Anita Golf Course **City:** Arcadia **Telephone:** 626-447-2331

Type: Driving Range, Public **Owner:** Country of Los Angeles

Role: Operate entire facility, Golf Shop, Restaurant, Course, Driving Range

Golf Course: Sierra Lakes Golf Club **City:** Fontana **Telephone:** 909-350-2500

Type: Regulation, Public **Owner:** Lewis Group of Companies

Role: Operate entire property, Golf Shop, Restaurant, Banquet, Course, Driving Range, Assisted with design and construction.

Golf Course: The Lakes at El Segundo **City:** El Segundo **Telephone:** 310-322-0202
Type: 9 Hole Exec. 1300 Yards **Owner:** City of El Segundo
Role: Manage 9 hole, Practice Center, Driving Range

Golf Course: Tijeras Creek Golf Course **City:** Rancho Santa Margarita **Telephone:** 949-589-9793
Type: Regulation, Public **Owner:** Rancho Mission Viejo
Role: Operated entire property for 5 years until sold. Golf Shop, Restaurant, Banquets. Course, Driving Range, Assisted with design and construction

Golf Course: Trilogy Golf Course **City:** Corona **Telephone:** 951-277-7175
Type: Regulation, Public **Owner:** Shea Homes
Role: Operated entire property for 5 years until sold. Golf Shop, Restaurant, Banquet, Course, Driving Range. Assisted with design and construction.

Golf Course: Western Hills Country Club **City:** Chino Hills **Telephone:** 714-528-6400
Type: Regulation, Private **Owner:** Donovan
Role: Family owned and operated, Golf Shop, Restaurant, Banquet, Course, Driving Range, Design and construction of new clubhouse.

Golf Course: Whispering Lakes Golf Course **City:** Ontario **Telephone:** 909-923-3673
Type: Regulation, Municipal **Owner:** City of Ontario
Role: Operate entire facility, Golf Shop, Restaurant, Course, Driving Range

Golf Course: Willowick Golf Course **City:** Santa Ana **Telephone:** 714-554-0672
Type: Regulation, Municipal **Owner:** City of Santa Ana
Role: Operate entire facility, Golf Shop, Restaurant, Course, Driving Range. Design and construction of new clubhouse

Lane Donovan Golf Partners, LLC
Profit & Loss
 January through December 2017

	<u>Jan - Dec 17</u>
Ordinary Income/Expense	
Income	
Management Income	96,000.00
Sales - Beer and Wine	61,907.08
Total Income	<u>157,907.08</u>
Cost of Goods Sold	
Cost of Goods Sold	29,527.49
Total COGS	<u>29,527.49</u>
Gross Profit	128,379.59
Expense	
Accounting	825.00
Bank Service Charges	50.00
Commission Expense	6,190.71
Franchise Tax	800.00
Licenses and Permits	389.00
Supplies	105.40
Total Expense	<u>8,360.11</u>
Net Ordinary Income	<u>120,019.48</u>
Net Income	<u><u>120,019.48</u></u>

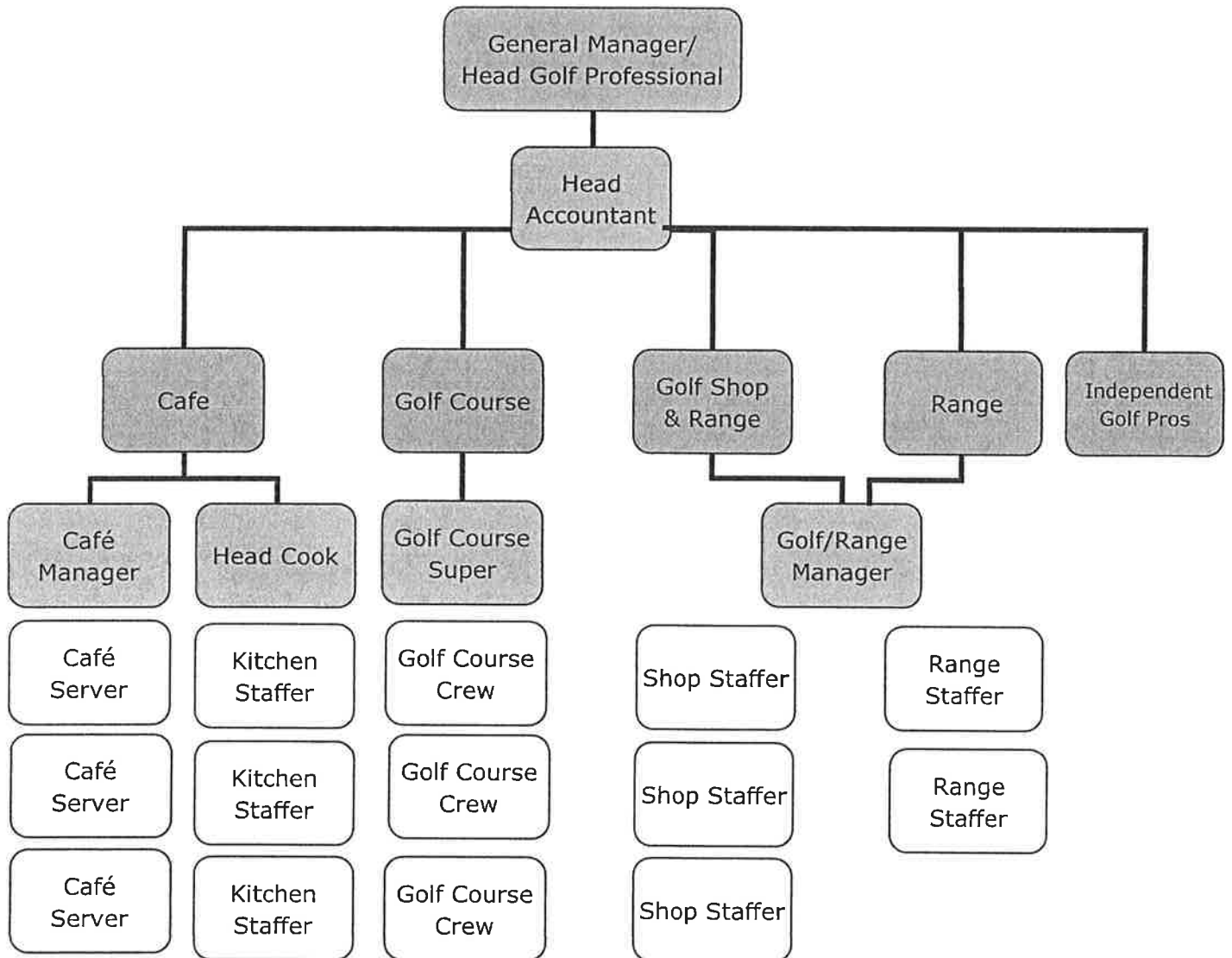
Lane Donovan Golf Partners, LLC
Balance Sheet
 As of December 31, 2017

	<u>Dec 31, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking - Citizens Liquor	5,478.61
Citizens General Account	<u>13,971.77</u>
Total Checking/Savings	19,450.38
Accounts Receivable	
Accounts Receivable DBG	<u>233,000.00</u>
Total Accounts Receivable	233,000.00
Other Current Assets	
ADV Dan Lane Partner	129,012.89
Adv Donovan Bros Partner	90,059.99
Adv Donovan Golf Partner Elana	6,190.90
Adv Matt Donovan	23,796.53
Due from The Lakes	2,885.47
Inventory - Beer & Wine	2,928.08
Liquor License	<u>7,000.00</u>
Total Other Current Assets	<u>261,873.86</u>
Total Current Assets	<u>514,324.24</u>
TOTAL ASSETS	<u>514,324.24</u>
LIABILITIES & EQUITY	
Equity	
Partner Donovan	201,950.76
Partner Lane	192,354.00
Net Income	<u>120,019.48</u>
Total Equity	<u>514,324.24</u>
TOTAL LIABILITIES & EQUITY	<u>514,324.24</u>

E. Staffing Plan and Organizational Chart

The Lakes at El Segundo Organizational Chart

a



b. The mission of Lane/Donovan Golf Partners is to provide an excellent golf experience while at the same time promoting fellowship and camaraderie among its customers.

We accomplished this mission by:

Presenting the golf course in a consistently high standard and maintaining its design integrity. We are a custodian of the natural environment and strive to protect and enhance it whenever possible.

Making the Lakes at El Segundo enjoyable, accessible and affordable for our customers throughout the Southbay and surrounding areas.

Lane/Donovan consistently promotes the game of golf through our Junior Golf, Senior, Corporate and Women's golf programs.

We incorporate and promote social activities and events and take pride in being a destination for excellent a la carte and event dining.

We recognize the importance of its employees and promote an atmosphere of respect, trust, enthusiasm and commitment.

Training Programs:

1. New staff members go through an 8-10 hour training process
2. Training consists of course knowledge, pricing, customer service standards, rules and regulations within the Golf Course Manual set by the City of El Segundo and Lane/Donovan Golf Partners.
3. Point of Sale training to include daily transactions, bank reconciliation, error reduction and understanding of our SKU (Scanned Unit) inventory process and tracking.
4. Customer service interactions including phone verbiage, in person customer greetings and the attempt to stay ahead of customer's needs.
5. Review of standards described within the company's Mission Statement and Customer Service Philosophy.
6. New staff will first "view and listen" to training manager's interaction with customers.
7. Management will monitor and review staff's performance on a weekly basis or as needed.

Customer Service Philosophy

Lane/Donovan and its employees diligently strive to provide consistent positive experiences for all patrons who visit The Lakes at El Segundo.

We accomplish this by focusing on employee training that is built on trust and a common goal of empowering our staff members to stay ahead of a customer's needs.

We encourage employee feedback leading to a collaborative effort in enhancing the customer experience under the guidelines of the golf course manual

Customer Survey results

1. Lane/Donovan participated with The El Segundo Park and Recreation Director in designing and implementing a formal survey specific to the Lakes at El Segundo. The results identified our strengths as well as understanding opportunities for improvement.
2. Lane/Donovan is very active with Social Media and Website based reviews. Management responds and follows up with every review keeping the customer satisfied and engaged.

F. Franchise/ Sub-lessees

Not Applicable

G. Deal Structure and Terms

Lane Donovan Golf, LLC is proposing a new five year Management Agreement with a mutual option for an additional five years. The management fee will be \$9000 per month. One major difference to our current deal is the profits from all liquor sales will be a part of the operational profit as versus just 10% of the revenue. This will greatly stabilize the Food and beverage operation. This management agreement will also eliminate any possessory interest tax from the County of Los Angeles. This arrangement also maintains the City's control over the Lakes operation under the oversight of the Recreation and Parks Department.

H. Capital Improvement Plan

We are proposing to secure financing through Citizens Business Bank to develop a Miniature Golf Course at The Lakes. This project will include the relocation of the ninth green. In our discussions with Harris Miniature Golf, Inc we anticipate the construction will cost between \$350,000 and \$400,000. We propose to earmark the profit from this department to repay this loan over a four to five year time frame. After the debt is repaid the profit will all be reflected in the Lakes financials. Our pro forma demonstrates what a great addition this will be.

In our pro forma you will notice we are restoring the capital expense line to the budget. In the past this was typically \$60,000 annually. We recommend this be raised to \$75,000. In partnership with City staff and golf course Subcommittee we intend to use this capital greatly improve the facilities. Exhibit F, which we helped put together, is a great outline to tackle these improvements.

I. Access to Capital

Please see the attached letter from Citizens Business Bank.



June 13, 2018

Meredith Petit
Director of Recreation and Parks
City of El Segundo
350 Main St., El Segundo, CA 90245

Re: Lane Donovan Golf Partners LLC

Dear Ms. Petit,

The purpose of this letter is to introduce the banks well known client Lane Donovan Golf Partners, LLC.

We have enjoyed a full banking relationship with Lane Donovan Golf Partners LLC since January 19, 2005. In addition, we have enjoyed a relationship with other related businesses to Lane Donovan Golf Partners LLC since September 22, 1994.

On a personal note, I have enjoyed a relationship with Mike Donovan since 1980 when we were classmates at Loyola Marymount University.

All accounts and loans provided have always been handled as agreed. As an entity, they have the ability to borrow the required funds to build the miniature golf component detailed in your RFP #18-02.

If you should have any questions relating to the above, please do not hesitate to call me at 626.564.6239.

Respectfully,



Ted Dondanville
Executive Vice President
Senior Lender
Citizens Business Bank

J. References

Meredith Petit, Director of Recreation and Parks
City of El Segundo
401 Sheldon Street
El Segundo, Ca 90245
310-524-2880/ mpetit@elsegundo.org

Sheila Pautsch, Community Services Director
City of South Pasadena
1102 Oxley Street
South Pasadena, Ca 91030
626-403-7362/ spautsch@southpasadensca.gov

Mark Chase, Community and Public Services Director
City of Ontario
303 East B Street
Ontario, Ca 91764
909-395-2650/ mchase@ontarioca.gov

AFFIDAVIT/AGREEMENT OF PROPOSER

The proposer, Lane Donovan ("Proposer"), hereby represents and warrants that it and none of its affiliated (parent, subsidiary or other) entities, as of the date of this Affidavit, has/have no legal rights, title, interest, or legal or equitable claims of any type or nature against the property which is the subject of the Request for Proposals For The Lakes At El Segundo Site issued by by the City of El Segundo on or about April __, 2018 ("RFP"), or against the City of El Segundo ("City"), or its elected or appointed officials, officers, employees, agents, contractors, or volunteers.

Proposer represents and warrants that it has fully read and understands the RFP and has had the opportunity to consult with legal counsel of its own choosing to assist it with reading and understanding the RFP. Proposer represents, warrants, and agrees that the RFP, or any addendums thereto, confers no legal or equitable rights upon the Proposer regardless of whatever actions the Proposer undertakes in reviewing and responding to the RFP or and amendments thereto or potentially or actually entering into negotiations or negotiating an agreement with the City.

Proposer represents, warrants, and agrees that no individual, including elected or appointed officials, officers, employees, agents, contractors, or volunteers have the authority to make legally or equitably binding agreements, representations, or statements on behalf of the City.

Finally, Proposer represents, warrants and agrees that it shall only have any legal or equitable rights, title or interest in the property that is the subject of the RFP if it enters into an agreement legally approved by the City Council at a properly noticed public meeting and which is executed by the Mayor of the City Council, and then its only rights shall be those set forth in such agreement.

The undersigned represent and warrant that they are properly authorized by the Proposer to execute this Affidavit/Agreement and hereby do so under penalty of perjury.

Lane Donovan Golf Partners, LLC /Proposer

By: 

Name and Title: Michael Donovan, Member

Date: June 14, 2018

By: _____

Name and Title: _____

Date: _____