

Sligo Creek Golf Course Task Force Report

January 22, 2010

January 21, 2010

Montgomery County Council
Nancy Floreen, Council President
100 Maryland Avenue
Rockville, MD 20850

Dear Ms. Floreen,

The Sligo Creek Golf Course Task Force is pleased to submit its report. The Task Force met bi-weekly from October 19, 2009 to January 11, 2010. The meetings addressed the specific tasks assigned to the Task Force, including: (1) review course revenues, usage rates, and fees; (2) evaluate the costs associated with operating and managing Sligo Creek Golf Course; (3) identify essential capital improvements required to keep the course operational over the next five years; (4) evaluate what similar jurisdictions have done to manage public golf courses; (5) recommend potential public-private partnerships that would make the course financially viable; and (6) recommend golf course enhancements that may be necessary to make the course financially viable that do not impact the quality of life in the neighboring community.

Many Task Force members devoted time and effort to evaluating the data and presenting proposals to address the primary goal of finding a way for Sligo Creek Golf Course to operate on a self-sustaining basis. Those proposals are found in Appendix A exactly as they were submitted to the Task Force. You can understand that these do not represent Task Force recommendations or findings. We include them to give you a full understanding of the Task Force work.

As you will see in the report, the Task Force agreed to two findings and a two-tiered set of recommendations. Individual Task Force members have provided statements on the recommendations. They are found in Appendix B.

Let me commend the Task Force members for their hard work, dedication and willingness to engage in the issues surrounding the continued operation of Sligo Creek Golf Course. I would be remiss as well not to highlight the excellent support provided by Council Staff, Jeff Zyontz and Shondell Foster.

The Task Force looks forward to working with the County Council on the Sligo Creek Golf Course.

Sincerely,



Tedi Osias
Chair of the Sligo Creek Golf Course Task Force

Sligo Creek Task Force Members

- Tedi Osias, Chair
- Diane Schwartz-Jones, Office of the County Executive
- Mary Bradford, M-NCPPC, Department of Parks
- Keith Miller, Montgomery County Revenue Authority
- Jerry Godwin, Montgomery County Commission on Veterans Affairs
- Wilbert Forbes, Maryland Department of Veterans Affairs
- Karen Howland, Sligo Creek Golf Association
- Bruce Sidwell, Friends of Sligo Creek
- Michael Welsh, North Hills of Sligo Creek Civic Association
- Woody Brosnan, Presidents' Council of Silver Spring Civic Associations
- Laura Sildon, First Tee of Montgomery County
- Ramon Padilla, Salute Military Golf Association
- Carmen Maymi, Sligo Ladies Golf League
- Donna Bartko, County-Wide Recreation Advisory Board
- David Bushnell, Individual
- Merrill Goozner, Woodside Forest Civic Association
- Jeff Zyontz, Montgomery County Council Staff

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Introduction

History of Sligo Creek Golf Course and Golf in Montgomery County

Sligo Creek Golf Course is a 65-acre, nine-hole golf course located just south of Interstate 495 in Silver Spring. Prior to 2006, Montgomery County had two public golf course systems operated by two County agencies. The Maryland-National Capital Park and Planning Commission (M-NCPPC) operated four public golf courses and the Montgomery County Revenue Authority (MCRA) operated five public golf courses. The Montgomery County Council expressed concern about M-NCPPC's golf courses and requested M-NCPPC to monitor the fiscal and physical conditions of their golf courses so the Council could better understand the issues surrounding public golf in the County.

Issues that were identified during this time were:

- inability to generate enough revenue from Park courses to cover the operating and capital expenses of the golf courses which led to a subsidy from the County Government to support the courses
- continued need for unfunded capital improvements on the golf courses

The Council concluded that the County would benefit from a unified public golf system, rather than two separate public golf systems. Inasmuch as the MCRA golf courses were fiscally performing better than M-NCPPC golf courses, the Council sought to have MCRA operate all public golf courses.

In October 2006, the Council approved the long term lease agreement between M-NCPPC and MCRA, allowing MCRA to operate all of the M-NCPPC owned golf courses. The agreement allowed MCRA to achieve the efficiencies associated with a single County golf system. It also helped improve the fiscal condition of M-NCPPC's Enterprise Fund.

The lease required MCRA to pay the debt service on golf courses and allowed MCRA to return courses back to M-NCPPC if they were determined to be adverse to the entire golf system. The MCRA explored options to generate additional revenues at Sligo Creek Golf Course in order to make the course self-sustaining.

As part of its FY09-14 Capital Improvements Program, the MCRA submitted a project for Sligo Creek Golf Course in the amount of \$5,500,000. The proposal included modification of the course and installation of a 72-stall, lighted driving range and a miniature golf course. The proposal included the possibility of adding a second miniature golf course in the future. Currently, the course has seven "par 4" holes and two "par 3" holes. As modified according to this plan, the course would have had seven "par 3" holes and two "par 4" holes. However, the County Executive recommended deferring this project until community concerns were resolved. The MCRA Board deferred their funding request for this project. The MCRA convened a citizen advisory group, the Sligo Creek Stakeholders Advisory Group, to develop a concept plan for Sligo Creek Golf Course that would result in self-sustainability for the course and be acceptable to members of the community. No option was identified that achieved both goals. Community members and local environmental groups were opposed to MCRA's proposals.

In early 2009, the MCRA contracted for an independent financial analysis to determine if any golf course was adverse to the entire golf system. The analysis concluded that Sligo Creek Golf Course was adverse to the entire golf system. Although questions have been raised about the financial analysis, both the Planning Board and Council have reviewed the financial analysis and found it to be an acceptable

basis to allow MCRA to exercise the provision in the lease which allowed them to return a golf course to M-NCPPC. Upon this finding, MCRA returned Sligo Creek Golf Course on April 1, 2009 with an agreement that MCRA would operate the golf course through October 1, 2009.

On September 4, 2009 the Council received from the County Executive a special appropriation request in the amount of \$150,000 for M-NCPPC to continue operating Sligo Creek Golf Course as a golf course through June 30, 2010. This special appropriation provided the necessary operational costs through the end of fiscal year 2010. On September 29, 2009, by majority vote, the Council supported this special appropriation request as well as a resolution that was introduced by Councilmember Valerie Ervin to establish the Sligo Creek Golf Course Task Force. The Sligo Creek Golf Course continued operations under an agreement between MCRA and M-NCPPC.

Authority and Scope

On September 29, 2009 the Council adopted Resolution No. 16-1134 establishing the Sligo Creek Golf Course Task Force. The resolution states:

The Task Force must develop a report to the County Council that includes recommendations that will lead to the future self-sustainability of Sligo Creek Golf Course. The Task Force must: (1) review course revenues, usage rates, and fees; (2) evaluate the costs associated with operating and managing Sligo Creek Golf Course; (3) identify essential capital improvements required to keep the course operational over the next five years; (4) evaluate what similar jurisdictions have done to manage public golf courses; (5) recommend potential public-private partnerships that would make the course financially viable; and (6) recommend golf course enhancements that may be necessary to make the course financially viable that do not impact the quality of life in the neighboring community.

If there is no solution found that results in future self-sustainability for the Sligo Creek Golf Course, M-NCPPC will determine the future use of the property inasmuch as the property is parkland.

Current Revenues, Usage Rates, and Fees

The Task Force agreed to base its analyses on data from the time period between 2000-2008 because expanding the time period depicts a decline in revenues and rounds due to extraneous circumstances. The 2008-2009 golf year was an unusually bad golf season due to terrible weather and the 2009 recession.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	Change
Sligo Creek Rounds	40,320	38,700	37,520	24,010	25,591	24,683	21,822	25,591	29,906	-26%
Sligo Creek Revenue	\$658,000	\$619,000	\$648,000	\$461,000	\$499,651	\$488,196	\$516,870	\$514,456	\$636,735	-3%
Sligo Creek Expenses	\$744,000	\$704,000	\$622,000	\$596,000	\$554,000	\$528,578	\$575,905	\$615,152	\$781,405	5%
Sligo Creek Net Income	(\$86,000)	(\$85,000)	\$26,000	(\$135,000)	(\$54,349)	(\$40,382)	(\$59,035)	(\$100,696)	(\$144,670)	

Rounds

	2000	2001	2002	2003	2004	2005	2006	2007	2008	Change 2000-2008
Falls Road	61,878	54,156	60,613	42,314	34,516	48,241	53,663	52,022	49,559	-20%
Laytonsville	49,659	41,139	40,545	38,060	42,789	43,331	44,509	44,675	44,959	-9%
Poolesville	33,298	33,192	35,449	28,060	30,159	30,248	34,347	35,159	34,739	4%
Rattlewood	32,170	37,313	42,585	30,664	34,505	33,734	34,672	35,023	32,934	2%
Hampshire Greens	25,212	29,702	33,948	27,526	34,439	32,642	31,615	30,311	32,048	27%
Sligo Creek	40,320	38,700	37,520	24,010	25,591	24,683	21,822	25,591	29,906	-26%
Needwood	71,680	73,100	79,730	58,310	64,300	60,904	63,191	67,581	71,238	-1%
Northwest	76,160	68,800	84,420	61,740	60,569	61,516	61,248	61,255	63,988	-16%
Little Bennett	31,360	30,100	32,830	24,010	22,880	22,039	24,753	28,086	30,328	-3%
Total Rounds	421,737	406,202	447,640	334,694	349,748	357,338	369,820	379,703	389,699	-8%

Revenue (\$1,000's)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	Change 2000-2008
Falls Road	\$1,555	\$1,701	\$2,454	\$2,019	\$1,617	\$2,467	\$2,651	\$2,916	\$3,005	93%
Laytonsville	\$1,457	\$1,207	\$1,224	\$1,278	\$1,485	\$1,576	\$1,686	\$1,611	\$1,742	20%
Poolesville	\$974	\$1,039	\$1,188	\$976	\$1,053	\$1,040	\$1,125	\$1,351	\$1,371	41%
Rattlewood	\$1,168	\$1,413	\$1,674	\$1,192	\$1,426	\$1,472	\$1,546	\$1,579	\$1,421	22%
Hampshire Greens	\$1,355	\$1,654	\$1,881	\$1,395	\$1,774	\$1,719	\$1,641	\$1,705	\$1,789	32%
Sligo Creek	\$658	\$619	\$648	\$461	\$500	\$488	\$517	\$514	\$637	-3%
Needwood	\$1,892	\$1,971	\$2,030	\$1,534	\$1,889	\$1,892	\$2,117	\$2,186	\$2,463	30%
Northwest	\$2,357	\$2,226	\$2,586	\$1,972	\$2,196	\$2,305	\$2,395	\$2,233	\$2,484	5%
Little Bennett	\$1,655	\$1,698	\$1,782	\$1,445	\$1,551	\$1,431	\$1,529	\$1,358	\$1,598	-3%
Total Revenue	\$11,852	\$13,528	\$15,467	\$12,272	\$13,491	\$14,390	\$15,205	\$15,455	\$16,511	39%

Expenses (\$1,000's)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	Change 2000- 2008
Falls Road	\$956	\$1,172	\$1,639	\$1,772	\$1,727	\$2,126	\$2,213	\$2,325	\$2,445	156%
Laytonsville	\$963	\$953	\$1,258	\$1,271	\$1,375	\$1,401	\$1,469	\$1,473	\$1,517	58%
Poolesville	\$851	\$977	\$1,089	\$1,020	\$1,071	\$1,104	\$1,242	\$1,397	\$1,393	64%
Rattlewood	\$941	\$1,073	\$1,280	\$1,175	\$1,305	\$1,335	\$1,391	\$1,525	\$1,356	44%
Hampshire Greens	\$1,502	\$1,511	\$1,717	\$1,615	\$1,658	\$1,672	\$1,549	\$1,566	\$1,809	20%
Sligo Creek	\$744	\$704	\$622	\$596	\$554	\$529	\$576	\$615	\$781	5%
Needwood	\$1,604	\$1,570	\$1,610	\$1,615	\$1,635	\$1,535	\$1,895	\$1,585	\$1,659	3%
Northwest	\$2,136	\$1,901	\$2,167	\$2,040	\$2,039	\$1,881	\$2,177	\$1,597	\$1,938	-9%
Little Bennett	\$1,677	\$1,829	\$1,974	\$1,747	\$1,543	\$1,426	\$1,586	\$1,660	\$1,793	7%
Total Expenses Combined	\$11,372	\$11,690	\$13,356	\$12,851	\$12,907	\$13,009	\$14,097	\$13,744	\$14,691	29%

MCRA Management Fee

	2007	2008	2009
Falls Road	\$96,750	\$139,104	\$168,180
Laytonsville	\$86,903	\$139,104	\$168,180
Poolesville	\$60,664	\$139,104	\$168,180
Rattlewood	\$67,656	\$139,104	\$168,180
Hampshire Greens	\$63,316	\$139,104	\$168,180
Sligo Creek	\$68,580	\$139,104	\$168,180
Needwood	\$169,218	\$139,104	\$168,180
Northwest	\$170,918	\$139,104	\$168,180
Little Bennett	\$61,234	\$139,104	\$168,180

Net Revenue (\$1,000's)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
Falls Road	\$600	\$529	\$815	\$247	-\$110	\$340	\$438	\$591	\$561	\$4,010
Laytonsville	\$495	\$255	-\$34	\$7	\$110	\$175	\$218	\$138	\$225	\$1,588
Poolesville	\$123	\$62	\$99	-\$44	-\$18	-\$64	-\$117	-\$46	-\$22	-\$26
Rattlewood	\$228	\$340	\$394	\$17	\$121	\$138	\$154	\$54	\$65	\$1,510
Hampshire Greens	-\$147	\$143	\$163	-\$220	\$117	\$47	\$92	\$139	-\$21	\$313
Sligo Creek	-\$86	-\$85	\$26	-\$135	-\$54	-\$40	-\$59	-\$101	-\$145	-\$679
Needwood	\$288	\$401	\$420	-\$81	\$254	\$357	\$222	\$602	\$805	\$3,267
Northwest	\$221	\$325	\$419	-\$68	\$157	\$424	\$218	\$636	\$546	\$2,878
Little Bennett	-\$22	-\$131	-\$192	-\$302	\$8	\$5	-\$58	-\$302	-\$194	-\$1,187
Total	\$482	\$1,841	\$2,113	-\$577	\$587	\$1,383	\$1,111	\$1,712	\$1,822	\$11,657

Evaluate the Costs Associated with Operating and Managing Sligo Creek Golf Course

Rounds:

The National Golf Foundation reports that, nationwide, rounds are down 5.7%. In comparison, from 2000-2008, rounds in Montgomery County were down 8%.

Sligo Creek Golf Course's rounds decreased 26% during the same period 2000-2008. The data indicates that, in 2003, all County golf courses saw a significant reduction in rounds that may be attributed to the sniper incident. However, from 2000 to 2003, six additional 18-hole golf courses opened in the region, adding to the competition for greens fees. No new nine-hole courses opened.

Revenues:

Even though rounds have declined countywide, revenues have increased for County golf courses. There are three County golf courses that generate the greatest income for the entire golf course system: Northwest, Needwood, and Falls Road. These courses may be performing better because of their locations, the demand for golf in the area, and the revenue generated from driving ranges. Falls Road Golf Course helps support this trend because rounds have decreased at this course; however, revenue has increased. The renovation at Falls Road created a full service, lighted driving range, and it is likely that the driving range will cause revenues to further increase in FY10.

Needwood and Northwest may be performing well because each of these courses also has a driving range as well as a 27-hole course which includes an "inside 9" course. All other courses have 18 holes.

Management Fee:

The Montgomery County Revenue Authority (MCRA) provided detailed information about the management fee assessed on all 10 MCRA facilities. The management fee contributes to the administration of the Revenue Authority. In 2008, MCRA, which has the authority to establish its fees, re-established the previously held policy of distributing its overhead cost equally to the golf courses through a management fee. It is MCRA's operating rationale that the central staff focused on all of its facilities equally on a rotating basis and, therefore, courses should be charged equal fees. MCRA charges all its facilities the same management fee without regard to size of the facility or how much revenue it produces. It is MCRA's policy to offset management fees with non-golf revenues from the cell tower on the Falls Road Golf Course and the parking revenue from Holy Cross at the Sligo Creek Golf Course, which are equally divided among all facilities.

Several factors contributed to the varying management fees which were assessed in 2006 and 2007 only, including:

- the retirement of the MCRA's Executive Director and Chief Financial Officer
- the organization's transition and take over of the Park and Planning courses which resulted in a nearly doubling of size
- a volunteer was the acting CFO until a new Executive Director was hired

Identify Essential Capital Improvements Required to Keep the Course Operational Over the Next Five Years

Capital Improvements:

The Sligo Creek Golf Course capital improvement assessment focused on the current needs and the costs associated with those needs. The Sligo Creek Golf Association also provided survey results that identified what Sligo Creek golfers thought were the most important improvements to be made on the course. One of the most critical capital improvements identified by both M-NCPPC and the MCRA is replacing the irrigation system. This system is very old and could have a catastrophic breakdown at any moment. MCRA does not recommend phasing in the irrigation system because it could be more costly in the long run and is risky since the system is so fragile.

Other capital improvements identified include:

1. renovating the clubhouse to make it ADA compliant and to allow for a teaching facility;
2. tree work to eliminate dangerous unstable trees and provide for the safety of golfers; and
3. renovating the maintenance facility.

The MCRA also believes the greens and bunker renovation should be included as a capital need of the course, but these needs are not essential in the next five years.

M-NCCPC's estimate for a comprehensive renovation of the clubhouse, snack bar, and rest rooms was \$900,000 in 1999. The project would also have expanded the current 2,400 square foot clubhouse by 1,300 square feet. The Task Force discussed alternatives to a total renovation of the clubhouse, including either 'mothballing' or demolishing the clubhouse and installing in its place a modular building or trailer, at a greatly reduced cost.

The Task Force examined the capital needs. The only reliable cost estimates available were \$500,000 to rebuild the irrigation system and \$900,000 to rebuild the clubhouse. Assuming 20-year bond financing at current interest rates (5.01%), every \$500,000 of costs would require \$40,000 per year in annual debt service.

The revenues from Sligo Creek Golf Course operations alone are insufficient to pay for any replacement infrastructure.

Evaluation of Similar Jurisdictions' Management of Public Golf Courses

RedGate Golf Course, Rockville, MD

Ray Evans, Golf Course Superintendent, manages Rockville's only 18-hole golf course, located at the corner of Avery Road and Norbeck Road. This course is experiencing a reduction in rounds, which is a trend that began two years ago. During the late 1990's the course produced approximately 60,000 rounds per year. The course accommodated approximately 36,000 rounds in FY 2009. Currently, the number of rounds for fiscal year 2010 is down approximately 600 rounds from FY 2009. According to Mr. Evans, the decline in the number of rounds over the past decade may be attributed to increased competition.

The greens fees for the 2009 golf season were increased by the City Mayor and Council approximately \$1.09 over the 2008 rates. Despite the greens fee increase and the many golf programs offered for specialty groups, such as programs for women, seniors, and juniors, rounds still declined at the course and revenues are not sufficient to cover all golf operations. The course receives a tax subsidy from the City to support golf operations. Mr. Evans noted that accounting for the course includes depreciation in the amount of \$110,000 per year. If depreciation is removed, the course operates with a surplus and a tax-supported subsidy is not required.

The golf course generated \$1.56 million in revenue in fiscal year 2009. In fiscal year 2008, the course generated \$1.43 million. A cellular telephone tower is also on the RedGate golf course; it generates approximately \$180,000 per year. This revenue is not reflected in the golf course budget. The City also provides the golf course with a capital budget. Five years ago, the capital budget was \$350,000, but due to current economic conditions, the projects have not moved forward. Recent capital projects include rebuilding tees and cart paths. The largest improvements to the course were upgrades to the clubhouse.

Billy Casper Golf

Billy Casper Golf is a golf management company that manages 110 golf courses in 25 states. Seventy of these courses are owned by municipalities. They currently operate nine courses in the Washington, D.C. region but no courses in Montgomery County. The Armed Forces Retirement Home Golf Course in Washington, D.C. is a course operated by Billy Casper Golf.

Billy Casper operates 11 nine-hole courses across the country. The closest nine-hole course to Sligo Creek Golf Course is the Armed Forces Retirement Home Golf Course in Washington, D.C. Billy Casper reports that eight of the nine-hole courses are showing an increase in rounds played; one course is flat regarding numbers of rounds played, and two courses show a decline in rounds. Although there is a decline in rounds played from prior years, as a whole, the industry is flat and their courses are up 0.5%. Their Northern Virginia and Anne Arundel County courses declined in rounds by three to five percent. Their Ijamsville, Maryland course shows an eight percent increase of rounds played. Casper Golf emphasized that their most profitable nine-hole courses do not have a driving range or mini-golf as part of the property.

When trying to employ the best strategies to increase rounds, Billy Casper Golf stated that higher prices for a round of golf in suburban locations result in a lower number of rounds played. In addition, local nine-hole courses perform well largely due to marketing strategies that target the local community.

When golf course revenue is down, Billy Casper Golf focuses a lot of energy on trying to recapture the market share and reducing operating costs. In addition, pricing decisions are analyzed against usage; therefore, the market dictates the rates. Since the economy is in a downturn, greens fees have not increased this year at most of their courses. Revenues generated at a course, directly related to accessory uses, stay with the golf course for reinvestment.

When capital costs are assumed by Billy Casper Golf, two percent of the operating budget is reserved for ongoing capital needs. Prior to the investment of capital into a course, the operator also considers whether the course will be able to recoup the investment, and decisions on which major capital projects to implement are determined by what is the greatest need in the portfolio of golf courses.

Billy Casper Golf believes population centers are great places for nine-hole courses and, given the demographics of Sligo Creek Golf Course, the course could operate at a break-even point (capital costs not considered). He noted that their most profitable nine-hole courses do not have a driving range or miniature golf as part of the property.

Golf Course Specialists - Washington, DC

Golf Course Specialists (GCS) operate the National Park Service's golf courses with the mission to provide affordable golf (less than \$30.00 per round) to the public. The number of rounds played at the National Park Service's nine-hole courses has increased 7-13%. Prices were reduced 5-7% as a preemptive measure in response to the declining economy.

The National Park Service golf courses have many restrictions because they are within national parks. For example, reserved tee times were just instituted in 2002; competitive events (tournaments) are not allowed; there are no shotgun starts; and greens fees must be approved by the National Park Service. In addition, any capital improvements must be approved by the National Park Service. Each course has its own operating budget, and GCS funds 100% of all capital improvements. If capital projects are needed at other courses, the system of courses subsidizes the capital needs of all courses.

The National Park Service golf courses offer various programs to area residents through public/private partnerships, such as the First Tee Program and Junior Golf. An educational program, Top Golf, is also used to teach the game of golf. This program has computerized balls and target areas that serve as a combination driving range and video game. Additional course offerings that help generate revenue are reward points that encourage golfers to purchase items from the course, signage to advertise food and beverage to the surrounding community, and beverage carts.

Recommend Potential Public-Private Partnerships that Would Make the Course Financially Viable

The Task Force heard from Kirk Bauer, Executive Director of Disabled Sports USA. This is a national organization with headquarters in Rockville, Maryland. It is a member of the U.S. Olympic Committee and offers sporting events, such as the National Ski Festival, Summer Fest, and Youth Sports Program to disabled athletes across the country. This organization also implements the Wounded Warrior Disabled Sports project, which serves veterans primarily from Operation Iraqi Freedom (Iraq) and Operation Enduring Freedom (Afghanistan) wars.

According to Mr. Bauer, there are approximately 500 disabled veterans from the Iraq and Afghanistan wars in Montgomery, Prince George's, and Howard Counties. This number does not include veterans from other wars. Of that number, there are approximately 50 golfers. Disabled Sports USA also works with Walter Reed Hospital in Washington, D.C. by providing eight-week golf sessions to interested veterans. Approximately 40 golfers participate in each session at Olney Golf Park, where lessons are provided to the veterans free of charge.

Mr. Bauer identified three factors that make a disabled sports program successful:

1. Accessible facility - must be accessible to the disabled sports population
2. Trained instructors - must know how to teach disabled athletes
3. Adaptable equipment - expensive equipment is usually needed to assist the disabled in these activities.

Because of the large capital investment needed to make Sligo Creek Golf Course an ADA compliant facility, Disabled Sports USA opposes a grant or public money devoted to any golf course to help with its capital needs or to subsidize greens fees. He asserted that, currently, there are several ADA accessible golf courses that are more than adequate. In addition, private golf courses open their facilities to veteran golf groups for free or at highly discounted rates. Mr. Bauer takes this position because there are not sufficient numbers of veterans to support the necessary investment into therapeutic golf for wounded soldiers of the Iraq and Afghanistan wars. In addition, the Maryland State Veterans Affairs has real challenges dealing with healthcare, home care, and other major issues impacting a veteran's daily life, and any money spent on golf will take away from other needed services for VA families.

A veterans-based partner that could help financially support Sligo Creek Golf Course has not been identified.

The SCGA volunteered that it could raise \$29,000 annually for the course.

Findings

1. Management fee

The majority of the Task Force continues to disagree with the MCRA's management fee structure, which results in a small facility like the Sligo Creek Golf Course (a 9-hole course without a driving range) having the same management fee as much larger facilities, such as Needwood or Northwest (both 27-hole courses with lighted nighttime driving ranges). A majority of the Task Force would recommend that all of the parking revenue received from Holy Cross Hospital should be credited to Sligo's golf operation.

2. Public funding of capital infrastructure

The Task Force finds that the public sector has neglected the maintenance and capital infrastructure needs of Sligo Creek Golf Course for a prolonged period of time; a majority of the Task Force believes that the County has an obligation to help pay for these repairs. Fifteen years ago, M-NCPPC noted that the irrigation system and the clubhouse were in need of replacement and/or renovation, but the work was not performed. The Task Force agrees that the clubhouse, or an alternative to it, should be ADA compliant. However, the expense of replacing long-needed infrastructure is now one of the impediments to self-sustainability of course operations.

The aged irrigation system will need to be replaced at some point in the near future. The physical facilities, such as the clubhouse (or its alternative) and maintenance building, should be brought up to code standards. However, many Task Force members believe that the need to renovate the entire facility is not a priority. Instead, a majority of the Task Force suggests looking into clubhouse alternatives, one of which could include scaling back the facility to a trailer from which the management can operate the course. It was estimated that the addition of a trailer and the mothballing of the clubhouse would be a third of the originally earmarked \$900,000.

Recommendations

The Task Force considered several proposals when forming these recommendations. Each proposal, unedited, in its entirety, can be found in Appendix A.

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From these proposals, the majority of the Task Force has formulated a two-track recommendation to support the continued operation of Sligo Creek Golf Course.

Track One

The Maryland-National Park and Planning Commission should publish a request for expressions of interest (REOI) and a request for proposals (RFP) to operate the Sligo Creek Golf Course. MCRA has established that the Sligo Creek Golf Course is adverse to the golf course system and has extracted the operation from its original lease with M-NCPPC. Therefore, the majority of the Task Force recommends exploring the feasibility of another manager pursuing self-sustainability.¹ This process would allow a manager to determine what are essential capital improvements for the operation of the course and to propose a means to finance those improvements. The new manager could use the revenue from Holy Cross hospital's parking to help fund golf operations or capital needs work.

If a private operator is chosen through an RFP, the contract should not allow the operator to add a mini-golf course, any facility in the stream valley buffer, or any nighttime activities. The operator must identify how all costs will be paid. The operator must establish a community advisory board that includes at least two representatives from adjacent interested civic and neighborhood associations to promote a good neighbor relationship.

The majority of the Task Force supports the Montgomery County Revenue Authority's continued operation of Sligo Creek Golf Course through the REOI and RFP processes.² The existing operating agreement that identifies the terms and conditions of the MCRA's operation of the course could remain in effect during this time. To avoid additional taxpayer subsidies for golf operations, the MCRA could close the course in the winter and reduce maintenance. Meanwhile, the Sligo Creek Golf Association will begin fundraising for the course's capital needs. The MCRA should continue to reduce its

¹ Assuming all parties (MCRA Board, the Planning Board, and MCRA's lender) agree as required under the current lease, the Maryland National Park and Planning Commission would manage a community inclusive REOI and subsequent RFP process.

² The REOI would be intended to inform the development of appropriate terms and conditions for an RFP. The REOI should indicate that a final RFP would be subject to the approval of M-NCPPC, MCRA, and MCRA's lender as required by M-NCPPC's current lease with MCRA. M-NCPPC should include at least three community members in the development of the final RFP: one member of the local environmental organization (Friends of Sligo Creek), one member of an adjoining community (North Hills of Sligo Creek Civic Association) to represent quality of life issues, and one golfer (Sligo Creek Golf Association).

management fee during this time and will not make any substantial changes to the course's physical plant, other than meeting the required maintenance needs.

Track Two

While the REOI and RFP process is underway, the County Executive should work with the Montgomery County Revenue Authority and the community groups on changes that could result in continued operation of the Sligo Creek Golf Course by MCRA in case the private operator plan does not prove feasible.

- Clarify the intent of the contract about whether the M-NCPPC-owned courses must be sustainable as parts of a portfolio or each individual course must be sustainable on its own. Sligo may always have a lower revenue profile than the other courses. However, if the system of golf courses operates on a principle of cross-subsidization, Sligo would be supported by and balanced in a portfolio of golf facilities that serve a public interest.
- Define the term “adverse” in the lease.
- Examine the management fee system to define how it may impact the financial “health” of a facility.

This element of the recommendation is necessary because pursuing an REOI/RFP process to investigate the use of a private contractor may be precluded under the terms of the existing lease between M-NCPPC and the MCRA.

Additional recommendations that should be pursued in support of both Track One and Track Two are:

1. The Task Force unanimously agrees that Sligo Creek Golf Course requires some capital improvements. However, the available studies of those needs and the associated costs are not current. The majority of the Task Force supports the County's hiring of an independent consulting firm to conduct an analysis of the capital needs and associated costs for Sligo Creek Golf Course. The agency charged with overseeing the work should create an advisory group that includes community representation. The goal of this recommendation is the creation of a plan for addressing the capital needs of the course based on an updated evaluation of the urgency of the work and the costs. This plan may be necessary no matter who will be the long-term operator of the course and work should begin as soon as possible.
2. The majority of the Task Force also supported a “fast-start” program for the upcoming season to maximize the course revenue and community involvement. The details of this recommendation include:
 - improve marketing for the clubhouse facility, snack bar, and the course in general
 - engage the supportive community “friends” groups to provide supplementary amenities
 - support community fund-raising to preserve the course
 - launch programs for veterans groups (and others)

Funding for this program has not been identified.