

MEMORANDUM

February 9, 2012

TO: Planning, Housing, and Economic Development Committee

FROM: Jeff Zyontz,  Legislative Attorney

SUBJECT: **FY13-18 Capital Improvements Program for the Revenue Authority**

On February 13, 2012, the Committee will review the Recommended FY13-18 Capital Improvements Program (CIP) for the Montgomery County Revenue Authority. Keith Miller, Executive Director of the Revenue Authority, will be present to discuss the CIP with the Committee.

OVERVIEW

The Revenue Authority's FY13-18 CIP request consists of 9 projects totaling \$26.6 million over the six-year period. The request represents a decrease of \$9.4 million, or 26.1 percent, from the approved FY11-16 CIP (as amended). The change is due mainly to the decreased (\$6.8 million) funding request for the Airpark. The full CIP request is attached at © 1-10.

The projects include improvements at the Falls Road, Hampshire Greens, Little Bennett, Needwood, Northwest, Poolesville, and Rattlewood golf courses. The CIP also includes additional Federal funding for the Airport Layout Plan and the Airport Capital Improvement Plan at the Airpark. The County Executive recommends approval of the Revenue Authority's CIP as requested. **Staff also recommends approval of the Revenue Authority's CIP without amendments.**

BACKGROUND

The Revenue Authority was created in 1957 to construct and operate a variety of self-supporting projects. Background on the Authority is attached on © 1. It is a self-supporting, public corporation that operates somewhat independently of County Government. The corporation owns and operates self-sustaining projects that support the County's economic development, recreation, and transportation, and assists in financing County Government projects by issuing bonds or other debt. The Revenue Authority operates under County Code, and the County Executive and County Council must review and approve

any project greater than \$50,000.¹ Unlike other agencies and departments, the County “authorizes” the Revenue Authority’s CIP; the Council does not appropriate funds.

The Revenue Authority operates 9 golf courses and the Airpark. It finances buildings used by Health and Human Services, the Recreation department (swim centers), Montgomery College, and the Conference Center. There were 3 PDFs related to this activity in the past CIP.² The Council can expect any future projects **financed** by Revenue Authority to be listed in the appropriate Department or Agency’s CIP request; the Revenue Authority will be listed as a source of financing only.³

The Montgomery County Revenue Authority’s annual report is attached at © 11-20. It reports that 340,000 rounds of golf were played in 2010, a decrease of 8.4 percent since 2008. During 2010, an estimated 8,500 golfers participated in camps and classes, and 2,000 children and youth participated in the First Tee program. The annual report also discusses the environmental measures taken by the Revenue Authority.

PROJECT REVIEW

1. Falls Road Golf Course (page 36-3, © 3)

The recommendation continues the improvements for this golf course, with an increase of \$17,000 from the FY11-16 authorization. The improvements to light the practice range were completed. Partial coverage and heating of the hitting area were delayed. The proposed FY13 expenditure was increased to modify the existing clubhouse food area. The Executive recommends approval as submitted.

¹ Sec. 42-13. Six-year programs; project approval.

(a) Six-year programs.

- (1) Before October 1 each odd-numbered calendar year, the Authority must prepare and submit a six-year capital improvements program to the Executive. The capital improvements program must include:
 - (A) a statement of the objectives of the capital program and relationship of the program to the County's adopted long range development plans;
 - (B) recommended capital projects and a construction schedule; and
 - (C) an estimate of cost and a statement of all funding sources.
- (2) The capital improvements program must include all capital projects and programs of the Authority, including substantial improvements and extensions of projects previously authorized. Except as otherwise authorized under this Chapter, an improvement or extension of any existing project must not be undertaken unless approved in the capital improvements program.
- (3) The Executive must include the Authority's six-year program, with any recommended revisions and modifications, in the comprehensive six-year program submitted to the Council under Section 302 of the County Charter.
- (4) The Council must adopt a six-year capital improvements program for the Authority as a part of the County's comprehensive six-year program. The Council may amend the program. Any amendment must not become final until it is submitted to the Authority for written comment on at least 30 days notice.
- (5) The capital budget of the Authority for the succeeding fiscal year includes projects in the first year of the six-year capital program. A capital project must not be undertaken unless it is approved in the capital program or otherwise authorized under this Chapter.

² Germantown Indoor Swim Center (003901), Cafritz Foundation Art Center (053901), and Takoma Park West Campus Garage (093904). All of these projects require no funding in the FY13-18 CIP.

³ In the future, projects such as the Germantown Indoor Swim Center will be listed under the Recreation Department’s program.

2. Little Bennett Golf Course (page 36-4, © 4)

The project would improve the irrigation system and renovate the clubhouse to expand the seating area. The program calls for the expenditure of \$125,000 in FY13. The Executive recommends approval as submitted.

3. Needwood Golf Course (page 36-5, © 5)

This was a new project in FY11 to provide for improvements to the golf course. The recommended funding total for the six-year period is \$1.25 million; some \$180,000 will be spent by the end of FY12. The FY11 funds allowed for improvements to the main irrigation ponds. FY12 funds will provide for modifications to the clubhouse food area. Funds in FY15 and FY16 (\$600,000 each year) will provide for the complete replacement of the irrigation system. The Executive recommends approval as submitted.

4. Northwest Golf Course (page 36-6, © 6)

This was a new project in FY11 to provide for improvements to the golf course. The recommended funding total for the six-year period is \$850,000; some \$466,000 will be spent by the end of FY12. Improvements include modifying the existing golf course, adding new forward tees, improving green surfaces, a large scale bunker renovation, and remodeling the clubhouse. The Executive recommends approval as submitted.

5. Poolesville Golf Course (page 36-6, © 7)

The recommendation for this project continues improvements at the golf course. The six-year recommended total is \$1 million, with most expenditures scheduled in FY16. The PDF indicates that funds will support a new irrigation system and parking lot, with demolition of the existing clubhouse scheduled for FY15. The Executive recommends approval as submitted.

Other projects

Airpark (page 36-8, © 8)

The Federal and State governments and the County Revenue Authority share responsibility for funding the Montgomery County Airpark projects. Generally, the Federal government funds 95 percent, the State funds 2.5 percent, and the Revenue Authority funds 2.5 percent. Funding from the Federal government is dependent on the Airport Layout Plan (ALP), which was updated by the Revenue Authority in 2002.

The FY13-18 recommendation is a total of \$23.2 million, a decrease of \$6.8 million over the amended FY11-16 level. This six-year total reflects \$22.04 million of Federal Aid and \$1.16 million from both the State and the Revenue Authority. Funds are programmed through FY17. The PDF states that the funds will provide for preliminary acquisition of properties to address runway issues.

Revenue Authority

AGENCY DESCRIPTION

The Revenue Authority is an instrumentality of Montgomery County and a public corporation created in accordance with State law in 1957 to construct and operate a variety of self-supporting projects. The Revenue Authority Board consists of six members. Five members serve five-year staggered terms and are appointed by the County Executive, subject to confirmation by the County Council. A sixth member, the Chief Administrative Officer or designee, was added when Chapter 42 of the County Code was amended in 1998. The Revenue Authority is authorized to issue its own revenue bonds and other debt, which are repaid solely from the revenues received by the Authority; general tax receipts are not used for the retirement of Authority debt.

PROGRAM DESCRIPTION AND OBJECTIVES

The Revenue Authority was created to construct, improve, equip, furnish, and maintain financially self-supporting projects devoted wholly, or partially, for the public use, public good, or general welfare. It promotes, develops, and operates or leases operations in several County program areas, including transportation and recreation. In the area of transportation, the Authority leases the operation of the Montgomery County Airpark. The recreation program area includes nine active golf courses; and leased operations to the County Department of Recreation of four pools, which are partially financed by the Authority. Under a thirty year lease agreement between it and the Maryland-National Capital Park and Planning Commission (M-NCPPC), the Revenue Authority assumed responsibility for managing the following M-NCPPC golf courses in FY08: Sligo Creek, Northwest, Little Bennett and Needwood. The Sligo Creek golf course has since been returned to the M-NCPPC and is currently managed by the Revenue Authority under a management agreement.

HIGHLIGHTS

- Focus on long-term sustainability of fixed assets including modifications to the clubhouse food service areas, irrigation, and clubhouse seating improvements to the Falls Road, Little Bennett, Needwood, Northwest, and Poolesville golf courses.
- Continue to implement the next phase of the Airport Layout Plan and the Airport Capital Improvement Plan accepted by the Federal Aviation Administration.

PROGRAM CONTACTS

Contact Keith Miller, Executive Director, Montgomery County Revenue Authority, 301.762.9080, or Jennifer Bryant of the

Office of Management and Budget at 240.777.2761 for more information regarding this department's capital budget.

CAPITAL PROGRAM REVIEW

The FY13-18 Capital Improvements Program proposed by the Revenue Authority consists of six ongoing projects totaling \$26.7 million over the next six years. The request represents a \$9.4 million, or 26.1 percent decrease from the \$36 million approved in the amended FY11-16 program. The change is due mainly to some project expenditures for Needwood, Northwest and Rattlewood golf courses, and the Germantown Indoor Swim Center moving out of the six-year period. The FY13-18 six-year program costs are associated with improvements at Falls Road, Little Bennett, Needwood, Northwest, and Poolesville golf courses as well as additional Federal funding of the Airport Layout Plan and the Airport Capital Improvement Plan at the Airpark.

The County Executive recommends \$26.7 million for the Revenue Authority for FY13-18.

The Revenue Authority FY13-18 program is funded by Revenue Authority debt, Revenue Authority current revenues, Federal funds, and State funds. Details of the Revenue Authority projects are included on the respective project description forms.

STATUTORY AUTHORITY

The Revenue Authority operates under the Montgomery County Code Chapter 42, 1984, amended 1998.

Prior to FY93, the Revenue Authority operated under State law. It was transferred from State law to the County Code during FY93. The transfer to the County enables local amendments to the Authority's governing law without requiring State legislative action.

The Revenue Authority is responsible for preparing a six-year Capital Improvements Program (CIP) and submitting it to the County Executive prior to October 1 of each biennial year. The County Executive includes this program, along with comments and recommendations, in the comprehensive six-year CIP submitted to the County Council by January 15 for each odd-numbered fiscal year.

The County Council holds public hearings and may approve, amend, or modify the Revenue Authority's capital budget on, or before, adoption of the County's annual budget and appropriation resolution. Funds for the Revenue Authority projects are not appropriated since the Revenue Authority is

self-supporting and operates independently of the County government. Any project costing more than \$50,000 may not be undertaken by the Revenue Authority without review and approval by the County Executive and County Council.

Falls Road G.C. Improvements -- No. 967432

Category
Subcategory
Administering Agency
Planning Area

Revenue Authority
Golf Courses
Revenue Authority
Cabin John

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

December 27, 2011
No
None.
On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY11	Est. FY12	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
Planning, Design, and Supervision	539	447	30	62	37	0	0	25	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	2,497	2,497	0	0	0	0	0	0	0	0	0
Construction	1,622	1,310	142	170	100	0	0	70	0	0	0
Other	73	73	0	0	0	0	0	0	0	0	0
Total	4,731	4,327	172	232	137	0	0	95	0	0	0

FUNDING SCHEDULE (\$000)

Revenue Authority	4,731	4,327	172	232	137	0	0	95	0	0	0
Total	4,731	4,327	172	232	137	0	0	95	0	0	0

DESCRIPTION

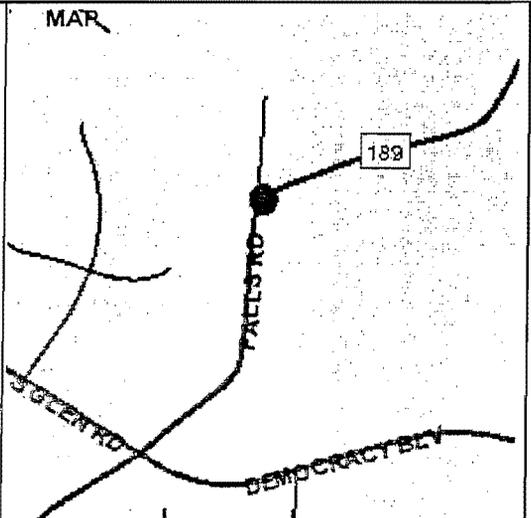
This project provides for improvements at Falls Road Golf Course located at 10800 Falls Road in Potomac. The course was completely renovated in FY03. The practice range lighting project was completed in FY11. Partial covering and heating of the range will be completed in FY12. Modifications to the existing clubhouse food service area will be completed in FY13, and the stream connection project will be completed in FY16 to address erosion and drainage issues. These projects were approved in the prior CIP but delayed.

JUSTIFICATION

The project proposes practice facility improvements, which serve to enhance current golfers' experiences, while increasing availability to non-golfers to learn the game. The planned modifications to the food services facility will provide patrons a broader selection of food options with quick efficient service.

APPROPRIATION AND EXPENDITURE DATA		
Date First Appropriation	FY96	(\$000)
First Cost Estimate	FY11	4,731
Current Scope		
Last FY's Cost Estimate		4,731
Appropriation Request	FY13	0
Appropriation Request Est.	FY14	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		4,731
Expenditures / Encumbrances		4,398
Unencumbered Balance		333
Partial Closeout Thru	FY10	0
New Partial Closeout	FY11	0
Total Partial Closeout		0

COORDINATION
Montgomery County Department of Permitting Services
Maryland Department of the Environment



3
36-3

Little Bennett Golf Course -- No. 093903

Category
Subcategory
Administering Agency
Planning Area

Revenue Authority
Golf Courses
Revenue Authority
Clarksburg

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

December 21, 2011
No
None.
Planning Stage

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY11	Est. FY12	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
Planning, Design, and Supervision	10	3	3	4	4	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	245	120	0	125	125	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	255	123	3	129	129	0	0	0	0	0	0

FUNDING SCHEDULE (\$000)

Revenue Authority	255	123	3	129	129	0	0	0	0	0	0
Total	255	123	3	129	129	0	0	0	0	0	0

DESCRIPTION

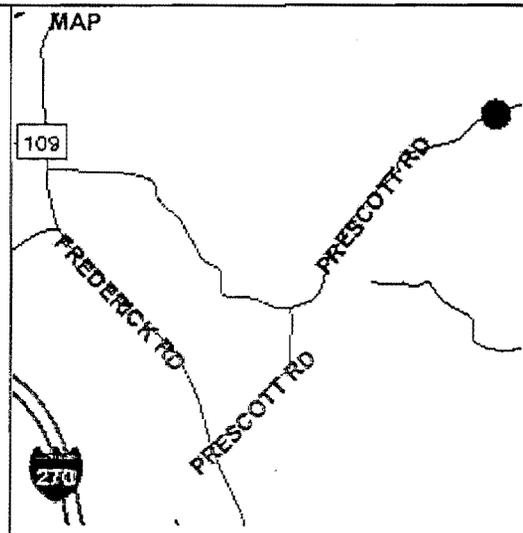
This project provides for improvements at Little Bennett Golf Course located at 25900 Prescott Road in Clarksburg. The improvements include upgrades to the irrigation system. The clubhouse renovation includes expansion of the seating area to better accommodate groups, which will improve revenue performance. The project was approved in the prior CIP and delayed.

JUSTIFICATION

The clubhouse remodeling will expand the seating area to better accommodate group functions and improve revenue performance

APPROPRIATION AND EXPENDITURE DATA		
Date First Appropriation	FY09	(\$000)
First Cost Estimate		255
Current Scope	FY09	255
Last FY's Cost Estimate		255
Appropriation Request	FY13	0
Appropriation Request Est.	FY14	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		255
Expenditures / Encumbrances		123
Unencumbered Balance		132
Partial Closeout Thru	FY10	0
New Partial Closeout	FY11	0
Total Partial Closeout		0

COORDINATION
Maryland-National Capital Parks and Planning
Montgomery County Department of Permitting
Services



Needwood Golf Course -- No. 113900

Category
Subcategory
Administering Agency
Planning Area

Revenue Authority
Golf Courses
Revenue Authority
Shady Grove Vicinity

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

December 19, 2011
No
None.
On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY11	Est. FY12	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
Planning, Design, and Supervision	57	0	7	50	0	50	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	1,200	0	0	1,200	0	0	600	600	0	0	0
Construction	100	60	40	0	0	0	0	0	0	0	0
Other	73	0	73	0	0	0	0	0	0	0	0
Total	1,430	60	120	1,250	0	50	600	600	0	0	0

FUNDING SCHEDULE (\$000)

Revenue Authority	1,430	60	120	1,250	0	50	600	600	0	0	0
Total	1,430	60	120	1,250	0	50	600	600	0	0	0

DESCRIPTION

This project provides for improvements to Needwood Golf Course located at 6724 Needwood Road in Derwood. In FY11, funding will allow for improvements to the main irrigation ponds which provide water to the entire golf course. In addition, FY12 funding will provide for modification to the existing clubhouse food service area to improve food and beverage service offerings for patrons of the facility. In FY15 and FY16, this project provides for a complete replacement of the irrigation system at this facility.

JUSTIFICATION

The irrigation system is in need of upgrades which will allow for improved playing conditions for golfers while also improving the efficient use of water resources. The planned modifications to the food services facility will provide patrons a broader selection of food options with quick, efficient service.

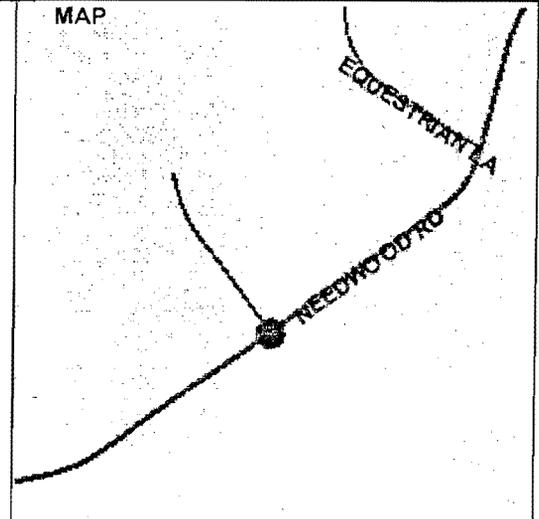
APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY11	(\$000)
First Cost Estimate	FY11	1,430
Current Scope		
Last FY's Cost Estimate		1,430
Appropriation Request	FY13	0
Appropriation Request Est.	FY14	50
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		180
Expenditures / Encumbrances		60
Unencumbered Balance		120
Partial Closeout Thru	FY10	0
New Partial Closeout	FY11	0
Total Partial Closeout		0

COORDINATION

Maryland Department of the Environment
Montgomery County Department of Permitting Services

MAP



5

Northwest Golf Course -- No. 113901

Category
Subcategory
Administering Agency
Planning Area

Revenue Authority
Golf Courses
Revenue Authority
Kensington-Wheaton

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

December 21, 2011
No
None.
On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY11	Est. FY12	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
Planning, Design, and Supervision	241	50	66	125	125	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	850	0	350	500	500	0	0	0	0	0	0
Construction	225	0	0	225	0	0	150	75	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	1,316	50	416	850	625	0	150	75	0	0	0

FUNDING SCHEDULE (\$000)

Revenue Authority	1,316	50	416	850	625	0	150	75	0	0	0
Total	1,316	50	416	850	625	0	150	75	0	0	0

DESCRIPTION

This project provides for improvements at Northwest Golf Course located at 15711 Layhill Road in Wheaton. The project scope includes modifying the existing golf course, improving the playability for different levels of golfers by adding new forward tees, improving the green surfaces, and a large scale bunker renovation. The project also provides for remodeling the existing clubhouse.

JUSTIFICATION

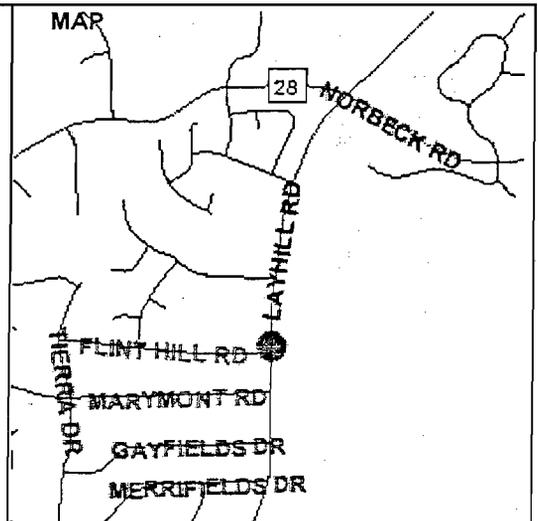
The public daily fee golf course must cater to the diverse abilities of many golfers, from low to high handicappers, by providing both appropriate levels of strategy and challenge and an interesting and pleasant setting in which to play the game. The objective of the improvements is to provide maximum playability, enhance visual quality, and allow for the most efficient maintenance of the golf course. The project proposes improvements to the golf course which serve to enhance the existing character and playability, while employing contemporary standards for design, construction, and maintenance.

APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY11	(\$000)
First Cost Estimate	FY11	1,316
Current Scope		
Last FY's Cost Estimate		1,316
Appropriation Request	FY13	625
Appropriation Request Est.	FY14	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		466
Expenditures / Encumbrances		50
Unencumbered Balance		416
Partial Closeout Thru	FY10	0
New Partial Closeout	FY11	0
Total Partial Closeout		0

COORDINATION

Maryland Department of the Environment
Montgomery County Department of Permitting
Services



6

Poolesville Golf Course -- No. 997458

Category
Subcategory
Administering Agency
Planning Area

Revenue Authority
Golf Courses
Revenue Authority
Poolesville

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

December 21, 2011
No
None.
On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY11	Est. FY12	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
Planning, Design, and Supervision	100	100	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	1,085	285	0	800	0	0	0	800	0	0	0
Construction	750	550	0	200	0	0	200	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	1,935	935	0	1,000	0	0	200	800	0	0	0

FUNDING SCHEDULE (\$000)

Revenue Authority	1,935	935	0	1,000	0	0	200	800	0	0	0
Total	1,935	935	0	1,000	0	0	200	800	0	0	0

DESCRIPTION

This project provides for improvements at Poolesville Golf Course located at 16601 West Willard Road in Poolesville. The irrigation system replacement scheduled for FY14 will now be completed in FY16. The currently unused clubhouse facility is scheduled for demolition in FY15. These projects have been delayed to allow for the completion of a long term master plan for the property.

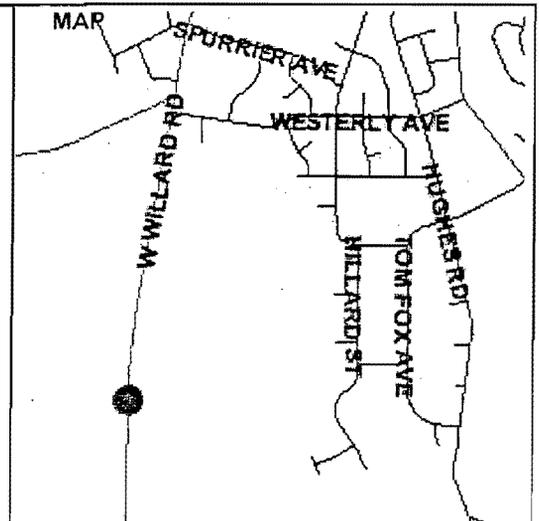
JUSTIFICATION

The projects address long term infrastructure needs.

APPROPRIATION AND EXPENDITURE DATA		
Date First Appropriation	FY99	(\$000)
First Cost Estimate	FY11	1,935
Current Scope		1,935
Last FY's Cost Estimate		1,935
Appropriation Request	FY13	0
Appropriation Request Est.	FY14	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		935
Expenditures / Encumbrances		935
Unencumbered Balance		0
Partial Closeout Thru	FY10	0
New Partial Closeout	FY11	0
Total Partial Closeout		0

COORDINATION

Maryland Department of the Environment
Montgomery County Department of Permitting
Services



Montgomery County Airpark -- No. 703909

Category
Subcategory
Administering Agency
Planning Area

Revenue Authority
Miscellaneous Projects (Revenue Authority)
Revenue Authority
Gaithersburg

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

January 07, 2012
No
None.
On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY11	Est. FY12	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
Planning, Design, and Supervision	4,110	1,810	150	2,150	400	500	300	500	450	0	0
Land	40,590	19,990	3,850	16,750	0	0	2,000	3,500	11,250	0	0
Site Improvements and Utilities	6,163	6,163	0	0	0	0	0	0	0	0	0
Construction	9,650	5,350	0	4,300	0	2,000	300	2,000	0	0	0
Other	840	840	0	0	0	0	0	0	0	0	0
Total	61,353	34,153	4,000	23,200	400	2,500	2,600	6,000	11,700	0	0

FUNDING SCHEDULE (\$000)

Contributions	85	85	0	0	0	0	0	0	0	0	0
Federal Aid	56,938	31,098	3,800	22,040	380	2,375	2,470	5,700	11,115	0	0
Revenue Authority	2,313	1,634	100	579	10	62	65	150	292	0	0
State Aid	2,017	1,336	100	581	10	63	65	150	293	0	0
Total	61,353	34,153	4,000	23,200	400	2,500	2,600	6,000	11,700	0	0

DESCRIPTION

The Montgomery County Airpark is a general aviation reliever airport located at 7940 Airpark Drive in Gaithersburg. The Montgomery County Revenue Authority (MCRA) updated the Airport Layout Plan (ALP) in 2002. The updated ALP identifies the projects and plans the sequencing for continued airport improvement. An Environmental Study of the ALP identified projects for the first five years and was completed in December 2005. Federal funds for the Airpark are approved by the Federal Aviation Administration (FAA) through the Airport Capital Improvement Plan (ACIP). FAA priorities for funding airport projects include promoting safety and security; preserving existing infrastructure; mitigating noise or environmental impacts; fulfilling compliance; and providing capacity.

ESTIMATED SCHEDULE

ALP projects have slipped into later years due to the deferral of Federal funding.

COST CHANGE

Increase reflects funding schedule per the Federal Aviation Administration Airport Capital Improvement Program. Funding will provide for preliminary acquisition of properties as required by the FAA for the runway protection zone and for planning for the removal of obstructions to Runway 32. Future funding may be affected by changes to the federal budget and FAA funding levels.

JUSTIFICATION

The recommended acquisitions, easements, and obstruction removals address obstructions to air navigation and protect life and property on the ground. Activities are based on Federal Aviation Administration design standards and guidelines.

The basis for the planned improvements is the Airport Layout Plan (ALP) approved by the FAA on July 25, 2002 and the Airport Capital Improvement Plan (ACIP) for 2011 -2016 submitted to the FAA.

FISCAL NOTE

Typically, funding for all Airpark projects is approximately 95 percent Federal, 2.5 percent State, and 2.5 percent Revenue Authority. These percentages may change according to the future funding levels of the FAA.

OTHER DISCLOSURES

- A pedestrian impact analysis has been completed for this project.
- The Revenue Authority asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

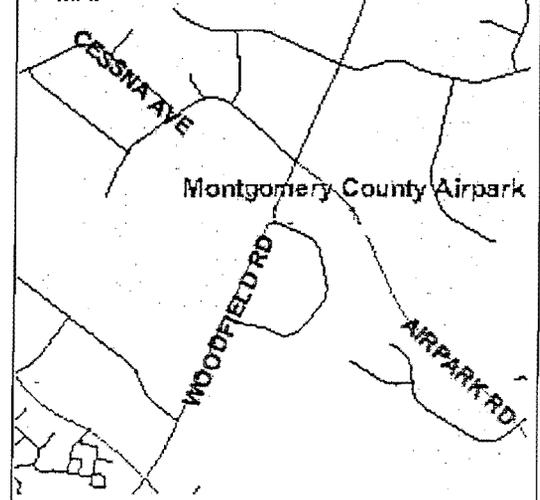
APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY70	(\$000)
First Cost Estimate	FY13	61,353
Current Scope		
Last FY's Cost Estimate		59,303
Appropriation Request	FY13	0
Appropriation Request - Est.	FY14	1,750
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		39,303
Expenditures / Encumbrances		34,153
Unencumbered Balance		5,150
Partial Closeout Thru	FY10	0
New Partial Closeout	FY11	0
Total Partial Closeout		0

COORDINATION

Federal Aviation Administration
Maryland Aviation Administration
Maryland-National Capital Park and Planning Commission
Airport Liaison Committee

MAP



Expenditure Detail by Category, Sub-Category, and Project (\$000s)

Revenue Authority

Project	Total	Thru FY11	Rem. FY12	6 Year Total	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6-yrs.	Approp.
<i>Golf Courses</i>												
967432 Falls Road G.C. Improvements	4,731	4,327	172	232	137	0	0	95	0	0	0	0
*859426 Hampshire Greens Golf Course	10,962	10,962	0	0	0	0	0	0	0	0	0	0
093903 Little Bennett Golf Course	255	123	3	129	129	0	0	0	0	0	0	0
113900 Needwood Golf Course	1,430	60	120	1,250	0	50	600	600	0	0	0	0
113901 Northwest Golf Course	1,316	50	416	850	625	0	150	75	0	0	0	625
997458 Poolesville Golf Course	1,935	935	0	1,000	0	0	200	800	0	0	0	0
*017400 Rattlewood Golf Course	825	825	0	0	0	0	0	0	0	0	0	0
*093900 Sligo Creek Golf Course	100	100	0	0	0	0	0	0	0	0	0	0
Sub-Category Total	21,554	17,382	711	3,461	891	50	950	1,570	0	0	0	625
<i>Miscellaneous Projects (Revenue Authority)</i>												
*003901 Germantown Indoor Swim Center	22,480	22,412	68	0	0	0	0	0	0	0	0	0
703909 Montgomery County Airpark	61,353	34,153	4,000	23,200	400	2,500	2,600	6,000	11,700	0	0	0
*053901 The Cafritz Foundation Art Center (Rev. Auth.)	30,000	30,000	0	0	0	0	0	0	0	0	0	0
*093904 TP/SS West Campus Garage (Rev. Auth.)	14,500	14,500	0	0	0	0	0	0	0	0	0	0
Sub-Category Total	128,333	101,065	4,068	23,200	400	2,500	2,600	6,000	11,700	0	0	0
Category Total	149,887	118,447	4,779	26,661	1,291	2,550	3,550	7,570	11,700	0	0	625

36-9

(1)

* Pending Close Out or Close Out

Funding Summary by Category, Sub-Category and Revenue Source (\$000s)

Revenue Authority

Funding Source	Total	Thru FY11	Rem. FY12	6 Year Total	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
<i>Golf Courses</i>											
Revenue Authority	13,293	9,121	711	3,461	891	50	950	1,570	0	0	0
Revenue Bonds	8,261	8,261	0	0	0	0	0	0	0	0	0
Sub-Category Total	21,554	17,382	711	3,461	891	50	950	1,570	0	0	0
<i>Miscellaneous Projects (Revenue Authority)</i>											
Contributions	498	498	0	0	0	0	0	0	0	0	0
Federal Aid	56,938	31,098	3,800	22,040	380	2,375	2,470	5,700	11,115	0	0
G.O. Bonds	1,439	1,371	68	0	0	0	0	0	0	0	0
Revenue Authority	67,441	66,762	100	579	10	62	65	150	292	0	0
State Aid	2,017	1,336	100	581	10	63	65	150	293	0	0
Sub-Category Total	128,333	101,065	4,068	23,200	400	2,500	2,600	6,000	11,700	0	0
Category Total	149,887	118,447	4,779	26,661	1,291	2,550	3,550	7,570	11,700	0	0
CIP Total	149,887	118,447	4,779	26,661	1,291	2,550	3,550	7,570	11,700	0	0

36-10

10



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

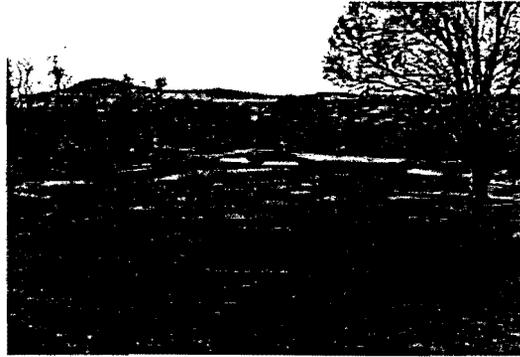


- ***Golf Industry Supported Initiatives***

- 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

