



1685 West Higgins Road, Hoffman Estates, Illinois 60169
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The mission of the Hoffman Estates Park District is to offer healthy and enjoyable experiences to our residents and guests by providing first class parks, facilities, programs and services in an environmentally and fiscally responsible manner.

**AGENDA
SPECIAL BOARD MEETING
TUESDAY, JULY 12, 2016**

IMMEDIATELY FOLLOWING 7pm RECREATION COMMITTEE MEETING

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. COMMENTS FROM THE AUDIENCE
5. DIGITAL GOLF TECHNOLOGIES – HOLE IN ONE / M16-083
6. COMMISSIONER COMMENTS
7. ADJOURNMENT

All meetings are held in the boardroom of the Scott R. Triphahn Community Center & Ice Arena at 1685 W. Higgins Road in Hoffman Estates, unless otherwise specified. If an accommodation or modification is required to attend this public meeting please call 847-885-8500 with at least 48 hours' notice.

Memorandum No. 16-083

TO: Rec Committee
FROM: Dean Bostrom, Executive Director
Brian Bechtold, Director of Golf
RE: Digital Golf Technologies – Hole-In-One
DATE: July 7th, 2016

Background

Staff continues to research alternate revenue streams for Bridges of Poplar Creek. During this process we have discovered Digital Golf Technologies. DGT is the first fully automated Hole-In-One contest designed for everyday play. Customers pay \$5 at time of check in and they will have a chance to win \$10,000 for a Hole In One on a selected par 3. Entry fees are split 50/50 between Bridges and DGT. All Hole-In-One rewards are paid directly to the golfer by DGT.

Implications

Digital Golf Technologies charges a monthly service fee of \$250 per month for the service (\$3,000 a year). They will install a proprietary, non-intrusive HD camera and networking system on one of our par 3's. The current goal is to have it installed on Hole #4 if logistics permit with electricity and accessibility to install. The camera will blend into the surroundings and does not disturb play. Bridges will not pay any upfront costs for installation. DGT insures all prizes through NYSE- listed insurance company and they provide us with full marketing starter package to make promotions easy and effective.

The entry fees will then be split 50/50 between Bridges and DGT for all daily play. We have also negotiated an outing split of \$3 for Bridges and \$2 for DGT for all outings that do decide to participate which will give us additional revenue. A sample revenue model is below based on the 50 /50 split:

| Annual Rounds | 5% Participation | 10% Participation | 20% Participation | 30% Participation | 40% Participation |
|----------------------|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 30,000 | \$3,750 | \$7,500 | \$15,000 | \$22,500 | \$30,000 |

The current trend is approximately 15% - 20% usage rate. This will equate to roughly \$11,250 of additional gross revenue and a net revenue amount of \$8,250 after the monthly service fee. Using a conservative usage rate of 8% will generate an additional \$6,000 gross revenue and \$3,000 net revenue.

Staff has also negotiated to have the system installed and operating by Mid-August. They have also agreed to waive the monthly service charge until May 1, 2017 with a signed 2 year agreement. This will give us approximately 6 months free. It will also allow us to take advantage of one of our busiest outing months in September. This will also give us another feature and benefit to offer our current outing customers and attract new outings.

Recommendations

Staff is making a recommendation to sign an agreement that will be effective immediately and will continue to April 30th, 2019, with the service fee of \$250 a month in effect for two (2) years from May 1, 2017 (“Initial Term”) to April 30th, 2019. This agreement will automatically renew for an additional one (1) year term as long as the revenue generated by Operator from use of the DGT system exceeds the amount of any rental fees paid by Operator during the Initial Term (“Full Term”).

