



MCRA
ANNUAL REPORT 2020

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

Vision Statement

Montgomery County Revenue Authority (MCRA) 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.

MCRA is committed to the following core values:

1. Genuine Smile
2. Do-Anything Attitude
3. Deliver Excellence

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 are 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 – 2020 Highlights

The Montgomery County Revenue Authority (MCRA) remained committed to its mission to grow through new initiatives and continued partnerships. The golf industry saw an increase in rounds of 1.5% nationally in 2020. Rounds of golf increased by 12.6% locally and by 15.8% in the Baltimore Washington area, according to industry data. The MCRA golf courses experienced an increase in rounds of 14.5%.

MCRA Golf Initiatives

The MCRA's golf course system, operated under the flag of MCG, hosted 408,000 rounds in 2020 at its nine golf courses. This was an increase of approximately 20,000 rounds from the previous year. The following is a summary of the broad range of MCRA initiatives focused on the needs of the communities we serve.

Due to COVID-19 all golf courses were closed from March 23, 2020 through May 7, 2020 per a State mandate. Staff was substantially reduced, with the exception of those needed to maintain the integrity of the buildings and golf courses.

Reopening of the courses required a substantial amount of labor and materials to ensure the safety of the public. Our operations adhered to COVID guidelines. Indoor operations remained closed for an additional 30 days. To service customers under these restrictions numerous changes to our operations were made to ensure safety and sanitation measures:

- ✓ Technology was substantially increased for us to provide outside services
- ✓ Credit card only transactions were implemented. All cash handling was eliminated
- ✓ Sanitation procedures were implemented to the highest standards for golf carts, restrooms, and all customer "touch points"
- ✓ Golf cart occupancy was reduced to 1 rider per cart
- ✓ Tee time intervals were moved from 8 minute to 12 minute to provide additional spacing of groups
- ✓ All public access items on the course, such as water containers, ball washers, sand rakes, etc. were removed
- ✓ All group clinics, outings, and leagues were cancelled.

- ***Community Assistance and Event Programs***

- MCRA continued our commitment to the Salute Military Golf Association, which focuses on rehabilitating local wounded warriors through the game of golf. Clinics and reduced fees were offered throughout the year for members of this organization.
- MCRA donated auction items valued in excess of - \$12,000 to more than 40 local charities including public and private schools.
- Montgomery County Public Schools cancelled the golf teams due to COVID-19 in 2020 so this program was discontinued.
- Sligo Creek Golf Course's "Music in the Park" was cancelled due to the COVID-19 protocols.

- ***Family Golf***

- MCRA continued with our popular Family Golf program, which is offered at all nine MCG courses throughout the summer. This program consisted of:
 - \$15 rates for all families offered Monday – Friday at any time at our 9-hole courses and after 5 pm on our main 18-hole courses.

Weekend Family Golf rates were available after noon at our 9-hole courses and after 5 pm at the 18-hole courses.

- A “course within a course” is set up for juniors and new players to the game to make it much more fun and enjoyable, along with family friendly scorecards.

- ***FootGolf***

- Northwest and Sligo Creek Golf Courses were the first FootGolf courses established in the DC Market in 2016.
- FootGolf is a combination of soccer and golf whereby a player kicks a soccer ball and follows the rules of golf. This has proven to be a tremendous success at the two facilities. In 2019, this program continued to grow with family parties, outing events, and team building sessions.
- In 2020 this program continued to grow. Many soccer leagues used the venues for fun outings as did numerous soccer enthusiasts

- ***MCG Academy***

- The MCG Academy has continued with our 6-tiered program for lessons. We offer Golf 101 and 102 for beginners, 103 for beginners to learn how to play on the course, and 104 for golfers who are playing and would like to learn more in a group setting. Golf 201 and 202 are for private instruction and playing on the course lessons. These programs create an instructional plan for all levels of players.
- 2020 resulted in a large increase for golf lessons. Due to the pandemic many people took up the game of golf due to its safe atmosphere of being an outside sport or pastime that could be enjoyed safely.

- ***Robust Junior Golf Programs***

- Many of the Junior Golf Camps were cancelled in 2020 due to the continued restrictions of the pandemic. Several smaller group lessons were offered that could be done in safe manner for those that attended.
- We continued our long-standing partnership with The First Tee of Greater Washington, DC, a program that uses golf to teach life skills to underprivileged kids. MCG Academy instructors host hundreds of juniors each session and added a program at Little Bennett in 2020. We currently have programs at Laytonsville, Needwood, Northwest and Sligo Creek, and Little Bennett.

- ***Golf Industry Supported Initiatives***

- The MCG Academy has developed its own version of the Get Golf Ready class and created a more affordable and enjoyable opportunity to allow community members to give golf a try. Golf 101 is a 3-class program for \$49, Golf 102 is a 4-class program for \$99, and Golf 103 is an on-the-course playing lesson for \$39. The new Golf 103 class has exceeded revenue and total participants. Currently, these programs are hosted at Falls Road, Needwood, Northwest, and Little Bennett.
- An estimated 3,200 participants have taken advantage of this great program since its inception. We are continuing to grow these programs in number of participants year over year.
- LPGA-USGA Girls Golf of Montgomery County has been based out of Falls Road since 2015 and had 120 girls registered in 2019. The program was revamped in 2019 to allow for more discounted weekly clinics and free programs. The MCG Academy worked with Girls on the Run, Girl Scouts, and Georgetown University.

- ***Junior PGA Teams***

- MCG Junior Teams totaled 380 juniors who were involved in the 7-9, 10-13, and the 17U division. MCG Junior Teams played and competed at Needwood, Falls Road, Northwest, and Little Bennett. The MCG Academy continued to expand the program. MCG Junior Teams play a spring and fall division each year and the competition with a sense of team unity has created a truly enjoyable program for so many juniors.



- ***MCG Programs***

Most programs in 2020 were cancelled due to the ongoing pandemic restrictions and protocols. Our focus turned to welcoming a surge in new people coming into the game.

- Lesson programs were put into place that were safe and inviting.
- Our operational procedures changed substantially to continue to offer golf in a clean safe manner
- Tee time intervals were adjusted to provide additional open space between groups
- We developed an outside “distance” no touch check-in procedure
- Carts were offered as single riders to increase the comfort and safe distance of players
- Our inside operations flexed with the many changes and updates to county/state pandemic mandates
- All group outings were cancelled or were not booked

Agronomy and Environmental Stewardship at MCRA Golf Courses

MCRA golf courses remained committed to important environmental initiatives in 2020 and finished another year with great playing conditions in large part due to the maintenance practices that have been implemented over the years. Important agronomic strategies continued, and several projects were undertaken that will have long-term benefits to playability and the environment.

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

- **Core aeration:** This is the most important of all cultural practices we perform. 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 usually 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 size 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.



- **Deep vertical mowing with sand injection:** In addition to normal core aeration, some of our courses have implemented a more aggressive strategy of deep vertical mowing, combined with sand injection, to help combat the numerous plant health issues that can be exacerbated by excessive thatch. This process was performed in late fall to remove more thatch and allow these channels to be open all winter and help reduce potential injury caused by ice accumulation. We performed this procedure on a number of greens around the system as needed. We are continuing to evaluate our agronomic practices to keep up with thatch dilution and removal, minimizing the impact on playability for the maximum number of players.



Topdressing: Weekly or bi-weekly applications of light amounts of sand, brushed into the greens, go virtually unnoticed by golfers. This important process not only continues to maintain the surface firmness desired by our golfers, but also 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 insect pests.



- **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 incidents of disease such as dollar spot (*Clarireedia*



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. We continue to utilize this practice 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 reduces disease pressure but also reduces fuel emissions. On these days, we reduce by 75% the amount of fuel used to prepare greens for play.

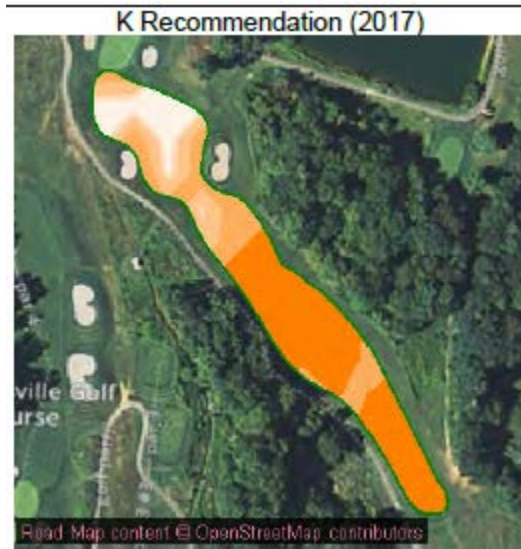
- **Venting/Spiking:** Every 2-4 weeks throughout the year, superintendents will perform another important but minimally disruptive practice. Venting is usually performed with equipment that leaves very small (0.2 – 0.25 inch) holes throughout the green at 1.25-inch spacing. This machine rolls the turf 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 shorter period of time. 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.



- **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 ratio but the soil will also more readily support a diverse microbiology and have improved drainage properties. In 2016, we began to implement MLSN (Minimal Levels of

Sustainable Nutrition) guidelines (<https://goo.gl/TzuOPI>), a sustainable approach to managing turfgrass nutrition developed by PACE Turf and the Asian Turfgrass Research Center after careful analysis of thousands of soil tests from around the world of healthy and unhealthy turf. We continued to successfully utilize this approach in 2020.

- **Soil texture mapping:** In late 2016, we began



the

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
	CALCIUM:	Desired Value lbs / acre	661	544
EXCHANGEABLE CATIONS		Value Found	644	498
		Deficit	-17	-46
	MAGNESIUM:	Desired Value lbs / acre	100	100
		Value Found	100	82
		Deficit	-18	-18
	POTASSIUM:	Desired Value lbs / acre	100	100
	Value Found	82	71	
	Deficit	-18	-29	
	SODIUM:	lbs / acre	52	50

process of using a Veris machine to map the texture of the soils of our fairways at all 9 courses using electrical conductivity. This process allows us to further reduce necessary fertilizer applications. The picture here is an example of the potassium recommendations for #6 fairway at Laytonsville. Areas lighter in color will not need any potassium applied, so on this hole we would see about a 50%

reduction in that fertilizer. This picture also demonstrates the high variability of the soil around our properties, as well as our commitment to more precision turf management. After the soils are mapped, soil samples are taken from each similar zone in every fairway to provide a recommendation. Nutrient recommendations are given for P, K, Mg, Ca, S, Zn, Mn, Fe, Cu, and B, as do most standard soil tests. We can look at this data combined with MLSN guidelines to provide an innovative new way to further reduce nutrient use.

- **Water conservation:** One of the keys to managing healthy turf is to maintain 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 judicious irrigation programming saves an estimated 10 – 20 million gallons of water each year at our nine golf courses.



- **Wetting agents** are also used at our facilities in an effort to reduce watering and improve the effectiveness of our irrigation practices. Wetting agents allow water to more readily and evenly infiltrate into the soil. This immediately reduces runoff during heavy rain events and allows water from irrigation (when needed) to reach the entire root system and keep plant health at ideal levels to tolerate traffic and weather stress. Wetting agents can be targeted with a hose on localized dry spots, applied to entire turf areas such as greens, tees, or fairways, or applied through the irrigation system for a broad, positive impact as soil conditions dictate throughout the year. Rates are easily adjusted, and different chemistries are available that allow water to be held near the surface or penetrate deeper into varying soil types from sand to clay and everything in between.

- **Technology:** MCRA continued its use of tools that we now consider indispensable: TDR 300 and 350 Field Scout Soil Moisture Meters. These devices are located at every facility and allow the superintendents to instantly see moisture levels on a digital display. With this information, they can more accurately pinpoint areas that are deficient in water, or that are too wet. This has enabled us to use even less water as we manage our greens, and by ensuring proper moisture levels (not too wet, not too dry) throughout the entire green, plant health is consistently better, and the grass requires fewer inputs in the way of pesticides or fertilizers.



- **Scouting:** As a part of our Integrated Pest Management (IPM) strategy, scouting the golf courses daily for dozens of insect and disease pests that can significantly damage turf is performed. One example of a pest that is causing significant turf damage in the Mid-Atlantic region is the Annual Bluegrass Weevil (ABW). The ABW has been a pest to the northern states such as Massachusetts and New York for many years and has now migrated south as far as North Carolina and adapted to the slightly warmer climate where it is difficult to control with as many as 4 generations throughout one growing season. We spend a significant amount of time talking with university researchers and other experts about ideal control strategies that will allow us to minimize chemical inputs and maximize control of this pest. There are multiple methods to scout for the ABW. A “soap flush” with lemon scented dish soap is applied with water to host turf (primarily *Poa annua*) which makes the adults rise from cover to the tops of grass blades to be identified and counted. A “salt flush” is used other times of year to draw larvae from grass stems and is done by simply adding salt to a jar with water and adding a small turf plug and shaking. Cutting into the turf then pulling apart the thatch to identify larger, older larvae can also be done. There are other monitoring techniques such as vacuuming to identify ABW numbers and develop a control plan if needed. After scouting data is collected, the turf manager will implement a control strategy to targeted areas, if needed, based on their findings.
- This is just one example of the lengths our teams go to in order to monitor one of many insects and turf diseases that can impact playing conditions.



Environment: MCRA courses continue to work within the guidelines of the Audubon International Cooperative Sanctuary Program for Golf Courses, as well as the Groundwater Guardian Greensite Program. These successful programs help manage green spaces such as golf courses, carry out safe groundwater practices against chemical use and pollution, and develop effective conservation and wildlife enhancement programs.

Poolesville, Little Bennett, Needwood, and Northwest golf courses have achieved Audubon International certification. Through the end of 2020, all MCRA golf courses continued to work toward achieving Audubon certification by completing requirements in the six focus areas of this program:

- | | |
|---------------------------------|-----------------------------------|
| ● Wildlife & Habitat Management | ● Water Quality Management |
| ● Water Conservation | ● Chemical Use Reduction & Safety |
| ● Environmental Planning | ● Outreach and Education |

Projects: In 2020, several important projects were completed at our golf courses....

- **Needwood pump station upgrade** – Needwood’s irrigation pump station received a major upgrade to replace the pumps, piping, and control system. Not only does this significantly increase the reliability of the system in delivering critical water to the billions of plants that constitute the golf course, but the new components will help to reduce the electrical demand of this system as well.
- **Bunker rebuilds** - Rebuilding of bunkers at 5 golf courses (Falls Road, Laytonsville, Poolesville, Rattlewood, and Needwood) helped ensure that these hazards continue to function for years to come. Over time, heavy rain events will begin to compromise the drainage systems in these bunkers, so each year we choose a manageable number of bunkers to install new drainage and sand to keep these bunkers functional for another 7-10 years.
- **Fairway drainage**– We addressed the most pressing drainage issues in several fairways around the system, at Falls Road (#7 & #16), Northwest (#1, #13, #17), and Little Bennett (#5). By reducing the wet areas in these fairways, we not only improve our ability to continue routine maintenance activities, but also improve chances of turfgrass survival and the need for emergency applications of fungicides to keep the grass alive.
- **Tee levelling**– Select tee boxes at Rattlewood and Little Bennett were levelled to improve the playing experience at these facilities. Over time, the filling of divots can result in “crowned” surfaces, and occasional resurfacing is warranted since most divots are taken in the middle of tees.
- **Tee box renovation**– The 14th tee box at Needwood was regressed to a new variety of Kentucky bluegrass, “HGT or Healthy Grass Technology.” This grass has shown promise in our field testing to tolerate more wear and allow for reductions in inputs to maintain an acceptable playing surface. This particular hole has very limited room to expand teeing areas, thus the change in playing surface.

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.

More than 150 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. A portion of the 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.

In 2016, the MCRA secured a \$5.477M FAA grant with a \$310k matching grant to refinish and relight the taxiway Airpark. This is the first of a two-phase project. In 2018, a second grant for \$2.913M was acquired to finish the work. The project is expected to be completed by 2020.

According to 2018 economic data supplied by the Maryland Aviation Administration, the Airpark provides the following direct, indirect, and induced benefits to Montgomery County:

- 193 jobs
- \$9,661,000 million in personal income
- \$5,753,000 million in business revenues
- \$1,468,000 million in tax revenues



Financing Activities

Long-term sustainability continues to be a focus 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. In January of 2018, MCRA took advantage of a favorable interest rate environment to replace its interest rate swaps on a principal balance of \$17,168,000. This will save MCRA approximately \$32,000 per year in debt service payments through the remaining life of the bonds. Final maturity occurs in December of 2027.

In addition to its own debt, the MCRA carries more than \$54 million in debt related to projects around the County, which is not considered part of the County's debt service calculation.

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