

Chileno Bay Club (Los Cabos, Mexico)

Objectives

JNJ was engaged by an experienced visionary developer as financial advisor for a 1250-acre private club development in Los Cabos, joining hand-picked team including TWG, and top international legal and accounting firms to formulate this unique development concept.

The land embraces two crescent beaches flanking the former Cabo San Lucas Hotel on each side, and is exceptional by any standard. JNJ prepared fully detailed financial estimates for this innovative venture:

- Envisioned to be capitalized as an all-equity deal.
- The plan required relocation of the primary coastal highway around the inland perimeter of the property, thereby creating one large beachfront property.
- Positioned as “The Best Cabo Has to Offer” Chileno Bay Club was to feature a unique blend of whole ownership lots, completed residences, and lodging club “participations” structured as refundable deposit memberships.
- Amenities include two signature golf courses, marina village, clubhouse village, beach club, salt water lagoon, and a fleet of sporting yachts available to members at fuel costs only. Food and beverage services were envisioned to be intentionally subsidized by dues, so that extended family use would involve modest costs.

Scope

- Full scope financial modeling for all aspects of the venture, including property sales, membership sales, development costs, club hospitality operations, and POA functions.
- Detailed staffing schedules, F&B cost subsidies, boating fleet operations, housekeeping and maintenance, club security, and other attributes of this unique program were “zero base budgeted” as individual functions.
- Detailed budgets for development costs, development phasing, staged hospitality operations, sales & marketing budgets, development administration, club operating subsidies and other elements of development costs.
- Composed investment summary with financial disclosures for offering materials used for initial capitalization & venture valuation.

Results

- Confidential.

