



MCRA

ANNUAL REPORT 2010

Dedicated to providing services,
products, and opportunities of value
that offer enrichment to the
community

MCRA

Vision Statement

Montgomery County Revenue Authority is committed to growing a sustainable network that:

- *Is nationally, regionally, and locally recognized for its offerings and performance.*
- *Is dedicated to achieving higher environmental standards.*
- *Continues to offer new and innovative programs and services for the benefit of the community and our team.*

Montgomery County Revenue Authority is committed to the following core values:

- 1. Integrity*
- 2. Team*
- 3. Customer Service*
- 4. Community*
- 5. The Environment*
- 6. Safety*
- 7. Quality*
- 8. Growth*
- 9. Fun*

MCRA - OVERVIEW

The Montgomery County Revenue Authority (MCRA), created in 1957, is an instrumentality of Montgomery County, Maryland and a public corporation. The MCRA was established to construct, improve, equip, furnish, maintain, acquire, operate, and finance projects devoted wholly or partially for public use, good, or general welfare. A six-member Board governs the MCRA, with five members appointed by the County Executive and confirmed by the County Council. The sixth member - the Chief Administrative Officer of Montgomery County or designee - serves in a non-voting, *ex-officio* capacity.

The two primary activities of the MCRA are to operate self-supporting facilities and to finance public facilities. On the operations side, the MCRA manages its golf course system comprised of nine golf courses along with the Montgomery County Airpark. The operated facilities generate various forms of revenue, which are used to fund MCRA operations and to provide for facility improvements. A portion of the operating revenues is used to retire any debt associated with operated facilities.

On the public financing side, the MCRA issues bonds to raise capital, to acquire land or other property, or to pay construction costs for Montgomery County facilities. Through a financing partnership with a broad range of County agencies, the MCRA has supported important public purposes as far reaching as economic development, education, transportation, human services, recreation, and the arts. The agencies' lease payments are used by the MCRA to retire the debt obligations.

MONTGOMERY COUNTY REVENUE AUTHORITY – 2010 HIGHLIGHTS

The Montgomery County Revenue Authority (MCRA) remained committed to its mission to grow through new initiatives and continued partnerships. Although 2010 was a challenging year due to the prevalent downturn in the economy and non-favorable weather, the MCRA made the necessary changes in operations and planning that had minimal impact on the final product to our guests. MCRA continues to enhance the operational standards, plans, and infrastructure to create a long term, self-sustaining operation that is able to accommodate the needs of the golfing and aviation public.

MCRA Golf Initiatives

The MCRA's golf course system, operated under the flag of Montgomery County Golf (MCG), hosts more than 340,000 rounds annually at its nine golf courses. A broad range of MCRA initiatives focus on the needs of the communities we serve.

- **Community Assistance Programs**
 - First Tee of Montgomery raised more than \$30,000 at their annual fundraiser at Laytonsville Golf Course.
 - MCRA donated \$1 per round for every round played on Patriots Day which, along with contests, raised more than \$7,200 for our fallen soldiers' families.
 - This was a joint initiative with the PGA of America and the United States Golf Association that raised contributions for the Wounded Warriors.
 - This organization supports families of those who have become disabled or lost their lives in the line of military duty.
 - MCRA donated auction items to more than 100 local charities including public and private schools valued at more than \$20,000.

- **Family Golf**
 - We continued to offer our successful Family Golf that began in 2009 at all nine golf courses.
 - Free Family Golf clinics were offered each Saturday or Sunday from May - August at rotating golf courses
 - We estimate that over 650 people visited our courses for the first time
 - \$10 rates for all Families were offered Monday - Friday at any time at our 9 hole courses and after 5 pm at all 18 hole courses
 - Since May 1, 2010 we have experienced over 6,500 Family Golf rounds.
 - "Course within a course" set up for juniors including Family scorecards
 - This program was also mentioned in the Golf Business Magazine which is a nationally known trade publication



- ***Robust Junior Golf Programs***
 - First Tee of Montgomery, a program that uses golf to teach life skills to underprivileged kids with more than 500 participants annually. The program was conducted at Laytonsville, Needwood, Northwest, and Sligo Creek Golf Courses.
 - Numerous in-house junior development programs with more than 800 participants annually.
 - High school golf - worked with MCPS to provide free access to all facilities for tryouts, practices, matches, and season ending events - an estimated value of more than \$50,000.
 - Middle school golf - partnered with the Recreation Department and MCPS to enhance our middle school golf program
 - Elementary school golf - based on a program developed by Laytonsville Golf Course and Laytonsville Elementary School making golf part of the fifth grade physical education curriculum at all elementary schools
 - Instructed in excess of 8,500 golfers in camps, clinics, groups, and individual sessions



- ***Golf Industry Supported Initiatives***
 - Get Golf Ready initiated in 2009 was continued into 2010 with great success.
 - National Grow Golf Program initiated by the World Golf Foundation
 - \$99 for five introductory golf lessons
 - More than 500 participants
 - Take Your Daughter to the Course Day, a Play Golf America event sponsored by PGA of America
 - Women in Golf Day
 - Bring Your Kids to the Driving Range Day

- **MCRA Programs**
 - Keep Golf Going was developed by the MCG team as a follow up to the Get Golf Ready Program. The program offered the next level of instruction and on course play. Over 300 players participated in the program and many became loyal MCG customers and new golfers.
 - Member For A Day - This program included an “all inclusive” price which consisted of continental breakfast, green fee, cart fee, lunch, and replay rounds Monday - Friday. The program was successfully launched at Little Bennett, Laytonsville, Poolesville, and Rattlewood.



Little Bennett Golf Course

- **Competitive Golf**
 - Annual MCRA Summer Amateur with over 180 participants in the Junior, Senior, and the Ladies divisions were played at Laytonsville while the Men’s competition was held at Northwest over 2 days
 - Second Annual MCG High School Invitational
 - 72 of the County’s top high school golfers competed in boys’ and girls’ divisions
 - Both public and private high school students participated
 - Organized more than 48 competitive leagues across eight golf courses with leagues and tournaments accounting for over 18,000 rounds of golf.
 - Second Annual Singha Cup Series. Golfers competed for prizes over a six week event at six different MCG courses culminating with a championship match and awards dinner at Rattlewood Golf Course.

- **Montgomery County Golf - Loyalty Club**
 - Our Loyalty Program that launched in 2009 continued through 2010 with over 13,000 participants
 - Free membership in the MCG Loyalty Club
 - Free golf cart rental and/or free rounds were awarded based on points accumulated for rounds played throughout the golf system
 - An additional program was launched in 2010 - Frequent Players Pass - this program was sold for \$199 for the season and offered discounts on golf and pro shop merchandise. Over 400 of these passes were sold in 2010.



Laytonsville Golf Course

Agronomy and Environmental Stewardship at MCRA Golf Courses

MCRA continued its pursuit of environmental initiatives on the golf courses in a number of ways in 2010. In a year that provided some of the highest snowfall totals and hottest summers in memory, our golf courses overall held up better than many public or private golf courses in the area. This is due in large part to the progress we have made over the years in balancing our soils through fertilizer applications that target areas deficient in nutrients, and NOT applying fertilizer when and where it is unnecessary. Furthermore, our water conservation efforts have had a far-reaching effect on plant health as long as we can control the water (and not Mother Nature).

- **Groundwater Guardian program:** All 9 of the MCRA golf courses were designated Groundwater Guardian Green Sites last year! In this national program developed by the Groundwater Foundation, Little Bennett Golf Course became the first facility of any kind to earn the achievement in the State of Maryland, and our other eight courses followed suit. The program honors highly-managed green spaces - such as golf courses, ball fields, educational campuses, and residential, recreational, and office parks - that carry out safe groundwater practices against chemical use and pollution prevention.
- **Audubon Cooperative Sanctuary Program for Golf Courses:** Our facilities continued to earn new levels of achievement in this Audubon International advisory service, which helps golf courses develop effective conservation and wildlife enhancement programs. Most of our facilities

completed the certification components *Chemical Use Reduction and Safety* and *Water Conservation*, and continue their efforts in 2011 looking at the next part of the program, which includes *Wildlife Habitat Management*, *Community Outreach*, and *Water Quality Management*.

- **Press:** MCRA's environmental initiatives were acknowledged in a number of trade publications this year including
 - *The Golf Course Trades*,
http://www.golfcoursetrades.com/news_detail.php?recordID=91
 - *Golfdom* <http://www.golfdom-digital.com/golfdom/201007/#pg12>
 - *Golf Course Business*
<http://www.golfbusiness.com/flash/digital/2010September/default.html#24>
- **Research:** Our superintendents were busy doing a lot more than just growing grass this year! One of the big foci for our organization is to do our own research, to try to find more efficient and more responsible ways of managing the properties.
 - MCRA's environmental research program at the Executive 9 golf course at Needwood Golf Course continues to investigate non-chemical alternatives to pest control and evaluating the use of warm-season grasses such as bermudagrass and zoysiagrass, which traditionally require significantly less water, fertilizer, and pesticides to maintain. Last year's research led to an expansion of a major component in this program, which is the conversion from perennial ryegrass fairways to bermudagrass fairways. This year, we converted an entire fairway while keeping it open for play. Although it was wet for a couple of weeks, we discovered that this is a viable option for converting to a grass that will dramatically reduce our environmental footprint. The success of this project will lead to conversions at other facilities starting at Rattlewood in 2011; there is usually only enough water to get through a few months of the year until severe cutbacks are made and maintenance staff primarily hand waters critical parts of the course. We anticipate sprigging 2 fairways at Rattlewood to bring our research into reality!
 - Sligo Creek began another similar program this year. By partnering with 3 Tier Technologies, whose products consist primarily of organic soil amendments and beneficial microbes used to manage turf disease and insects, we experimented with using reduced rates of pesticides on greens, tees, and fairways for an entire season. This protocol, combined with raising the height of cut about 20-30% on these most intensely manicured areas of the course, seemed to be successful during times of year when disease pressure is not as intense. More studies will be conducted in 2011 to ascertain whether we can implement a similar program system-wide in the future. The overall reduction in chemical use from this program was about 20% during a summer where this region experienced some of the most intense disease pressure in memory.

Montgomery County Airpark

The Montgomery County Airpark (Airpark), acquired in 1960, is owned and operated by the MCRA through a 99-year lease dating back to 1959. The MCRA maintains sole control over the northwest end of the Airpark property. In addition, the MCRA subsidizes the annual operating losses for the benefit of the County and the community.

Aeronautical activities including fueling, aircraft storage, aircraft maintenance, flight training, and related services are provided by separate fixed base operators (FBOs). As owner and federal grant sponsor, the MCRA secures State and Federal funding for the Airpark and is responsible for the runways, taxiways, navigation aids, and other common areas.

Montgomery County Airpark presently hosts approximately 60,000 operations yearly. Approximately 180 aircraft are stored on the property. Montgomery County Airpark's 4,200 foot runway has three instrument approaches and is the closest "jetport" to the Nation's Capital. About 15% of all traffic is of the commercial type or air taxis consisting of a variety of modern day aircraft such as Cessna Citation, Lear Jet, Beechcraft (both jet and turbine), and Falcon Jet. The Airpark is also home to an air taxi firm that specializes in transporting air travelers to various destinations in the east coast and the mid-west on a regular on-demand basis.

According to 2006 economic data supplied by the Maryland Department of Transportation, the Airpark provides the following direct, indirect, and induced benefits to Montgomery County:

- 82 jobs
- \$4.6 million in personal income
- \$6.6 million in business revenues
- \$2.3 million in local purchases
- \$478,000 in tax revenues

Financing Activities

Long-term sustainability continues to be a watch-word at the MCRA. A key strategy to attain this besides constant attention to the operating budget is an on-going effort to reduce overall liabilities. Despite the economic downturn and the declining number of golf rounds nationally, the MCRA successfully boosted its Moody's rating in order to enhance its efforts to re-finance its long-term debt. The effort bore fruit in December of 2010 with our refinancing of 21.4 million dollars in debt with very favorable terms. In the course of seven years the MCRA will reduce its long-term indebtedness to 14.4 million dollars.

In addition to its own debt, the MCRA carries more than \$80 million in debt related to projects around the County, which is not considered part of the County's debt service calculation. Projects include:

- Bethesda North Conference Center
- Health and Human Services Building
- Germantown Indoor Swim Center and other County swim facilities
- Montgomery College Arts Center
- Montgomery College Silver Spring Parking Facility



Bethesda North Conference Center

Germantown Indoor Swim Center

