

**MEMORANDUM**

September 8, 2011

TO: Education Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Update and Discussion: MCPS Food Distribution Facility Relocation**

***Expected for this worksession:***

Ms. Shirley Brandman, Board of Education Vice President  
Mr. Michael Durso, member, Board of Education  
Mr. David Dise, Director, Department of General Services  
Mr. Hamid Omidvar, Department of General Services  
Ms. Marla Caplon, Director, Department of Food and Nutrition Services  
Ms. Kathy Lazor, Director of Facilities Management (MCPS)  
Mr. James Song, Director of Facilities (MCPS)  
Ms. Laura Steinberg, Board of Education Staff  
Ms. Anita Aryeetey, Office of Management and Budget (MCG)

At this session, the ED Committee will receive an update on the plans to relocate the MCPS Food Distribution Facility from the County Service Park to the Webb Tract. The relocation is required to implement the Smart Growth Initiative. While the current facility is not sized for the current school population, because the relocation is being driven by the Smart Growth Initiative, the capital project to build the new facility is in the County Government portion of the CIP.

**Background**

The FY11-16 Approved CIP includes the project "MCPS Food Distribution Facility Relocation." (©1) This project is in the County Government portion of the CIP. The relocation is needed to implement the "urban village" residential/mixed use plan envisioned in the Shady Grove Sector Plan. The County Service Park, which is located next to the Shady Grove Metro Station, will be redeveloped once current county uses are moved.

The Approved CIP includes \$29.179 million dollars to plan, design, and construct this new MCPS Food Distribution Facility. The following is the approved expenditure schedule. The \$29.179 was appropriated as a part of the FY12 Capital Budget. The source of funds is Interim Financing

Expenditures	Total	Thru FY10	6 Years	FY11	FY12	FY13	FY14	FY15	FY16
MCPS Food Distribution Facility	29,179	0	29,179	3,781	18,827	6,571	0	0	0

- The \$29.179 million cost estimate was based on the County Government replacing the current 58,000 square foot facility with a new 58,000 square foot facility.
- The Executive branch assumed that current equipment and furniture would be moved to the new facility. The funding does not include any costs associated with new equipment.
- In March, the Council’s Public Safety and Transportation, Infrastructure, Energy, and Environment Committees received an update on the Smart Growth Initiative that primarily focused on the plans for relocating the Equipment Maintenance Operations Center (EMOC). An excerpt from the DGS handout is attached at © 2-4. The master plan for the Webb Tract has been completed and includes space on the east side (©5) for the Food Service Facility. At the time, it was expected that design would begin in August 2011 and the new facility would be occupied by September 2013 (© 6)
- The March information is consistent with the timeline included in the agreement between the County Government and EYA/CSP Associates, LLC signed in December 2010 for development of the County Service Park. The development agreement also indicates that demolition of the current Food Services Facility (and other buildings on the west side of the Service Park) will be completed by July 2014.

**Update**

When the ED Committee and Council first discussed this project in 2010, MCPS said that the current 58,000 square foot facility is not adequate to serve the current population but that there is not adequate funding in the enterprise fund to make improvements to the facility. Information was shared with the County that in 2005 and 2008, MCPS studied the need for an enlarged Food Distribution Facility. The 2008 update estimated a facility of 74,670 square feet is needed. The report noted deficiencies in freezer, refrigerator, and storage areas.

- Attached at ©2-3 is a letter from MCPS Superintendent Starr reiterating that the current facility was built in 1981 when the student population was 95,587 and 12,496 students participated in the Free and Reduced-price Meal System (FARMS).
- MCPS continues to recommend that the new facility be built to about 77,000 square feet. The letter also says that it is imperative that new equipment be purchased as there are

already functional issues with the current equipment and it has exceeded its life expectancy.

- The Webb Tract site master plan has a footprint that will allow a 77,000 square foot building to be built. In addition, the site master plan calls for structured parking in order to reduce the impervious area and help in meeting LEED standards. Council staff understands that a preliminary estimate by DGS indicates that additional money will be needed to fund the structured parking. The additional cost for structured parking and an increase of 19,000 square foot for the Food Service building is about \$3.2 million dollars.
- There is no estimate for the cost of new equipment. MCPS kitchen designers are working with DGS to plan for equipment and provide cost estimates. MCPS has no objections to moving existing furniture/shelving etc. to the new facility.
- The current timeline, which assumes MCPS will be in the new facility by September 1, 2013 could be problematic because there is not yet a transition plan for moving from the current facility to the new facility and MCPS cannot stop producing food during the school year and would have to make alternative arrangement even in the summer months. If new equipment is purchased, this transition will be made easier than if time must be allocated to remove and re-install equipment.
- The letter from Superintendent Starr also says that the additional “19,000 square feet will not only address the need for adequate space to prepare meals, but also will allow staff to employ state-of-the-art equipment to provide single-serve portions of fresh fruits and vegetables and expand the preparation and cooking of fresh meats, poultry, and fish.”

### **Discussion Issues and Council Staff Comments**

The MCPS Food Distribution Facility must be relocated in order to implement the part of the Smart Growth Initiative that calls for redevelopment of the west side of the County Service Park in accordance with the Shady Grove Sector Plan. The questions facing the ED Committee are:

- What size should the new facility be and what types of equipment should it have in order to both meet the needs of a much larger student population and the goal of increasing the ability to serve more fresh foods and foods that require less processing?
- When will cost estimates be available once there is agreement on the program for such a facility?
- How much of the cost of the new facility should be attributed to the Smart Growth Initiative (interim financing) and how much should be funded with G.O. Bonds? For example, if there is an increased cost because of structured parking, Council staff would argue that it is a cost of the Smart Growth Initiative. As part of a capital project, the equipment in the new facility can be debt funded and could be funded with G.O. Bonds.

- When must a decision be made on the scope of the facility in order to keep with the overall timeline included in the development agreement?
- At what point should the PDF be amended and/or a special appropriation be approved? Council staff recommends that when there is a decision on the scope of the project, at minimum, the language should be updated to reflect the agreed-to project.

# MCPS Food Distribution Facility Relocation -- No. 361111

Category  
Subcategory  
Administering Agency  
Planning Area

General Government  
County Offices and Other Improvements  
General Services  
Gaithersburg

Date Last Modified  
Required Adequate Public Facility  
Relocation Impact  
Status

June 15, 2010  
No  
None.  
Planning Stage

### EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY09	Est. FY10	Total 6 Years	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Planning, Design, and Supervision	3,209	0	0	3,209	1,931	995	283	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	3,685	0	0	3,685	591	2,365	729	0	0	0	0
Construction	20,838	0	0	20,838	1,259	15,138	4,441	0	0	0	0
Other	1,447	0	0	1,447	0	329	1,118	0	0	0	0
<b>Total</b>	<b>29,179</b>	<b>0</b>	<b>0</b>	<b>29,179</b>	<b>3,781</b>	<b>18,827</b>	<b>6,571</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### FUNDING SCHEDULE (\$000)

Interim Finance	29,179	0	0	29,179	3,781	18,827	6,571	0	0	0	0
<b>Total</b>	<b>29,179</b>	<b>0</b>	<b>0</b>	<b>29,179</b>	<b>3,781</b>	<b>18,827</b>	<b>6,571</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**DESCRIPTION**

This project is part of the Smart Growth Initiative and provides for design and construction of a new facility on the Webb Tract site on Snouffer School Road. The existing facility is located at the County Services Park on Crabbs Branch Way. The current MCPS Food Distribution Facility is about 58,000 square feet with 150 parking spaces for the staff and 8 loading docks. The new facility may include expansion space.

**ESTIMATED SCHEDULE**

The design phase will commence during the fall of 2010 and is expected to last twelve months, followed by approximately six months for bidding, with a construction period of approximately thirteen months. Master site planning for the entire Webb Tract will begin in April 2010 and is expected to last for six months.

**JUSTIFICATION**

In order to implement the County's Shady Grove Sector Plan which capitalizes on the existing investment in mass transit by creating a transit-oriented development community, the County Service Park at Crabbs Branch must be relocated. Relocation of the facilities at the County Service Park will enable the County to realize housing and transit-oriented development while also addressing unmet County facilities needs.

Plans and studies for this project include: "Projected Space Requirements for MCPS Division of Food and Nutrition Services (Delmar Architects, 2005 and 2008)"

**OTHER**

The PSTA and Multi-Agency Service Park (PDF No. 470907) appropriated \$46.546 million for the purchase of the Webb Tract and \$1.695 million for master site planning. Approximately one-half of this cost is required for the relocation of the MCPS Food Distribution Facility and MCPS and M-NCPPC Maintenance Facilities. Funds will not be appropriated until master site planning is complete.

**FISCAL NOTE**

The project provides for complete design and construction. Interim financing will be used for this effort in the short term, with permanent funding sources to include G.O. Bonds and Land Sale Proceeds. The cost estimate is based on construction of a facility that is the size of the current Food Distribution Facility and may be adjusted if the facility is modified to meet future needs.

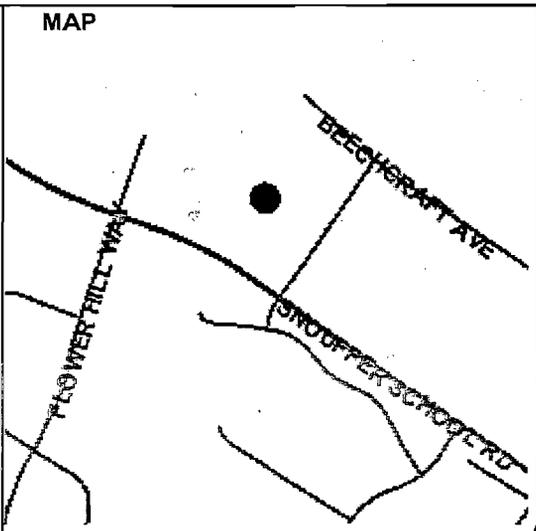
**OTHER DISCLOSURES**

- A pedestrian impact analysis will be performed during design or is in progress.

APPROPRIATION AND EXPENDITURE DATA	
Date First Appropriation	(\$000)
First Cost Estimate	FY11 29,179
Current Scope	FY12 29,179
Last FY's Cost Estimate	0
Appropriation Request	FY11 0
Appropriation Request Est.	FY12 29,179
Supplemental Appropriation Request	0
Transfer	0
Cumulative Appropriation	29,179
Expenditures / Encumbrances	0
Unencumbered Balance	0
Partial Closeout Thru	FY08 0
New Partial Closeout	FY09 0
Total Partial Closeout	0

**COORDINATION**  
 Department of General Services  
 Montgomery County Public Schools  
 Department of Transportation  
 Maryland-National Capital Park and Planning Commission  
 Department of Permitting Services  
 Department of Finance  
 Department of Technology Services  
 Office of Management and Budget  
 Washington Suburban Sanitary Commission  
 Pepco  
 Upcounty Regional Services Center  
 Washington Gas

Special Capital Projects Legislation [Bill No. 20-10] was adopted by Council June 15, 2010.





# MONTGOMERY COUNTY PUBLIC SCHOOLS

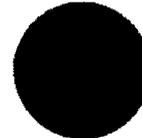
www.montgomeryschoolsmd.org MARYLAND

August 23, 2011



The Honorable Valerie Ervin, President  
Montgomery County Council  
Stella B. Werner Council Office Building  
100 Maryland Avenue  
Rockville, Maryland 20850

**064493**



RECEIVED  
MONTGOMERY COUNTY  
COUNCIL

Dear Ms. Ervin:

The Smart Growth Initiative includes, as part of the plan, the relocation of the Montgomery County Public Schools (MCPS) Food Distribution Facility to the proposed Multi-Agency Services Park. The adopted Fiscal Year (FY) 2011–2016 Amended Capital Improvements Program (CIP) for the Montgomery County Department of General Services (DGS) includes \$29.2 million to replace the existing facility. The approved project would include the construction of a new facility that is the same size as the current facility, 58,000 square feet, and would not include equipment replacement. At the meeting of the Education Committee in March 2010, Dr. Jerry D. Weast, former superintendent of schools, and the members of the Board of Education testified regarding the need to construct a larger facility to address current and future needs.

The original food services facility was built in 1981 when MCPS' enrollment was 95,587 students and 12,496 students participated in Free and Reduced-price Meals System (FARMS) services. For the 2010–2011 school year, MCPS' enrollment was 144,064 students, an increase of 48,477 students and the number of students served through FARMS was 44,231, an increase of 31,735 students. In 1993, the central production facility was added to the existing facility, which increased the square footage to the current 58,000 square feet.

With a 50 percent increase in enrollment and a 250 percent increase in the number of students receiving FARMS services daily, the current Food Distribution Facility has exceeded production capacity and must be expanded to serve our growing school system. The MCPS Program of Requirements for the replacement facility calls for a 77,000 square-foot building that includes increased cooler/freezer capacity and material handling areas. The additional 19,000 square feet will not only address the need for adequate space to prepare meals, but also will allow staff to employ state-of-the-art equipment to provide single-serve portions of fresh fruits and vegetables and expand the preparation and cooking of fresh meats, poultry, and fish.

DGS has estimated that a building of 77,000 square feet would cost approximately \$32.2 million, an increase of \$3 million. In addition, we understand that DGS has assumed that the equipment in the existing facility would be relocated to the new facility. This assumption is a concern, as the existing equipment has functional issues and already has exceeded its life expectancy. It is imperative that new equipment be purchased and installed at the new facility as part of this relocation process.

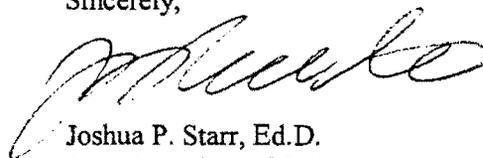
Office of the Superintendent of Schools

850 Hungerford Drive, Room 122 ♦ Rockville, Maryland 20850 ♦ 301-279-3381

I strongly recommend that the county's budget for the new Food Distribution Facility be increased to accommodate the additional square footage and the necessary equipment. While I understand the fiscal constraints facing Montgomery County, the new food services facility must operate effectively for the increased capacity and for proper food preparation as we strive to introduce more fresh produce and other healthy choices in school menus.

I look forward to working with the Montgomery County Government and the County Council to resolve this important matter and ensure that MCPS has adequate facilities to meet the food service needs of the system. If you have any questions, please contact Mr. James Song, director, Department of Facilities Management, at 240-314-1064.

Sincerely,



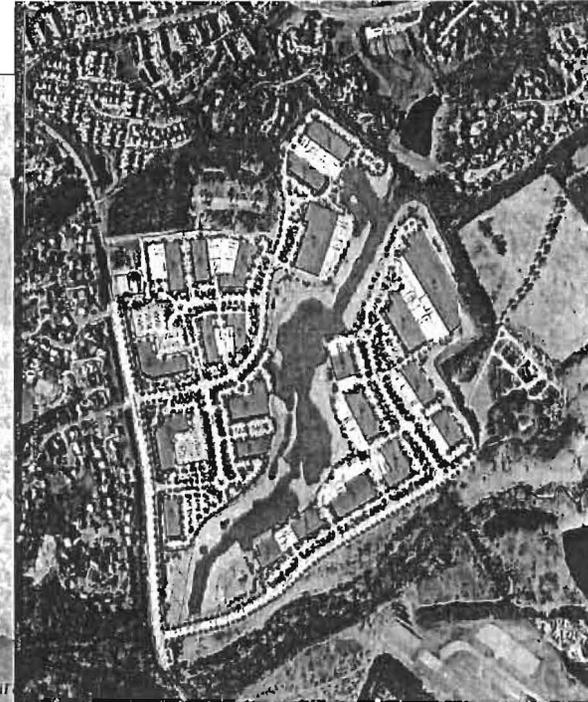
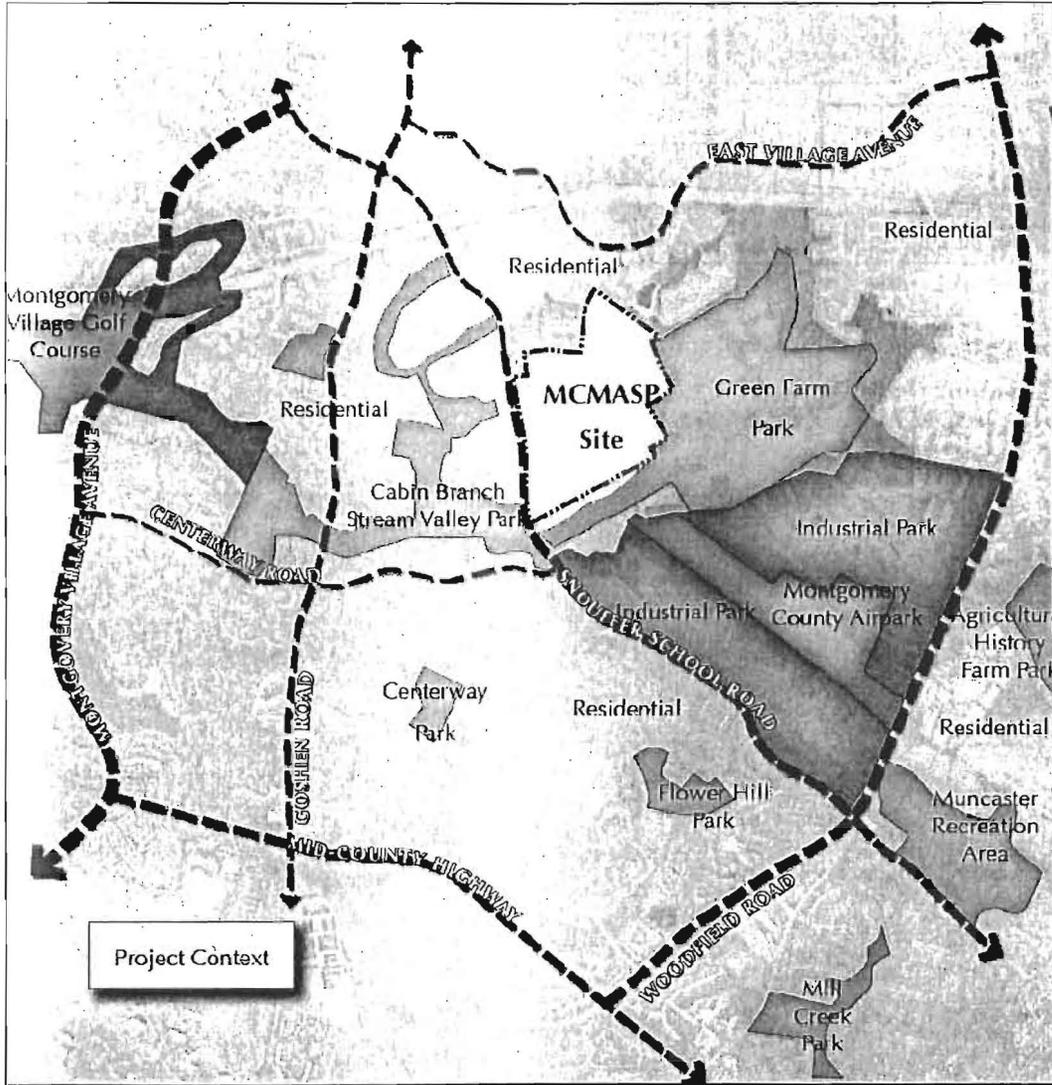
Joshua P. Starr, Ed.D.  
Superintendent of Schools

JPS:jlc

Copy to:

Members of the Board of Education  
Mr. Bowers  
Mr. Edwards  
Mrs. Caplon  
Ms. Karamihas  
Mrs. Lazor  
Mr. Shuman  
Mr. Song  
Ms. McMillan

# Multi Agency Service Park at Webb Tract



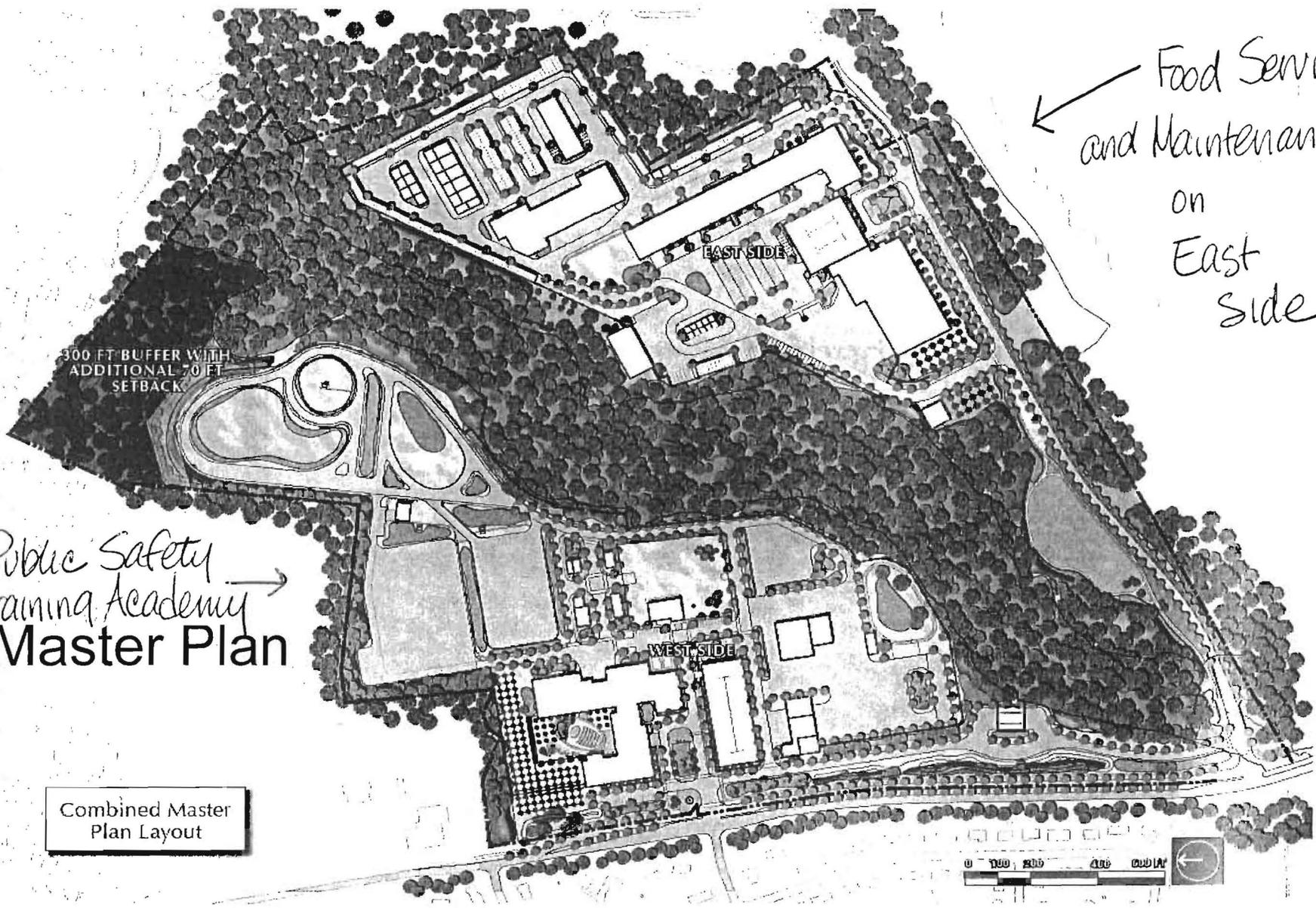
- A 135 acres I-4 land. Previous developer's proposed 23 warehouse/industrial buildings



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# Public Safety Training Academy Master Plan

Combined Master Plan Layout



← Food Service and Maintenance on East Side



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# SGI Implementation Schedule

3/14/2011

	CIP #	Site	Proposed Facility	Occupant	Design Start	Construction Start	Occupancy	
1	470906	<b>GE Tech Building</b>	Public Safety Headquarters & 1st District Police Station	Police, Fire Rescue Services, Office of Emergency Management and Homeland Security, DGS, and DOT	07/27/09	05/16/11	05/18/12 (P12)	
2	471102	<b>Webb Tract</b>	Public Safety Training Academy	Police, Fire Rescue Services & DOT	05/01/11	05/01/13	12/31/14	
3	CSP WEST	500933	<b>Casey 6&amp;7</b>	Equipment and Maintenance Operations Center	DOT Transportation, Highway Services & DGS Fleet	05/01/09	06/04/11	12/03/12 (P13)
4		361111	<b>Webb Tract</b>	MCPS Food Distribution	MCPS	08/01/11	04/01/12	09/01/13
5		850900	<b>Finmarc</b>	Liquor Warehouse	Department of Liquor Control	06/01/09	07/04/11	06/25/12
6	CSP EAST	361109	<b>Webb Tract</b>	Park & Planning Maintenance Depots	M-NCPPC Park Maintenance	05/01/11	05/01/13	12/31/14
7		361109	<b>Webb Tract</b>	MCPS Maintenance Facility	MCPS	05/01/11	05/01/13	12/31/14
8		360903	<b>TBD Site</b>	MCPS Bus Depots	MCPS	07/01/12	01/01/14	08/01/15
9		360902	<b>TBD Site</b>	Radio Shop	DTS	07/01/12	01/01/14	08/01/15
10		501119	<b>Snouffer School Rd.</b>	Webb Tract	Multi User Campus	07/01/11	04/01/14	10/01/15

(P14)



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