



MCRA

ANNUAL REPORT 2011

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

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, health and human services, recreation, and the arts. The agencies' lease payments are used by the MCRA to retire the debt obligations.

MONTGOMERY COUNTY REVENUE AUTHORITY – 2011 HIGHLIGHTS

The Montgomery County Revenue Authority (MCRA) remained committed to its mission to grow through new initiatives and continued partnerships. The golf industry continued to see a decline in participation 2011. According to the National Golf Foundation, the golf industry has seen a 12.9% decrease in the number of golfers over the past 5 years. While rounds also declined by 2.5% nationally in 2011 and declined by 1% locally and regionally, the MCRA courses grew rounds by 4%. The MCRA introduced new loyalty programs, which had significant impact on the positive performance.

The MCRA also worked with Montgomery College again in 2011. Through this partnership, MCRA was able to issue a \$15 million bond to finance the purchase of the Goldenrod building in Germantown. This building will be used by both the College and Department of Economic Development. 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 359,000 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***
 - The First Tee of Montgomery County raised more than \$35,000 at their annual fundraiser at Laytonsville Golf Course, which was sold out.
 - MCRA donated \$1 per round for every round played on Folds of Honor which, along with contests, raised more than \$5,500 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 Folds of Honor.
 - Folds of Honor 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***
 - MCRA 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 750 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 6,900 Family Golf rounds.
 - A "course within a course" was set up for juniors, along with family scorecards.
 - This program was mentioned in the *Golf Business Magazine* in 2010, which is a nationally known trade publication.

- ***Robust Junior Golf Programs***
 - The First Tee of Montgomery County, a program that uses golf to teach life skills to underprivileged kids with more than 500 participants annually, was conducted at Laytonsville, Needwood, Northwest, and Sligo Creek Golf Courses.
 - Additionally, MCG offered numerous in-house junior development programs with more than 800 participants annually.
 - MCG created and implemented a weekly mini-camp for kids while school was in session.
 - High school golf - MCG 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.
 - 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.
 - MCG professionals instructed in excess of 8,500 junior golfers in camps, clinics, groups, and individual sessions.



- ***Golf Industry Supported Initiatives***
 - Get Golf Ready, initiated in 2009, was continued into 2011 with great success.
 - National Grow Golf Program was initiated by the World Golf Foundation
 - Specially priced \$99 for five introductory golf lessons
 - More than 1,000 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

- ***MCG 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 offered at Little Bennett, Laytonsville, Poolesville, and Rattlewood.



Little Bennett Golf Course

- ***Competitive Golf***

- Annual MCG Summer Amateur with over 200 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
- Third 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.
- Third Annual MCG 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 Hampshire Greens Golf Course.

- ***MCG - Frequent Player Programs Launched***

Our Loyalty Program that launched in 2009 was completely revised for the 2011 season and the following programs were put into place:

- Player Pass - this program was sold for \$29 and allowed players a 10% discount on cart and green fees anytime during the year at all 9 courses.
- Frequent Player Pass - this is an upgraded program that sold for \$199 and gave the player a 20% discount on all cart and green fees, along with discounts on food and beverage, pro shop merchandise at employee prices, and points awarded for each play that could be redeemed for free golf or cart rental.



Laytonsville Golf Course

- Additionally, Membership Programs were implemented that allowed a player to purchase a package that included unlimited green fees and a discount program for both Weekday and Full Unlimited access for all 9 courses.

Agronomy and Environmental Stewardship at MCRA Golf Courses

MCRA golf courses continued their commitment to environmental initiatives in 2011 and finished another year of oppressive heat and humidity in great condition, despite a very wet spring and fall. Important agronomic strategies continued and a number of projects were undertaken that will have long-term benefits to playability and the environment. We also continued to evaluate some of our research projects at Needwood and Sligo Creek, and put into motion the beginning of a bermudagrass fairway conversion at Rattlewood.

Agronomy: Among the key agronomic programs that allow our superintendents to provide appealing playing surfaces while reducing pesticide and fertilizer use are:

- **Aeration:** Aeration is arguably the most important of all cultural practices. Core aeration, wherein plugs of turf, thatch, and underlying soil are removed, allows for increased root growth, improved air exchange to roots, and improved water infiltration, among a host of other benefits. When aeration is performed on greens, holes are typically



backfilled with 100% sand, which keeps these important channels open for weeks or months for continued turf health benefits. The sand is of specific angularity and particle sizes to allow it to maintain surface firmness as well as permit the playing surface to “breathe.” While this procedure is temporarily disruptive for golfers, it is a significant reason why highly scrutinized playing surfaces can be maintained in such great condition.

- **Topdressing:** Weekly or bi-weekly applications of light amounts of sand go virtually unnoticed by golfers. This important process not only continues to maintain the surface firmness desired by our golfers, but helps to dilute thatch and organic matter that naturally builds up as the turf grows. Minimizing the buildup of organic matter in soil is important because thatch holds moisture (increasing disease pressure) and is a habitat or food source for undesirable insects and pathogens.



- **Rolling:** Lightweight (800-lb) dedicated, motorized rollers are used typically 3-5 times per week on greens and have been shown in numerous university research studies to reduce incidence of disease such as dollar spot (*Sclerotinia homeocarpa*), one of the diseases our greens are most prone to getting. Using these machines allows us to also increase green speed when necessary, as well as smooth the playing surface. In 2011, especially during the summer, we were able to eliminate mowing 2-3 days per week by simply rolling greens in the morning to prepare the greens for play; this practice not only reduced disease pressure, but also reduced fuel emissions. On these days, we used a single machine with an 8-hp engine (typically using only ½ gallon of gas per day) instead of 2 machines with 25-hp engines (which use a total of about 2 gallons per day).



- **Venting/Spiking:** Every 2-3 weeks throughout the year, superintendents will make a decision to perform another important but minimally disruptive practice. Venting is usually performed with equipment that leaves very small (0.2 - 0.25 inch) holes throughout the green at 1.25-inch spacing. This machine rolls the turf smooth afterwards as well. Spiking is typically done with special units



that fit on a greens mower and leave small slits in the green. This process is much faster, but since the slits will close more quickly it is typically beneficial for a few days up to a week. Both practices are still very important tools that can help dry out a wet green and/or provide oxygen to the upper root zone and make the turf healthier.

- Not mowing at all:** The oppressive heat of 2011 saw soil temperatures as high as 106°F on our golf courses this summer. Essential plant functions cease in the upper 90s, and root development stops at 78°F soil temperatures, so you can imagine what these temperatures do to the grass. On the hottest days, especially when morning temperatures were in the upper 70s or low 80s, skipping any kind of mowing was a huge benefit to the turf and also reduced our fuel emissions on these typically “Code Red” air quality days. During the summer as minimally- or non-irrigated roughs begin to go dormant due to drought and heat stress, the 80 - 120 acres of rough that are mowed at each golf course will be maintained at significantly reduced intervals based on growth.



- Soil Testing:** Without a well-balanced soil, many of our efforts to maintain great turf are wasted. By taking soil samples of individual greens, tees, fairways, or roughs, we are able to determine exactly what the grass needs. And we save a lot of labor, fuel, and resources by only targeting specific applications of nutrients or soil amendments like gypsum or compost where the soil tests dictate. Not only does the grass perform better at an “ideal” nutrient ration, but the soil will also more readily support a diverse microbiology and will also have improved drainage properties.

Total Exchange Capacity (M. E.)		4.86	4.01	
pH of Soil Sample		6.80	6.80	
Organic Matter, Percent		2.37	2.22	
ANIONS	SULFUR:	p.p.m.	13	14
	Mehlich III Phosphorous:	as (P ₂ O ₅) lbs / acre	264	226
EXCHANGEABLE CATIONS	CALCIUM:	Desired Value	661	544
		lbs / acre	644	498
		Deficit	-17	-46
	MAGNESIUM:	Desired Value	100	100
		lbs / acre	100	82
		Deficit		-18
POTASSIUM:	Desired Value	100	100	
	lbs / acre	82	71	
	Deficit	-18	-29	
SODIUM:	lbs / acre	52	50	

- Water conservation:** One of the keys to managing healthy turf is to be in control of the water (when Mother Nature allows). Keeping soils dry, especially in the spring and fall, makes the grass search for water by growing deep roots. Deep roots help turf survive better by more efficiently accessing water and nutrition that is available in the soil. Irrigation computers are set up to specifically water dry areas when necessary on a large scale using highly efficient sprinkler heads. On a smaller scale, such as greens, much of the water comes in the form of hand



watering. Superintendents and their teams can apply water to specific areas that need it at a time when overhead sprinklers that are more general in coverage may give unnecessary water to a wetter part of a green, for example, that could result in rapid turf decline. Hand watering and irrigation programming saves an estimated 10 - 20 million gallons of water each year at our nine golf courses.

Environment: MCRA courses continue to work within the guidelines of the Audubon International Cooperative Sanctuary Program for Golf Courses (<http://acspgolf.auduboninternational.org/>), as well as the Groundwater Guardian Greensite Program (<http://groundwater.org/gg/greensites.html>). These successful programs help managed green spaces such as golf courses carry out safe groundwater practices against chemical use and pollution prevention as well as develop effective conservation and wildlife enhancement programs. While each facility has already earned the designation as a Greensite, our goal is that within 2 years, all MCRA golf courses will have achieved Certification by completing requirements in all six focus areas of this intensely managed Audubon International program.

Research: The last few years of research at Needwood Golf Course have finally provided us with enough confidence to implement one of the most substantial changes we were considering for our golf courses. Rattlewood was able to successfully convert 2 acres of fairway (holes #6 and #18) to Patriot bermudagrass. Patriot is a cultivar that has shown good cold tolerance, which will be a good fit since Rattlewood is one of the northernmost golf courses growing bermudagrass now in the whole country.



We achieved 90% bermudagrass coverage on those fairways this year, and once it comes out of dormancy in 2012, we will see a rapid development to 100% coverage. The new grass will require dramatically less fertilizer, virtually no pesticides, and actually thrives in the extreme heat and humidity we typically see in the summer. The picture above shows the sprigging process, where pieces of bermudagrass are literally pushed into the

existing fairway. The fairways were kept extremely wet for about 10 days until the sprigs started to establish and water could be reduced.

Sligo Creek continued to evaluate the 3 Tier Technologies program, which is a product line of organic soil amendments and fertilizers purported to have a wide range of beneficial microbes and naturally occurring substances that can help us to reduce the use of pesticides on greens. Although there has been some disease breakthrough during periods of high disease pressure, it appears that this program is working pretty well for Sligo where the greens are maintained much taller than our other courses. We are not convinced, though, that the same program can be utilized on greens where there is a much higher demand for speed and smoothness and height of cut is much lower. We continue to see as much as a 20% reduction in pesticide use during times of peak disease pressure at Sligo.

Projects: Numerous projects were completed in 2011, which have a direct, positive impact on the world around us.

- **Rattlewood** installed a high-efficiency used oil furnace to heat the maintenance shop in the winter. All used oil (motor, gear, hydraulic) from the golf courses is transported to Rattlewood, where it becomes the sole heat source for the large building. The used oil heater saves us from using nearly 1,000 gallons of propane each winter, and is a great way to recycle the various oils that come out of about 600 pieces of equipment around the company as they are serviced.
- **Drainage** was installed in a total of 8 poor-performing greens: 1 at Laytonsville, 3 at Falls Road, and 4 at Northwest. These greens were old-style pushup greens that lacked internal drainage *and* whose underlying soil did not percolate well. 2-inch drain pipes were installed at 18-inch depths on 6-foot centers throughout the greens. These projects will have a very positive impact on playability, but the big win is for the environment, since these “problem” greens often required extra plant protectants (especially fungicides), and required a lot more cultural practices and large fans (using a lot of fuel) to help dry them out.
- Select **sand traps** were fully rebuilt at Needwood, Poolesville, Laytonsville, Rattlewood, and a complete bunker renovation was finished at Northwest Golf Course. Renovating these bunkers provides a long-term reduction in fuel emissions, especially after large rain events when bunkers had large puddles of water in them that had to be pumped out. Large amounts of labor and fuel are consumed each year simply repairing washed-out, silted bunkers after it rains.
- **Sprinkler head** conversions took place at Poolesville, Laytonsville, and Little Bennett golf courses in 2011. Older, inefficient heads were



- replaced with new ones that will dramatically reduce water usage because they put water out more evenly.
- A new **bridge** was constructed over the spillway at Poolesville's irrigation pond. Historically, golf carts and maintenance equipment had driven through this pond outlet, which has water running through it most of the year. There was a chance for some minor contamination of the stream if there were ever a machine with a major oil leak to drive through there, so the existing traffic pattern was abandoned for a safer, more environmentally friendly alternative.
 - Nearly 1,300 **trees and shrubs** were planted at Falls Road with the goal of creating about 6 acres of new forest around the course that will provide a greater diversity of habitat for the hundreds of species of wildlife that call Falls Road home.
 - **Fairway drainage** projects were performed at Northwest, where there are perennial flooding problems with holes #13 and #16, even after as little as .75" of rain. This flooding has caused significant turf loss annually, wasting resources and diminishing the customer experience.

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.

As owner and federal grant sponsor, MCRA secures State and Federal funding for the Airpark and is responsible for the runways, taxiways, navigation aids, and other common areas. The fixed base operator (FBO) offers services to support aeronautical activities including fueling, aircraft storage, aircraft maintenance, flight training, and related services. Following the expiration of an 18-year lease with an aviation services company, the *long-term* leaseholder, doing business as DC Metro Aviation Services, became the fixed base operator (FBO). Since DC Metro Aviation Services took over as FBO, there have been vast improvements in both operations and facilities, including the construction of new hangars for aircraft storage and the addition of self-fueling service for pilots.

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, in addition to constant attention to the operating budget, is an ongoing 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 \$87 million in debt related to projects around the County, which is not considered part of the County's debt service calculation. The newest project is the Goldenrod Building, purchased in September of 2011, with bonds totaling over \$15 million. It is now owned by Montgomery College.

Additional 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
- Goldenrod Building



Bethesda North Conference Center

Germantown Indoor Swim Center

