

ECONOMIC IMPACT OF THE PROPOSED GOLF COURSE ON SHEBOYGAN COUNTY

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Photos, clockwise – Whistling Straits, Sheboygan Lakefront, City of Sheboygan

 **SB Friedman**
Development Advisors

VISION | ECONOMICS | STRATEGY | FINANCE | IMPLEMENTATION

S. B. Friedman & Company | 221 N LaSalle Street, Suite 820 | Chicago, IL 60601 | sbfriedman.com

KOHLER Golf Course | Projected Economic Impact

Sheboygan County, halfway between Green Bay and Milwaukee, is known as a great place to live and raise a family. It is anchored by a mix of manufacturing, agriculture, arts, education, Parks and recreation. Sheboygan County has a diverse economy that is supported and enjoyed by a dedicated and hard-working population. The proposed golf course would contribute positively to the community by helping to maintain a high quality of life throughout the county.

For Sheboygan County, golf is more than a recreational activity – it is a key industry that contributes to the strength of the local economy and provides important jobs. With the golf courses and resort hotels located in the region, Sheboygan County has established itself as a world golf destination. The new 18-hole golf course and its amenities by Hall of Fame golf course designer Pete Dye are expected to attract worldwide interest. The clubhouse is expected to qualify for LEED certification, a national standard that reflects a commitment to an environmentally sustainable building. This highly anticipated course will be consistent with Kohler’s established track record of innovative design coupled with a philosophy of environmental stewardship. This study projects that the golf course will provide significant and positive economic impacts for the Town, County and 11-County Region. **When fully operational, the proposed golf course is projected to create 227 full-time equivalent (FTE) permanent jobs and generate nearly \$21 million (2014 dollars) in annual economic activity for Sheboygan County households and businesses.**

Legacy of Kohler Golf

Among public golf options within the region, the Kohler courses in Sheboygan County created a premier golf destination that are consistently in the top-ranked courses of the United States. In the mid-1980s, Dye was commissioned by Kohler Co. to design Blackwolf Run golf courses, which today consist of the River course and the Meadow Valleys course. The River course at Blackwolf Run is ranked 16th on Golf Digest Magazine’s 2015/2016 top 100 public golf course list, while the Meadow Valleys course is ranked 72nd. In 1995, Kohler once again teamed with Dye to design and build the Straits course at Whistling Straits, ranked 4th in the U.S. The Irish course at Whistling Straits opened in 2000 and is ranked 47th on Golf Digest’s list of courses open to the public. In that same year, Sheboygan County was considered the 7th ranked golf destination in the world, just behind southwest Ireland.

These golf courses and their schools are widely praised for their receptivity to all age levels and the arresting beauty of the surrounding environment. Each course provides players with a lifetime experience and wildlife with a nurturing environment. As a golf destination, Sheboygan County draws 40,000+ visitors who play 100,000+ rounds each year.

Proposed Kohler Golf Course

The proposed Kohler golf course and facilities include an 18-hole course, clubhouse and restaurant. The course is planned to be on par with the Straits at Whistling Straits as a world-class destination, consistent with KOHLER values and commitment to quality. Golf course, restaurant and clubhouse with special views of the dunes, grasses, forest and Lake Michigan will be open to the public. Today the land is closed to the public.

DESTINATION KOHLER



With the Whistling Straits and Blackwolf Run golf venues, Sheboygan County was considered the 7th ranked golf destination in the world in the year 2000.

Top-Ranked Golf Courses. Sheboygan County has five highly-ranked golf courses including the KOHLER Straits course at Whistling Straits (ranked 4th in the U.S. on Golf Digest’s 2015/2016 top 100 public golf courses list).

Championship Events. The Straits course has hosted the 2004 and 2010 PGA Championships and the 2007 U.S. Senior Open. It will host its third PGA Championship in 2015 followed by the Ryder Cup in 2020, the world’s most lucrative tournament. Blackwolf Run has hosted the U.S. Women’s Open in 1998 and 2012.

Popular Destination. For many golfers, playing golf in Sheboygan County is still a “bucket-list” experience.

Supporting the Local Economy

The new golf course presents an opportunity to generate significant economic impact and elevate Sheboygan County’s reputation as a premier golf destination in the United States. Kohler’s proposed golf course is expected to create a vital new recreation facility in the Town of Wilson and Sheboygan County. With the new course, Kohler will be able to respond to the increasing interest in high-quality golf, and at the same time enhance the region’s attractiveness for those who live here.

This report uses IMPLAN Professional® (“IMPLAN”), an economic impact assessment software system to assist in the quantification of the total economic impacts associated with the proposed Kohler golf course and facilities. As each dollar spent enters the economy, it supports additional jobs, payroll and economic activity, creating a multiplier effect. **The numbers in this report reflect this total impact and are presented in 2014 dollars.** This study estimates the economic impact of three specific geographies: the Town of Wilson, Sheboygan County, and the 11-County Region. Because the economic analysis is specifically calibrated, the economic impact results apply to these geographies only.

BOOSTING LOCAL CONSTRUCTION

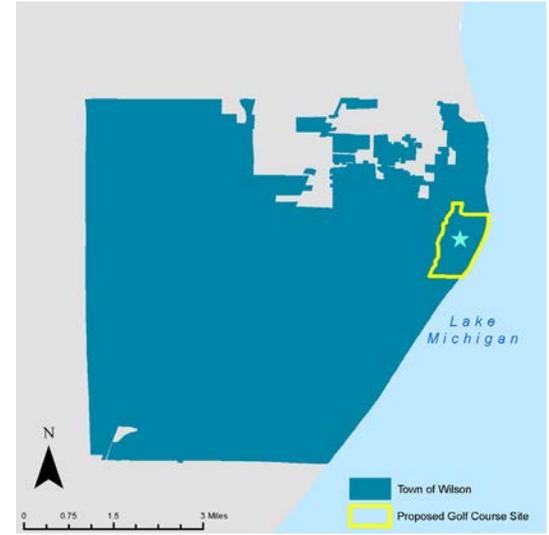
The construction and capital investments associated with the proposed golf course are anticipated to generate significant and positive economic impact. With an initial investment of more than \$25 million, the project will create jobs in the construction and maintenance industries, and will require the purchase of equipment and supplies during the construction period. The construction of the golf course and facilities is an opportunity to generate a meaningful economic boost for the local construction industry and related sectors. The project is anticipated to generate construction-related economic activity over a three-year duration of the building period. This new construction investment in Sheboygan County is projected to create significant activity for local contractors, tradespeople and business suppliers. **Construction itself is estimated to create 95 full-time equivalent jobs and generate \$12.5 million for Sheboygan County households and businesses annually over the duration of the project.** Projected total impacts for the local and regional economies are summarized in the table below.

Total Estimated Annual Economic Impact for Construction

	JOBS (FTE)	SALARIES & BENEFITS (millions)	IMPACT (millions)
Town of Wilson	67	\$3.9	\$9.0
Sheboygan County	95	\$5.3	\$12.5
11-County Region	102	\$5.8	\$13.6

Source: IMPLAN and SB Friedman
1. Over a 3-year construction period

PROPOSED SITE LOCATION



ECONOMIC IMPACT STUDY AREA



CONSTRUCTION ACTIVITIES

- Architecture & Design
- Course Construction
- Clubhouse Construction
- Landscaping
- Engineering

AN ECONOMIC GROWTH ENGINE FOR SHEBOYGAN COUNTY

The proposed golf course and tourism are projected to generate significant economic impacts for the Town of Wilson, Sheboygan County and the 11-County Region. The construction of the golf course is anticipated to further enhance the profile of Sheboygan County as a worldwide destination. **When fully operational, the proposed course and facilities are anticipated to create 227 full-time equivalent jobs and generate \$20.6 million in annual economic output for Sheboygan County.** Projected total impacts for the local and regional economies are summarized in the table below.

Operations

The current operations associated with Kohler courses and facilities generate substantial economic activity in Sheboygan County. Kohler Co. has a widely known reputation for providing the highest level of services at all of its facilities, as reflected in guest feedback and industry recognition. In addition to the high ranking of Whistling Straits’ two courses on Golf Digest’s list of America’s 100 greatest public golf courses, its restaurant and golf shop have also been recognized for their excellence and platinum levels of service.

The proposed golf course is planned to be on par with Whistling Straits. From April to October, the course is expected to add more than 23,000 rounds of golf, thus increasing the overall level of economic activity in Sheboygan County. When fully operational, Kohler anticipates employing 168 people in full- and part-time jobs (106 full-time equivalent) with approximately \$3.6 million in annual salaries and benefits. The analysis projects that 88% of the new employees at the proposed Kohler golf course will reside within Sheboygan County.

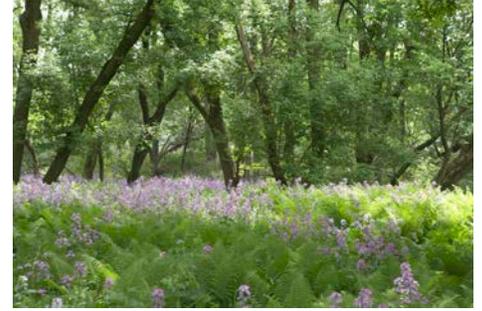
Golf Tourism in Sheboygan County

Sheboygan County has established itself as a premier destination for golf and golf-related tourism. In addition to various golf options, Sheboygan County is home to resort hotels. During the golf season, more than 42,000 people travel to Sheboygan County to experience one or more of the golf course options and stay in county hotels and resorts. A majority of visitors travel from outside the region, with 80% traveling from out-of-state. The proposed new course is expected to attract visitors from throughout the nation and generate expenditures from guests and hospitality in Sheboygan County. These expenditures include more than \$6.5 million in lodging and purchases of food, beverage and retail goods, before or after golfing at the proposed course.

Total Estimated Economic Impact for Operations and Golf Tourism

	JOBS (FTE)	SALARIES & BENEFITS (millions)	IMPACT (millions)
Town of Wilson	123	\$5.8	\$9.7
Sheboygan County	227	\$8.9	\$20.6
11-County Region	250	\$11.0	\$25.1

Source: IMPLAN and SB Friedman



WHEN FULLY OPERATIONAL, THE NEW COURSE IS PROJECTED TO GENERATE....

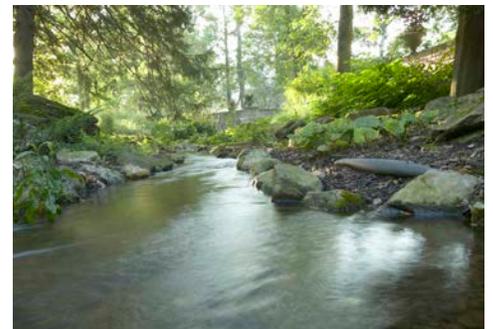
23,000 ROUNDS of golf per year

22,000 ADDITIONAL room nights per year in Sheboygan County hotels

\$6.5 MILLION in additional expenditures for the hospitality, retail, food and beverage industries

\$20.6 MILLION in total annual economic output in Sheboygan County

227 FTE JOBS created in Sheboygan County



PUBLIC SECTOR TAX REVENUE GENERATION

The proposed private sector economic activity in the golf course, hospitality and retail businesses will generate tax revenues for various public sector jurisdictions. The key tax revenues by jurisdiction are estimated in the table below.

Estimated Annual Tax Revenues

\$71,000	Non-School Property Tax (Town, State and County)
\$108,000	School Property Tax (Sheboygan School District and Lakeshore Technical College)
\$495,000	Sales Tax to the State
\$152,000	Personal Income Tax to the State
\$40,000	Motor Vehicle Fuel Tax to the State
\$250,000	Room Tax
\$1,116,000	Total Tax Revenue Each Year



River Course, Blackwolf Run