

MEMORANDUM

May 1, 2012

TO: Government Operations and Fiscal Policy Committee

FROM: Linda McMillan, Senior Legislative Analyst *Linda McMillan*

SUBJECT: **Worksession: FY13-18 Capital Improvements Program:
CE Adjustment: County Service Park Infrastructure
Improvements**

The County Executive is recommending \$1.689 million in a new project in order to fund planning and design for certain infrastructure improvements that are required in order to develop the County Service Park as envisioned in the Shady Grove Sector Plan. The PDF is attached at ©1. This project is before the GO Committee because it is a precursor to a development district proposal. The GO Committee will review the development district proposal when it is transmitted.

County Service Park Infrastructure Improvements

Expenditures	Total	6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 years
January 2012	0	0	0	0	0	0	0	0	0
April 2012	1,689	1,689	1,267	422	0	0	0	0	0

The source of funding is Current Revenue. If a development district is approved, the project will be funded from the development district proceeds.

Background

The development agreement between Montgomery County and EYA/CSP Associates LLC, requires the County to design and install certain County Service Park project infrastructure at its sole cost and expense. This infrastructure does not include infrastructure internal to development of the west side of the Service Park. The agreement says the County intends to authorize and establish a special development tax district to spread the costs across County Service Park land (east and west). Infrastructure improvements include:

- Crabbs Branch Way Improvements
- Off-site improvements (traffic, pedestrian, etc.)
- Infrastructure improvements serving the entire CSP Land
- Subject to the mutual agreement of EYA and the County, other public amenities such as the library. (Note: the Executive has determined that the library will not be funded through the development district but is expected to be a part of public amenities in the CSP west development.)

Unlike other development districts or special tax arrangements for infrastructure, the County (not a developer or other private entity) owns the property that is being developed. The County is responsible for funding the improvements and will have to pay the development district tax until the property is sold and transferred to the developer.

The development agreement also says that the County and EYA may agree that EYA will undertake all or a portion of the infrastructure work as mutually agreed to by the parties. If the County and EYA agree that EYA will perform all or a portion of the infrastructure work, “EYA agrees to use commercially reasonable efforts to develop a MFD Plan that meets the County MFD Requirements, specifically a plan that will provide for at least 20% (or such greater amount as may be required by law) of its contracts for County Site Prep Work and/or CSP Project Infrastructure to be performed by MFD contractors and shall endeavor as well to provide at least 20% of its contracts to local small business as described in the County’s Local Small Business Reserve Program.”

The County and EYA/CSP Associates LLC, have agreed that EYA will perform the work needed to complete this common infrastructure project.

Council Staff Recommendation

Council staff recommends approval of the project as recommended by the County Executive. The County is required to complete this work in a timely manner per the development agreement.

Council staff recommends the following change to the language included in “Estimated Schedule” to reflect that the infrastructure will be constructed by the developer because the County has chosen to implement the project this way. The infrastructure is the County’s responsibility.

“Design will commence in the Summer of 2012 and will conclude in the Spring of 2014. As provided in the December 2010 Master Planning and Real Estate Purchase Agreement between the Montgomery County Government and EYA/CSP Associates, LLC, the improvements will be constructed by the developer beginning in Fall 2014 and completed in Summer 2017.”

County Service Park Infrastructure Improvements -- No. 501317

Category
Subcategory
Administering Agency
Planning Area

Transportation
Roads
General Services
Shady Grove Vicinity

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

April 26, 2012
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	1,689	0	0	1,689	1,267	422	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	1,689	0	0	1,689	1,267	422	0	0	0	0	0

FUNDING SCHEDULE (\$000)

Current Revenue: General	1,689	0	0	1,689	1,267	422	0	0	0	0	0
Total	1,689	0	0	1,689	1,267	422	0	0	0	0	0

DESCRIPTION

This project ultimately provides for the design, engineering, and construction of several infrastructure improvements at the County Service Park (CSP). A development district ("The County Service Park Development District") will be established to provide funding for the improvements which will serve and benefit the entire Shady Grove Sector Plan area, including both the east and west parcels of the CSP site. The improvements include:

- Crabbs Branch Way Improvements for the portion of the road that bisects the County Service Park and related storm water management for public roads;
- Intersection improvements at Shady Grove Road and Crabbs Branch Way;
- Shady Grove Road sidewalk improvement along the northern property boundary and related storm water management;
- Improvements on the WMATA property to improve vehicular connectivity, create pedestrian connectivity between the County Service Park and the Shady Grove Metro station, and to facilitate the development of the CSP site;
- A nature trail around the regional storm water pond; and
- System upgrades to WSSC infrastructure that is necessitated by the development.

This initial funding will provide for preliminary design and engineering costs. Construction costs will be added to this project once design work has sufficiently progressed to determine an accurate estimate.

ESTIMATED SCHEDULE

Design will commence in the Summer of 2012 and will conclude in Spring of 2014. The improvements will be constructed by the developer beginning in Fall 2014 and completed in Summer 2017.

JUSTIFICATION

This project will be developed in accordance with the Council approved Shady Grove Sector Plan to redevelop the CSP property into a transit-oriented mixed-use area. The CSP property is a major component of the County's Smart Growth Initiative (SGI), a comprehensive strategy to better serve the public interest and support economic development in key areas by relocating several County offices from their current, outdated, and inadequate facilities to other more functional and appropriate sites.

The CSP property is planned to support several different types of uses, including residential townhomes and apartments; commercial office and retail space; public parks; and open spaces located in and around the Shady Grove Metro Station area.

OTHER

The improvements on the WMATA site and the WSSC upgrades are the sole responsibility of the proposed development district. The developer is not eligible for any tax credits for the design and construction of the transportation and WSSC improvements.

FISCAL NOTE

The project design and construction costs will be repaid with development district revenues in the out-years. A petition to establish a development district at the County Service Park will be submitted to the County Council, in accordance with the Master Plan Real Estate Purchase Agreement.

APPROPRIATION AND EXPENDITURE DATA	COORDINATION	MAP																																																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Date First Appropriation</td> <td style="text-align: center;">FY09</td> <td style="text-align: right;">(\$000)</td> </tr> <tr> <td>First Cost Estimate</td> <td></td> <td></td> </tr> <tr> <td>Current Scope</td> <td style="text-align: center;">FY13</td> <td style="text-align: right;">1,689</td> </tr> <tr> <td>Last FY's Cost Estimate</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td>Appropriation Request</td> <td style="text-align: center;">FY13</td> <td style="text-align: right;">1,689</td> </tr> <tr> <td>Appropriation Request Est.</td> <td style="text-align: center;">FY14</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Supplemental Appropriation Request</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>Transfer</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td>Cumulative Appropriation</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>Expenditures / Encumbrances</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>Unencumbered Balance</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td>Partial Closeout Thru</td> <td style="text-align: center;">FY10</td> <td style="text-align: right;">0</td> </tr> <tr> <td>New Partial Closeout</td> <td style="text-align: center;">FY11</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total Partial Closeout</td> <td></td> <td style="text-align: right;">0</td> </tr> </table>	Date First Appropriation	FY09	(\$000)	First Cost Estimate			Current Scope	FY13	1,689	Last FY's Cost Estimate		0				Appropriation Request	FY13	1,689	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	<p>Department of General Services Department of Finance Department of Permitting Services Department of Transportation Offices of the County Executive Washington Suburban Sanitary Commission Maryland-National Capital Park and Planning Commission Washington Metropolitan Area Transit Authority Utility Companies Developers</p>	
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