

MEMORANDUM

February 18, 2016

TO: Planning, Housing, and Economic Development Committee
FROM: Jeff Zyontz, ^{JZ} Senior Legislative Analyst
SUBJECT: FY15-20 Capital Improvements Program for the Revenue Authority

OVERVIEW

The Revenue Authority's FY17-22 CIP request consists of 9 projects totaling \$24.25 million over the six-year period. The request represents an increase of \$.25 million from the approved FY15-20 CIP. Airpark expenditures are contingent on federal and state funds. With one exception, the expenditures for golf course improvements would be deferred past the dates anticipated in the previously approved program. The full CIP request is attached at © 1-11.

The projects include improvements at the Falls Road, Hampshire Greens, Needwood, Northwest, Poolesville, and Rattlewood golf courses. The CIP also includes additional federal funding for the Airport Layout Plan and the Airport Capital Improvements Plan at the Airpark. The proposed CIP does not include any funds for Little Bennett Golf Course. The County Executive recommends approval of the Revenue Authority's CIP as requested. **Staff also recommends approval of the Revenue Authority's CIP, with a correction for the Airpark PDF to reflect expected funding sources.**

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 © 1-2. 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.

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

The Revenue Authority operates 9 golf courses and the Airpark. Projects **financed** by the Revenue Authority are listed in the appropriate Department or Agency's CIP request. The Revenue Authority is listed as a source of financing only.²

The Montgomery County Revenue Authority's annual report is attached at © 12-28. It reports that 353,700 rounds of golf were played in 2014, a decrease of 21,550 rounds from 2013 and a 46,000 round decrease from 2012. During 2014, the Authority's camps, classes, and events included Family Golf (1,400 people), Footgolf (2,000 rounds), MCG Academy (instructions for golfers of all levels), MCG Golf Studio (state-of-the-art golf simulator), Junior Golf Programs (9,800 junior golfers involved), and Golf Industry Supported Initiatives (1,200 participants). 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 a decrease of \$182,000 from the FY15-20 program. Although the FY15-20 CIP indicated expenditures in FY16 of \$95,000, no expenditures were made. The Authority delayed going forward with this project and is continuing to investigate its options. It is requesting the authorization of \$127,000 for construction in the next two fiscal years.

2. Hampshire Greens Restroom and Grill (page 36-4, © 4)

This was a new project in FY15 for \$100,000 to be used in FY15 to provide 9th tee amenities. That money was not spent because the bids for the improvement were higher than expected. The Executive recommends an authorization of \$240,000. The scope of the project would be increased to include irrigation system improvements.

(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 Projects such as the Germantown Indoor Swim Center, which at one time were listed in the Revenue Authority's CIP, are listed under the appropriate Department's program.

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

The recommended funding total for the 6 year CIP is \$1.3 million (the same as the FY15-20 request). Funds in FY17 and FY18 (\$600,000 in FY17 and \$706,000 in FY18) will provide for the complete replacement of the irrigation system. There was no work scheduled in FY16.

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

The recommended funding total for the six-year period is \$793,000 (the same as the FY15-20 request). Improvements include modifying the existing golf course and remodeling the clubhouse. In FY16, \$99,000 was spent to install ADA compliant entrance steps to the clubhouse. The future funds will go to modifying the golf course to improve playability.

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

The recommendation for this project continues improvements at the golf course. The six-year recommended total in the FY15-20 CIP was \$1 million. In FY15, \$570,000 was spent on irrigation improvements. The PDF indicates that future funds (\$430,000) will be for cart path restoration work.

6. Rattlewood Golf Course (page 36-8, © 8)

This is a new \$60,000 project for enhancements to the course's irrigation system.

7. Little Bennett Golf Course

This project was deleted from the requested CIP.

8. Airpark (page 36-9, © 9 copied from printed CIP; © 10 corrected PDF)

The Federal and State Governments and the County Revenue Authority share responsibility for funding the Montgomery County Airpark projects. Generally, the Federal Government funds 90 percent, the state funds 5 percent, and the Revenue Authority funds 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 FY17-22 recommendation is a total of \$21.5 million, an increase of \$1.2 million from the FY15-20 level. This increase reflects the change in the FAA Airport Capital Improvement Plan. The project is dependent upon federal funding. The printed recommended CIP includes an incorrect PDF for the Airpark that should be corrected with the online PDF. The Revenue Authority should explain to the Committee why it needs an additional authorization beyond the \$12 million in unspent authorizations.

<u>This packet includes</u>	<u>© number</u>
Revenue Authority CIP (including Airpark PDF correction)	1 – 11
2014 Revenue Authority Annual Report	12 – 28

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 the Revenue Authority 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

- Add a new project, Rattlewood Golf Course to modify the irrigation system to address water constraints.
- Focus on long-term sustainability of fixed assets including modifications to the clubhouse food service areas, irrigation, and clubhouse seating improvements to the Hampshire Greens, Falls Road, Needwood, Northwest, Poolesville and Rattlewood 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 Anita Aryeety of the

Office of Management and Budget at 240.777.2784 for more information regarding this department's capital budget.

CAPITAL PROGRAM REVIEW

The FY17-22 Capital Improvements Program proposed by the Revenue Authority consists of one new project and seven ongoing projects totaling \$24.3 million over the next six years. The request represents a \$0.5 million, or 2.2 percent increase from the \$23.7 million approved in the amended FY15-20 program. The change is due mainly to project expenditures for the Little Bennett, Northwest and Poolesville golf courses, and the Montgomery County Airpark moving out of the six-year period. The FY17-22 six-year program costs are associated with improvements at Falls Road, Hampshire Greens, Needwood, Northwest, Poolesville and Rattlewood golf courses, as well as, continued Federal funding of the Airport Layout Plan and the Airport Capital Improvement Plan at the Airpark.

The County Executive recommends \$24.3 million for the Revenue Authority for FY17-22.

The Revenue Authority FY17-22 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 (P967432)

Category
 Sub Category
 Administering Agency
 Planning Area

Revenue Authority
 Golf Courses
 Revenue Authority (AAGE20)
 Cabin John

Date Last Modified
 Required Adequate Public Facility
 Relocation Impact
 Status

11/17/14
 No
 None
 Ongoing

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	534	534	0	0	0	0	0	0	0	0	0
and	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	2,188	2,188	0	0	0	0	0	0	0	0	0
Construction	1,754	1,627	0	127	57	70	0	0	0	0	0
Other	73	73	0	0	0	0	0	0	0	0	0
Total	4,549	4,422	0	127	57	70	0	0	0	0	0

FUNDING SCHEDULE (\$000s)											
Revenue Authority	4,549	4,422	0	127	57	70	0	0	0	0	0
Total	4,549	4,422	0	127	57	70	0	0	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	127
Appropriation Request Est.	FY 18	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		4,422
Expenditure / Encumbrances		4,422
Unencumbered Balance		0

Date First Appropriation	FY 96
First Cost Estimate	
Current Scope	FY 17 4,549
Last FY's Cost Estimate	4,422

Description

This project provides for improvements at Falls Road Golf Course. Modifications to the existing clubhouse food service area will be completed in FY17. The stream connection project to address erosion and drainage issues was completed in FY15.

Location

10800 Falls Road, Potomac MD

Cost Change

Increase due to modification of the food services facility.

Justification

The planned modifications to the food services facility will provide patrons a broader selection of food options with quick, efficient service.

Coordination

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

HG Restroom Amenities and Grille (P391501)

Category
 Program Category
 Administering Agency
 Planning Area

Revenue Authority
 Golf Courses
 Revenue Authority (AAGE20)
 Silver Spring

Date Last Modified
 Required Adequate Public Facility
 Relocation Impact
 Status

10/13/14
 No
 None
 Planning Stage

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
--	-------	--------------	----------	------------------	-------	-------	-------	-------	-------	-------	-----------------

EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	20	0	0	20	20	0	0	0	0	0	0
and	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	320	12	88	220	220	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	340	12	88	240	240	0	0	0	0	0	0

FUNDING SCHEDULE (\$000s)

Revenue Authority	340	12	88	240	240	0	0	0	0	0	0
Total	340	12	88	240	240	0	0	0	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	240
Appropriation Request Est.	FY 18	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		100
Expenditure / Encumbrances		12
Unencumbered Balance		88

Date First Appropriation	FY 15	
First Cost Estimate		
Current Scope	FY 17	340
Last FY's Cost Estimate		100

Description

This project provides for the construction of a new building with a restroom and grille/snack bar area at Hampshire Greens Golf Course near the 9th tee approach between the range and the tee. In FY17, modifications will be made to the irrigation system to improve reliability and coverage.

Location

616 Firestone Dr, Silver Spring MD

Cost Change

Increase due to planned modifications to the irrigation system.

Coordination

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

Needwood Golf Course (P113900)

Category
Job Category
Administering Agency
Planning Area

Revenue Authority
Golf Courses
Revenue Authority (AAGE20)
Shady Grove Vicinity

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

11/17/14
No
None
Ongoing

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	7	7	0	0	0	0	0	0	0	0	0
and	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	1,306	0	0	1,306	600	706	0	0	0	0	0
Construction	44	44	0	0	0	0	0	0	0	0	0
Other	73	73	0	0	0	0	0	0	0	0	0
Total	1,430	124	0	1,306	600	706	0	0	0	0	0
FUNDING SCHEDULE (\$000s)											
Revenue Authority	1,430	124	0	1,306	600	706	0	0	0	0	0
Total	1,430	124	0	1,306	600	706	0	0	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	1,200
Appropriation Request Est.	FY 18	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		230
Expenditure / Encumbrances		124
Unencumbered Balance		106

Date First Appropriation	FY 11
First Cost Estimate	
Current Scope	FY 11
Last FY's Cost Estimate	1,430

Description

This project provides for improvements to Needwood Golf Course. In FY17 and FY18, this project will provide for a complete replacement of the irrigation system at this facility.

Location

6724 Needwood Road, Derwood MD

Coordination

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

Northwest Golf Course (P113901)

Category: Revenue Authority
 Job Category: Golf Courses
 Administering Agency: Revenue Authority (AAGE20)
 Planning Area: Kensington-Wheaton

Date Last Modified: 11/17/14
 Required Adequate Public Facility: No
 Relocation Impact: None
 Status: Ongoing

Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
-------	-----------	----------	---------------	-------	-------	-------	-------	-------	-------	--------------

EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	15	15	0	0	0	0	0	0	0	0
and	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	508	508	0	0	0	0	0	0	0	0
Construction	793	99	126	568	189	189	190	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	1,316	622	126	568	189	189	190	0	0	0

FUNDING SCHEDULE (\$000s)

Revenue Authority	1,316	622	126	568	189	189	190	0	0	0
Total	1,316	622	126	568	189	189	190	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	0
Appropriation Request Est.	FY 18	35
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		1,091
Expenditure / Encumbrances		622
Unencumbered Balance		469

Date First Appropriation	FY 11	
First Cost Estimate		
Current Scope	FY 11	1,316
Last FY's Cost Estimate		1,316

Description

This project provides for improvements at Northwest Golf Course including modifying the existing golf course, and improving the playability for different levels of golfers.

Location

5711 Layhill Road, Wheaton MD

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.

Coordination

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

Poolesville Golf Course (P997458)

Category
Job Category
Administering Agency
Planning Area

Revenue Authority
Golf Courses
Revenue Authority (AAGE20)
Poolesville

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

8/25/14
No
None
Ongoing

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	120	100	0	20	0	20	0	0	0	0	0
and	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	285	285	0	0	0	0	0	0	0	0	0
Construction	1,530	917	183	430	0	430	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	1,935	1,302	183	450	0	450	0	0	0	0	0

FUNDING SCHEDULE (\$000s)											
Revenue Authority	1,935	1,302	183	450	0	450	0	0	0	0	0
Total	1,935	1,302	183	450	0	450	0	0	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	0
Appropriation Request Est.	FY 18	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		1,935
Expenditure / Encumbrances		1,302
Unencumbered Balance		633

Date First Appropriation	FY 99	
First Cost Estimate		
Current Scope	FY 11	1,935
Last FY's Cost Estimate		1,935

Description

This project provides for improvements at Poolesville Golf Course including the repair and replacement of cart paths throughout the golf course as well as improvements to playing areas.

Location

16601 West Willard Road, Poolesville MD

Justification

The projects addresses long-term infrastructure needs

Coordination

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

Rattlewood Golf Course (P391701)

Category
 Sub-Category
 Administering Agency
 Planning Area

Revenue Authority
 Golf Courses
 Revenue Authority (AAGE20)
 Damascus

Date Last Modified
 Required Adequate Public Facility
 Relocation Impact
 Status

11/17/14
 No
 None
 Planning Stage

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0	0
and	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	60	0	0	60	60	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	60	0	0	60	60	0	0	0	0	0	0
FUNDING SCHEDULE (\$000s)											
Revenue Authority	60	0	0	60	60	0	0	0	0	0	0
Total	60	0	0	60	60	0	0	0	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	60
Appropriation Request Est.	FY 18	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		0
Expenditure / Encumbrances		0
Unencumbered Balance		0

Date First Appropriation	FY 17	
First Cost Estimate		
Current Scope	FY 17	60
Last FY's Cost Estimate		0

Description

This project provides for improvements at Rattlewood Golf Course including updates/enhancements to the irrigation system to address water concerns.

Location

3501 Penn Shop Road, Mount Airy, MD 21771.

Estimated Schedule

Construction is expected to be completed in FY17.

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 project proposes enhancements to the irrigation system to address water constraints. The objective of the improvements is to provide maximum playability, enhance visual quality, and allow for the most efficient maintenance of the golf course.

Coordination

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

Montgomery County Airpark (P703909)

Category
Job Category
Administering Agency
Planning Area

Revenue Authority
Miscellaneous Projects (Revenue Authority)
Revenue Authority (AAGE20)
Gaithersburg

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

11/17/14
No
Yes
Ongoing

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	4,810	1,911	1,199	1,700	300	500	300	500	100	0	0
Land	43,133	23,133	5,500	14,500	3,300	2,700	0	0	8,500	0	0
Site Improvements and Utilities	6,235	6,235	0	0	0	0	0	0	0	0	0
Construction	15,973	5,406	5,267	5,300	300	2,000	1,500	1,500	0	0	0
Other	1,002	1,002	0	0	0	0	0	0	0	0	0
Total	71,153	37,687	11,966	21,500	3,900	5,200	1,800	2,000	8,600	0	0

FUNDING SCHEDULE (\$000s)											
Revenue Authority	85	85	0	0	0	0	0	0	0	0	0
Total	71,153	37,687	11,966	21,500	3,900	5,200	1,800	2,000	8,600	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	3,900
Appropriation Request Est.	FY 18	5,200
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		49,653
Expenditure / Encumbrances		37,687
Unencumbered Balance		11,966

Date First Appropriation	FY 70
First Cost Estimate	
Current Scope	FY 17 71,153
Last FY's Cost Estimate	61,353

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.

Location

7940 Airpark Drive, Gaithersburg MD

Cost Change

Increase reflects funding schedule per the Federal Aviation Administration Airport Capital Improvement Program.

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

The funding schedule is 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. Typically, funding for all Airpark projects is approximately 90 percent Federal, 5 percent State, and 5 percent Revenue Authority. These percentages may change according to the future funding levels of the FAA.

Disclosures

A pedestrian impact analysis has been completed for this project.

Revenue Authority (A20) asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

Coordination

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

Montgomery County Airpark (P703909)

Category
Sub Category
Administering Agency
Planning Area

Revenue Authority
Miscellaneous Projects (Revenue Authority)
Revenue Authority (AAGE20)
Gaithersburg

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

11/17/14
No
Yes
Ongoing

Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
-------	-----------	----------	---------------	-------	-------	-------	-------	-------	-------	--------------

EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	4,810	1,911	1,199	1,700	300	500	300	500	100	0	0
Land	43,133	23,133	5,500	14,500	3,300	2,700	0	0	8,500	0	0
Site Improvements and Utilities	6,235	6,235	0	0	0	0	0	0	0	0	0
Construction	15,973	5,406	5,267	5,300	300	2,000	1,500	1,500	0	0	0
Other	1,002	1,002	0	0	0	0	0	0	0	0	0
Total	71,153	37,687	11,966	21,500	3,900	5,200	1,800	2,000	8,600	0	0

FUNDING SCHEDULE (\$000s)

Contributions	85	85	0	0	0	0	0	0	0	0	0
Federal Aid	63,961	33,842	10,769	19,350	3,510	4,680	1,620	1,800	7,740	0	0
Revenue Authority	3,554	1,880	599	1,075	195	260	90	100	430	0	0
State Aid	3,553	1,880	598	1,075	195	260	90	100	430	0	0
Total	71,153	37,687	11,966	21,500	3,900	5,200	1,800	2,000	8,600	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	3,900
Appropriation Request Est.	FY 18	5,200
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		49,653
Expenditure / Encumbrances		37,687
Unencumbered Balance		11,966

Date First Appropriation	FY 70
First Cost Estimate	
Current Scope	FY 17 71,153
Last FY's Cost Estimate	61,353

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.

Location

7940 Airpark Drive, Gaithersburg MD

Cost Change

Increase reflects funding schedule per the Federal Aviation Administration Airport Capital Improvement Program.

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

The funding schedule is 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. Typically, funding for all Airpark projects is approximately 90 percent Federal, 5 percent State, and 5 percent Revenue Authority. These percentages may change according to the future funding levels of the FAA.

Disclosures

A pedestrian impact analysis has been completed for this project.

Revenue Authority (A20) asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

Coordination

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

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

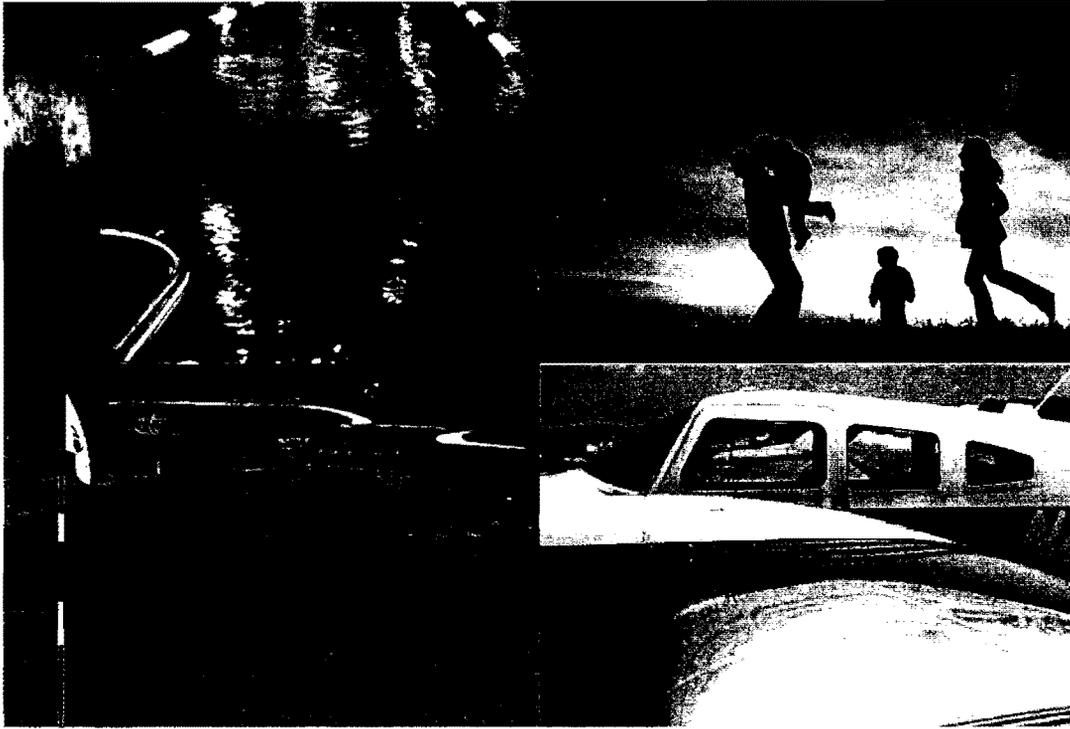
Run Date: 12/16/2016 2:40 PM

	Total Thru FY15	Est FY16	6 Year Total	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs	Approp.	
Revenue Authority (C14)												
Golf Courses												
Little Bennett Golf Course (P093903)	255	138	117	0	0	0	0	0	0	0	0	
Needwood Golf Course (P113900)	1,430	124	0	1,308	600	708	0	0	0	0	1,200	
Northwest Golf Course (P113901)	1,316	622	126	568	189	189	190	0	0	0	0	
Falls Road G.C. Improvements (P967432)	4,549	4,422	0	127	57	70	0	0	0	0	127	
Poolesville Golf Course (P997458)	1,935	1,302	183	450	0	450	0	0	0	0	0	
HQ Restroom Amenities and Grille (P391501)	340	12	88	240	240	0	0	0	0	0	240	
Rattlewood Golf Course (P391701)	60	0	0	60	60	0	0	0	0	0	60	
Golf Courses	9,885	8,620	514	2,751	1,146	1,415	190	0	0	0	851	
Miscellaneous Projects (Revenue Authority)												
Montgomery County Airpark (P703909)	71,153	37,687	11,966	21,500	3,900	5,200	1,800	2,000	8,600	0	3,900	
Miscellaneous Projects (Revenue Authority)	71,153	37,687	11,966	21,500	3,900	5,200	1,800	2,000	8,600	0	3,900	
Revenue Authority (C14)	81,038	44,307	12,480	24,251	5,046	6,615	1,990	2,000	8,600	0	4,751	

* = Closeout or Pending Closeout

CIP230 - CE Recommended

36-10
①



MCRA

ANNUAL REPORT 2014

**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 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 – 2014 HIGHLIGHTS

The Montgomery County Revenue Authority (MCRA) remained committed to its mission to grow through new initiatives and continued partnerships. The golf industry saw a decrease in rounds of 1.8% nationally in 2014. Rounds of golf decreased 7% locally and 7% in the Baltimore Washington area according to industry data. The MCRA golf courses had a decrease in rounds of 5.7%, which was mainly due to the severe weather the first quarter of the year.

The MCRA issued revenue bonds refinancing the Montgomery College Arts Center project in November of 2014. The present value of the cash savings realized is \$3,578,120. The MCRA continues to enhance its operations and work with its partners to provide products that maximize the recreational enjoyment of the community while also identifying opportunities to save taxpayer dollars.

MCRA Golf Initiatives

The MCRA's golf course system, operated under the flag of MCG, hosted 353,697 rounds in 2014 at its nine golf courses. This was a decline of approximately 21,550 rounds from the previous year which was mostly weather driven due to the severe winter. The following is a summary of the broad range of MCRA initiatives focused on the needs of the communities we serve.

- ***Community Assistance and Event Programs***
 - MCRA continued its relationship with the Wounded Warriors Foundation during the Labor Day weekend by raising funds for this important initiative.
 - MCRA donated auction items valued at more than \$25,000 to more than 100 local charities including public and private schools.
 - This past year, MCRA once again partnered with TPC of Avenel, PGA Charities and The First Tee to host "Opening Golf Day" at Needwood Golf Course. This day was highlighted with a demonstration by nationally renowned trick shot artist Dennis Walters and a special appearance by County Executive Ike Leggett. This was a family event that included golf, carnival attractions and a barbecue all free of charge. Over 100 people attended this fun event.

- ***Family Golf***
 - MCRA continued to offer its successful Family Golf program that is offered at all nine MCG courses throughout the summer. This program consists of:
 - Free Family Golf clinics that are offered each Saturday or Sunday from April - August at rotating golf courses.
 - We estimate that over 1,400 people visited our courses during these special events and possibly put a golf club in their hands 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.
 - A "course within a course" is set up for juniors and new players to the game to make the game 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.
 - FootGolf is a combination of soccer and golf whereby a player kicks a soccer ball and follows the rules of golf. This proved to be a tremendous success and the two facilities combined experienced over 2,000 “rounds” of FootGolf. We anticipate that this number will triple in 2015.

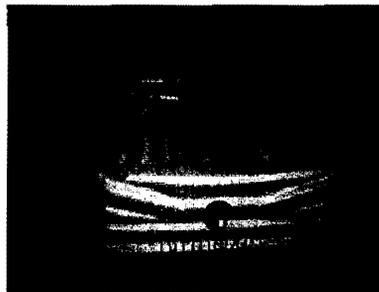
- **MCG Academy**
 - The MCG Academy has developed a step-by-step plan for golfers of all levels to improve their game. We currently have in place Golf 101, 102, 103, and 104. We have developed an intermediate program of Golf 201 and 202, which will be implemented in the beginning of next season. This curriculum provides all levels of golfers the program to help their game.
 - The PGA of America is using the MCG Academy program as an example for facilities throughout the United States.
 - In 2014, the MCG Academy increased instruction by more than 20% over previous year.
 - Mike Kenny, the Director of Instruction, was awarded the MAPGA Section Player Development Award.
 - Adam Fishman, a MCG Academy Instructor, was also recognized with the MAPGA Section Youth Player Development Leader.

- **MCG Golf Studio**
 - The Golf Studio was launched in April 2013 and is located at Needwood Golf Course. The Studio contains a state-of-the-art Golf Simulator. The Simulator has several components to it:
 - Lessons - the Simulator gives the instructor and student a substantial amount of information that is used to aid in perfecting the proper swing.
 - Club Fitting - the information that the Simulator gives aids the instructor to fit the player that is perfect for their specific swing and height.
 - Entertainment - the Simulator was successfully used for winter leagues and small groups of players. The new graphics were installed E6 1.6 software that gives players a completely new look and feel to virtual golf. We currently have 28 golf courses to choose from.

- The Studio also offers all forms of club repair, grips, club adjustments along with a great selection of training aids and the latest selection of golf clubs that you try out.
- The Studio has increased usage by 18% from 2013.

○ **Robust Junior Golf Programs**

- The Academy revised its junior program, to separate levels of juniors within the group, which allows for better competition and ensures lifelong friendships for the same aged kids.
- The MCG Academy also created and implemented a weekly mini-camp for kids. These mini-camps were offered after school at Falls Road, Northwest, Needwood, Little Bennett, Rattlewood and Laytonsville.
- We continued our long-standing partnership with The First Tee of Montgomery County, a program that uses golf to teach life skills to underprivileged kids. MCG Academy instructors host more than 500 participants annually at our Laytonsville, Needwood, Northwest and Sligo Creek Golf Courses.
- In total, MCG Academy professionals instructed in excess of 9,800 junior golfers in camps, clinics, groups, and individual sessions.



- BirdieBall was continued in 2014; it is a fun and creative way for kids to hit golf shots away from the course and be involved in games and contests off the course.
- High school golf - MCG continued our relationship with the MCPS to provide free access to all facilities for tryouts, practices, matches and season-ending events at an estimated value of more than \$50,000.

- **Golf Industry Supported Initiatives**

- Get Golf Ready, initiated in 2009, was continued through 2014 with great success.
 - This national “grow golf” program was initiated by the World Golf Foundation.
 - Get Golf Ready instruction is specially priced at \$99 for five introductory golf lessons.
 - More than 1,200 participants have taken advantage of this great program.
 - MCG was in the Top 25 for Get Golf Ready in the USA in 2014.

**GET GOLF
READY**

- **Junior PGA Teams**

- Junior PGA teams totaled over 275 juniors were involved in either the 7-9 division or the 10-13 division with one of our teams making it all the way through to the first round of the Mid-Atlantic sub regional finals. We are looking at expanding another age group for next season

- **Take Your Daughter to the Course Day**

- MCG participated in Take Your Daughter to the Course Day, a Play Golf America event sponsored by PGA of America.

- **MCG Programs**

- The MCG Academy team, as a follow up to the Get Golf Ready Program, developed Keep Golf Going. We developed a new short game and long game program and will be implementing it in the next season. More than 350 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 consists of continental breakfast, green fee, cart fee, lunch, driving range and replay rounds Monday - Friday. The program was successfully offered at Little Bennett, Laytonsville, Poolesville, and Rattlewood.

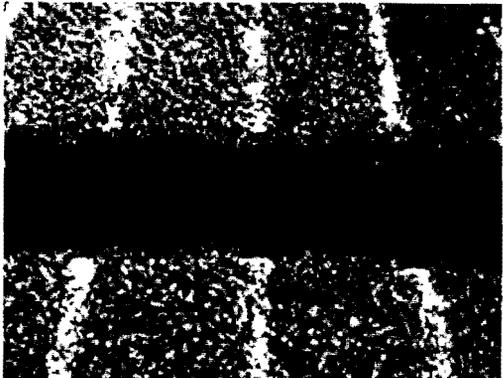


Little Bennett Golf Course

Agronomy and Environmental Stewardship at MCRA Golf Courses

MCRA golf courses remain committed to important environmental initiatives in 2014 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 a number of 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:

- **Aeration:** Aeration 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 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 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:** In addition to normal core aeration, some of our courses with historically higher thatch accumulation 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 is typically performed in late fall to allow these channels to be open all winter and help reduce potential injury caused by ice accumulation. We are also evaluating the possibility of utilizing this practice system-wide in late fall and eliminating spring core aeration, the timing of which is often challenged by unpredictable temperatures and spring precipitation. 

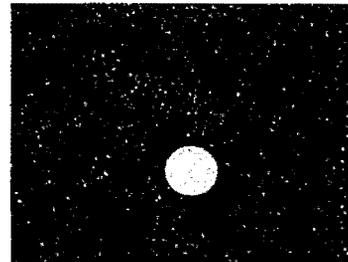
Topdressing: Weekly or bi-weekly applications of light amounts of sand, brushed in to the greens, go virtually unnoticed by golfers. This important process not only continues to maintain the surface firmness desired by our golfers, but also helps to dilute thatch and organic matter that naturally builds 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 undesirable insects.



- **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 2014, 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 reduce by 75% the amount of fuel used to prepare greens for play.



- **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 only 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.



- **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.

Total Exchange Capacity (TA, %):		4.86	4.01
pH of Soil Sample:		6.80	6.80
Organic Matter, Percent:		2.37	2.22
ANIONS	SULFUR: lbs / acre	13	14
	NITROGEN: lbs N ₂ O ₃ / lbs / acre	284	228
EXCHANGEABLE CATIONS	CALCIUM: lbs / acre	Deficit Value Value Found Deficit	861 844 -17
	MAGNESIUM: lbs / acre	Deficit Value Value Found Deficit	100 100 0
	POTASSIUM: lbs / acre	Deficit Value Value Found Deficit	100 82 -18
	SODIUM: lbs / acre	52	50

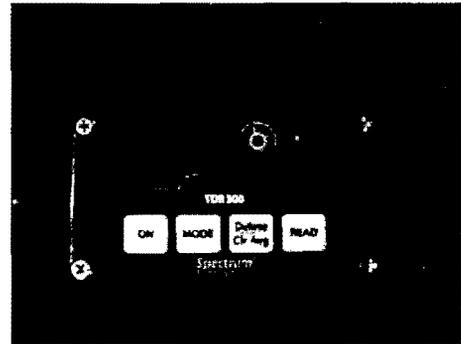
- **Water conservation:** One of the keys to managing healthy turf is to be in control of the water (when Mother Nature allows). Keeping soils dry, especially in the spring and fall, makes the grass search for water by growing deep roots. Deep roots help turf survive better by more efficiently accessing 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.

- **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 an ideal level 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 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 Field Scout Soil Moisture Meters. These devices are located at every facility, and allow the superintendents to instantly see moisture levels in 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 relatively new 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 is now migrating south and possibly evolving to better adapt to the Mid Atlantic climate. It has become a big challenge due to the number of generations present throughout the season that are causing turf damage at specific life stages in its development. 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 as needed based on their findings.

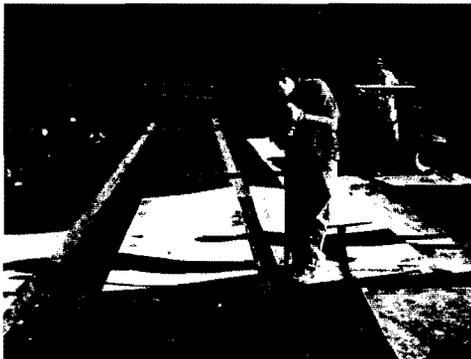
Environment: MCRA courses continue to work within the guidelines of the Audubon International Cooperative Sanctuary Program for Golf Courses (<http://acspgolf.auduboninternational.org/>), as well as the Groundwater Guardian Greensite Program (<http://groundwater.org/gg/greensites.html>). These successful programs help managed green spaces such as golf courses carry out safe groundwater practices against chemical use and pollution as well as develop effective conservation and wildlife enhancement programs. Through the end of 2014, all MCRA golf courses are much closer to achieving Audubon Certification by completing requirements in the six focus areas of this intensely managed program:

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

Research: MCG courses continue to evaluate new and existing strategies for optimizing playing conditions with fewer inputs of water, fertilizer, and pesticides. One of the ways we do this is by the use of check plots when applications are made. By keeping a small plot of turf untreated with a particular application, it allows us to evaluate the effectiveness and timing of control strategies. The goal is continue to enhance the ways in which we can manage our courses more sustainably - both environmentally and economically.

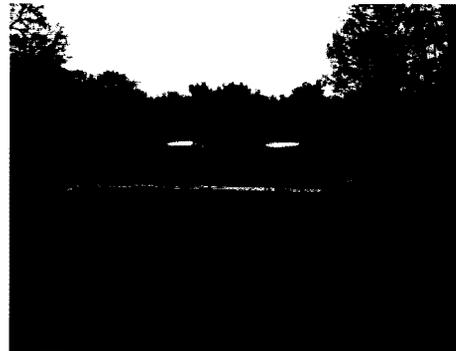
Projects: Numerous projects were completed in 2014, which have a direct, positive impact on course playability, as well as the world around us.

- **Drainage** was installed in greens at Laytonsville (#5), Falls Road (#11,12,14,15,17) and Needwood (#5) this year. These greens are all old “push-up” 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 in poor draining areas of 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 more cultural practices to help keep the turf healthy.
- **Bermudagrass conversion** was expanded in 2014 at Little Bennett (driving range tee), and Falls Road (numerous tee boxes) to this water-, fertilizer-, and pesticide-reducing turfgrass. Bermudagrass is typically native to Southern climates, but new cultivars have been developed that



are more cold-tolerant, and are increasing in usage now further north into our area and even Pennsylvania. This grass requires far fewer resources and inputs to keep it alive because of its aggressive growth habit in the summer months, as well as its tolerance to attack from disease, insects, and drought. The challenge, however, because it is dormant for about 5 months of the year, is its reduced ability to recuperate from traffic during colder months, as well as the perception in the off-season that these large turf areas are “dead,” when in fact they are not. The cold winter of 2013-2014 saw severe decline of the bermudagrass at Rattlewood, where so much time and effort has been invested in converting to this turf on fairways. The majority of #5 and #18 fairways, as well as parts of others, had to be re-sodded after we saw significant turf loss from one of the coldest winters on record here. While bermudagrass loss was much less severe at other properties, we remain vigilant in ensuring the success of adapting this grass to our properties as much as we are able. For the winter of 2014-15, Rattlewood’s fairways were overseeded with perennial ryegrass in case we had another severe winter with a similar result. At the time of this report, we are still just beginning to break dormancy, however the ryegrass population on fairways is above 95% and looks great.

- Tee construction was completed at Needwood (#3) and Northwest (#4) in 2014. New forward tees were built to provide a wider range of teeing space and distance for these holes. We continue to look at our properties to evaluate current tee box placement to determine whether adding new teeing ground would be beneficial to our customers’ skill and distance abilities.

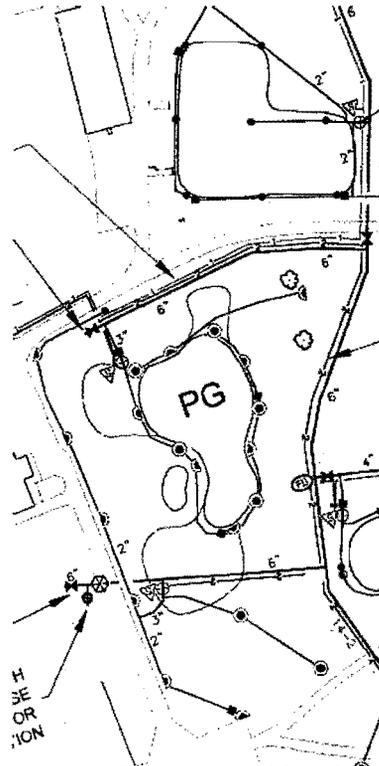


- Select *sand traps* (25 altogether) were fully rebuilt at Falls Road, Hampshire Greens, Poolesville, Laytonsville, Rattlewood, and Little Bennett. Other bunkers were reduced in size at Little Bennett and Rattlewood. Renovating these bunkers provides a long-term reduction in fuel emissions, especially 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. A total of 4 bunkers were eliminated completely at various golf courses. These bunkers were chosen because they do not come into play for most golfers. This will further allow us to save resources and fuel moving forward.

- **Irrigation improvements** took place at Poolesville and Little Bennett golf courses in 2014. Older, inefficient heads were replaced with new ones at Little Bennett that will reduce water usage because they distribute water more uniformly to the irrigated area. At Poolesville, a full irrigation system replacement took place. The nearly 30-year-old existing piping system has been experiencing many failures for years, and the design is outdated. The new state-of-the-art control system allows individual head control for more targeted irrigation needs, features advanced system diagnostics to detect problems, eliminates the need for control boxes in the field, reduces sprinkler head wiring by 90%, and utilizes much more durable HDPE piping that should remain strong for 50 years. The new system will provide much more adequate and even coverage to primary turf areas, and while there are double the number of sprinkler heads, the spacing between the heads has been reduced to allow us to better pinpoint watering needs. It was a 5-month long project that will help ensure that this facility will keep up with golfers' demands for decades to come.



- **Fairway drainage** projects were performed at Rattlewood, Northwest, Hampshire Greens and Falls Road in order to try to keep these high maintenance areas as healthy as possible after flooding rains. Even small areas that hold water cause significant turf loss annually, wasting resources and diminishing the customer experience.



- **Culvert pipe replacement** occurred at Falls Road on holes #7 and #18. Aging and failed corrugated metal pipe under the fairways was no longer functional and we were starting to find small sinkholes after major rain events. The existing pipe along the 18th hole was replaced with a longer-lasting plastic pipe in the same place as the old one; however, a different approach was taken on #7. As long as there would be disturbance across the entire fairway, we took the opportunity to change how this hole plays and left an open trench through the fairway. This adds a fun risk/reward aspect to this hole. The largely unused fairway bunker was removed and filled in with excess soil from the project. Most of the large and extremely challenging fairway bunker on #4 was also filled in.



- Major tree work was performed at some of our properties to remove dead or dangerous trees and limbs. This is part of our ongoing maintenance of the courses to help ensure that our patrons have a safe place to play golf. This year, a major effort took place at Sligo Creek, working under the advisory of a M-NCPPC arborist, to remove nearly 20 mostly dead trees and prune dozens of others around the property. While this work was contracted out to a tree professional, other tree work at our other properties is able to be addressed in-house by maintenance staff.



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. 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.

In 2014, the MCRA secured an MAA grant to crack fill the runway, taxiway and parking lot at the Airpark. This project also addressed ADA compliance issues with parking.

According to 2012 economic data supplied by the Maryland Department of Transportation, the Airpark provides the following direct, indirect, and induced benefits to Montgomery County:

- 210 jobs
- \$8.66 million in personal income
- \$12.02 million in business revenues
- \$866,000 in tax revenues



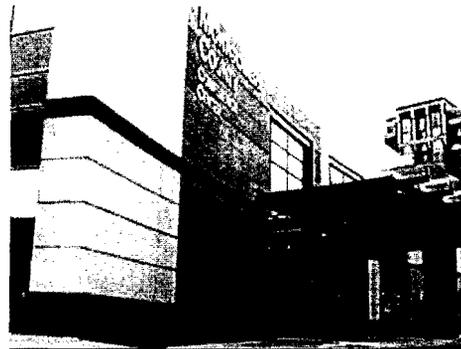
Financing Activities

Long-term sustainability continues to be a watchword 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 refinance 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 2013, the MCRA refinanced its debt again in the amount of 20.6 million dollars to lock in its interest rate for the outstanding life of the bonds and to obtain \$2 million in extra financing for capital purposes at the golf courses. Final maturity occurs in December 2027.

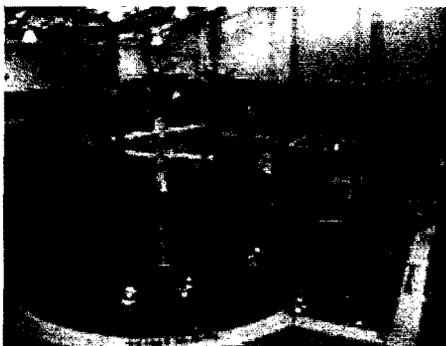
In addition to its own debt, the MCRA carries more than \$81 million in debt related to projects around the County, which is not considered part of the County's debt service calculation. The MCRA issued revenue bonds refinancing the Montgomery College Arts Center project in November of 2014. The present value of the cash savings realized is \$3,578,120. The Goldenrod Building was purchased in September of 2011 with bonds totaling over \$15 million. It is now owned by Montgomery College. MCRA refinanced the Bethesda North Conference Center bonds in 2012, thereby saving the County \$1.052 million in cash flow over the remaining life of the bonds.

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