

PS COMMITTEE #2
July 23, 2012

MEMORANDUM

July 19, 2012

TO: Public Safety Committee

FROM: Susan J. Farag, Legislative Analyst 

SUBJECT: **Worksession: Supplemental Appropriation #1-S13-CMCG-1 to the County Government's FY13 Capital Budget, Department of Police --\$7,250,000**

Today the Committee will hold a worksession on a supplemental appropriation to the Police Department in the amount of \$7,250,000 in FY13. There is no change in the project scope, total project cost, or expenditure schedule.

The Council introduced a resolution to approve this appropriation on July 10, 2012 (attached at © 2-3). The Executive's transmittal memo is attached at © 1. The Recommended PDF including a Supplemental Appropriation is attached at © 4. The PDF approved by the Council during the FY13 budget is attached at © 5. Public hearing and action are tentatively scheduled for July 24, 2012.

According to the Executive's transmittal memo, this supplemental appropriation is required to allow the County to enter into a General Development Agreement with JBG Associates for the development of the 2nd District Police Station. Per County regulation, all funds to be paid to the developer after project completion must be appropriated upfront. The project scope, total cost, and the expenditure schedule are to remain the same.

Background

The 2D Police Station project is a public-private partnership. The PDF provides for the County's share of costs for the replacement of the existing 2nd District Police Station located at 7359 Wisconsin Avenue in Bethesda. Under the terms of a General Development Agreement (GDA) with the County, a private developer will provide the land, and will build a new district station in accordance with County requirements. The new station will be located at Cordell Avenue between Woodmont and Wisconsin avenues. The station will be approximately 30,000 gross square feet, on three floors, with about 44 underground parking spaces.

The County will exchange the existing police station site (estimated value of \$8.7 million) for the new station, plus a County payment to the developer, which will not exceed \$7.25 million.

The developer will be responsible for final project costs. The County will fund \$9.25 million, which provides for:

- \$600,000 County planning, design, and supervision costs;
- \$7.25 million County payment to the Developer; and
- \$1.4 million for furniture, fixtures, and equipment for the police station.

Payment to the developer is programmed in FY16, after the project has been completed.

Discussion Issues

- 1) Why wasn't the \$7.25 million appropriated when the project was first introduced?
- 2) Is there a contract, general developer agreement, or similar document in place now that specifies the County does not pay the \$7.25 million to the developer until after the project has been completed?

Council staff recommends approval of the supplemental appropriation as submitted.

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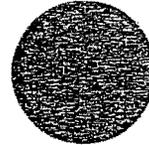


INTRODUCTION

OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

069197



MEMORANDUM

July 2, 2012

TO: Roger Berliner, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Supplemental Appropriation #1- S13-CMCG-1 to the FY13 Capital Budget
Montgomery County Government
Department of Police
2nd District Police Station (No. 471200), \$7,250,000

I am recommending a supplemental appropriation to the FY13 Capital Budget in the amount of \$7,250,000 for the 2nd District Police Station (No. 471200). There is no change in the project scope, total project cost or expenditure schedule.

This supplemental appropriation is required to allow the County to enter into a General Development Agreement with JBG Associates for the development of the 2nd District Police Station. Per County regulation, all funds to be paid to the developer after project completion must be appropriated upfront. The project scope, total cost and the expenditure schedule remain the same.

I recommend that the County Council approve this supplemental appropriation in the amount of \$7,250,000 and specify the source of funds as GO Bonds.

I appreciate your prompt consideration of this action.

IL:aa

Attachment: Supplemental Appropriation #1- S13-CMCG-1

- c: Kathleen Boucher, Assistant Chief Administrative Officer
- Jennifer A. Hughes, Director, Office of Management and Budget
- David Dise, Director, Department of General Services
- J. Thomas Manger, Chief, Department of Police

RECEIVED
MONTGOMERY COUNTY

2012 JUL -3 AM 10:14



Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #1- S13-CMCG-1 to the FY13 Capital Budget
Montgomery County Government
Department of Police
2nd District Police Station (No. 471200), \$7,250,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
3. The County Executive recommends the following capital project appropriation increases:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
2 nd District Police Station	471200	Construction	\$7,250,000	GO Bonds

4. This supplemental appropriation is required to allow the County to enter into a General Development Agreement with JBG Associates for the development of the 2nd District Police Station. Per County regulation, all funds to be paid to the developer after project completion must be appropriated upfront. The project scope, total cost and the expenditure schedule remain the same.
5. The County Executive recommends a supplemental appropriation in the amount of \$7,250,000 for 2nd District Police Station (No. 471200), and specifies that the source of funds will be GO Bonds.
6. Notice of public hearing was given and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

The FY13 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
2 nd District Police Station	471200	Construction	\$7,250,000	GO Bonds

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

2nd District Police Station -- No. 471200

Category
Subcategory
Administering Agency
Planning Area

Public Safety
Police
General Services
Bethesda-Chevy Chase

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

July 02, 2012
Yes
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	600	0	120	480	120	120	120	120	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	8,650	0	0	8,650	0	0	200	8,450	0	0	0
Total	9,250	0	120	9,130	120	120	320	8,570	0	0	0

FUNDING SCHEDULE (\$000)

G.O. Bonds	9,250	0	120	9,130	120	120	320	8,570	0	0	0
Total	9,250	0	120	9,130	120	120	320	8,570	0	0	0

OPERATING BUDGET IMPACT (\$000)

Maintenance				326	0	0	0	96	115	115
Energy				385	0	0	0	113	136	136
Net Impact				711	0	0	0	209	251	251

DESCRIPTION

This project provides for the County's share of costs for replacement of the existing 2nd District Police Station located at 7359 Wisconsin Avenue in Bethesda. Under the terms of a General Development Agreement (GDA) with the County, a private developer will provide the land, and will design and build a new district station in accordance with County requirements. The new station will be located at Cordell Avenue between Woodmont Avenue and Wisconsin Avenue. The station will be approximately 30,000 gross square foot facility on three floors with approximately 44 underground parking spaces.

The County will exchange the existing police station site as-is (estimated value of \$8,700,000) for the new developer-built station plus a County payment to the developer, which will not exceed \$7,250,000, for the new developer-built station.

JUSTIFICATION

The current 2nd District Police Station was constructed over 50 years ago and serves the Bethesda-Chevy Chase area and portions of Potomac and Silver Spring. The current 21,700 gross square foot station is too small for staff and programmatic requirements and requires major building repairs and upgrades. A 2005 County Maintenance report outlined a need for \$200,000 in deferred maintenance, HVAC deficiencies and security concerns. Continued population growth and development in the area also support the need for a new facility. In addition, the developer's improvements to the existing site will promote economic development in the Bethesda-Chevy Chase area.

OTHER

A developer was selected via a Request for Proposal (RFP) process and a General Development Agreement with the selected developer is being finalized.

FISCAL NOTE

The final project cost will be determined by and will be the responsibility of the developer. The County will fund \$9,250,000 which will provide for MCG planning, design and supervision costs (\$600,000), County payment to the Developer (\$7,250,000), and furniture/fixtures and equipment for the new police station (\$1,400,000).

The Operating Budget Impact (OBI) figures are for the new facility. When the information becomes available, these cost figures will be adjusted to take into account savings related to the elimination of current facility maintenance and energy costs.

OTHER DISCLOSURES

- A pedestrian impact analysis has been completed for this project.

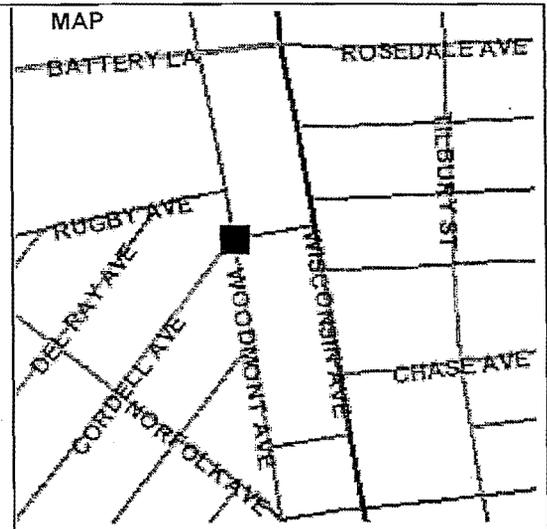
APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY	(\$000)
First Cost Estimate		
Current Scope	FY12	9,250
Last FY's Cost Estimate		9,250
Appropriation Request	FY13	120
Appropriation Request Est.	FY14	120
Supplemental Appropriation Request		7,250
Transfer		0
Cumulative Appropriation		120
Expenditures / Encumbrances		0
Unencumbered Balance		120
Partial Closeout Thru	FY10	0
New Partial Closeout	FY11	0
Total Partial Closeout		0

COORDINATION

Department of Police, Police Facilities
Department of General Services
Department of Permitting Services
Department of Technology Services
Bethesda-Chevy Chase Regional Services Center

MAP



REC'D AND APP'D
FOR FY 13

2nd District Police Station -- No. 471200

Category Public Safety
Subcategory Police
Administering Agency General Services
Planning Area Bethesda-Chevy Chase

Date Last Modified January 04, 2012
Required Adequate Public Facility Yes
Relocation Impact None
Status Planning Stage

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY11	Est. FY12	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
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Department of Technology Services
Bethesda-Chevy Chase Regional Services Center

