MONTGOMERY COUNTY REVENUE AUTHORITY

MCRA
ANNUAL REPORT 2023

Mission Statement

To enrich lives and improve the welfare of the community.

Vision Statement

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

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

MCRA is committed to the following core values:

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

MCRA - OVERVIEW

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

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

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

Montgomery County Revenue Authority – 2023 Highlights

The Montgomery County Revenue Authority (MCRA) remained committed to its mission through new initiatives and continued partnerships. The golf industry saw an increase in rounds of 4.2% nationally in 2023. Rounds of golf increased by 11.7% locally, according to industry data. The MCRA golf courses experienced an increase in rounds of 5.9%.

An estimated 26.6 million Americans played golf on a course in 2023, a net increase of approximately one million golfers from the prior year. This was the biggest single-year jump in on-course participants since 2001. (NGF report)

MCRA Golf Initiatives

The MCRA's golf course system, operated under the flag of MCG, hosted 456,711 rounds in 2023 at its nine golf courses. This was an increase of approximately 27,000 rounds from the previous year.

- ***Community Assistance and Event Programs***
    - The MCRA continued its commitment to the Salute Military Golf Association, which focuses on rehabilitating local wounded warriors through the game of golf, by offering clinics and reduced fees throughout the year for members of the organization.
    - Over 700 rounds of golf were donated to the Montgomery County Public Schools program.
    - Sligo Creek Golf Course's free-to-attend "Music in the Park" drew record crowds again this year, offering the community a safe and fun event every Friday throughout the summer.

- ***Family Golf***
    - The MCRA's popular Family Golf program, which is offered at all nine MCG courses throughout the summer, was an overwhelming success for community members interested in activities suitable for the whole family. This program consisted of:
        - $15 rates for all families offered Monday – Friday at any time at our 9-hole courses and after 5 pm on our main 18-hole courses. Weekend Family Golf rates were available after noon at our 9-hole courses and after 5 pm at the 18-hole courses.
        - A "course within a course" is set up for juniors and new players to the game to make it much more fun and enjoyable, along with family friendly scorecards.

- ***FootGolf***
    - Northwest and Sligo Creek Golf Courses were the first FootGolf courses established in the DC Market in 2016.
    - FootGolf is a combination of soccer and golf whereby a player kicks a soccer ball and follows the rules of golf.
    - In 2023, this program resulted in a slight decline in participation.

- ***MCG Academy***
    - The MCG Academy's six-tiered program offers Golf 101 and 102 for beginners, 103 for beginners who want to learn how to play on the course, and 104 for golfers who are playing and would like to learn more in a group setting. Golf 201 and 202 are for private instruction and playing on the course. These programs create an instructional plan for all levels of players.

- 2023 resulted in a tremendous increase in golf lessons and all camps were sold out.

- ***Robust Junior Golf Programs***
  - All Junior and Summer camps were sold out in 2023.
  - The MCG Golf Academy contributed to another successful year with our long-standing partner, The First Tee of Greater Washington, D.C. This program uses golf to teach life skills to underprivileged kids. MCG Academy instructors host hundreds of juniors each session. We currently have programs at Laytonsville, Needwood, Northwest, Sligo Creek, and Little Bennett.

- ***Golf Industry Supported Initiatives***
  - The MCG Academy has developed its own version of the Get Golf Ready class and created a more affordable and enjoyable opportunity to allow community members to give golf a try. These programs continued to grow in 2023, with many clinics sold out. Currently, these programs are hosted at Falls Road, Needwood, Northwest, and Little Bennett.
  - An estimated over 5,000 participants have taken advantage of this great program since its inception. We are continuing to grow these programs and the number of participants year-over-year.

- ***Junior PGA Teams***
  - MCG Junior Teams totaled 380 juniors who were involved in the 7-9, 10-13, and 17U divisions. The MCG Junior Teams participated in competitions at Needwood, Falls Road, Northwest, and Little Bennett. With the MCG Academy broadening its initiatives, offering divisions in both spring and fall, the program has fostered a sense of unity and team spirit, making it an immensely enjoyable experience for numerous juniors.

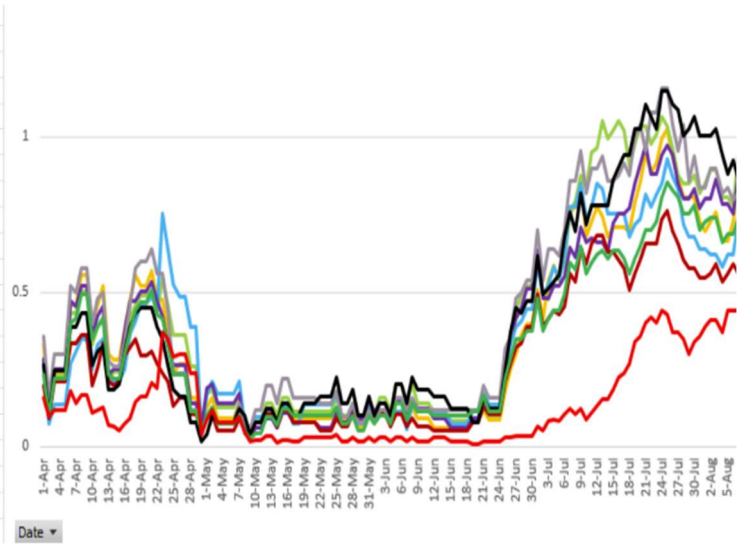
Agronomy and Environmental Stewardship at MCRA Golf Courses

In 2023, MCRA golf courses began in earnest to utilize more modern approaches to putting green maintenance that will help us refine our practices using a long-term approach of data collection in certain key areas:

- **Total organic matter testing** – our superintendents use Total Organic Matter testing to measure the buildup of organic material in putting greens, helping them fine-tune maintenance for optimal performance. Too much organic matter makes greens soft and slow, so by analyzing the accumulation of OM, our superintendents can better adjust aeration, sand topdressing, and other cultural practices to maintain the right balance, ensuring smooth, firm, and consistent greens. This data-driven approach will ultimately minimize unnecessary putting surface disruption while improving playability, drainage, and overall turf health, so greens stay true and reliable for golfers.

- Measuring clipping volume – Each time we mow selected greens, we measure the amount of grass that is collected. By understanding exactly how much the grass is growing, we can evaluate:

    - How the rate of grass growth may affect green speed
    - How many nutrients are used by the plants and how much fertilizer do they truly need?
    - How this contributes to total organic matter and surface performance
    - How much topdressing sand needs to be applied to dilute the organic matter
    - Whether to apply fertilizer or plant growth regulators to change the amount of growth to match expected playing conditions.



Environment: MCRA courses continue to work within the guidelines of the Audubon International Cooperative Sanctuary Program for Golf Courses. This program plays a crucial role in managing green spaces, including golf courses, implementing safe groundwater practices to prevent chemical pollution, and establishing impactful conservation and wildlife enhancement initiatives.

In 2023, Hampshire Greens, Sligo Creek, Rattlewood, and Falls Road achieved Certification, so for the first time, all 9 of our golf courses have completed the requirements of the six focus areas of this program:

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

Projects: In 2023, several important projects were completed at our golf courses:

- **Grass Roots Exhibit –** Needwood held the grand opening of this exhibit that was created to deliver the message of the positive benefits, history, and uses of turfgrass.
- **Bunker rebuilds:** – As a part of our ongoing bunker rebuild program, we choose a small number of bunkers to rebuild in-house each winter to prevent the need for a large-scale project. This year, we rebuilt bunkers at Falls Road, Laytonsville, Poolesville, Rattlewood, and Hampshire Greens.
- **Cart Path Edging**: Pavers were added along edges of many holes at Little Bennett to help combat the wear patterns of golf carts near select greens and tees.
- **Turfgrass Conversions**: Tee boxes at numerous properties were converted to eco-friendly grasses like Tahoma 31 bermudagrass and HGT Kentucky bluegrass, significantly reducing pesticide use.
- **Crossvines**: As Poolesville Golf Course prepared for its rebranding as Golf at The Crossvines, a number of projects were completed on the golf course:
    - replacing all asphalt cart paths, staging areas, and employee parking
    - driving range improvements – including new grass targets and a synthetic teeing line.
    - Golf course improvements – Several enhancements were made around the entire golf course to improve the golf experience.
    - Privacy fencing around golf shop
    - Interior and exterior improvements of golf shop
- **Drainage Projects**: minor drainage work was completed at several properties.

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 30 acres on the northwest end of the Airpark property and is exploring ideas on how to best develop that land. Currently, the MCRA subsidizes the annual operating losses for the benefit of the County and the community. The goal of this new development, and the revenue streams it would provide, is to make the Airpark self-sustaining.

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. The fixed base operator (FBO) offers services to support aeronautical activities including fueling, aircraft storage, aircraft maintenance, flight training, and related services. After an 18-year lease with an aviation services company ended, DC Metro Aviation Services took over as the FBO. Since then, they've significantly improved operations and facilities, introducing new hangars and a self-fueling service for pilots.

Currently, 160 aircraft are based at the property. The Montgomery County Airpark's 4,200-foot runway has three instrument approaches and is the closest "jetport" to the nation's capital. A portion of the traffic is of the commercial type or air taxis consisting of a variety of modern-day aircraft such as Cessna Citation, Lear Jet, Beechcraft (both jet and turbine), and Falcon Jet. The Airpark is also home to an air taxi firm that specializes in transporting air travelers to various destinations in the east coast and the Midwest on a regular on-demand basis.

In March of 2023, the MCRA secured a $3.4M Maryland Aviation Administration grant to purchase an adjacent property to the Airpark. Future work will include rerouting the access road on the property and moving utilities to increase the safety of aircraft operating at the Airpark. This has been on the Airport Layout Plan for many years and is the culmination of lots of teamwork and negotiations.

The County Council is forming an Airpark Citizens Advisory Committee that will meet four times a year and submit an annual report to the County Executive, County Council, and the MCRA regarding data on noise complaints, itinerant and local flight operations, and recommendations of the committee regarding operations, safety, community impact, and other community concerns. To assist in that endeavor, the MCRA has subscribed to a service that will provide the data needed by the committee to make informed recommendations.

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

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

Financing Activities

The MCRA remains committed to long-term sustainability. Beyond diligent budget management, a major strategy is to reduce overall liabilities. In January 2018, leveraging a favorable interest rate landscape, the MCRA replaced its interest rate swaps on a $17,168,000 principal balance. This will save MCRA approximately $32,000 per year in debt service payments through the remaining life of the bonds. Final maturity occurs in December of 2027. In addition to its own debt, the MCRA carries more than $42.5 million in debt related to projects around the county, which is not considered part of the county's debt service calculation.

Additional projects include:

- Montgomery College Arts Center
- Montgomery College Silver Spring Parking Facility
- Montgomery College Goldenrod Building

Montgomery College Arts Center