

Sligo Creek Golf Course Task Force
December 7, 2009
Minutes

The meeting began at 7:03 p.m.

Approval of Minutes

- The group agreed to changes to the minutes of November 23rd submitted by Karen Howland. The minutes of November 23 are approved and can be posted.

Mr. Zyontz reviewed follow up items

- Driving range usages chart. Mr. Zyontz highlighted that although Northwest and Falls Road both have lighted driving ranges, the numbers only reflect the usage rates on a lighted driving range at Northwest because the Falls Road driving range was only recently lighted.
- Ms. Bradford suggested a visit to the Falls Road course to assess the impact of lights on the surrounding community. The new technology of lights is very concentrated and focused with minimal impact on the community.
 - o The current size of the Sligo Creek Golf Course clubhouse is approximately 2400 square feet [confirmed as 2,490]. The M-NCPPC's proposal was to add approximately 1300 square feet [confirmed as 1,230] to this structure. The renovation would create a 3700 square foot clubhouse.
 - o Ms. Bradford suggested a visit to the Falls Road course to assess the impact of lights on the surrounding community. She reported that the new technology of lighting provides very concentrated and focused lighting with minimal impact on the community.
 - o The current size of the Sligo Creek Golf Course clubhouse is approximately 2400 square feet. The M-NCPPC's proposal was to add approximately 1300 square feet to this structure. The renovation would have created a 3700 square foot clubhouse.

Several members of the Task Force described their proposals for the future of the golf course.

1. One proposal for Sligo Creek Golf Course was submitted by Karen Howland, Woody Brosnan, Carmen Maymi, Merrill Goozner, Michael Welsh, David Bushnell, and Bruce Sidwell

The general principals for this proposal are:

- Competition- public and private sector should be able to compete for operation of the course
- Self-sacrifice- SCGA would commit to raising 25,000 per year to go into a capital fund. Golfers and neighbors have to contribute more to the course. In addition, the parking lot revenues and rent from the radio tower be directed to the capital fund for Sligo Creek Golf Course. Volunteers would be organized by SCGA similar to the Parks volunteer to support the existing golf course employees, not replace them.
- Prudence- A reserve fund should be implemented first to pay the first year interest on a loan in case the irrigation system fails. A capital fund would be build slowly and would be spent under the direction of a Capital Fund Advisory board which is established to help determine the use of the funds and is an ongoing function of the course.

The financing assumes: 1) an increasing number of rounds played; 2) a \$1 per round surcharge; and 3) \$12,000 in net revenue from food services (current \$1,500).

The end result is a community golf course. The long term goal is to grow the game of golf across all demographic lines. This is a public mission that may require the use of tax payer dollars or proceeds from fees from other courses.

The most pressing need is to find an operator that can operate the course without a County tax supported subsidy.

Mr. Goozner followed Mr. Brosnan's presentation with a Power Point presentation on the operation and capital needs of Sligo Creek Golf Course. This presentation captured the last three years of Sligo's fiscal picture and focused on the operating revenues and costs for the golf course. It highlighted how the golf course consistently breaks even without a subsidy before management fees are considered. Mr. Goozner also stated that additional sources of revenue are necessary to fund capital improvements to avoid a tax supported subsidy for these improvements. The Power Point will be made available on the Sligo Creek Golf Course Task Force webpage.

The plan proposed by Mr. Brosnan and Mr. Goozner can be performed by the MCRA and does not have to go to an outside provider.

Ms. Bartko stated that the proposal seemed to view the course as a community golf course, but in her opinion, the course should be viewed as a county course. The course should be marketed and accessible to the entire county. For example, Montgomery County Public Schools uses County golf courses, and it important for down-county students to have access to the same resources that are available to students in other parts of the county. In addition, a driving range would be preferable to help teach these students the game of golf.

Ms. Schwartz-Jones asked whether the payment for the Holy Cross Parking lease can go to the golf course and whether the lease terms can be amended to increase the lease

amount. She also commented on the sentence on the last page of the first page of the Sligo Creek Golf Association proposal which reads: "There is widespread public suspicion that the property was being vacated for future residential or commercial development." Ms. Schwartz-Jones emphatically stated that the land on which Sligo Creek Golf Course sits is park land, bought with park funds and will not be redeveloped into housing. The statement is as is inflammatory and should not be included in the report. Mr. Bushnell stated that years ago there was a proposal to build Blair High School on the course which may be the root of some community members' suspicion and fear as to what other types of uses can occur on this land. Mr. Brosnan said he would agree to remove the sentence.

Mr. Brosnan stated that the Task Force should make a proposal to the Council that they feel is the best option to pursue and allow the Council to work through the details.

Michael (North Hills Civic Association)- The golf course is considered to be populated by those who live within 7-9 mile radius.

Mr. Brosnan stated the reason for marketing the course as a community course is because of the evidence received from Billy Casper Golf that indicates 9-hole courses are usually marketed to the surrounding community. Therefore, it is appropriate to discuss it as a local course. In addition, the survey shows that 75% if the golfers live near the course. Local donations and local support should be emphasized.

Ms. Bartko also questioned whether it is prudent to suggest the issuance of a request for proposals (RFP) when there is language in the current lease that restricts operation of the course to MCRA?

Ms. Schwartz-Jones commented that a request for proposal (RFP) is a basis for a contract which implies a covenant of good faith and fair dealing. The party issuing an RFP must disclose that they have the authority to enter into the agreement or that there is an inability to enter into an agreement. In addition, the Montgomery County Revenue Authority must get lender approval first or the agency issuing an RFP must disclose this potential obstacle when issuing an RFP.

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course which may be the root of some community members' suspicion and fear as to what other types of uses can occur on this land.

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Michael Welsh stated that the golf course is expected to be used by those who live within a 7-9 mile radius.

Ms. Bradford commented that the proposal was thorough in examining operating cost associated with the course but that there are many items that are missing. For example, the maintenance yard is in need of repair and the repairs carry significant costs. Items like these are not visible to the users but the need and costs associated with these items are as important as those associated with the items seen and used by golfers.

It is the Parks Department position that the radio tower revenue will not be redirected to the golf course.

Mr. Miller asked the following questions:

- What is the rationale for growing the rounds even though the industry is expecting rounds to stay flat or decline?
 - o Sligo is more volatile than other courses.
 - o Aggressive marketing can increase rounds
- Is the money from the radio tower, parking lot, and SCGA fundraising expected to be devoted to capital expenses only or directed for use by the operator?
 - o On the projected operating statement these funds are being paid back to the capital fund.
- What is the proposal to fund the additional \$1.5 million in capital needs?

Ms. Maymi- Women golfers are being blatantly discouraged to play at other courses. Sligo Ladies Golf League would like a driving range because they would like to have instruction. The proposal for 76 driving ranges was too much, but a driving range should be accommodated on the existing course. First Tee of Paint Branch has approximately 400 members but Sligo only has about 30 because the Paint Branch course has a driving range.

2. Mr. Sidwell presented his proposal which focused on the environmental aspects of the course. He highlighted that if there are going to be any major modifications to the course, the stream valley and wildlife habitat should be considered. Capital improvements can be made to keep the natural value of the site but the removal of trees would remove the natural benefits of the site. The driving range would impact the natural habitat and remove a number of trees which are most important to preserving the natural habitat.

3. Montgomery County Revenue Authority- Presentation

This presentation focused on the assumption that if the golf course is marketed differently the golf course can be more successful. MCRA proposes to work with the surrounding community, Parks and the Recreation Department for a year to develop a plan to identify cost saving ideas. Some suggestions are:

- Place the greens on a preventive maintenance program. (less chemical applications)
- Close the course from December to February to reduce costs
- Modify management fee
- The community would be represented by the Sligo Creek Golf Association
- The community would fund some of the marketing costs
- Establish a volunteer program (including staffing the starter and ranger jobs)
- Parks will increase security during closed months
- Ask Council for a 1 year subsidy of no more than \$150,000

This recommendation is coming from the Executive Director of the MCRA and still requires Board and Bank approval.

Veterans currently play at Sligo but due to ADA compliance issues there is no formal group at the golf course.

Mr. Brosnan stated that one year is not long enough and believes a two year commitment is necessary to see positive results. Seven members have put forth a proposal that does not require Council appropriation if going with a private operator.

David Bushnell is hesitant to believe the Council will support this option because it would require a supplemental appropriation and places the course where it was in October of 2009.

Jerry Godwin asked how long would it take to explore the non-compete clause of the current lease? When can the bank be asked whether a private management company can be pursued as the operator for Sligo Creek Golf Course? He suggests continuing with some proposals put forth by the community which will give the requisite time to see whether the community's efforts benefit the course and whether there is a high level of community commitment. He also suggested exploring whether a private company will be willing to take it on after one year.

Carmen Maymi commented that County residents will not support redirecting tax supported dollars to a golf course when services to needy families are being cut. It is better to support an option that requires the course to be self-supporting.

Bruce Sidwell asked for the environmental community to have a chance to participate in the MCRA proposal.

Merrill Goozner suggests having tiered proposals where the Task Force ranks each according to least and best proposals.

More discussion will occur at the next meeting.

Meeting adjourned at 9:15 p.m.