



Montgomery County Revenue Authority

Annual Planning Board Briefing 2013

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, 2017.

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 393,069 rounds played at M-NCPPC and MCRA courses in Calendar Year (CY) 2012 versus 369,033 rounds in CY2011, which represents a 6.5% increase in total rounds. There were 191,694 rounds in CY2012 versus 183,109 rounds in CY2011 played at the four M-NCPPC golf courses, which represents a 4% increase. There were 201,375 rounds in CY2012 versus 185,924 rounds in CY2011 played at MCRA courses, which represents an 8% 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 increased by 5.7% nationally; the regional market of DE, DC, and MD increased by 4.1%; and local DC and Baltimore market increased by 6.3% in CY2012. In conclusion, the 6.5% increase of rounds played for the system was better than national and regional results and consistent with local market data.

Rounds increased at all facilities in 2012. Strongest growth was realized at Laytonsville with over 18% increase compared to previous year.

The 5.7% increase in 2012 equals 26 million rounds and resulted in 490 million rounds nationally. Since rounds declined approximately 11% or 55 million during the past 10 years, 2012 alone recovers half of that dip. Improved weather was the biggest influence on rounds played, with PGA PerformanceTrak reporting a healthy 6.5% increase in playable days nationwide in 2012. Although rounds have increased, the golf industry remains concerned about future growth of the game. We continued to see the correction of golf course supply with a net decrease of 141 golf courses in 2012. In total, there were 154.5 closures and 13.5 openings. Since 2006, there has been a cumulative net reduction of 499.5 golf courses, which represents a drop of 3.5% off the peak supply year of 2005. The MCRA continues to work with industry leaders on developing and implementing programs to improve golf participation. The MCRA was interviewed and featured in the new PGA 2.0 Know Your Customer training guide. We are also launching the new PGA Junior Golf League this year at 6 of the MCG courses. Finally, we are working with the MCPS system to support golf as part of the middle school curriculum.

Agronomy and Environmental Stewardship at MCRA Golf Courses

MCRA golf courses continued their commitment to environmental initiatives in 2012 and finished another year of challenging weather patterns in great condition. Important agronomic strategies continued and a number of projects were undertaken that will have long-term benefits to playability and the environment. We also have partnered with 2 local high schools by performing field maintenance work that is providing more sustainable, safer playing fields for student athletes.

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

- **Aeration:** Aeration is arguably 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 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 also helps to dilute thatch and organic matter that naturally builds up as the turf grows. Minimizing the buildup of organic matter in soil is important because thatch holds moisture (increasing disease pressure) and is a habitat or food source for undesirable insects.



- **Rolling:** Lightweight (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 2012, especially during the summer, we were able to eliminate mowing 2-3 days per week by simply rolling greens in the morning to prepare the greens for play; this practice not only reduced disease pressure but 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 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.

- 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.)		4.88	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: as (P ₂ O ₅) lbs / acre	264	226
EXCHANGEABLE CATIONS	CALCIUM: Desired Value lbs / acre	661	544
	Value Found	644	498
	Deficit	-17	-46
EXCHANGEABLE CATIONS	MAGNESIUM: Desired Value lbs / acre	100	100
	Value Found	100	82
	Deficit		-18
EXCHANGEABLE CATIONS	POTASSIUM: Desired Value lbs / acre	100	100
	Value Found	82	71
	Deficit	-18	-29
EXCHANGEABLE CATIONS	SODIUM: lbs / acre	52	50

- Water conservation:** One of the keys to managing healthy 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.



- Technology:** MCRA acquired some new tools that we now consider indispensable: TDR 300 Field Scout Soil Moisture Meters. These devices are located at every facility, and allow the superintendents to instantly see moisture levels in a digital display. With this information, they can more accurately pinpoint areas that are deficient in water, or that are too wet. This has enabled us to use even less water as we manage our greens, and by ensuring proper moisture levels (not too wet, not too dry)





throughout the entire green, plant health is consistently better, and the grass requires fewer inputs in the way of pesticides or fertilizers.

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 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 by 2014, all MCRA golf courses will have achieved Certification by completing requirements in all six focus areas of the intensely managed Audubon International program.

- Wildlife & Habitat Management
- Water Conservation
- Environmental Planning
- Water Quality Management
- Chemical use Reduction & Safety
- Outreach and Education

Research: Needwood Golf Course continued their research of warm-season grasses, this year focusing on traffic management and whether or not to over seed the dormant turf in the winter looking at winter playability vs. summertime turf health. Sligo continues their evaluation of a more organic fertility program using humic acids, which are naturally occurring in soils but boosted by this program to promote improved plant health requiring fewer chemical inputs. While our research has had good results at Sligo Creek, we are still evaluating whether we can implement a similar program at other facilities where maintenance practices and turf stress are at a higher level due to more competitive playing conditions and lower heights of cut.

Falls Road implemented the use of a new, 100% organic wetting agent in the management of their greens they had experimented with in 2011. The product, Penterra (Geoponics Earth Chemistries), allows water to move much more rapidly through soils, keeping the surfaces firmer and more playable, and at the same time allowing more oxygen to be pulled into the root zone. Most golf courses in the country use some kind of wetting agent to manage soil moisture, but few of these products are 100% organic. Another product being used to help manage wetter areas of greens is Agriox, which is essentially a slow-release oxygen source (calcium peroxide) that supplies vital oxygen to plant root zones during periods of wet weather. These two products have helped Falls Road maintain consistent, high quality putting surfaces throughout the year.

Projects: Numerous projects were completed in 2012, which have a direct, positive impact on the world around us.

- **Hampshire Greens** installed a booster pump for their irrigation system, which has been marred by inconsistent pressures throughout the course resulting in poor water distribution on some holes. The new booster pump will provide more uniform watering of the course, allowing us to ultimately use less water and less electricity when watering to achieve the results we want.



- **Drainage** was installed in greens at Laytonsville (#14) and Falls Road (#9 and #18) this year. These greens are 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. These projects 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. More information on MCG blog here:



<http://bit.ly/Wg9szD>.

- Select **sand traps** were fully rebuilt at Falls Road, Poolesville, Laytonsville, Rattlewood, and a complete in-house bunker renovation (started in winter 2009) was finished at Needwood Golf Course. Renovating these bunkers provides a long-term reduction in fuel emissions, 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 repairing washed-out, silted bunkers after it rains. More information here: <http://bit.ly/15OWPx5>.
- **Sprinkler head** conversions took place at Poolesville and Little Bennett golf courses in 2012. Older, inefficient heads were replaced with new ones that will dramatically reduce water usage because they put water out more uniformly.
- **Fairway drainage** projects were performed at Hampshire Greens, Northwest, Laytonsville, and Falls Road in order to try to keep these high maintenance areas as healthy as possible after flooding rains. Even small areas that hold water cause significant turf loss annually, wasting resources and diminishing the customer experience.
- A full **irrigation pump station upgrade** at Little Bennett Golf Course has quickly made a huge impact on how that facility is able to use water around the course. The new system uses a variable frequency drive like the ones at our other courses, to allow pumps to ramp up slowly, using only as much electricity and pump rpms as they need to supply water being demanded in the field. The old pump station operated at full speed all the time, putting extra stress on irrigation system components, and was more prone to failure. The new pump station also features the ability to be wirelessly connected to the irrigation



computer as well as mobile devices, and can automatically adjust irrigation cycle run times after a rain event, or in the case of a pipe failure. This alone will result in the savings of over a million gallons of water annually. MCG blog post related to this project: bit.ly/16uXyVB.

Community Outreach Activities

In 2012, 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 2012. 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 950 participants visited our courses for the first time in 2012 as compared to 750 in 2011.

Golf Industry Supported Initiatives

We continue to support the golf industry programs to grow the game. In 2012, MCRA continued and expanded the Get Golf Ready program. The program offers five weeks of introductory golf lessons for \$99.00. More than 1,000 people have participated in this program. Other industry programs that we participated in 2012 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 2012.

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 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 at an estimated value of more than \$50,000.

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 2012. That same year, the MCRA held the annual Montgomery County Golf Summer Amateur Tournament at Laytonville and Northwest Golf Courses with over 200 participants.

In 2012, the MCRA continued our two competitive programs introduced in 2009. The Fourth 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 Fourth 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 \$9,000 in prizes was 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 2012. All nine MCRA golf courses participated in the Annual Patriots Golf Day for our fifth 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 \$4,000 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 projects currently under renovation or in planning have been approved in previous CIP submittals. During CY2012, the Revenue Authority made the following capital improvements and acquisitions.

Northwest Golf Course – In total approximately \$377,000 was spent on the following projects and equipment at Northwest:

- Drainage – Installation of new drainage continued in the wettest areas.
 - Inner 9 – Hole #3 – fairway was re-contoured to allow surface drainage to catch basin
 - 13 approach drainage – re-contoured surface to prevent water from ponding in approach areas
- Tee Box Construction – built new forward tees on holes # 3,6,8,9,11,13,14,16,18
- Purchase of Equipment
 - 1 Toro MD light duty utility vehicle
 - 2 Toro 3150 triplex mowers (used)
 - 1 Jacobsen GK4 triplex mower (used)
 - 1 Wiedenmann tractor blower
- 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 along with two large screen TV's.

Needwood Golf Course – In total, approximately \$280,000 was spent on the following projects and equipment at Needwood:

- Bunker renovations were completed on the main 18-hole course with the removal of several bunkers plus the renovation of bunkers on holes 2 through 9.

- Purchase of equipment
 - 1 Toro 5800-D sprayer
 - 2 Toro MD light duty utility vehicles
 - 1 Wiedenmann tractor-mounted blower
- Clubhouse
 - The new MCG Golf Studio was constructed utilizing a non-used storage area within the clubhouse. The Studio will offer the most advanced technology in teaching and entertainment using the Full Swing Golf Simulator along with professional club fitting and club repair.
 - Restrooms were completely renovated along with the Food and Beverage area that received new carpet and counter tops for a much improved customer service experience.

Little Bennett Golf Course - In total, approximately \$161,000 was spent on the following projects and equipment:

- Irrigation –
 - Replaced pump station control system and panel to a new variable frequency drive, which will allow us to water using less electricity and dramatically reduce wear and tear on the irrigation infrastructure
 - Converted 100 irrigation heads to newer, more uniform ones that will allow us to use less water
- Installed drainage on lower portions of greens - #3, 6, 14, 15
- Purchase of Equipment
 - 1 Toro 5800-D sprayer
 - 1 Toro 4300-D rough/surrounds mower
 - 1 Wiedenmann tractor blower

Attachment 1
Calendar Year over Year Rounds Comparison

Golf Course System	2012	2011	Variance	% Growth
Total Rounds	393,069	369,033	24,036	6.51%
M-NCPPC Golf Courses	2012	2011	Variance	% Growth
Total Rounds	191,694	183,109	8,585	4.68%
MCRA Golf Courses	2012	2011	Variance	% Growth
Total Rounds	201,375	185,924	15,451	3.10%
Sligo Creek	2012	2011	Variance	% Growth
Total Rounds	24,924	22,707	2,217	9.76%
Little Bennett	2012	2011	Variance	% Growth
Total Rounds	32,234	31,153	1,081	3.47%
Needwood	2012	2011	Variance	% Growth
Total Rounds	63,341	62,121	1,220	1.96%
Northwest	2012	2011	Variance	% Growth
Total Rounds	71,195	67,128	4,067	6.06%
Falls Road	2012	2011	Variance	% Growth
Total Rounds	56,922	53,249	3,673	6.90%
Poolesville	2012	2011	Variance	% Growth
Total Rounds	28,579	26,810	1,769	6.60%
Laytonsville	2012	2011	Variance	% Growth
Total Rounds	45,747	38,867	7,060	18.25%
Hampshire Greens	2012	2011	Variance	% Growth
Total Rounds	33,340	32,134	1,206	3.75%
Rattlewood	2012	2011	Variance	% Growth
Total Rounds	36,787	35,044	1,743	4.97%

Attachment 2
Northwest Clubhouse Renovation

