

CIP Worksession

MEMORANDUM

March 8, 2012

TO: Planning, Housing, and Economic Development (PHED) and Health and Human Service (HHS) Committees

FROM:  Marlene Michaelson, Senior Legislative Analyst

SUBJECT: M-NCPPC FY13 – FY18 Capital Improvements Program: M-NCPPC Headquarters and Warner Circle Special Park

The Planning, Housing, and Economic Development (PHED) Committee met on two previous occasions to discuss the Maryland-National Capital Park and Planning Commission (M-NCPPC) Capital Improvements Program (CIP). Two projects – the M-NCPPC Headquarters and Warner Circle Special Park – are related to the proposed Wheaton Redevelopment Project and were, therefore, delayed so that they could be considered at the same time.

M-NCPPC HEADQUARTERS - No. 138707
(© 3)

	Total Project Costs	Total 6 years	FY13	FY14	FY15	FY16	FY17	FY18
Current Approved	0	0	0	0	0	0		
M-NCPPC	200	200	200	0	0	0	0	0
Executive	200	200	200	0	0	0	0	0

Description: This project funds planning for a new headquarters building for M-NCPPC in Wheaton. The Commission plans to work with the County, WMATA, the development team, and the community to determine requirements and feasibility of a new M-NCPPC headquarters in the Wheaton CBS.

Testimony: None.

Executive Recommendation: Support as submitted.

Staff Recommendation: While Staff believes that M-NCPPC needs a new headquarters building, Staff has several concerns with this PDF as proposed. At the center of these concerns is that the PDF is for planning for a new headquarters at an undetermined location in Wheaton.

- As of the preparation of this memorandum, the Planning Board has not taken a position as to whether the Headquarters should move to Wheaton, but has approved the PDF to allow them to explore the idea.
- The Council has not yet taken any action to indicate support for moving the headquarters to Wheaton. The last vote taken by the Council supported designing a new building in Rockville that would house both the Commission and the Council (8 to 1 vote). Although several Councilmembers have expressed interest in a Wheaton location for M-NCPPC, no vote has occurred yet.
- There is an existing program of requirements that was prepared when M-NCPPC proposed rebuilding their headquarters at the current location (SilverPlace). While Staff agrees that it needs to be updated to reflect changes in staffing and organization, Staff questions whether \$200,000 is needed to **update** the existing facility plan.
- It is unclear whether the relocation would be part of the County’s redevelopment project (if the Council approves it) or a separate structure, and what the exact location would be. Since the location has not yet been determined, no work can be done on site specific design. If the project is just for facility planning and not site specific design, the source of funding should be Current Revenue, not GO Bonds.

Staff recommends that the Committee defer action on this PDF until a determination is made regarding the location of the M-NCPPC headquarters. An alternative would be to reduce the PDF funding (to \$50,000 to \$100,000) for the sole purpose of updating the facility plan and change the source of funding to Current Revenue.¹ The disadvantage of this approach is that if design and construction is delayed, there could be the need to update the facility plan yet again in the future.

WARNER CIRCLE SPECIAL PARK - NO. 118703
(© 1 to 2)

	Total Project Costs	Total 6 years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 years
Current Approved	525	525	75	0	0	0			
M-NCPPC	5,485	3,808	108				400	3,300	1,160
Executive	5,485	3,808	108				400	3,300	1,160
Staff Recommendation	5,485	3,808	108				400	3,300	1,160

Warner Circle Special Park is in the heart of the Kensington Historic District and was the home of Brainard Warner, the founder of the Town of Kensington, Maryland. M-NCPPC acquired this 4.5 acre

¹ GO Bond funding should not be used for facility planning and should not be used until there is a specific project at a specific location.

park in 2005-2006 through the Legacy Open Space program. The project will refurbish the existing historic buildings (an 1890's Queen Ann house and carriage house and two historic additions built in 1913-1914) for office space for Department of Parks staff and demolish the 1960's addition developed when the property served as a nursing home.

M-NCPPC previously issued a request for proposals (RFP) to find another organization to renovate and occupy the property, but there were no viable applicants that met the financial or appropriate use criteria. Since the attempt to solicit a partner was not successful, M-NCPPC hired an architectural/engineering team to develop a feasibility study and concept plan for the property.

The Council previously considered this project two years ago and raised questions about the potential use of the property. At that time, the Department of Parks planned to move the Department of Parks' Planning and Stewardship (PPS) Division to this location. The project would have provided office space for 30-35 staff, including aquatics and archaeology laboratories and meeting rooms. The Council expressed concern about approving the project before it had determined what portions of M-NCPPC would move to a new headquarters building and whether additional space for park employees in another location was necessary, and did not support construction funding.

The Planning Board reconsidered the facility plan in the summer and fall of 2011, and recommends scaling back the project and only developing office space and not aquatic and archaeological laboratories. The change in key project elements is as follows:

CIP Project: Warner Circle Special Park	Facility Plan, July 2011	Revised Facility Plan, September 2011
Historic House and Carriage House	Rehab 17,950 gross square feet historic house and carriage house.	Rehab 17,950 gross square feet historic house and carriage house.
Proposed rear addition for Aquatics, Archaeology, and meeting space	Add 7,896 gross square feet	Delete proposed rear addition and remove it from plan. Note: Elevator and/or rear egress stair may still be required.
Nursing home wings	Demolish 15,201 gross square feet of non-contributing building, removing impervious surface and re-creating missing portion of loop road.	Demolish 15,201 gross square feet of non-contributing building, removing impervious surface and re-creating missing portion of loop road.
Parking spaces	Alter existing parking and add new spaces as necessary.	Maintain the existing parking except for ADA modifications. Reduce impervious surface and add green space.
Stormwater Management	As required	As required. The stormwater management requirement under the revised plan will be substantially reduced
Total Cost	9.3 Million	4.3 Million

Phase I of the project, which was funded by State Bond Bills, began in FY12 and will continue to FY13. This Phase includes demolition of the nursing home wings, restoration of the loop driveway and public areas of the park previously occupied by the nursing home, and reconstruction of historic exterior walls at demolition. Phase II includes the rehabilitation of the carriage house and the main house for Department of Parks' office space and public meeting space and landscape enhancements to the grounds.

Testimony: The Council received one letter supporting the project.

Staff Recommendation: While Staff continues to support the renovation and reuse of the historic buildings at Warner Circle Special Park, the questions regarding its reuse will remain until M-NCPPC has more clearly defined which Park functions will stay in their current location, which will move to a new headquarters building, and which would move to Warner Circle Special Park. However, the change in project scope and elimination of specialty laboratories means that the renovated building could be used by other tenants (such as other County agencies). This is an important consideration.

Staff supports continuing to complete Phase I. Staff also supports the planning funding in FY17 and construction in FY18 provided that, prior to FY17, more work is done to determine who should occupy the renovated office space and whether the proposed public meeting space is necessary. The Council still has a few years to make those determinations before design is proposed to begin.

Warner Circle Special Park -- No. 118703

Category
Subcategory
Administering Agency
Planning Area

M-NCPPC
Development
M-NCPPC
Kensington-Wheaton

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

October 25, 2011
No
None
Final Design Stage

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY11	Est. FY12	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
Planning, Design, and Supervision	900	102	135	598	38	0	0	0	400	160	65
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	4,585	0	280	3,210	70	0	0	0	0	3,140	1,095
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	5,485	102	415	3,808	108	0	0	0	400	3,300	1,160

FUNDING SCHEDULE (\$000)

G.O. Bonds	4,860	0	0	3,700	0	0	0	0	400	3,300	1,160
State Bonds (P&P only)	625	102	415	108	108	0	0	0	0	0	0
Total	5,485	102	415	3,808	108	0	0	0	400	3,300	1,160

DESCRIPTION

Warner Circle Special Park (WCSP), located on Carroll Place in the heart of the Kensington historic district, was the home of Brainard Warner, the founder of the Town of Kensington, Maryland, and a significant figure in the development of Montgomery County. This 4.5-acre property was acquired by M-NCPPC in 2005-2006 through the Legacy Open Space program to achieve three public needs: a) preservation of two historic buildings of countywide significance, b) preservation of historic landscaped open space that has served as de facto public parkland for decades, and c) provision of another public benefit through adaptive reuse of the large historic buildings. Planning and design work for this new park has been underway since 2006. Several years of close coordination with the Town of Kensington and other interested communities has resulted in the identification of community needs and desires that are being incorporated into the design.

This PDF will fund construction of the completed design that focuses on three goals for the new park:

1. Create a landscaped open space park that serves as a Town Green for Kensington and supports county-wide public events
2. Provide historical interpretation of this important historical site to the County's citizens
3. Restore and rehabilitate the historic structures through adaptive reuse as PUBLIC MEETING SPACE AND DEPARTMENT OF PARKS' staff offices.

PHASE I OF THIS PROJECT INCLUDES THE DEMOLITION OF THE NURSING HOME WINGS, RESTORATION OF LOOP DRIVEWAY AND PUBLIC AREAS OF THE PARK PREVIOUSLY OCCUPIED BY THE NURSING HOME, AND RECONSTRUCTION OF HISTORIC EXTERIOR WALLS AT DEMOLITION.

PHASE II OF THIS PROJECT INCLUDES THE REHABILITATION OF THE CARRIAGE HOUSE AND THE MAIN HOUSE FOR DEPARTMENT OF PARKS' OFFICE SPACE AND PUBLIC MEETING SPACE, AND LANDSCAPE ENHANCEMENTS TO THE GROUNDS.

ESTIMATED SCHEDULE

PHASE I WILL BE COMPLETED IN FY12 AND FY13. PHASE II WILL BE PURSUED IN FY17, FY18, AND BEYOND SIX YEARS.

COST CHANGE

INCREASED DUE TO: (1) THE ADDITION OF \$100,000 STATE BONDS FOR PHASE I; (2) THE ADDITION OF PHASE II BEGINNING IN FY17

JUSTIFICATION

Montgomery County Master Plan for Historic Preservation (1979); Kensington Historic District listed in 1986; From Artifact to Attraction: A Strategic Plan for Cultural Resources in Parks (2006); National Register of Historic Places: Kensington Historic District (1980); Vision for Kensington: A Long-Range Preservation Plan (1992); Legacy Open Space Functional Master Plan (2001); FACILITY PLAN APPROVED BY PLANNING BOARD (2011).

OTHER

It is essential to activate vacant buildings on Parks' historic inventory with appropriate uses to prevent deterioration. This project will accomplish that for a large publicly-owned historic site with county-wide significance.

FISCAL NOTE

In 2004, 2006, 2010, and 2011 A TOTAL OF \$625,000 in state bond bills was awarded to M-NCPPC FOR THIS PROJECT.

APPROPRIATION AND EXPENDITURE DATA			COORDINATION		MAP
Date First Appropriation	FY11	(\$000)	Restoration of Historic Structures, PDF# 808494		
First Cost Estimate			MARYLAND HISTORICAL TRUST		
Current Scope	FY11	525	TOWN OF KENSINGTON		
Last FY's Cost Estimate		525	MONTGOMERY COUNTY HISTORIC PRESERVATION COMMISSION		
Appropriation Request	FY13	100			
Appropriation Request Est.	FY14	0			
Supplemental Appropriation Request		0			
Transfer		0			
Cumulative Appropriation		525			
Expenditures / Encumbrances		102			
Unencumbered Balance		423			
Partial Closeout Thru	FY10	0			
New Partial Closeout	FY11	0			
Total Partial Closeout		0			

Warner Circle Special Park -- No. 118703 (continued)



OTHER DISCLOSURES

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

M-NCPPC Headquarters Project -- No. 138707

Category M-NCPPC
 Subcategory Development
 Administering Agency M-NCPPC
 Planning Area Kensington-Wheaton

Date Last Modified
 Required Adequate Public Facility
 Relocation Impact
 Status

October 04, 2011
 No
 None
 Planning Stage

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY11	Est. FY12	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
Planning, Design, and Supervision	200	0	0	200	200	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	200	0	0	200	200	0	0	0	0	0	0

FUNDING SCHEDULE (\$000)

G.O. Bonds	200	0	0	200	200	0	0	0	0	0	0
Total	200	0	0	200	200	0	0	0	0	0	0

DESCRIPTION

This project provides for the planning of a new headquarters building for the Maryland-National Capital Park and Planning Commission, potentially located in the Wheaton Central Business District (CBD). In July 2010, Montgomery County and the Washington Metropolitan Area Transit Authority (WMATA) selected a real estate development team to redevelop several key properties located on and adjacent to the Wheaton Metro Station. Properties identified include the WMATA bus bays, the WMATA parking garage, the Mid-County Regional Services Center, and County Parking Lots 13 and 34.

M-NCPPC will work with the County, WMATA, development team, and community to determine requirements and feasibility of a new M-NCPPC Headquarters in the Wheaton CBD.

This project will fund staffing and professional consulting services to finalize a program of requirements, evaluate design options, estimate costs, assess financial viability and funding mechanisms, and determine the most advantageous delivery method for the headquarters.

ESTIMATED SCHEDULE

Project planning and conceptual design in FY13.

JUSTIFICATION

The M-NCPPC's Montgomery County administrative staff is divided among three locations in Silver Spring: the Montgomery Regional Office (MRO) at 8787 Georgia Avenue, Parkside Headquarters at 9500 Brunett Avenue, and leased space at 1400 Spring Street. MRO, the only of the three locations that M-NCPPC owns, is in poor condition, overcrowded, functionally obsolete, and fails to serve the public adequately. Several studies have documented the many problematic conditions at MRO and have concluded that MRO should be replaced as opposed to renovated.

OTHER

M-NCPPC previously attempted to obtain a new headquarters through redevelopment of the MRO site into a mixed use development called SilverPlace. In July 2008, in a non-regulatory capacity, the Planning Board approved a "Charrette Plan" for SilverPlace that was produced through a week long charrette process held with all stakeholders. While the Charrette Plan was broadly endorsed for meeting multiple public policy objectives, SilverPlace did not gain approval for funding and the project was closed out. The Charrette Plan should guide discussions on the future use of the MRO site should the M-NCPPC Headquarters be relocated to Wheaton.

A program of requirements for a new M-NCPPC headquarters was completed in 2008. The program needs to be revisited and updated to address significant organizational restructuring and changes in staffing levels.

OTHER DISCLOSURES

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

APPROPRIATION AND EXPENDITURE DATA	COORDINATION	MAP
Date First Appropriation FY13 (\$000)	Montgomery County Department of General Services Wheaton Redevelopment Program WMATA	
First Cost Estimate FY13 200		
Current Scope FY13 200		
Last FY's Cost Estimate 0		
Appropriation Request FY13 200		
Appropriation Request Est. FY14 0		
Supplemental Appropriation Request 0		
Transfer 0		
Cumulative Appropriation 0		
Expenditures / Encumbrances 0		
Unencumbered Balance 0		
Partial Closeout Thru FY10 0		
New Partial Closeout FY11 0		
Total Partial Closeout 0		



MONTGOMERY COUNTY DEPARTMENT OF PARKS
 THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MEMORANDUM

DATE: February 3, 2012

TO: Marlene Michaelson, Senior Legislative Analyst, Montgomery County Council

VIA: Mitra Pedoeem, Chief, Park Development Division

FROM: Carl Morgan, AICP, CIP Manager, Park Development Division

SUBJECT: Responses to questions regarding the FY13-18 CIP

Thank you for the chance to address specific questions regarding the M-NCPPC Department of Parks. Below you will find responses to the questions you sent me on January 27, 2012.

1. *Please provide an update on CIP implementation rates.*

The Commission has continued to focus on improving and maintaining the implementation rate of the CIP. After years of lagging rates in the 70% range, FY11 has seen an overall implementation rate of 93%. Considering expenditures and expected encumbrances for FY 12, we anticipate an implementation rate of about 85%.

2. *What is the Commission's reaction to the reductions recommended by the Executive? What are the likely impacts?*

MNCPPC submitted a CIP to the Executive sensitive to the conditions of the local economy. Shortly after the submission, staff at the Office of Management and Budget reached out to the Parks Department expressing a need to consider an additional target reduction of current revenue of \$300,000 and requested input on projects that might be adjusted to meet that goal. MNCPPC offered a list of projects that, if reduced by \$50,000 each, would achieve the target and minimize negative impacts to the overall CIP. These are listed below with potential impacts identified:

PDF#	Project Title	Potential Impact
018710	Legacy Open Space	Reduced funds for one-time (clean-up/demo) costs for future legacy open space acquisitions may potentially leave some properties unsecured and unstable posing potential safety hazards.
958776	Facility Planning: Non-	Delay facility plan to renovate the Paint Branch Trail, a project

	Local Parks	that would significantly reduce operating budget impacts and provide a better quality trail. Trails are one of the most popular recreational amenities enjoyed by County residents.
998708	Planned Lifecycle Asset Replacement (PLAR): Nonlocal Parks - Minor Renovations	Reduced funds for infrastructure projects that reduce operating budget impacts.
078701	Pollution Prevention and Repairs to Ponds & Lakes	Reduced funds to meet federal mandate - National Pollutant Discharge Elimination System (NPDES) Permit.
808494	Restoration Of Historic Structures	Reduced funds for retrofitting and renovating historic properties for potential leasing opportunities thereby extending the time that certain historic buildings are left vacant and potential revenue is lost.
858710	Trails: Natural Surface Design, Construction and Renovation	Delay Phase Three of Rachel Carson Greenway Trail (from Goldmine Road to MD Route 97 - 3 miles of trail) .

When the Executive's CIP was released in mid-January the adjustments were incorporated into the Executive's budget. Additionally, the Executive also modified funding schedules for two additional projects:

- o **138703 Little Bennett Regional Park Day Use area** – Planning Design and Construction funding was moved from FY15 to FY17 pushing all construction funding beyond the 6-year CIP timeframe.
- o **138705 Woodside Urban Park** – Planning Design and Supervision funding set to begin in FY13 was moved to FY15. While this project is being funded with Park and Planning Bonds, the Executive's staff attributed this shift to the desire to keep funding in step with work that the Department of General Services (DGS) is doing in planning for the Health and Human Services building at 8818 Georgia Avenue which shares the city block with Woodside Urban Park.

The Commission is concerned with the delay in Little Bennett funding for several reasons. As the largest park in the park system, Little Bennett lacks a formal entry. There is no day use area to meet the increasing park demand for the fast growing Clarksburg area and the region. Indications earlier from the Executive supported not only a day use area but augmenting plans for a nature center that would become a showcase piece for Montgomery County. Keeping funding for planning design and supervision in FY15 and FY16 would allow continued progress for these improvements, while construction funding could be reassessed in the next CIP cycle.

There are also some concerns with the delay in funding for Woodside Urban Park. Please see question #3 below.

3. *For Woodside Urban Park the Executive has indicated that he wants to delay planning to coincide with the County's planning for renovation of 8818 Georgia Ave. I know very little*

about this project and how it relates to the park but the idea of having the planning occur at the same time seems reasonable. Any thoughts.

Regarding Woodside Urban Park, the Commission agrees with the need for the Commission to stay in step with the Department of General Services, however, the proposed funding schedule does not accomplish this. The Commission understands that there was concern that its planning for the park might get ahead of DGS's work and create constraints for the plans of the HHS building. As we are aware, DGS is in the process of doing a Program of Requirements for the building with plans to do a test fit of the building footprint on the site. Because the size and orientation of the building will impact the orientation and planning of the park, the proposed funding schedule seems to have simply reversed the coordination problem. A more cooperative solution would be to program some of the Commission's own funding of \$30 thousand in FY13 and FY14 respectively for Commission consultants to coordinate with DGS consultants and vice versa. Of course, as soon as design for the HHS building commences, the Commission will need full design funds in order to prepare a joint mandatory referral submission to the Planning Board for the new building and the park facility plan. Once the joint mandatory referral is approved, the projects can run on separate tracks if necessary and there would be no reason to further delay the design and construction of the park if the funding for the County facility were to be further delayed in the County's CIP.

4. *Are there Legacy Open Space potential acquisitions that could be jeopardized by the reduction in funding?*

The Parks Department accepts the County Executive's proposed reduction of \$50 thousand in Current Revenue in FY13. This proposed cut will not affect the Legacy Open Space Program's ability to acquire important open space properties for the County's residents. The reduction will reduce the amount of funds available in FY13 for one-time, acquisition-related costs to secure and stabilize acquired properties (including site cleanup and demolition), but \$200 thousand for one-time costs remains in the FY13 CIP under this proposal and returns to \$250 thousand in FY14.

The Commission has been working with willing sellers of property to fully utilize the funding requested for this program. Any shifting of funding to GO Bonds may jeopardize the acquisition of one or more of these properties.

A consistent and predictable funding stream is critical to maintaining an effective acquisition program, especially for the large park acquisitions that are often implemented by the Legacy Open Space program. The program has successfully expended an average of approximately \$5 million in appropriations each year it has been in existence. The proposed appropriation for FY13 (\$3.45 Million) is well below the average funding level, but it is an increase over the current year's funding and starts a gradual return over the coming years of the CIP to the program's traditional funding level.

It is also important to maintain funding in acquisition programs because it is an ideal time to pursue acquisitions. The current economic climate is an excellent opportunity for acquisitions, both for opportunities that were not available previously and because acquisition dollars go farther now than in a boom economy.

5. *Is the Governor's budget consistent with your projections of POS funding?*

As you are aware, since 2010, the State has met other budget shortfalls by transferring funds for Program Open Space to the General Fund and replaced them with GO bonds. Each year that this has been done, it has been with the anticipation that the bonds would be paid back in annual installments according to that year's apportionment formula (typically over three to five years). Where the State has continued to do this with plans to continue in FY13, the program has become financially complex and local funds have been less available. However, funds have begun to filter back to the local level.

At the time of the first transfer in 2010, Montgomery County had about \$18.9 million in projects approved by the State. However, the unencumbered balance for the County's portion is a negative \$6.6 million, meaning that if reimbursements were requested for all projects approved by the state, there would currently be a shortfall of \$6.6 million. Recent information from the State indicates that for FY13, Montgomery County has a potential to receive about \$9.6 million from the State, subject to approval by the State Legislature. As funding comes to the County through the POS program, it will be first applied to the negative balance, leaving about \$3million for local programs. Half of that typically goes to acquisitions and the other half is made available to the county and municipalities in the county for other qualifying POS projects or purchases. The county currently has \$5.2 million in qualifying CIP projects (Falls Road Local Park Parking Lot Expansion, and North Four Corners Local Park Renovations) that have been awaiting the recovery of the State's POS program. If the proposed funding for this year (leaving about \$1.5 million for these and municipal projects) is approved by the State legislature, the local program may face a shortfall of approximately \$3.7 million for FY13, possibly causing delays in these projects. Based on projected revenue streams at the state level, it appears that the recovery to the local share of POS may still be a few years out.

6. *What additional work has been done on the Warner Circle project to address the concerns raised in the Committee meeting two years ago? What parts of the Department of Parks are likely to relocate to the proposed new headquarters in Wheaton?*

Answer combined with #7

7. *What additional planning is needed for the headquarters building to augment the planning previously done? Is this all site specific and would it be relevant if the Council decides the headquarters should be located somewhere other than Wheaton?*

Relationship between M-NCPPC Headquarters Project & Warner Circle

The Planning Board adopted the Program of Requirements (POR) for SilverPlace on December 4, 2008 (FY 09). At that time, the POR called for 151 of a total approved staff compliment of 735 positions (career or contractual) in the Department of Parks to move to the headquarters; equating to 20% of the Departments positions, not including seasonal work years.

Park employees to be relocated to the headquarters were located at Parkside Headquarters, two leased spaces in Silver Spring, and the dilapidated Shorefield House in Wheaton Regional Park.

Organizational units envisioned to locate to the headquarters included the Director's Office, Park Development, Management Services, Information Technology, SmartParks, Park Information and Customer Service (now Public Affairs and Community Partnerships), Volunteer Services, Park Permits, and Public / Private Partnerships.

Portions of the Enterprise Division (administrative positions & Park Pass) and portions of the Park Planning & Stewardship Division (administration, park planning) were to be located in the headquarters.

Park Divisions with no planned presence in the Headquarters include Central Maintenance (now Facility Management), Northern Region (now Northern Parks), Southern Region (now Southern Parks), Park Police, and Natural Resources (now Horticulture, Forestry, and Environmental Education).

The POR for SilverPlace did not include space for two units in the Park Planning and Stewardship Division as it was contemplated that those groups did not fit a headquarters locale. They were the Cultural Resources Stewardship Section and the Natural Resource Stewardship Section.

It was subsequently determined in September 2009 during Planning Board review of the concept plan for the Warner Circle project that those units along with the entire Park Planning & Stewardship Division would be a perfect fit to report to a rehabilitated Warner Circle.

The Planning Board's most recent action on Warner Circle during review of the facility plan in July and September 2011 supported rehabilitating the space for park office use, but required that the space be created as flexible office space that could be used by any of a number of administrative units / functions across the Department. They rejected the building of an addition for creation of specialty space for an aquatics lab and archeological programs in order to fit the entire Park Planning & Stewardship Division, and favored general office space on the principle that the Department of Parks is large enough to always need quality office spaces, and the fact that we currently have staff report to 32 locations, many of which are in poor condition and in need of capital investment. Divisions that could benefit from office space in Kensington that are not well-suited for an urban headquarters environment include portions of the Park Planning and Stewardship, Southern Parks, Enterprise, or Park Police Divisions.

We have no optimism that a 3rd party with sufficient resources will materialize to invest in the rehabilitation of Circle Manor. A prior RFP has failed to produce a suitable partner, and there is enough awareness of the property to spur unsolicited proposals, which have not materialized. A partnership may be more viable if the public sector puts up several million, but that can't be funded with tax-exempt debt due to IRS restrictions on private use. The public investment would have to be current revenue, taxable bonds, grants, or some other source that is highly unlikely. It remains our strong view that the only sure option of the occupancy and preservation of Circle Manor is for park office use, which is needed whether or not a major headquarters project materializes.

The Planning Board's requested FY 13-18 CIP includes funding to update the POR in FY 13, since there is renewed interest in including a headquarters project for Park & Planning as part of the Wheaton Revitalization project. The POR needs to be updated because:

- There has been major reorganization in both Parks and Planning
- Both Departments are significantly smaller due to position abolishment
- There has been significant movement of staff among locations since 2008
- Four of the Five Planning Board Members are new since the POR was approved

For the most part, the POR is not location specific and is a critical document necessary for the success of any major building project regardless of the location.

It remains to be seen what portions of the Department of Parks will be deemed suitable for a headquarters environment as the new Board reviews the program of requirements. It is certain that a large majority of Park's positions will not be stationed at the headquarters, some of which could benefit from office space at a rehabilitated Warner Circle. At the present time, that option is the only viable course to assure use and occupancy of a valuable historic resource which is critical to assure its preservation.

Background and Status of Warner Circle Project

Park staff asked the Planning Board to approve a Facility Plan for Warner Circle Special Park on July 28, 2011. The Plan presented the restoration of the historic 1893 house and 1914 carriage house; the construction of an addition to hold aquatics staff, an archaeological lab, and a large community meeting space; and related site improvements. The Planning Board asked staff to provide more context on the proposed Parks staff use, pronounced the project too expensive, particularly citing the cost of a proposed new rear addition. The Planning Board recommended that staff significantly scale back its vision for the building, focusing mostly on the restoration of the footprint of the historic house and also justify the office use.

On September 15, 2011, staff presented a modified Facility Plan for Brainard Warner with no rear addition to the house, following the Board's guidance. The new proposal focused on the demolition of the nursing home, the re-creation of missing walls, and the rehabilitation of the house and carriage house for proposed Parks offices. Site work also was reduced to include storm water management, re-creation of a missing portion of the loop road, and reduction of

some existing parking to remove imperviousness. The new cost estimate for the rehabilitation was \$4.3 million dollars. Staff also provided the Board with information that unit square footage costs were standard office rates, not high-end historic restoration. Likewise, the Department told the Planning Board that the offices in the historic house would be generic enough to accommodate a typical office tenant. The Planning Board enthusiastically endorsed the project. The community also noted its approval of the project on the record.

Staff is currently working on 100% Construction Documents for demolition of the nursing home and the exterior stabilization of the historic house (Phase 1). Monies for the demolition and associated hazardous materials work have been authorized by the state in the form of four state bond bills totaling \$625,000. These monies will be fully appropriated by FY 13 with the Council's authorization of the current CIP request. The 4.33 million project total for the full rehabilitation of the building (house and carriage house) to accommodate office space is being requested in the out years, FYs 17 and 18.