



MONTGOMERY COUNTY REVENUE AUTHORITY

September 14, 2010

Mr. Burt Hall  
Superintendent of Parks and Recreation  
City of Rockville  
111 Maryland Avenue  
Rockville, Maryland 20850

Dear Mr. Hall,

To follow up with our recent conversation, I would like to clarify the Montgomery County Revenue Authority's position regarding the Redgate Golf Course. We have had previous discussions regarding Redgate and the MCRA is respectful of the challenging decision that faces the City of Rockville regarding its future operations.

There have been many recent discussions regarding the state of the golf industry and the impact of the recent economic downturn. However, according to the National Golf Foundation (NGF) data the industry has been stagnant for about the past 14 years with the number of golfers declining by 9% over the past 5 years and the number of rounds having decreased by 5.7% since 2000. We have faced these same challenges in Montgomery County. The challenges of the industry will continue until the supply and demand balance is corrected. The supply correction began in 2006 and has continued each year with the number of course closings exceeding the number of openings each year. In total, the NGF predicts that the number of course closings will be between 500 to 1,000 courses. Many experts believe that the correction of the golf course supply and not the economic recovery will result in the stabilization of the industry.

As the operator of 9 golf courses in Montgomery County, we are extremely familiar with the challenges that face Redgate. If the Mayor and Council decide to continue to operate the course, then we would be happy to meet and discuss options on how the MCRA might be able to work with the City to minimize the financial impact of those continued operations.

Regards,

Keith Miller, PGA  
Executive Director