

# STORM KING GOLF CLUB

RECOMMENDATION FOR TOWN PURCHASE

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# BACKGROUND



- Storm King Golf Course Currently Bankrupt and for Sale
- Committee Recommends Purchase by Town and Continued Operation of Golf Course and Restaurant
- Will Not Cost the Town a Dime
  - Could generate positive cash revenue
- Supported by Cornwall Chamber of Commerce and Storm King Arts Center

## **BENEFITS**

- Permanently preserve scenic open space in the heart of the town
- Attract new visitors to Cornwall
- Ensure best environmental practices
- Venue for off-season recreation
- Provide opportunities for community outreach

## ECONOMICS

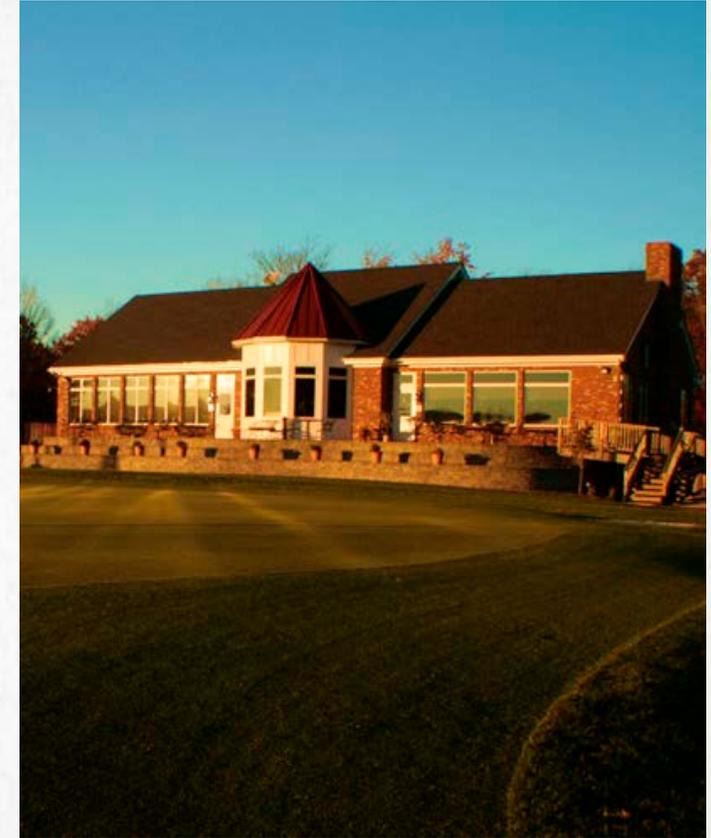
- Projected sale \$500-550,000.
- Monthly bond payment \$3800 for \$550,000 at 4.5% for 15 years
  - \$46,000 per year
- Loss of property tax revenue \$40,000 per year
- Estimated total expense to town: \$86,000 per year

## LEASING INCOME

- Property would be leased to golf course and/or restaurant management companies
  - Turn-key operations
  - Town's only responsibility: cash the checks
- Two golf management companies already interested
- Course is currently thriving under professional management
- Estimated lease income form golf operations: **\$40,000**

# RESTAURANT

- New building, move-in condition
- Stunning view of Black Rock Forest
- Close proximity to Storm King Arts Center
  - 200,000 visitors per year
- Potential lease income for restaurant
  - \$5,000-7,000 per month
- Approx. \$60,000 per year



## **FINANCIAL BOTTOM LINE**

- Annual expenses: \$86,000
- Annual Income: \$100,000
- Net Positive Cash Flow: \$14,000
- After 15 years, cash flow increases to \$54,000
- Additional potential income from sale of development rights

## WALLKILL EXPERIENCE

- Currently the only town-owned golf course in Orange County
- Self-operated, lost \$100,000 per year
- First year leasing to management company
  - Expecting \$100,000 profit

## **SUMMARY**

- Makes financial sense
  - Break-even or modest profit
  - Significant profit after 15 years
- Preserves the scenic heart of Cornwall
- Will bring new people into Town
- New opportunities for town recreation
- Assures best environmental practices

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# **CORNWALL ECONOMIC ADVISORY COMMITTEE**