



MONTGOMERY COUNTY DEPARTMENT OF PARKS
THE MARYLAND-NATIONAL CAPITAL
PARK AND PLANNING COMMISSION


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MCPB
Agenda #4
04/12/12

April 5, 2012

MEMORANDUM

TO: Montgomery County Planning Board

FROM: Gene Giddens, Acting Deputy Director 
Christine Bretz, Chief, Enterprise Division

SUBJECT: Annual Presentation by the Montgomery County Revenue Authority on its Operation of the Commission's Three Golf Courses Noted in the Lease Agreement – Needwood, Northwest, and Little Bennett

In accordance with the Lease Agreement entered into on October 26, 2006, between the Commission and the Montgomery County Revenue Authority (MCRA), an annual presentation is to be provided to the Commission by MCRA. Attached, for your review, is a copy of MCRA's Annual Briefing on the operation of the Commission's three golf courses during the 2011 calendar year.

Sligo Creek Golf Course, which was originally part of the Lease Agreement, was extracted from the lease on April 1, 2009, but MCRA continued to operate the course under a First Amendment to the Golf Course Lease Agreement until October 1, 2009. Since that time, MCRA has managed the course under two separate, but continuous Operating Agreements with the Commission. The latter Operating Agreement will terminate on November 30, 2012.

GG:CB:pls
Attachment



Montgomery County Revenue Authority

Annual Planning Board Briefing 2012

Purpose and Background

As required by section 7.2.6 of the lease between the Montgomery County Revenue Authority (MCRA) and the Maryland-National Capital Park and Planning Commission (M-NCPPC), the Tenant shall appear before the Montgomery County Planning Board. The Tenant shall make a presentation of its operation of the Golf System during the preceding calendar year, including (1) significant activities conducted by Tenant in support of its obligations under this Lease, including (i) a schedule of fees charged at each M-NCPPC golf course with a comparison to the market, (ii) number of rounds played at each M-NCPPC golf course, and (iii) community outreach activities and programs to meet its commitments with regard to accessibility, including the participation rates; (2) a summary and representation of its compliance with the terms of this Lease; (3) any updates to the Golf Master Plan; (4) current capital improvement plan; and (5) any other information reasonably requested by Landlord.

On April 15, 2006 the MCRA began operating four golf courses owned and operated by the Maryland-National Capital Park and Planning Commission. As such, the Montgomery County Golf system became nine golf courses. Initially, the four golf courses were operated under a Letter of Intent and an Operating Agreement. Then, the parties entered into a long term lease agreement for the operation of the M-NCPPC golf courses in Montgomery County.

On April 1, 2009 Sligo Creek Golf Course, which was originally part of the Lease Agreement, was extracted from the lease. The MCRA continued to operate the course under a First Amendment to the Golf Course Lease Agreement until October 1, 2009. Since that time, MCRA has managed the course under two separate, but continuous Operating Agreements with M-NCPPC. The current Operating Agreement will terminate on November 30, 2012.

Structure of the Report

This report and accompanying presentation will provide an overview of the key operational items from the previous year. The items covered will satisfy the requirements of paragraph 7.2.6 of the lease, as well as other items that the MCRA may feel are relevant. The report will flow in the same order as the items listed in the Lease beginning with operational details and ending with updates on the Golf Master Plan and the current capital improvement plan. We are happy to follow up with any additional requests the Landlord may make during the presentation.

Activities in Support of Lease Obligations

Pricing

In 2007 the MCRA adopted a supply and demand pricing structure which did away with the posting of established rates. We implemented a system that monitors tee sheet utilization by 2-hour segments by day of the week. This information allows us to adjust pricing to maximize utilization and the revenue potential of each property. As a result we are able to offer greater discounts during “off-peak” times to golfers than in the past, while still creating more revenue for the property.

Rounds Played

Overall, there were 369,033 rounds played at M-NCPPC and MCRA courses in Calendar Year (CY) 2011 versus 354,363 rounds in CY2010, which represents a 4% increase in total rounds. There were 183,109 rounds in CY2011 versus 173,713 rounds in CY2010 played at the four M-NCPPC golf courses, which represents a 5% increase. There were 185,924 rounds in CY2011 versus 180,650 rounds in CY2010 played at MCRA courses, which represents a 3% increase in rounds. According to Golf Datatech, which provides data for PGA of America and National Golf Course Owners Association, the total rounds for 2010 decreased by 2.5% nationally; the regional market of DE, DC, and MD decreased by 1.5%; and local DC and Baltimore market decreased by 1% in CY2011. In conclusion, the 4% increase of rounds played for the system was significantly better than national, regional, and local data.

Rounds increased at all facilities except Sligo Creek and Poolesville. Strongest growth was realized at Falls Road, Needwood, and Northwest. The decline in rounds at Sligo Creek was equally attributable to weekday and weekend rounds.

The National Golf Foundation has determined that there is a correlation between consumer confidence and golfer participation. However, as consumer confidence is slowly returning, the industry is not realizing an increase in the number of golfers. There is an increase in the number of rounds loyal golfers are playing, which helps to offset the continuing decrease in the number of golfers. The industry remains very concerned about this trend. In 2011, the PGA of America began to introduce the largest industry initiative in history to grow the game of golf with the introduction of Golf 2.0. Golf 2.0 is the key focus for 2012 and is a comprehensive plan of how to grow the number of golfers while also increasing the play of current golfers. The MCRA was asked to participate in a roundtable discussion with industry leaders at this year’s PGA show in Orlando, Florida. We are committed to continuing to be a recognized leader in the industry and will introduce new initiatives in 2012 to grow the game of golf in Montgomery County. The MCG Academy is being launched in 2012 and will offer programming based on the overall needs of the County and not just focused on the needs of an individual facility. Mike Kenny is our Director of Instruction for the MCG Academy and is currently based out of Falls Road.

Agronomy and Environmental Stewardship at MCRA Golf Courses

MCRA golf courses continued their commitment to environmental initiatives in 2011 and finished another year of oppressive heat and humidity and a very wet spring and fall in great condition. Important agronomic strategies continued and a number of projects were undertaken that have long-term benefits to playability and the environment. We also continued to evaluate some of our research projects at Needwood and Sligo Creek, and put into motion the beginning of a bermudagrass fairway conversion at Rattlewood.

Among the key agronomic programs that allow our superintendents to provide appealing playing surfaces while reducing pesticide and fertilizer use are:

- **Aeration** – the most important of all cultural practices. Core aeration, wherein plugs of turf, thatch, and underlying soil are removed, allows for increased root growth, improved air exchange to roots, and improved water infiltration, among a host of other benefits. When aeration is performed on greens, holes are typically backfilled with 100% sand, which keeps these important channels open for weeks or months for continued turf health benefits. The sand is of specific angularity and particle sizes to allow it to maintain surface firmness as well as to permit the playing surface to “breathe.” While this procedure is temporarily disruptive for golfers, it is a significant reason why highly scrutinized playing surfaces can be maintained in such great condition.
- **Topdressing** – weekly or bi-weekly applications of light amounts of sand go virtually unnoticed by golfers. This important process not only continues to maintain the surface firmness desired by our golfers, but helps to dilute thatch and organic matter that naturally builds up as the turf grows. Minimizing the buildup of too much organic matter in soil is important because thatch holds moisture (increasing disease pressure) and is a habitat or food source for undesirable insects and pathogens.



- **Rolling** – light weight (800-lb) dedicated, motorized rollers are used typically 3-5 times per week on greens and have been shown in numerous university research studies to reduce incidence of disease such as dollar spot (*Sclerotinia homeocarpa*), one of the diseases our greens are most prone to getting. Using these machines allows us to also increase green speed when necessary, as well as smooth the playing surface. In 2011, especially during the summer, we were able to eliminate mowing 2-3 days per week by simply rolling greens in the morning. Besides the reduced disease pressure, we also reduced fuel emissions. On these days, we used a single machine with an 8-hp engine (typically using only ½ gallon of gas per day) instead of 2 machines with 25-hp engines (which use a total of about 2 gallons per day).



- **Venting/Spiking** – every 2-3 weeks throughout the year, superintendents will make a decision to perform another important but minimally disruptive practice. Venting is usually performed with equipment that leaves very small (0.2 – 0.25 inch) holes throughout the green at 1.25-inch spacing. This machine rolls the turf smooth afterwards as well. Spiking is typically done with special units that fit on a greens mower and leave small slits in the green. This process is much faster, but since the slits will close more quickly it is typically beneficial for a few days or up to a week. Both practices are still very important tools that can help dry out a wet green and/or provide oxygen to the upper root zone and make the turf healthier.



- **Not mowing at all** – The oppressive heat of 2011 saw soil temperatures as high as 106°F on our golf courses this summer. Essential plant functions cease in the upper 90s, and root development stops at 78°F soil temps, so you can imagine what these temperatures do to the grass. On the hottest days, especially when morning temperatures were in the upper 70s or low 80s, skipping any kind of mowing was a huge benefit to the turf and also reduced our fuel emissions on these typically Code Red air quality days. During the summer as minimally- or non-irrigated roughs begin to go dormant due to drought and heat stress, the 80 – 120 acres of rough that are mowed at each golf course will be maintained at significantly reduced intervals based on growth.



- Soil Testing** – Without a well-balanced soil, many of our efforts to maintain great turf are wasted. By taking soil samples of individual greens, tees, fairways, or roughs, we are able to determine exactly what the grass needs. And we save a lot of labor, fuel, and resources by only targeting specific applications of nutrients or soil amendments like gypsum or compost where the soil tests dictate. Not only does the grass perform better at an “ideal” nutrient ration, but the soil will also more readily support a diverse microbiology and will also have improved drainage properties.

Total Exchange Capacity (M. E.)		4.86	4.01
pH of Soil Sample		6.80	6.80
Organic Matter, Percent		2.37	2.22
ANIONS	SULFUR: p.p.m.	13	14
	Mehlich III Phosphorous: lbs / acre	264	226
EXCHANGEABLE CATIONS	CALCIUM: lbs / acre	Desired Value 661 Value Found 644 Deficit -17	544 498 -46
	MAGNESIUM: lbs / acre	Desired Value 100 Value Found 100 Deficit -18	100 82 -18
	POTASSIUM: lbs / acre	Desired Value 100 Value Found 82 Deficit -18	100 71 -29
	SODIUM: lbs / acre	52	50

- Water conservation** - One of the keys to managing great turf is to be in control of the water (when Mother Nature allows). Keeping soils dry, especially in the spring and fall, makes the grass search for water by growing deep roots. Deep roots help turf survive better by more efficiently accessing water and nutrition that is available in the soil. Irrigation computers are set up to specifically water dry areas when necessary on a large scale using highly efficient sprinkler heads. On a smaller scale, such as greens, much of the water comes in the form of hand watering. Superintendents and their teams can apply water to specific areas that need it at a time when overhead sprinklers that are more general in coverage may give unnecessary water to a wetter part of a green, for example, that could result in rapid turf decline. Hand watering and irrigation programming saves an estimated 10 – 20 million gallons of water each year at our nine golf courses.



Environment

MCRA courses continue to work within the guidelines of the Audubon International Cooperative Sanctuary Program for Golf Courses (<http://acspgolf.auduboninternational.org/>), as well as the Groundwater Guardian Greensite Program (<http://groundwater.org/gg/greensites.html>). These successful programs help managed green spaces such as golf courses carry out safe groundwater practices against chemical use and pollution prevention as well as develop effective conservation and wildlife enhancement programs. While each facility has already earned the designation as a Greensite, our goal is that within 2 years, all MCRA golf courses will have achieved Certification by completing requirements in all six focus areas of this intensely managed Audubon International program.

Research

The last few years of research at Needwood Golf Course have finally provided us with enough confidence to implement one of the most substantial changes we were considering on our golf courses.

Rattlewood was able to successfully convert 2 acres of fairway (holes #6 and #18) to Patriot bermudagrass. Patriot is a cultivar that has shown good cold tolerance, which will be a good fit since Rattlewood is one of the northernmost golf courses growing bermudagrass now in the whole country. We achieved 90% bermudagrass coverage on those fairways this year, and once it comes out of dormancy in 2012, we will see a rapid development to 100% coverage.

The new grass will require dramatically less fertilizer, virtually no pesticides, and actually thrives in the extreme heat and humidity we typically see in the summer. The picture above shows the sprigging process, where pieces of bermudagrass are literally pushed into the existing fairway. The fairways were kept extremely wet for about 10 days until the sprigs started to establish and water could be reduced.



Sligo Creek continued to evaluate the 3 Tier Technologies program, which is a product line of organic soil amendments and fertilizers purported to have a wide range of beneficial microbes and naturally occurring substances that can help us to reduce the use of pesticides on greens. Although there has been some disease breakthrough during periods of high disease pressure, it appears that this program is working pretty well for Sligo, where the greens are maintained much taller than our other courses. We are not convinced, though, that the same program can be utilized on greens where there is a much higher demand for speed and smoothness and height of cut is much lower. We continue to see as much as a 20% reduction in pesticide use during times of peak disease pressure at Sligo.

Projects

Numerous projects were completed in 2011 at M-NCPPC golf courses, which have had a direct, positive impact on the world around us.

- Drainage was installed in 4 greens at Northwest. These greens were old-style pushup greens that lacked internal drainage AND whose underlying soil did not percolate well. 2-inch drain pipes were installed at 18-inch depths on 6-foot centers



- throughout the greens. This project will have a very positive impact on playability, but the big win is for the environment, since these “problem” greens often required extra plant protectants (especially fungicides), and required a lot more cultural practices and large fans (using a lot of fuel) to help dry them out.
- Select bunkers were fully rebuilt at Needwood, and a complete bunker renovation was finished at Northwest Golf Course. Renovating these bunkers provides a much more enjoyable playing experience for our customers, and also a long-term reduction in fuel emissions. The impact is most noteworthy especially after large rain events when bunkers had large puddles of water in them that had to be pumped out. Large amounts of labor and fuel are consumed each year simply by repairing washed-out, silted bunkers after it rains.
 - Sprinkler head conversions took place at Little Bennett Golf Course in 2011. Older, inefficient heads were replaced with new ones that will dramatically reduce water usage because they put water out more evenly.
 - Fairway drainage projects were performed at Northwest, where there are perennial flooding problems with holes #13 and #16, even after as little as .75” of rain. This flooding has caused significant turf loss annually, wasting resources and diminishing the customer experience. This work will enable us to manage these holes using fewer pesticides and will greatly reduce the labor expense of pushing and pumping water and silt from the fairways after storms.

Community Outreach Activities

In 2011, the Revenue Authority remained committed to its current outreach activities while adding several new and exciting programs.

Montgomery County Golf – Loyalty Club

The MCRA introduced a new loyalty system in 2011, which allowed guests to choose from 1 of 4 programs. The programs offered different levels of discounts in addition to the existing competitive pricing offered by the MCRA. Loyalty programs ranged in price from \$29.95 for a 10% discount on each play to \$2,000, which included unlimited free green fees 7 days a week. The programs were very well received and resulted in increased loyalty by the participants.

Family Golf

Our successful Family Golf program continued in 2011. The program offers a free lesson each week at a selected course on Saturday or Sunday throughout the summer. These events also offer reduced prices for families playing nine holes immediately following the instruction. A course within a course was set up at all facilities to add to the enjoyment of the golf experience for those new to the game. Special scorecards were also provided, and a special Family Rate of \$10 per player was offered after 5pm at all courses and anytime Monday – Friday at the 9-hole courses. We estimate that over 750 participants visited our courses for the first time.

Golf Industry Supported Initiatives

We continue to support the golf industry programs to grow the game. In 2011, MCRA continued and expanded the Get Golf Ready program. The program offers five weeks of introductory golf lessons for \$99.00. We had more than 500 participants in the program in 2011. Other industry programs that we participated in 2011 include: Take Your Daughter to the Course Day, Women in Golf Day, and bring Your Kids to the Driving Range Day.

Keep Golf Going

This program was established in 2010 as a follow program to the graduates of Get Golf Ready. A series of 5 lessons for \$99 that focused on the skills players gained in the Get Golf Ready program or a refresher course for those players that were looking to get back into the game. Each session included instruction and time on the golf course. Over 300 players participated in the program in 2011.

The First Tee of Montgomery County

Another major commitment to junior golf and to the community is the MCRA's partnership with The First Tee of Montgomery County program. First Tee provides an opportunity to expose young people, who otherwise might not have an opportunity, to experience the sport of golf along with learning personal life skills that apply to their everyday lives. The program is now offered at Laytonville, Needwood, Northwest, and Sligo Creek Golf Courses. The First Tee mentoring program matches students with volunteers who will help them further develop an understanding of the sport and enhance their skill levels. The MCRA provides a 50 percent discount for the mentors and students. Another significant contribution to First Tee is the donation of Laytonville Golf Course for a major First Tee fundraising event that provides one of the most significant single revenue generators for The First Tee of Montgomery County on an annual basis.

Junior Golf and School Programs

The MCRA has made a significant commitment to junior golf in the form of clinics, and more recently, camps designed to expose young people to the game of golf. In all, the MCRA had over 8,500 participants in a broad range of camps or clinics last year.

The MCRA additionally provides extensive support to the Montgomery County Public Schools golf program.

The MCRA provides to 25 public high schools free access to all facilities for tryouts, practices, matches, and season ending events – an estimated value of more than \$50,000.

Finally, based on the program that was conducted as a partnership with Goshen Elementary School and Laytonville Golf Course, golf continues to be a part of the physical education curriculum for all fifth graders in Montgomery County.

MCRA League, Tournament, and Charitable Play

MCRA facilities also provide an opportunity for golfers to participate in league and tournament play, providing both recreation and a bit of friendly competition. The MCRA has continued to grow this segment of golf operations. With over 48 different leagues across eight of its golf courses, leagues and tournaments accounted for over 18,000 rounds of golf in 2011. That same year, the MCRA held the sixth annual Montgomery County Golf Summer Amateur Tournament at Laytonsville and Northwest Golf Courses with over 200 participants.

In 2011, the MCRA continued our two new competitive programs introduced in 2009. The Third Annual MCG High School Invitational was conducted in October and included 72 of the County's top high school golfers. The students competed in boys' and girls' divisions and included students from both public and private high school. We also held our Second Annual MCG Cup Series. This event was open to all golfers who competed for prizes over a six-week event at six different MCG courses culminating with a championship match and awards dinner at Hampshire Greens Golf Course. Over \$4,400 in prizes were awarded throughout the season.

The MCRA donated rounds of golf to over 100 local charities, including schools and church groups, at a value of over \$20,000 in 2011. All nine MCRA golf courses participated in the Annual Patriots Golf Day for our fourth season. This was a joint initiative with the PGA of America and the United States Golf Association that raised contributions for the Wounded Warriors. This organization supports families of those who have become disabled or lost their lives in the line of military duty. The MCRA courses collected and matched contributions of all golfers who played that day. The MCRA collected and donated over \$7,200 for this outstanding cause.

Compliance with Lease

The Revenue Authority believes it is and has been in compliance with the details and overall intent of the lease. The above information outlines the operational initiatives that have taken place over the past year to satisfy our lease obligations. Additionally, we have submitted all required reports and continue to move toward creating a financially sustainable golf system.

Golf Master Plan Update

In these continuing tough economic times, it is essential that funds are expended in a diligent manner to ensure facility and system sustainability. The MCRA has not made any significant changes to the 2006 Master Plan's goal of refurbishing the golf courses but we have delayed the timing of the projects and modified the scope of the work so that it can be accomplished through in-house construction. Instead of making any major modifications to the golf course designs, we are now focused on renovations of the existing designs. These renovations renew the life expectancy of the asset and dramatically improve the playability for the golfer.

Capital Improvement Plan

The MCRA did not propose any new projects in the CIP for any of M-NCPPC's golf courses. The projects currently under renovation or in planning have been approved in previous CIP submittals.

During CY2011, the Revenue Authority made the following capital improvements.

- **Northwest Golf Course** – In total approximately \$531,000 was spent on the following projects at Northwest:
 - Bunker renovation – All bunkers were fully renovated.
 - Clubhouse – The interior of the clubhouse was completely rebuilt as outlined during our 2010 presentation. The renovation included relocation of the golf shop, new restrooms, a new food and beverage service area, and a new food and beverage seating area.
 - Drainage – Installation of new drainage continued in the wettest areas.
 - Holes 13 and 16 – Additional fairway drainage was installed.
 - Holes 4, 13, 14, 15 – Green drainage was installed.
 - Practice Putting Green surround – Drainage was installed where ponding was a problem near a clubhouse entrance.
 - Cart Path renovations – Existing carts paths near greens/tees on holes 15 & 18 were widened.
- **Needwood Golf Course** – In total, approximately \$80,000 was spent on the following projects at Needwood:
 - Bunker renovations continued with the removal of several bunkers plus the renovation of bunkers on holes 10, 11, 17, 18, and 1.
 - Cart Path renovations – An extensive renovation of existing cart paths were undertaken in the fall of 2011.
 - Golf Shop – The golf shop was remodeled, including the installation of new carpet, relocation of the shop counter, and the installation of new slot wall.
- **Little Bennett Golf Course** - In total, approximately \$52,000 was spent on the following projects:
 - Hole #6 – The green was re-contoured and resurfaced to improve playability.
 - Fans – We purchased new fans to improve air movement on the worst performing greens.
 - Irrigation – We replaced 125 sprinkler heads in greens, tees, and fairways with new ones that use water much more efficiently and help us conserve this invaluable resource.

Other Information Requested

At the time of this report, there were no additional items requested.

Attachment 1
Calendar Year over Year Rounds Comparison

Golf Course System	2011	2010	Variance	% Growth
Total Rounds	369,033	354,363	14,670	4.14%
M-NCPPC Golf Courses	2011	2010	Variance	% Growth
Total Rounds	183,109	173,713	9,396	5.40%
MCRA Golf Courses	2011	2010	Variance	% Growth
Total Rounds	185,924	180,650	5,274	2.90%
Sligo Creek	2011	2010	Variance	% Growth
Total Rounds	22,707	23,894	-1,187	-4.97%
Little Bennett	2011	2010	Variance	% Growth
Total Rounds	31,153	30,334	819	2.70%
Needwood	2011	2010	Variance	% Growth
Total Rounds	62,121	57,333	4,788	8.35%
Northwest	2011	2010	Variance	% Growth
Total Rounds	67,128	62,152	4,976	8.01%
Falls Road	2011	2010	Variance	% Growth
Total Rounds	53,249	48,574	4,675	9.62%
Poolesville	2011	2010	Variance	% Growth
Total Rounds	26,810	29,039	-2,229	-7.68%
Laytonsville	2011	2010	Variance	% Growth
Total Rounds	38,867	38,372	315	.82%
Hampshire Greens	2011	2010	Variance	% Growth
Total Rounds	32,134	30,104	2,030	6.74%
Rattlewood	2011	2010	Variance	% Growth
Total Rounds	35,044	34,561	483	1.40%

Attachment 2
Northwest Clubhouse Renovation

