

# Clock is Ticking for Sligo Closure:

## No Resolution in Sight

### CALL TO ACTION: Sligo Creek Golf Course Update – June 7, 2010

The Sligo Creek Golf Association would like to update all the **loyal supporters** of **our beloved nine-hole golf course** on the status of the course and recent meetings between SCGA leaders and County Executive Ike Leggett and Council President Nancy Floreen. We also want to **add new targets** for your letters and e-mails, the **M&T Bank** and the **Montgomery County Revenue Authority**.

There are many positive developments to report about Sligo Creek Golf Course as we head into the summer season. Rounds were reportedly up at all county courses in April and May, including Sligo. Jane Dean's formation of the FDA golf league has brought a steady stream of afternoon golfers to Sligo on Mondays and Tuesday's. The Sligo Creek Golf Association brought First Tee back to Sligo with a \$1,500 contribution. John Weaver formed the Sligo Creek Golf Club to raise funds and sponsor social events and tournaments for Sligo golfers. Volunteers used flowers donated by Roozen's to plant a bed in front of the Club House.

We also received strong support from the state this Spring Attorney General Doug Gansler issued a legal opinion that portions of the original lease between the Maryland-National Capital Park and Planning Commission and the Montgomery County Revenue Authority for the operations of Sligo and three other M-NCPPC courses were illegal, specifically that M-NCPPC could not "farm" out the decision to close any of its courses to the Revenue Authority. The Maryland General Assembly passed a law signed by the governor stating that M-NCPPC could not enter into similar leases in the future.

**Unfortunately, there has been little progress on a long-term solution for the golf course.** The Sligo Creek Golf Task Force finished its report in January but the Floreen has never referred the report to a Council committee for a hearing or the full Council for action. **The \$150,000 subsidy approved by the Council last year was intended to cover only operations only through June 30.** In light of the looming deadline, SCGA representatives met last week with Leggett and this week with Floreen.

Both Leggett and Floreen told SCGA that they had hoped the Parks Department and the Revenue Authority would have completed a new operating agreement for Sligo months ago. In terms of the cost, Floreen said the Revenue Authority would just "suck it up" and managed the golf system in a way not to require taxpayer subsidies. (SCGA has long contended that Sligo can be operated without taxpayer subsidies.) She apologized for the delay and acknowledged the frustration that Sligo supporters must feel.

So what's the holdup?

**According to county officials, the Revenue Authority has been waiting \_ since April \_ on approval from its lender, M&T Bank, to proceed with the new operating agreement for Sligo.**

The situation with M&T Bank is complicated.

M&T is a regional bank chain headquartered in Buffalo, N.Y. It has many branches in Montgomery County. M&T is the lender on a \$25 million bond offering issued by the Revenue Authority in 2002. In 2008, the Revenue Authority took on the additional obligation to pay off the bonds on Little Bennett Golf Course when it took over the four M-NCPPC courses. The Revenue Authority and M-NCPPC gave several concessions in the lease to reassure M&T bank that the Revenue Authority would still meet its obligations to pay off the \$25 million bond.

County officials have offered limited explanations of the issues. At first it was a general concern about the county's overall financial picture in light of warnings from bond rating agencies that they might lower the county's AAA rating. We also have been told that the bank believes the county considered the county committed a technical violation of the lease when it amended the lease in the spring of 2009 to continue operations at Sligo without consulting M&T. We also are told that the bank is concerned because the attorney general's opinion and the new state law threw out a provision of the lease stating that M-NCPPC could not operate Sligo in competition with MCRA. This non-compete clause was requested by the bank in the original lease, we are told.

Even though county officials did not want us to talk to the bank directly, the SCGA Board felt it was important to make the attempt, but our request for a meeting with M&T officials was rebuffed.

**Andrew Fish**, who is in charge of government relationship banking for the five-state Mid-Atlantic region for M&T Bank and the bank's relationship with the Revenue Authority, did speak by phone with Merrill Goozner last week.

Here is Merrill's account of the conversation:

"Fish opened by saying 'I don't know where your information was coming from. We are working through some issues with the Revenue Authority, but we don't tell any customer what to do. We're not standing in the way of anything,' he said.

"When I asked for details about the issues, he refused to comment. 'I can't comment on that. We're working through issues. I'm confident we'll work through them. I can't say more because of confidentiality matters. It wouldn't be appropriate to comment on issues between the bank and one of its customers. The issues are between the bank and the Revenue Authority. I am not at liberty to discuss that.'

He also said, ‘It’s getting attention from a lot of senior people. We’re aware that it is a time sensitive matter. If you’re looking for more details, I suggest you talk to the Revenue Authority.’”

Nonetheless, it appears that the Revenue Authority is hesitant to act on a new lease without some clearance from the bank.

**County officials told us that the bank had promised to get back to the county by Friday, June 5, but Floreen told us Wednesday that they had asked for another week. This is the fifth extension of time requested by the bank.**

Leggett assured SCGA that the Revenue Authority will continue to operate Sligo past June 30 even if there is no interim agreement signed. He said revenues should be sufficient during the summer to operate the course.

In our meeting with Floreen, SCGA asked for a Council hearing on the Sligo Creek Task Force Report. The task force finished its report in January but the report has never been referred by Floreen to a committee or to the full Council for action. Floreen indicated she would consider a hearing if a new interim agreement is not forthcoming soon.

As you may recall, the task force recommended that the county seek a private operator if the Revenue Authority could not operate the course on a long-term basis. The SCGA Board believes that either Sligo should be rewritten back into the overall lease between M-NCPPC and MCRA or that the Parks Department should seek a private operator.

We urge you not only to **contact Council President Floreen** to ask for a hearing on the task force report, but to directly contact the **Montgomery County Revenue Authority**, the **Park and Planning Board** and **M&T Bank** at the contacts listed below to urge them to quickly complete action on an operating agreement.

**Andrew Fish**

Manager, Government Relationship Banking – Mid-Atlantic Region

M&T Bank

25 S. Charles St., 19th Fl.

Baltimore, MD 21201

410-244-4120 (phone)

E-mail: [Andrew.Fish@mandtbank.com](mailto:Andrew.Fish@mandtbank.com)

Cc your e-mails to: [IR@mtb.com](mailto:IR@mtb.com); [Robert.Wilmers@mandtbank.com](mailto:Robert.Wilmers@mandtbank.com);

[Mark.czarnecki@mandtbank.com](mailto:Mark.czarnecki@mandtbank.com); [Michael.Pinto@mandtbank.com](mailto:Michael.Pinto@mandtbank.com);

[Atwood.Collins@mandtbank.com](mailto:Atwood.Collins@mandtbank.com)

**Montgomery County Revenue Authority**

Chairman Stephen Edwards

101 Monroe St., Suite 410

Rockville, MD 20850

301-762-9080 (phone)

Go to this web site for an email form:  
<http://www.mcra-md.com/contactus.html>

**Mary Bradford**

Director of Parks  
9500 Brunett Ave.  
Silver Spring, MD 20901  
E-mail: [MCP-Parks@MontgomeryParks.org](mailto:MCP-Parks@MontgomeryParks.org)

**Nancy Floreen, President**

Montgomery County Council  
Stella B. Werner Council Office Building  
100 Maryland Ave.  
Rockville, MD 20850  
240-777-7959 (phone)  
E-mail: [councilmember.floreen@montgomerycountymd.gov](mailto:councilmember.floreen@montgomerycountymd.gov)

*(All emails and letters to the Council President are automatically shared with other council members.)*

Submitted by:

Karen Howland, President of SCGA  
Merrill Goozner, Treasurer  
Woody Brosnan, Chairman of the Outreach Committee