

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

MCPB
Agenda #3
05/1/14

MEMORANDUM

TO: Montgomery County Planning Board

FROM: John Nissel, Deputy Director *JN*
Christine Brett, Chief, Enterprise Division *CB*

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 2013 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, 2017.

JN CB:pls
Attachment



Montgomery County Revenue Authority

Annual Planning Board Briefing 2014

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 and 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) 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 deems 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

The MCRA uses supply and demand pricing based on constant analysis of utilization by two-hour segments.

Rounds Played

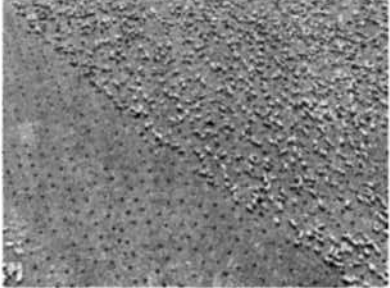


Overall, there were 375,249 rounds played at M-NCPPC and MCRA courses in Calendar Year (CY) 2013 versus 393,069 rounds in CY2012, which represents a 4.5% decrease in total rounds. There were 186,142 rounds in CY2013 versus 191,694 rounds in CY2012 played at the four M-NCPPC golf courses, which represents a 3% decrease. There were 189,107 rounds in CY2013 versus 201,375 rounds in CY2012 played at MCRA courses, which represents a 6% decrease in rounds. According to Golf Datatech, which provides data for PGA of America and National Golf Course Owners Association, the total rounds for 2013 decreased by 5% nationally; the regional market of DE, DC, and MD decreased by 3%; and local DC and Baltimore market decreased by 7% in CY13. In conclusion, the 4.5% decrease of rounds played for the system was consistent with national and regional results.

Rounds decreased at all facilities in 2013 except Sligo Creek and Little Bennett. The decrease in rounds in 2013 is largely attributable to the weather pattern. The winter months in 2012 were significantly warmer and 2013 was a return to a more normal weather pattern. 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 143.5 golf courses in 2013. Since 2006, there has been a cumulative net reduction of 643 golf courses. The MCRA continues to work with industry leaders on developing and implementing programs to improve golf participation. PGA Jr Golf League, based on the successful launch of the league in 2013, recognized the MCRA. We are working with them to test a new format this year, which may be rolled out nationally in the future. Finally, we are working with the First Tee of Montgomery County and MCPS to implement golf as part of the elementary and middle school curriculum.

Agronomy and Environmental Stewardship at MCRA Golf Courses

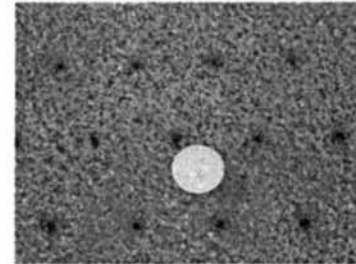
We are very proud that this year, Needwood Golf Course became just the 15th golf course in Maryland (out of over 200 courses) and 875th in the world (out of about 35, 000) to be designated a Certified Audubon Cooperative Sanctuary. Important agronomic strategies continued and a number of projects were 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.

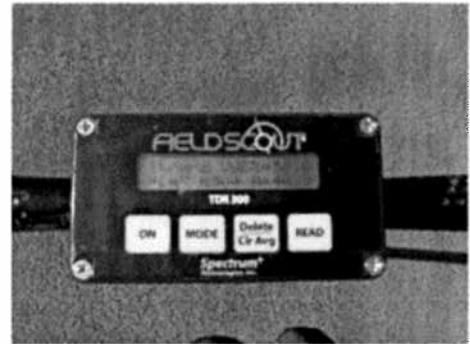
Total Exchange Capacity (M.E.)		4.86	4.01
lbs. of Soil Sample		6.80	6.60
Organic Matter, Percent		2.37	2.22
ANIONS	SULFUR: p.p.m.	13	14
	Mendenhall Phosphorous lbs./acre	264	226
EXCHANGEABLE CATIONS	CALCIUM: lbs./acre	801	544
	Desired Value	844	498
	Value Found	-17	-46
	MAGNESIUM: lbs./acre	100	100
	Desired Value	100	82
	Value Found	-18	-29
	POTASSIUM: lbs./acre	100	100
	Desired Value	82	71
	Value Found	-18	-29
	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. Our goal is that by the end of 2014, all MCRA golf courses will have achieved

Audubon Certification by completing requirements in six-focus areas of this intensely managed program:

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

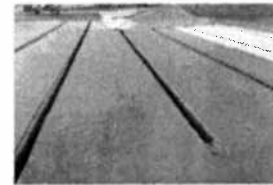
Research: Needwood Golf Course continued their research of warm-season grasses and how we can most effectively implement strategies to reduce water, fertilizer, and pesticide use on our golf courses with a minimum impact on playability. Sligo continues their evaluation of a more organic fertility program 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.

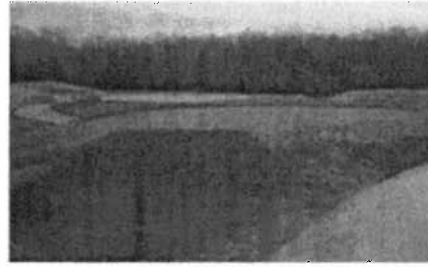
Hampshire Greens began research of an experimental herbicide that has shown very good potential at other test locations around the country to eliminate *Poa annua* (annual bluegrass) from creeping bentgrass playing surfaces. Maintaining a pure bentgrass stand is very difficult, and *Poa annua* infestation is something superintendents have been trying to control for decades with mostly unsatisfactory results. *Poa annua* is a grass that does not tolerate heat or drought well, and is prone to damage from many pests. If we can eliminate the *Poa*, we can dramatically reduce pesticide usage on the golf course. Initial results from this research showed some injury to the bentgrass, however, one of 3 sites to report injury to the specific cultivar Providence bentgrass in 2013. Because of this we are discontinuing the research until more data on the product is developed from other research sites. Overall, this product does appear to be the best one ever developed for the control of *Poa*.

Projects: Numerous projects were completed in 2013, which have a direct, positive impact on course playability as well as the world around us.

- **Drainage** was installed in greens at Laytonsville (#11,12) Falls Road (#1,3,4,5,8) and Needwood (#5,9,12,15,17, practice green) this year. The greens at Laytonsville and Needwood are old-style pushup greens that lacked internal drainage and whose underlying soil did not percolate well. 2-inch drainpipes were installed at 18-inch depths on 6-foot centers in poor draining areas of the greens. A different angle was taken at Falls Road, where problematic wet areas of newer sand-based greens were improved with “PC Drainage,” a system where a Fiberglass rope is pulled through the green on 3-foot centers at a depth of 10-11” to allow water to exit the lower strata of the greens cavity through capillary (wicking) action. 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 more cultural practices to help keep the turf healthy.
- **Bermuda grass conversion** was expanded in 2013 at Rattlewood, Laytonsville, Hampshire Greens, and Northwest Golf Courses. Rattlewood converted 4 more fairways (#1,5,10,15) to this water, fertilizer, and pesticide-reducing turfgrass. The driving range tees at Hampshire Greens as well as five tee boxes at Laytonsville and Northwest were converted also. Bermudagrass is typically native to Southern climates, but new cultivars have been developed that are more cold-tolerant, and are increasing in usage now further north into our area and even Pennsylvania. This grass requires far fewer resources and inputs to keep it alive because of its aggressive growth habit in the summer months, as well as its tolerance to attack from disease, insects, and drought. The challenge, however, because it is dormant for about 5 months of the year, is its reduced ability to recuperate from traffic during colder months, as well as the perception in the off-season that these large turf areas are “dead,” when in fact they are not. So far, we are seeing that the benefits of in-season playability and reduced maintenance needs far outweigh the minor challenges.



- **Tee Construction** was completed at Northwest and Hampshire Greens in 2013. Hampshire Greens added two additional teeing areas to the golf course. Championship tees were added to #8 and #14 in order to provide increased teeing area and distribute wear on these par 3's. Northwest constructed forward tees on numerous holes (#2, 5, 7, 10, 15, 17,), where previously the teeing area was just a mowed down area of rough that did not provide a fully level surface. Also at Northwest, 3 tee boxes were re-built and re-grassed to bermudagrass (holes #1 and #6)



- Certain **sand traps** (32 altogether) were fully rebuilt at Falls Road, Northwest (Inner 9), Needwood, Poolesville, Laytonsville, Rattlewood, and Little Bennett. Other bunkers were reduced in size at Little Bennett and Rattlewood. 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. A total of 10 bunkers were eliminated completely at various golf courses. These bunkers were chosen because they either penalize high-handicap golfers or did not come into play. This will further allow us to save resources and fuel moving

forward.

- **Irrigation improvements** took place at Poolesville, Hampshire Greens, and Little Bennett golf courses in 2013. Older, inefficient heads were replaced with new ones that will reduce water usage because they distribute water more uniformly to the irrigated area. New irrigation was installed on Hampshire Greens 13th hole to provide improved playability and reduce labor in keeping turf actively recovering from drought and traffic stress throughout the year.
- **Fairway drainage** projects were performed at Poolesville, 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.



- **6 Large fans** were installed late in 2013 at Hampshire Greens and Northwest. 3 additional trailer-mounted portable fans were purchased for these courses as well as Falls Road. These fans will typically be used in the summer heat to help improve air circulation to the greens that are situated in the pocketed environments where ideal turf conditioning is more difficult to achieve. Air



flow generated by these types of fans has been shown at golf courses around the world to reduce canopy temperatures and improve turf health dramatically during highly stressful weather conditions.

Community Outreach Activities

In 2013, the Revenue Authority launched the first Boy Scout certification program, which allows Scouts to earn their golf badge as part of their journey to becoming an Eagle Scout.

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 2013. 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 1,200 participants visited our courses for the first time in 2013 as compared to 950 in 2012.

Golf Industry Supported Initiatives

We continue to support the golf industry programs to grow the game. The MCRA continued and expanded the Get Golf Ready program and was in the Top 25 for Get Golf Ready in the USA in 2013. The program offers five weeks of introductory golf lessons for \$99.00. Other industry programs that we participated in 2013 include: Take Your Daughter to the Course Day, Women in Golf Day, and bring Your Kids to the Driving Range Day.

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 9,800 participants in 2013 as compared to 8,500 participants in 2012.

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.

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. The MCRA continues to host the annual Montgomery County Golf Summer Amateur Tournament at Laytonsville and Northwest Golf Courses with over 200 participants.

In 2013, 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 2013. 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.

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 CY2013, the Revenue Authority made the following capital improvements and acquisitions.

Northwest Golf Course – In total approximately \$87,000 was spent on the following projects and equipment at Northwest:

- Bunker Rebuilds – Rebuilt (and eliminated 3) all bunkers on the Inner 9 to reduce future maintenance costs.
- Tee leveling and Bermuda grass conversion – 1 tee, 6 tee, 15 tee – Will reduce water and pesticide use.
- 5 large fans to improve air movement on greens to improve summer survival and reduce pesticide use.
- Replaced irrigation mainlines at all bridge crossings throughout the course.
- Tee Box Construction – built new forward tees on holes # 1,2,5,7,10,12,15,17

Purchase of Equipment

- 4 Toro Flex-21 Walk mowers (used)
- 1 Toro GM1600 Walk mower (used)

Needwood Golf Course – In total, approximately \$48,000 was spent on the following projects and equipment at Needwood:

- Green Drainage – Drainage was installed in the main practice putting green and also holes 5,9,12, 15, 18
- Repairs were made to the riser structure on the irrigation pond
- Number 1 fairway was re-graded to improve surface drainage
- The new MCG Golf Studio was constructed utilizing a non-used storage area within the clubhouse. The Studio offers 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 \$60,000 was spent on the following projects and equipment:

- Bunker rebuilds – completed rebuilds of 5 bunkers on the golf course
- Irrigation - replaced 2 bad pumps and replaced intake screens on the stream pump system that supplies water to the irrigation pond.
- Converted 90 more irrigation heads to newer, more uniform ones that will allow us to use less water

Purchase of Equipment

- ToroGM1600 walk mower

Attachment 1
Calendar Year over Year Rounds Comparison

Golf Course System	2013	2012	Variance	% Growth
Total Rounds	375,249	393,069	-17,820	-4.53%
M-NCPPC Golf Courses	2013	2012	Variance	% Growth
Total Rounds	186,142	191,694	-5,552	-2.89%
MCRA Golf Courses	2013	2012	Variance	% Growth
Total Rounds	189,107	201,375	-12,267	-6.1%
Sligo Creek	2013	2012	Variance	% Growth
Total Rounds	26,212	24,924	1,288	5.17%
Little Bennett	2013	2012	Variance	% Growth
Total Rounds	33,164	32,234	930	2.89%
Needwood	2013	2012	Variance	% Growth
Total Rounds	60,895	63,341	-2,446	-3.86%
Northwest	2013	2012	Variance	% Growth
Total Rounds	65,871	71,195	-5,324	-7.48%
Falls Road	2013	2012	Variance	% Growth
Total Rounds	54,228	56,922	-2,694	-4.73%
Poolesville	2013	2012	Variance	% Growth
Total Rounds	28,305	28,579	-274	-0.96%
Laytonsville	2013	2012	Variance	% Growth
Total Rounds	43,247	45,747	-2,500	-5.46%
Hampshire Greens	2013	2012	Variance	% Growth
Total Rounds	29,892	33,340	-3,448	-10.34%
Rattlewood	2013	2012	Variance	% Growth
Total Rounds	33,435	36,787	-3,352	-9.11%