



**Sligo Creek Golf Assn.**  
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Dear Sligo Supporters:

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See below key highlights from the Council Task Force meeting (10-26-09) on Sligo Creek Golf Course. This was written by Woody Brosnan, a member of the task force and an integral player in our battle to keep the course open. We will do our best to post summaries after each meeting. The next one is November 9th.

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Last night's meeting of the Sligo Creek Golf task force was one of the most satisfying public meetings I have ever attended. It reaffirmed many of the arguments we've been making for why the course hasn't been given a fair chance and its eminent closure is not necessary.

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Representatives of two golf course management companies confirmed practically everything that PREZCO and the Sligo Creek Golf Association have been saying about the economic viability of Sligo Creek Golf Course in a direct repudiation of the Montgomery County Revenue Authority.

John Seebreeze, vice president of Billy Caspar Golf, said that while there are some serious capital needs that have to be prioritized - they believe Sligo Creek Golf Course can and should be operated profitably.

Billy Caspar Golf manages 110 course operations in 25 states, including 70 courses owned by municipalities. A dozen are nine-hole courses including some in urban areas of Chicago and Cincinnati. While golf is slightly down or flat nationwide their nine-hole courses are doing better than their resort or rural courses. Only one of their nine-hole courses has a driving range. All but one is profitable.

"What we're seeing is that golfers are playing the same amount of rounds. They're trading down or spending less money. The facilities doing the best are our nine-hole courses," said Seebreeze.

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Seebreeze said it is important to market nine-hole courses differently than 18-hole courses. They focus on the neighborhoods around the courses, using direct mail, e-mail lists and customer loyalty programs to build up repeat customers. (This is exactly what community supporters of Sligo have been telling MCRA for two years.) Large capital investments aren't necessarily needed immediately to increase rounds and revenue. They were very successful with the 9 nine-hole courses they operate in Chicago by simply doing "a little window dressing." For example, a fresh paint job on the clubhouse, clearing brush and debris off the course and picking up the trash will make golfers feel better about coming to a course. (This is why SCGA asked permission to organize volunteers to clear away weeds and underbrush from the course, but MCRA said no, citing "liability" concerns.)

Another critical factor for a successful 9 hole course is to have extremely friendly and service-oriented employees. Nine-hole golf courses should be treated as "beacons of the neighborhood," said Seebreeze.

Seebreeze described Sligo as an attractive prospect for golf operations for several reasons. It is easily accessible from major thoroughfares like Georgia Ave., Colesville Road and the Beltway. It is in a highly populated and diverse area. And it has a supportive community environment. Generally, transportation and dense urban areas are the key success factors for 9 hole courses. The only nine-hole course that they manage and is not doing well is an urban area of Cincinnati. Apparently, it is hard to find and "takes too many turns to reach."

When asked by Tedi Osisas, the task force chairperson, whether he considered operating Sligo Creek Golf Course to be a "slam dunk," Seebreeze didn't hesitate to respond "yes, it's a slam dunk."

Seebreeze also said they have looked at the National Golf Foundation study which recommended closing Sligo and they disagree with its conclusions. He said it was an "academic" study which basically reflected the data they were given by the MCRA.

In response to a question, Seebreeze said the industry standard for a management fee is around five percent. Sligo Creek this year was charged 31 percent of its revenues as a management fee to MCRA, \$170,000.

I should mention at this point that the agronomist for Billy Caspar golf walked the course with some members of SCGA earlier Monday. They said a new irrigation system could cost up to \$700,000 depending on how it is done. Otherwise their estimates for fixing up the bunkers and other areas were lower than what we have heard from MCRA.

In terms of capital improvements, they acknowledge that all courses face the need for capital investment. It's a matter of prioritizing what and when to make improvements. They wouldn't close a course because it had capital improvement needs. You manage through it and do what you can. They also discussed how when they operate a "system" of courses (like those in Chicago) they fund capital improvements from the pooled resources of the whole system not individual courses. This is clearly different from how the MCRA is operating despite the language in the lease agreement suggesting they could operate that way.

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The task force also heard from Michael Williams, a communications/government relations spokesman for Golf Course Specialists Inc, which operates the three National Park Service courses in D. C., including East Potomac and Rock Creek Park. He said they would “salivate” to operate a nine-hole golf course like Sligo, especially because they would not face some of the restrictions they have in D. C. The Park Service restricts what improvements they can make to the courses, even with their own money, and hinders their ability to have tournaments. They also cannot accept any outside money or donations.

“It would be great fun go out and raise money for this course,” said Williams, referring to Sligo.

He said 3 million golfers leave the game annually, but 3 million join annually, so there is a market for “gateway” courses like Rock Creek and Sligo.

“If your management fee is doing something where your course can’t stay open then you better change something,” said Williams.

The task force also heard from Ray Evans, the manager of Rockville's Red Gate course. He said that contrary to popular belief the course does not lose money. It only appears that way because Rockville forces them to charge depreciation on their books. He said that even though rounds are down this year they continue to find it useful to advertise in the Gazette.

I should add that we have discovered another MCRA outrage. Even though the National Golf Foundation study looked at all nine MCRA courses they charged the entire \$18,000 cost of the study to Sligo Creek's operations budget. Yes, the condemned man even had to pay for his own execution. The way MCRA manages its books is one reason why we are having such a difficult time establishing a baseline cost for Sligo. As another example, Sligo carries a pro on its budget but he gives his lessons at Northwest. We don't know whether Sligo gets any revenue from those lessons.

The next task force meeting is November 9th. At that time we are supposed to go into detail on the capital needs.

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