


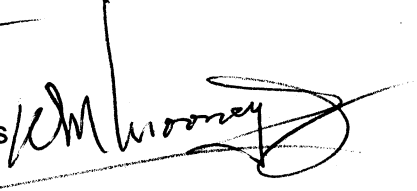


MONTGOMERY COUNTY DEPARTMENT OF PARKS
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MCPB
Agenda Item _____
March 15, 2007

March 2, 2007

Memorandum

TO: Montgomery County Planning Board
VIA: Mary Bradford, Director of Parks 
FROM: Bill Mooney, Acting Deputy Director of Parks 
SUBJECT: Revenue Authority Presentation of Master Plan

Purpose: To receive a briefing from the Revenue Authority on the Master Plan they have developed for the integration of the Park Golf Courses into the Unified Golf System for Montgomery County.

Requested Action: Receive Briefing and Provide Feedback

The revenue Authority has completed a Master Plan for improvements to the four golf courses they are operating in the park system as agreed to in the lease. Attached is a summary of the plan. The Executive Director of the Revenue Authority will present the plan to the Board in detail.

On the following page is the relevant section of the lease that describes the Master Plan and the process for capital improvements. Subsequent to this briefing and feedback from the Planning Board, the major projects will come before the Board as mandatory referrals. The County Council approves all CIP projects initiated by the Revenue Authority. This process will provide two opportunities for the community and the Board to have input. In addition, the Revenue Authority briefed the County Wide Recreation Advisory Board (CWRAB) and the Silver Spring Regional Advisory Board specifically about the Sligo Creek improvements. The Revenue Authority will continue to get input from the CWRAB on a regular basis.

6 IMPROVEMENTS.

- 6.1 Master Plan. Tenant has retained an independent consultant to prepare a draft capital improvement plan ("Golf Master Plan"), which shall be completed no later than March 1, 2007, which shall include Tenant's plans for short and long-term incorporation of the Leased Premises into the Golf System in order to accomplish the goal of a successful unified system of public golf in the County operated by Tenant. The Golf Master Plan shall include capital improvements proposed for the Leased Premises, including alterations, modifications, and additions to such facilities, and a financial plan with proposed sources of funding. The Golf Master Plan is a non-binding document and any action by Tenant is subject to the provisions of Montgomery County Code Chapter 42.
- 6.2 Capital Improvements. Tenant shall not include any new capital improvements to the Leased Premises in its capital improvement plan request before the Council unless such capital improvements are (a) consistent with the use as set forth in this Lease, and (b) are included in the Golf Master Plan and presented to the Montgomery County Planning Board in accordance with its annual reporting requirements. Thereafter, Tenant shall proceed through its normal mandatory referral review process before the Montgomery County Planning Board in its regulatory capacity. Nothing in this Lease shall be deemed to waive any obligation of Tenant to appear before the Montgomery County Planning Board in its regulatory capacity. Any improvements to the Leased Premises shall be subject to Applicable Law, including applicable governmental approvals and permits. At the expiration or earlier termination of this Lease, all capital Improvements on the Leased Premises (whether such capital Improvements were on the Leased Premises prior to the Effective Date, or constructed during the Term of this Lease) shall remain upon and be surrendered with the Leased Premises and become the property of Landlord without cost to Landlord, unless the expiration or termination pertains to a Park Golf Course extracted by Landlord pursuant to Section 12.1, in which case Landlord shall pay for the improvements as stated in Section 12.1. Tenant covenants that, except for any Corrective Work not completed by Landlord, upon such surrender of the Leased Premises, the Park Golf Courses shall be in compliance with Applicable Law for the continuing operations of the Park Golf Courses.

MASTER PLAN

Moving Toward a Successful And Unified Golf System

Prepared for:
**Maryland-National Capital
Park and Planning Commission**

March 1, 2007

Prepared by:
Montgomery County Revenue Authority

MONTGOMERY COUNTY GOLF

Falls Road Golf Course
Hampshire Greens Golf Course
Laytonville Golf Course
Little Bennett Golf Course*
Needwood Golf Course*
Northwest Golf Course*
Poolesville Golf Course
Rattlewood Golf Course
Sligo Creek Golf Course*

*Park and Planning Courses

BACKGROUND

On April 15, 2006 Montgomery County Revenue Authority (MCRA) began operating four golf courses owned and operated by 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.

MCRA is required under the lease to prepare and present a draft capital improvement plan ("Golf Master Plan") no later than March 1, 2007, which includes MCRA's plans for short and long-term incorporation of the four golf courses into the Golf System. The goal of the Golf Master Plan is to successfully unify the system of public golf in the County. The Golf Master Plan includes capital improvements proposed for the four golf courses, including alterations, modifications, and additions to facilities, and a financial plan with proposed sources of funding.

Upon completion of the master plan in 2007 and each year therefore, MCRA is required to appear before Montgomery County Planning Board and make a presentation covering (1) significant activities conducted by Tenant in support of its obligations under this Lease, including (i) a schedule of fees charged at each Park Golf Course with a comparison to the market attached, (ii) number of rounds played at each Park 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 the Lease; (3) any updates to the Golf Master Plan; (4) current capital improvement plan; and (5) any other information reasonably requested by M-NCPPC.

PURPOSE

Essentially, the purpose of this report and the companion presentation to the Planning Board is to summarize the progress toward the integration of the four M-NCPPC golf courses into the Montgomery County Golf system. The goal is the development of not only a successful nine golf facility system built on the Montgomery County Golf model, but also one of the best public golf systems in the nation.

Even though the integration process is less than a year old we have made very significant progress. We will summarize the progress to date both operationally and from the perspective of facility planning and then look ahead to next steps toward the complete integration of the golf system.

In the first section of the report we will address the operational issues related to the integration process. Specifically, we will cover rounds played at M-NCPPC and MCRA courses in calendar year 2006, rates of participation in a broad range of activities, community outreach activities undertaken, agronomic activities and plans and pricing issues. Once we have reviewed the operational issues, we will discuss the master planning process, outline proposals and discuss next steps.

ONE SYSTEM: A SUMMARY OF INTEGRATION EFFORTS

We have spent a lot of time on integration issues with the objective of developing a unified and successful system of golf in the County. Early in the transition process we began to focus on the integration of the four Park and Planning courses into the Montgomery County Golf system. At that time we developed the "Gemini" program that paired key personnel from an existing MCRA golf course with key personnel of a Park and Planning course in close proximity, to address issues as they emerged in the early months of the transition to a nine course system.

Very early in the transition process we made the decision to move the Park and Planning golf courses to the point of sale system that Montgomery County Golf has used for many years. We have had good success with the system and though the change over to one point of sale system was not free of pain, it was accomplished in the first few months of operation. Another challenge was related to the fact that each of the golf course systems was running loyalty programs. Again, we made the decision to move to one loyalty program. The transition was not without some issues early on but all of those have been resolved. Another example of integration into one system was adding the Park and Planning courses to our web site.

The Revenue Authority has used this off season to further integrate the golf course system. It became apparent this season that in order to operate the nine courses under our system we would have to restructure our organization. Therefore, we have added and redefined roles to develop a more specific focus on our key areas of operations. In the late summer, we announced the position of Director of Agronomy. This position is working on specific course conditioning plans, equipment management plans, and bulk materials purchasing across the golf system. Next we identified specific focus areas of the operations and established teams to address standardization in those areas. The teams are Instruction, Merchandising, Pricing and Operational Standards. Each team is led by one of our PGA Head Professionals and consists of other Head Professionals and/or assistants. Internally we added a new CFO and are in the process of re-organizing our accounting department to meet the increased support needs of the operations.

OPERATIONS

Rounds Played: Overall, there were 369,443 rounds played at M-NCPPC and MCRA courses in 2006. The total rounds played include the number of rounds reported by M-NCPPC prior to MCRA operation of the four courses prior to April 15, 2006. The total rounds played at the four Park and Planning courses was 172,342 and 197,101 rounds at the five MCRA courses. In calendar 2005 the two golf systems played 352,779 rounds between them. Therefore, 2006 rounds were higher than 2005 rounds by 16,664 or 4.7%. Park and Planning courses played 170,488 rounds in 2005 and MCRA courses played 182,291 rounds in 2005. Therefore, Park and Planning rounds in 2006 exceeded 2005 rounds by 1,854 or 1.1% and MCRA rounds in 2006 exceeded 2005 rounds by 14,810 or 8.1%.

Participation Data: To increase public awareness and encourage new golfers in the sport, the MCRA has published the annual Montgomery County Golf Guide that lists innumerable learning

opportunities, programs, and tournaments for golfers of all skill levels. The MCRA's Professional Golf Staff provide a large number of learning opportunities. In regard to increase accessibility, Montgomery County Golf began providing free clinics for new golfers over five years ago at its golf courses. In 2006, the golf staff instructed almost 4,000 adult golfers in camps, clinics, groups, and individual sessions.

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 4,000 junior golf participants in a broad range of camps or clinics in 2006. In addition, the MCRA provides extensive support to the Montgomery County Public Schools golf program. In 2006, there were 29 public high schools whose team members played nearly 3000 free rounds of golf in practice sessions and matches.

Another major commitment to junior golf and the community is the MCRA's heavy involvement in The First Tee Montgomery program. First Tee provides an opportunity to expose young people, who might not have an opportunity, to the sport of golf. In 2006, there were well over 2,000 participants in First Tee sessions at Laytonsville 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. MCRA provides a 50 percent discount for the mentors and students. Another significant contribution to First Tee is the donation of Laytonsville Golf Course for a major First Tee fund raising event, providing the most significant single revenue generator for First Tee on an annual basis.

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 43 different leagues across six of its golf courses, which accounted for over 16,000 rounds of golf in 2006. Again in 2006, the MCRA held the third annual Montgomery County Golf Summer Amateur Tournament at Laytonsville. The MCRA hosted over 200 outings in 2006, with over 12,000 participants. The MCRA donated rounds of golf to nearly 100 local charities including schools and church groups at a value of over \$15,000 in 2006.

Community Outreach Activities: It could be said that many of the activities discussed above constitute outreach activities. In addition, we will be briefing the Planning Housing and Economic Development (PHED) Committee of the Montgomery County Council in the very near future about our progress. As we have worked over the last year to integrate the two golf systems we have had several opportunities to work with many community organizations. We have begun to work closely with the County-wide Recreation Board and also with the Citizen Advisory Boards as required to glean input related to our efforts on specific projects.

We have also undertaken a significant ongoing customer survey process in partnership with the National Golf Foundation. This professional golf survey has yielded excellent information as we continue to plan both the operational side of the integration process and for our future planning as well. To date, there have been 3,830 surveys returned.

We have also undertaken extensive programs designed to reach out to those who have not been participants in the game of golf. As mentioned above, we have very extensive participation in golf programs for young people. Additionally, we have been one of the largest single supporters of the First Tee Program, a national program that exposes young people to important life skills through the process of learning golf. The 2007 Montgomery County Golf Guide has just been published. The Guide includes 170 learning opportunities from one day clinics to two week camp for junior. The offerings this year include learning opportunities for non-golfers, beginner golfers, intermediate golfers and advanced players. In our continued effort to grow the game of golf, the MCRA now offers free introductory classes for non-golfers and beginners. As in previous years we are targeting juniors and women in our learning programs. Finally, for those who want a bit of friendly competition we have scheduled over 70 tournaments across our nine facilities.

We are also reaching out to the community indirectly by ensuring that the pricing is the best it can be and through developing facilities that attract current and prospective golfers to use facilities and services offered by our programs and our professional staff. We will address pricing in more depth later in this report and the facility improvement issues will be addressed at length as we discuss our master plan.

Agronomic Activities and Plans: Early on in the transition from five courses to nine it was recognized that additional oversight was needed to ensure that course conditions were the best they could be. As a result MCRA has selected a Director of Agronomy to oversee all of the golf course superintendents. This move has already paid dividends in the form of improved conditions and efficient management. Additionally, we solved key personnel shortages that were problematic in the early phase of the transition. As a result we are entering the 2007 golf season with a much stronger staff than last year. The new team has developed specific maintenance plans for each golf course which will improve course conditions.

We have employed aggressive aeration at all of our courses and contracted with a soil consultant in an effort to ensure that the turf is as healthy as it can be. Healthy turf requires air, water and nutrients and the cultural practice of aeration is a key element in our plans to maintain quality playing surfaces.

Another key to quality turf condition is good quality and well maintained equipment. We developed equipment plans based on need and made a significant equipment purchase early in the transition. We have found that our buying power with nine facilities has allowed us to save money and buy more equipment. In addition, we are now able to conduct aeration in-house with our own equipment instead of contracting for that activity.

Pricing: Through new and powerful point of sale technology, we are now able to generate data that helps us manage capacity at the golf courses and provide pricing based on supply and demand. Therefore, a particular course might have several prices based on day of the week and time of day. At present, we have yet to set the prices for the 2007 season, but we can assure our customers that they will be able to find some very attractive fees throughout the year.

Point-of-sale systems also provide the opportunity to set prices almost in real time on the internet. Specifically, we are able to know where the slow times are and offer an attractive price in an email to someone who is able to take the available time. We piloted internet specials this fall and the response to email specials has been very positive. Therefore, we launched a program called "Montgomery County Golf E-Club" which uses email to inform customers about special offers on an ongoing basis. We quickly grew to over 15,000 participants in the E-Club program.

Finally, we note that whatever the pricing is it must yield enough revenue to cover operating costs and debt service associated with investment in improvements to facilities.

MASTER PLAN

In this section of the report we will provide an overview of the Master Planning effort, including the process we have undertaken, the key participants in the planning process, and the results of the process.

The Assessment Process: During the assessment process, we have looked at the golf courses from many different perspectives. The centerpiece of the entire process is the work done by our golf course architect, Edward Beidel with Beidel Designs, who studied each and every golf hole on all four of the Park and Planning golf courses. This process is identical to what was completed in the late 1990's to assess the five original Montgomery County Golf facilities. We received detailed reports for all four courses including recommended improvements to each. We then went through a process of prioritizing projects. We developed what we believe to be a manageable Phase One plan for improvements to the courses themselves.

In addition to retaining a golf course architect we also hired Edward Masek, a principal at Wheeler Goodman and Masek, Architecture and Interiors, to conduct an assessment of all of the buildings on the properties. The assessment included the clubhouses, maintenance buildings and other facilities. In addition, the architect entered into a subcontract to conduct an overview of all the electric, heating, plumbing, air conditioning and ventilation and other systems in all of the buildings.

We recognized early on that we would also need to retain an irrigation consultant to do a complete review of the condition of the irrigation systems at each golf course. For this task we retained the services of Dr. Michael Krones, PhD. and Paul McMahon of Hydro Designs Inc. with whom both Park and Planning and MCRA have worked. Dr. Krones did the assessment and design for the proposed Needwood irrigation system under contract to Park and Planning. In addition, Dr. Krones conducted the Little Bennett, and Northwest assessments and Mr. McMahon conducted the Sligo Creek assessment.

We also conducted an extensive review of maintenance equipment. For this assessment we used our own personnel on a team headed by our new Director of Agronomy. The result was an immediate purchase of needed equipment to help maintain the turf at the courses and to develop ways to save costs by doing aeration with in house personnel versus contracting the function out.

It should also be noted that with nine golf courses we enjoy significant cost savings for equipment acquisition.

As we got into the assessment process we determined that we would require the services of a financial analyst to help with market research and feasibility studies related to some of the projects. We retained David Wells with Kennady Consulting to help with these tasks. Mr. Wells conducted a market analysis and feasibility study for a large project at Sligo Creek.

Phase One Projects: The process resulted in the determination of what projects we would take on in priority order. We used a number of criteria to determine which projects would be first in line. Criteria included playability, maintainability, revenue generation capability, contribution to pace of play and affordability. The improvement actions for just the golf courses included 54 separate actions. There were dozens of other improvement actions after the buildings and systems were included. We will summarize improvement actions by facility below. The reader should be mindful that the specific actions are cast against the backdrop of an overarching focus on course conditions.

Little Bennett: The primary golf course improvement action at Little Bennett is improvement of course conditions. We will not be undertaking other major improvements until we see the course conditions and play levels improve. Beyond course conditions, perhaps, the most pressing issue is maintenance of the clubhouse. Specifically, the materials selected for the exterior of the clubhouse building at Little Bennett require extensive and ongoing maintenance.

Two of the more prominent features of the building are the columns and the cupola. Both are constructed of wood and after 10 years the exterior of the clubhouse is showing significant signs of wear. Column bases are rotting and the columns are in need of replacement. We will be replacing the columns with long lasting fiberglass columns to solve this problem. The cupola also needs some attention. The cupola needs scraping, painting and replacement of materials as needed. In addition, the small columns on the cupola will be modified to preclude their use by birds.

Other instances of exterior maintenance need to be addressed at the clubhouse as well. These issues include a persistent problem with urinals in the men's restroom, the need for floor drains in the men's restroom, and some issues related to the equipment and systems servicing the clubhouse. The maintenance area has few maintenance concerns. At present, the maintenance yard is a gravel surface and should be replaced with a paved surface.

In general, the irrigation system is in fair condition. Few improvements have been made to the system since it was built in about 1992. Some issues related to the initial construction and maintenance over the years, coupled with advantages presented by current technology, lead to a recommendation that it is time to commit a significant investment in the system. The investment will be worthwhile, resulting in an extension of the useful life of the system, improved turf health and golf course playability, and reduced energy and water consumption. The irrigation system upgrades and repairs may occur over two or three years.

Finally, MCRA will continue to work with M-NCPPC as they address various conditions that existed prior to the development of the lease of the four golf courses. These items, for Little

Bennett, include MDE permit and storm water management issues that were specifically covered in the final lease agreement.

Northwest Golf Course: The centerpiece of the Northwest improvements is a complete renovation of the tee boxes and green complexes on the entire 18-hole loop. Northwest Golf Course is the longest golf course in the nine course system and has potential to play many more rounds than are currently played there. With a complete renovation, we believe that the course will attract additional players and increase the frequency of play at Northwest. While the focus is on the 18-hole loop at present, course conditions will be the focus on the inside nine holes at Northwest.

One critical area of focus is on two particularly difficult golf holes – holes number 13 and 16. When a major rainstorm comes these two holes are at risk for substantial turf loss as was experienced in the early summer rains that brought 10 plus inches of rain to the region. As part of the first phase of improvements we will address the drainage on holes 13 and 16 by raising the fairways significantly and provide a drainage system that will allow the water to drain and/or to take a less destructive course when it rains. Obviously, this project will require significant design work, but it is critical to solve these two major problems that render the course unplayable resulting in huge revenue losses in peak season.

The irrigation system design and construction is typical of irrigation systems built on public, municipal courses over the past 10 years. According to our irrigation consultant the irrigation construction budget was somewhat restrictive, but the system is satisfactory. Our irrigation consultant's inspection of the site and review of hardware, documentation, and interviews of individuals with knowledge of the course and irrigation system indicate that the system has been inadequately maintained over the years, and that little has been invested towards improvements. That said, the irrigation system is functioning and serviceable. There are persistent problems that can be corrected. Significant improvements in performance, resulting in water, energy and labor conservation and healthier turf can be achieved with little change to the basic system infrastructure.

Finally, MCRA will continue to work with M-NCPPC as they address various conditions that existed prior to the development of the lease of the four golf courses. These items, for Northwest, include irrigation and storm water management issues that were specifically covered in the final lease agreement.

Learning Centers: In our original master planning activity in the late 1990's we were seeking to develop major improvements in the practice facilities, essentially creating learning centers at several of our key facilities. We have found that learning centers are critical to the growth of the game and ultimately, beneficial to the performance of golf courses. First, quality practice facilities attract golfers who are interested in improving their golf skills. Additionally, quality practice facilities are necessary for quality golf instruction. Students who are happy with facilities and their instruction are likely to play at the facility, have a meal at the facility, purchase equipment at the facility, become long term students at the facility and so forth. We should also mention that Learning Centers are good First Tee sites. Little Bennett functions fairly well as a learning center already and Northwest with the covered and heated range is also a

good facility for practice and instruction. We are planning two new learning centers – one at Needwood and one at Sligo.

Needwood Golf Course: To transform Needwood into a quality learning center a few significant changes need to be made. First and foremost, the range needs to be lengthened to a full 300 yard range versus the current length of just over 200 yards. The range also has the non-standard feature of having trees on it and a net at the end of it to stop golf balls from striking golfers who are playing the 11th hole at Needwood. The lengthening of the range will require re-routing the 11th hole.

The other key aspect of the learning center is to develop an excellent short game area in the area of the current putting green and the 18th hole green complex. The current putting green is marginally useful and has much more slope than is desirable for practicing putting. By moving the green complex at the 18th hole, there will be plenty of room to construct a fine short game area directly in front of the clubhouse. A new green complex would be constructed closer to the pond on the 18th hole.

In addition, we will make two other changes to the golf course in close proximity to where the 11th hole work will occur. Specifically, we would renovate the 12th hole green complex and extend the 16th hole as a short but interesting par five hole.

Most of the problems with the clubhouse are related to the two-level structure that makes the facility more expensive to operate. At the clubhouse the windows that face south received some sort of reflective material that was supposed to fix the glare problem. It has turned into an unsightly problem that needs to be fixed. There is tremendous heat loss through the windows, and therefore, we would address the heat loss problem as well. In addition, we will address some problems with rotting wood on the exterior of the clubhouse.

Finally, MCRA will continue to work with M-NCPPC as they address various conditions that existed prior to the development of the lease of the four golf courses. These items, for Needwood, include extensive storm water management issues that were specifically covered in the final lease agreement.

Sligo Creek Learning Center: The most significant and exciting project in our golf master plan is Sligo Creek Learning Center. Sligo Creek becomes a broad based learning center for literally everyone to enjoy.

The centerpiece of the new Sligo Creek will be world class practice facilities. We will construct a full length, two-level, lighted driving range with 60 to 70 stations. The two-level feature provides the opportunity to deliver group instruction efficiently on the lower level and at the same time keep the upper level available for the general public. There will be a significant short game area that will provide the opportunity to practice any shot imaginable, including sand and grass bunkers as well as putting and chipping greens.

The golf course will be re-routed and shortened somewhat, but nine holes will remain. The first three holes will be renovated. The other six holes will be par three holes with the second loop

being somewhat longer than the third loop and shorter than the first loop. Golfers will be able to play the course in three-hole, six-hole or nine-hole loops. The ability to choose a shorter loop addresses the need to provide less time intensive options for existing and new golfers. Sligo Creek Learning Center will provide the opportunity to have a short practice session on the range and to play a three hole loop in as little as an hour compared to a minimum of two hours for nine holes or over four hours for 18 holes. In addition, PGA teachers will be able to easily take students from the lesson tee to a nearby three-hole loop and avoid the usual intimidation of moving to the “big” course.

In an effort to provide recreational activities for the whole family and to introduce young people to the game of golf we are considering building two miniature golf facilities at Sligo Creek. The first will be constructed initially, and a second would be constructed if the demand appears strong enough to support it. We believe the demand will be there and Sligo will become a place where moms and dads take lessons or play a short loop while the youngsters are playing a round of miniature golf.

We plan a complete renovation of the clubhouse at Sligo Creek. One of the key elements of the Sligo Creek Learning Center is that it has the potential to become the home of the First Tee Montgomery. In addition to the golf feature we will build into the Learning Center a space in the completely renovated clubhouse for an office for the first tee headquarters and classroom space for the life skills instruction aspect of the First Tee program. The space in the newly renovated clubhouse will double as a place where families and groups can have birthday parties and other activities preceded by a round of miniature golf or a golf clinic.

The final issues at Sligo Creek are the irrigation system and the water source. The bottom line assessment of the irrigation consultant was to “blow it up”. Simply put, there is nothing that can be salvaged. The existing irrigation system has been constructed as a series of improvements to the original irrigation system built in the late 1950’s. No apparent consideration has been given to the existing water taps or piping network when improvements were made. Most problems with the irrigation system are a result of undersized piping and water source infrastructure, which translates to inadequate water pressure. In addition to flow and pressure problems, sprinkler coverage is poor, especially in the approach areas between fairways and greens. Therefore, the issues that need to be addressed are the water source, the piping network, and the coverage issue. There is one critical issue related to the water source.

During our irrigation consultants inspection of the system it was discovered that the tap near the clubhouse provides potable water to the clubhouse and also the irrigation water to the golf course. Additionally, it was discovered that there is no backflow prevention device on the irrigation system to prevent contaminants from entering the potable water supply. This is a serious health hazard that Park and Planning will correct as soon as possible.

CONSTRUCTION PROCESS

We will attempt to move the projects along as quickly as possible. Our first priority is the Sligo Creek project. It would be ideal to be able to begin the construction process in the early fall of this year to allow as much time as possible for growing in the new golf features. For the other projects, we will attempt to employ creative staging to minimize the amount of disruption to our customers and to our revenue stream. In all cases we will aggressively grow in the new golf features. Realistically, the time horizon for the proposed projects is likely to be in the neighborhood of three to five years.

COST ESTIMATE AND FINANCING

We are continuing to define the final projects and scope of work to be completed in these initial projects. As you can see the projects are extensive and will be a substantial dollar amount which we will be able to outline further as we finalize the scope of work. Also, at this point it is much too early to provide any details of the financing. However, we are considering several options which will likely include a mortgage style financing instrument with level debt service that is consistent with the requirements of the lease.

NEXT STEPS

On the operational side we will continue to ensure that the four Park and Planning golf courses are fully integrated into the Montgomery County Golf system. As far as the Master Plan goes, our next steps include a briefing with the Planning, Housing and Economic Development (PHED) Committee of the Montgomery County Council. In addition, discussions with community groups are ongoing and will continue, as needed, as we work through the master planning activity. We also need to retain engineers and consultants to do the work to seek approvals for the projects. Additionally, we will need to go through the mandatory referral process and seek approval of an amendment to the Capital Improvement Program.

