

**MEMORANDUM**

May 7, 2013

TO: Planning, Housing, and Economic Development Committee  
Government Operations and Fiscal Policy Committee

FROM: Jacob Sesker, Senior Legislative Analyst   
Marlene Michaelson, Senior Legislative Analyst 

SUBJECT: CIP Amendments: Wheaton Redevelopment (PDF #150401)  
M-NCPPC Headquarters (PDF # 138707)

Those anticipated to attend this worksession include:

- From General Services: David Dise, Director; Greg Ossont, Deputy Director
- From Transportation: Al Roshdieh, Deputy Director; Rick Siebert, Chief of Parking Management
- From Economic Development: Steve Silverman, Director
- From OMB: Mary Beck, CIP Coordinator
- From M-NCPPC: Françoise Carrier, Planning Board Chair; Mike Riley, Deputy Director of Parks; Dan Hertz, Project Manager

**Purpose**

The Planning, Housing and Economic Development Committee and the Government Operations and Fiscal Policy Committee will discuss proposed amendments to the following projects: Wheaton Redevelopment Program (PDF #150401) and M-NCPPC Headquarters (PDF #138707).

The purpose of this worksession is for the committees to recommend PDFs to the full Council for action after engaging in a more detailed discussion of potential public/private redevelopment scenarios. A Council worksession is scheduled for May 13, 2013. Council Staff feels that the purpose of this session should not be to review the preliminary proposals/visions of specific developers.<sup>1</sup>

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<sup>1</sup> On April 12<sup>th</sup>, Councilmembers discussed in very general terms a concept that one developer had recently shared with two Councilmembers and the County Executive. Council Staff notes that the relevant distinguishing characteristic of this concept is that it was presented to elected officials shortly before the April 12<sup>th</sup> worksession. Other concepts have also been presented to Executive Branch staff and to other individual Councilmembers over the last several months.

The committees indicated interest in further conversation about two different approaches to the Wheaton Redevelopment Program and the M-NCPPC Headquarters. Under one approach (the “split project option”), the office building would be a capital project for M-NCPPC, while the County would separately pursue private redevelopment of Parking Lot 13. Under the second approach (the “developer proposal option”), the office building would most likely be a part of a more extensive public-private redevelopment project to include multiple uses, multiple publicly-owned properties, and possibly multiple office users.

Staff believes that the joint committees will need to resolve 3 issues in order to make a recommendation to the Council: **whether the office component will include significant users other than M-NCPPC, whether control of the office component of the two projects will rest with M-NCPPC or with County government, and the location of the office building.**

## **Background**

In the FY13-18 CIP, the Council approved two separate but related projects: Wheaton Redevelopment Program (PDF #150401) and M-NCPPC Headquarters (PDF #138707).

1. Wheaton Redevelopment Program is a \$66,200,000 project in the County’s Capital Improvements Program (CIP) to construct a new headquarters for M-NCPPC, a town square, and facility planning for a multi-agency facility to possibly include County offices (DEP and DPS). The project did not set aside additional money within the 6-year CIP for County offices; instead, the project description form stated that the cost estimate for the project would be revised following design. *See Approved PDF #150401, © 1-2.*
2. M-NCPPC Headquarters is a \$100,000 project in M-NCPPC’s CIP which provides for the FY13 planning to be done by M-NCPPC with respect to its own space needs in a new headquarters, whether or not that headquarters is a part of the Wheaton Redevelopment Program. *See Approved PDF #138707, © 3.*

There are two primary reasons for discussing potential changes to both projects: (1) the project schedule has slipped; and (2) the Executive did not recommend moving DPS and DEP to Wheaton as part of a multi-agency facility. *See CE Letter, © 8-9.*

The following represents a partial timeline of recent events which may be helpful as context for understanding this memorandum and attached materials:

- Winter 2012/2013: DGS asked M-NCPPC if it would consider the Regional Services Center site as an alternative to Parking Lot 13, thereby freeing up Parking Lot 13 for private development.
- Winter 2012/2013: M-NCPPC explored the possibility of relocating to the Regional Services Center site and indicated that they believe acquisition of additional property rights would be necessary to make that site work.
- March 12: Council met in closed session to discuss whether it would generally support the acquisition of additional property interests. After hearing from both M-NCPPC and the Executive, the Council elected to support M-NCPPC exploring the acquisition of additional property interests as necessary.
- March 19: Two PDFs were introduced for public hearing. A proposed amendment to M-NCPPC Headquarters #138707 was introduced, under which the office building would be moved to M-NCPPC’s CIP. *See Proposed Amendment #138707, © 5.* A corresponding amendment to

Wheaton Redevelopment Program #150401 was introduced, under which the office building would be removed from the Wheaton Redevelopment Program. This second proposed amendment was prepared by Council Staff for introduction because the Executive had not transmitted any proposed amendments. *See Introduced Amendment #150401*, © 4.

- March 27: County Executive Leggett wrote in a letter that he does not intend to move DEP and DPS to Wheaton as part of the Wheaton Redevelopment Program. *See CE Letter*, © 8-9. Attached to that letter he transmitted a PDF illustrating the capital cost implications of the non-recommended relocation of DEP and DPS. *See Non-recommended PDF*, © 10-11.
- April 8: The Executive submitted his draft changes to the Wheaton Redevelopment Program, which were substantially similar to Council Staff's draft (the "introduced amendment"). Most notably, the amendment to the Wheaton Redevelopment Program no longer included funding for an office building. *See April 8 CE PDF# 150401*, © 6-7.
- April 12: Mr. Dise indicated to the joint committees that the Executive was interested in pursuing a public/private redevelopment approach under which the office building would remain in the Wheaton Redevelopment Program. The precise location of the building in Wheaton would remain open. Furthermore, under this scenario the determination as to whether to relocate DEP and DPS would be made at a later time. **This position represented a shift in position over the course of that week.** The committees requested that the Executive present a more detailed recommendation at the second worksession.
- April 30: Planning Board Chair Carrier transmitted a letter stating that M-NCPPC would prefer to control the design and construction of the office building, that M-NCPPC would prefer to own the office building, and further that any process to select a private developer should be open and transparent, negotiations with a developer should be completed by a time certain, and that occupancy by July 2017 should be assured. *See Carrier Letter*, © 16.
- May 7: County executive Leggett transmitted a letter which provides for a new headquarters for M-NCPPC, the Regional Services Center and the Urban District, while also presenting an option for a multi-agency building. *See County Executive Leggett Letter (May 7)*, © 39-40.

### **Additional materials received after April 12<sup>th</sup> worksession**

Planning Board Chair Françoise Carrier transmitted a letter to the Council President on April 30, highlighting the Board's position that M-NCPPC should manage the design and construction of its headquarters, and that it should own its headquarters building (with any other government entities occupying the building as tenants of M-NCPPC). *See Letter from Chair Carrier*, © 16.

On May 6, WMATA submitted a letter and attached renderings in which it requested that future redevelopment preserve connectivity to a future redevelopment of the WMATA bus bay and access to WMATA bus and rail infrastructure. *See WMATA Letter*, ©17-21.

On May 6, DGS submitted a draft solicitation for redevelopment of County owned properties and 8787 Georgia Avenue. *See Draft developer solicitation*, © 22-38. DGS also submitted a draft solicitation for technical assistance in assessing the viability and needs of small businesses located proximate to County redevelopment projects. That draft document is too lengthy for inclusion in this packet.

## Summary of options

The joint committees narrowed the scope of the discussion to two main options. For purposes of this discussion those options are called: (1) the split project option; and (2) the developer proposal option. The key elements of each are described below.

### *The split-project option*

- The office building would be a building for M-NCPPC's consolidated headquarters for Montgomery County Parks Department and Montgomery County Planning Department. The M-NCPPC office building (probably to include Regional Services Center and Urban District offices) would be moved from Parking Lot 13 to the south side of Reedy Drive.
- The M-NCPPC office building project would be shifted from the County to M-NCPPC (from Wheaton Redevelopment PDF #150401 to M-NCPPC Headquarters #138707).
- The residual (e.g., the town square) would remain in the County's CIP project (Wheaton Redevelopment Program #150401).
- The County will commence any necessary solicitation processes and select a developer for Parking Lot 13. The developer would likely then build private uses, as well as a town square and underground parking.
- The following PDFs represent this option: *Proposed Amendment M-NCPPC Headquarters #138707*, © 5; and either *Introduced Amendment Wheaton Redevelopment Program #150401*, © 4; or *April 8 CE PDF #150401*, © 6-7.

### *The developer proposal option*

- Under this approach, a solicitation would be issued seeking technical and financial proposals from developers to include both the office building and other components of the project.
- The solicitation document would include certain parameters. The parameters might include: the approximate size of the office component of the project, the universe of publicly-owned properties to be considered, replacement parking requirements, parking requirements or guidelines for the new development (if any), etc.
- The location of the office building need not be specified in the solicitation document.
- The solicitation document must include an estimate of how much office space County/M-NCPPC users will occupy; otherwise, it will be difficult to make progress on other issues.<sup>2</sup>
- No PDF representing this option has been transmitted by the Executive.<sup>3</sup>

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<sup>2</sup> For example, the County and M-NCPPC may not be able to reach agreement on how to share decision-making authority in the solicitation, selection, negotiation, and implementation phases without knowing whether the office component of the project will include any County offices.

<sup>3</sup> Staff believes that, at a minimum, the schedules of funding and expenditure should be changed to reflect a more realistic schedule. However, the Council should have an opportunity to discuss other changes to the PDF as well. For example, Mr. Silverman indicated in a January meeting of the Wheaton Redevelopment Advisory Committee that the County would not study the feasibility of redeveloping the bus bay site ("We have made a determination at this point to move on," he was quoted as saying in a January 22 article in the Wheaton Patch). If that determination has been made by the Executive, the Council should have an opportunity to discuss it. On this particular point, Council Staff is in agreement with Mr. Silverman's January statement, and has recommended removing that reference from the Wheaton Redevelopment Program PDF. See *Introduced Amendment*, © 4.

## Issues

### *DEP and DPS*

The approved Wheaton Redevelopment Program PDF contemplates a multi-agency facility on Parking Lot 13. That element had been a part of the Executive's original proposal in January 2012 to build a concrete platform above the WMATA bus bay that was capable of supporting multiple office buildings, one of which would have been occupied by M-NCPPC, DPS and DEP.

Nearly a year after the Council approved the Wheaton Redevelopment Program the Executive has not committed to move DEP and DPS to Wheaton. His letter of March 27 indicated that he could not recommend relocation of DEP and DPS to Wheaton due to fiscal concerns. However, Mr. Dine indicated that the Executive would still consider relocating DEP and DPS to Wheaton.

The relocation of DEP and DPS is significant for two reasons:

- First, the Regional Services Center is not large enough to accommodate a multi-agency facility of this magnitude. The Regional Services Center site is approximately 15,367 square feet, which means that the total zoning capacity of that site without density transfers is approximately 92,202 square feet. As an illustration of the scale of the multi-agency facility relative to the site, based on the preliminary space programs, M-NCPPC, DEP, DPS, and the RSC and Urban District would require 250,000 square feet. **Put differently, the multi-agency building on the RSC site would require an FAR of 16.26.**
- Second, if the County is not going to have a significant presence in the building, then the County should not control the decision-making on the project. There is a high likelihood that problems would arise between M-NCPPC and the County if the County is making decisions about key elements of an office building for M-NCPPC.<sup>4</sup>

### *Control of the project*

While DGS does build projects for County departments, DGS does not typically build projects for M-NCPPC, and M-NCPPC feels strongly that they should control their own headquarters project. In either case, a significant amount of coordination between the County and M-NCPPC will be involved.

If the Committee recommends the split project option, then M-NCPPC will control the office component of the project. Coordination between the County and M-NCPPC will still be necessary—most notably, the County and M-NCPPC would need to enter into land transactions (involving potentially the Mid-County Regional Services Center site at 2406 Reedy Drive and the M-NCPPC Montgomery Regional Office site at 8787 Georgia Avenue).

If the Committee recommends the developer proposal option, then control of the project will represent a problem. Chair Carrier, in her April 30<sup>th</sup> letter to Council President Navarro, suggests that M-NCPPC would like to obtain control of the design and construction of the office building, and would like to own

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<sup>4</sup> A recent example illustrates the potential for problems—DGS' implementation of the M-NCPPC portion of the Multi-Agency Service Park has resulted in some problems. Obviously, a headquarters office building is more likely to result in inter-agency disputes than a facilities maintenance depot.

the building upon completion. It is not clear how much control the County would be willing to cede to M-NCPPC if the office building is part of a County redevelopment project on County-owned land.

In approving the Wheaton Redevelopment Program in the FY13-18 CIP, the Council attempted to deal with control issues by not appropriating funds for the project, and by including specific language in the PDF, to wit: *“When County government and M-NCPPC have completed their respective programs of requirements, the agencies will brief the Council on the status of their discussions with the Parking Lot District and submit to the Council an appropriation request for design of the multi-user complex or building and a memorandum of understanding between the agencies describing their respective roles and responsibilities throughout the design process, including the process by which M-NCPPC can charge design-related personnel costs to the Wheaton Redevelopment Program. It is the expectation that the MOU will reflect Park and Planning’s status as an independent agency...The design will be developed pursuant to the MOU.”*

Staff from both M-NCPPC and the County negotiated in good faith. There was agreement on the terms of an MOU, which was presented to and approved by the Planning Board several months ago. The fact that the Council is discussing this issue again, in spite of all the effort put into reaching an agreement, is a testament to the challenge of implementing a project that includes a headquarters for M-NCPPC in the County’s CIP.

### ***Location***

DGS has concluded, after informal conversations with several developers, that private sector interest in developing Parking Lot 13 in Wheaton is tied to the value that could be unlocked if M-NCPPC is relocated to Wheaton.<sup>5</sup> However, to relocate M-NCPPC from land in Silver Spring that is owned by M-NCPPC to land in Wheaton that is owned by the County will require a land swap.

If M-NCPPC relocation is to be a stimulus to redevelopment of Wheaton, then the County will need to negotiate with M-NCPPC to establish the general terms of necessary land transactions. While it is possible for the County and M-NCPPC to discuss the general parameters of possible land transactions before a location for redevelopment is selected, a selection must be made soon. The headquarters would almost certainly be located on either Parking Lot 13 or the site of the Regional Services Center. A building cannot be located on “all of the above.”

The Executive stated in his March 27 letter that he firmly believes that Parking Lot 13 should be reserved for private investment, and that he therefore did not consider any options that involved government uses on Parking Lot 13. However, on April 12, the Executive indicated that he might prefer to leave the location of the building open until after the County has received qualifications of interested developers or development proposals for the County-owned land in the Wheaton core.

The Council should also consider the following:

- Parking Lot 13 was recommended by Council Staff last year because Council Staff felt that the RSC site was not large enough to accommodate the multi-agency facility.
- M-NCPPC offices on the RSC site will need to lease parking (e.g., from the County, which currently has capacity in Garage 45). Leased parking is an operating expense, not a capital one.

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<sup>5</sup> Of course, one way of establishing the level of current private sector interest in County-owned land in Wheaton would be to express a willingness to sell land in Wheaton as part of a redevelopment effort that does not include M-NCPPC.

- If the building is located on the south side of Reddie Drive, an additional (minor) cost of the project may be space for the Regional Services Center (potentially displaced) and Urban District in the office building. This cost is reflected in the Proposed Amendment #138707 (M-NCPPC Headquarters).
- The RSC site alone might not be large enough to accommodate M-NCPPC’s functional needs, whereas both 8787 Georgia Avenue and Parking Lot 13 are. Acquisition of additional property rights could increase the cost of the RSC site alone, though M-NCPPC estimates that it will be able to complete the project, including any such acquisitions, for the amount identified in the proposed amendment.<sup>6</sup> *See Proposed Amendment #138707, © 5.*
- Wherever the office building is located, the project should be coordinated to the extent possible with WMATA. WMATA would like the project to preserve connectivity between the bus bay and the town square and the Metro station. *See WMATA Letter, © 17-21.*

### Comparing and contrasting the two options

Under either option, a private development partner would be sought for Wheaton Redevelopment. The key distinctions between these two options relate to the office component. In the “split project option,” the office component would be a capital project managed by M-NCPPC and could proceed more or less independent of market conditions. In the “developer proposal option,” the office component would presumably be managed by the County in coordination with M-NCPPC, and could be affected by market conditions.<sup>7</sup>

The risks associated with the two options are also different. In the split project option, the most significant risk is that the various property transactions between the County and M-NCPPC and between M-NCPPC and other parties will delay the project and/or increase the cost of the project beyond the estimated \$59.7 million cost of the M-NCPPC Headquarters. In the developer proposal option, the most significant risks are that market conditions will change during the negotiation phase, resulting in delays or breakdowns in the negotiation.

	Split Project Option	Developer Proposal Option
<b>M-NCPPC Office Building</b>	Yes, not on Parking Lot 13.	Yes, location undetermined.
<b>Cost of office building</b>	Approximately \$60 million.	Unknown.
<b>Parking Lot 13</b>	Could be redeveloped with town square, residential and retail.	Could include town square, residential, retail, the M-NCPPC offices, <i>and possibly DEP and DPS.</i>
<b>Transactions</b>	<i>M-NCPPC would exchange 8787 Georgia Avenue for County-owned land in Wheaton.</i> M-NCPPC will need to acquire an interest in the RSC site, and may need to acquire other property interests (including a density transfer from the County).	<i>The project could proceed without acquiring additional property,</i> though it is possible that the County would select a developer whose vision cannot be achieved without acquiring additional property.

<sup>6</sup> M-NCPPC would like the PDF to provide flexibility as to the specific parcel, clearly state that obtaining all necessary property rights is part of the project, and indicate that supplemental appropriations may be necessary in order to assemble all such property rights.

<sup>7</sup> For example, a private development partner might slow down project negotiations if an economic downturn appears imminent.

	<b>Split Project Option</b>	<b>Developer Proposal Option</b>
<b>M-NCPPC solicitation</b>	M-NCPPC would solicit (e.g., A & E, construction, construction management) as necessary.	<i>M-NCPPC role in solicitation, selection, and negotiation is unknown, likely limited to coordination.</i>
<b>County solicitation</b>	<i>County could solicit developer, or just enter into a transaction with a willing buyer.</i>	County should solicit joint developer. This would add time to the front end of the project.
<b>Urban design flexibility</b>	Less urban design flexibility.	Greater urban design flexibility.
<b>Co-location</b>	DEP and DPS <i>would not be co-located</i> with M-NCPPC.	DEP and DPS might be co-located with M-NCPPC.
<b>Market risk</b>	<i>Market risk is lower because the office and market components are separated.</i>	Market risk is higher because office and market components become intertwined.
<b>Achilles heel</b>	The Achilles heel of this option is that M-NCPPC does not own property in the Wheaton core. <i>Property will need to be acquired and possibly assembled.</i>	The Achilles heel of this option is that the solicitation, selection, and negotiation period will add time to the project and will increase market risk. Also, the relationship between the County and M-NCPPC will be more complex under this option.

## Recommendation

If the joint committees prioritize speed and certainty, then Council Staff recommends the split project option. The following PDFs represent this option: *Proposed Amendment M-NCPPC Headquarters #138707, © 5; and either Introduced Amendment Wheaton Redevelopment Program #150401, © 4; or April 8 CE PDF# 150401, © 6-7.*

If the joint committees prioritize co-location of DEP and DPS with M-NCPPC, or if the joint committees prioritize a more substantial office component, then Council Staff recommends the developer proposal option. Council Staff would draft a PDF for discussion at the May 13<sup>th</sup> Council worksession. That PDF should include language that sets a clear timeline for deliverables which, if not met, will result in re-introduction of the PDFs representing the split project option in March of 2014.

- Attachments:
- © 1 Approved Wheaton Redevelopment PDF #150401
  - © 3 Approved PDF M-NCPPC Headquarters PDF #138707
  - © 4 Introduced Amendment Wheaton Redevelopment PDF #150401
  - © 5 Proposed Amendment M-NCPPC Headquarters PDF #138707
  - © 6 April 8 CE Wheaton Redevelopment PDF #150401
  - © 8 Letter from County Executive Leggett (March 27)
  - © 10 Executive's non-recommended Wheaton Redevelopment PDF #150401
  - © 12 DGS Response to Council Staff Questions
  - © 14 M-NCPPC Response to Council Staff Questions
  - © 16 Letter from Chair Carrier (April 30)
  - © 17 WMATA Letter (May 6)
  - © 22 Draft developer solicitation
  - © 39 Letter from County Executive Leggett (May 7)

# Wheaton Redevelopment Program -- No. 150401

Category  
Subcategory  
Administering Agency  
Planning Area

General Government  
Economic Development  
County Executive  
Kensington-Wheaton

Date Last Modified  
Required Adequate Public Facility  
Relocation Impact  
Status

May 16, 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	15,015	3,495	520	11,000	1,900	4,400	2,000	1,000	200	1,500	0
Land	1,010	1,010	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	4,509	1,309	0	3,200	0	0	3,200	0	0	0	0
Construction	52,658	408	250	52,000	0	0	21,000	31,000	0	0	0
Other	74	64	10	0	0	0	0	0	0	0	0
<b>Total</b>	<b>73,266</b>	<b>6,286</b>	<b>780</b>	<b>66,200</b>	<b>1,900</b>	<b>4,400</b>	<b>26,200</b>	<b>32,000</b>	<b>200</b>	<b>1,500</b>	<b>0</b>

## FUNDING SCHEDULE (\$000)

Contributions	862	0	0	862	0	0	0	862	0	0	0
Current Revenue: General	650	0	0	650	650	0	0	0	0	0	0
Federal Aid	418	371	47	0	0	0	0	0	0	0	0
G.O. Bonds	67,039	1,618	733	64,688	1,250	4,400	26,200	31,138	200	1,500	0
PAYGO	3,797	3,797	0	0	0	0	0	0	0	0	0
State Aid	500	500	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>73,266</b>	<b>6,286</b>	<b>780</b>	<b>66,200</b>	<b>1,900</b>	<b>4,400</b>	<b>26,200</b>	<b>32,000</b>	<b>200</b>	<b>1,500</b>	<b>0</b>

### DESCRIPTION

The project provides for facility planning for a multi-user government complex or building on Parking Lot 13, to include a new headquarters (approx. 150,000 sq. ft.) for M-NCPPC, structured or underground parking, and a new town square. M-NCPPC is currently updating its program of requirements under a separate capital project, M-NCPPC Headquarters Project #138707. When County government and M-NCPPC have completed their respective programs of requirements, the agencies will brief the Council on the status of their discussions with the Parking Lot District and submit to the Council an appropriation request for design of the multi-user complex or building and a memorandum of understanding between the agencies describing their respective roles and responsibilities throughout the design process, including the process by which M-NCPPC can charge design-related personnel costs to the Wheaton Redevelopment Program. It is the expectation that the MOU will reflect Park and Planning's status as an independent agency. The government office complex or building could potentially contain a vertical mix of uses. The design will be developed pursuant to the MOU. The cost estimate will be revised as a result of design. The project provides for a town square on Parking Lot 13 that is at least 1/3 the area of the site. The project provides partial funding for construction of the government office complex or building, as well as structured or underground parking and a new town square.

The project provides up to \$650,000 in FY13 for the County's facility planning, and for consulting services to provide: 1) an evaluation of the financial feasibility of redeveloping the WMATA bus bay site; 2) a comprehensive parking study to identify potential redevelopment disruptions to parking supply and demand, the related impact to existing businesses, and potential solutions (including, but not limited to signage, parking management, and temporary/interim parking); and 3) planning studies that review potential models and approaches to creating local jobs and job training opportunities prior to or during redevelopment, including relevant case examples in Montgomery County as well as innovative models from other local and national jurisdictions. Executive staff will brief the Council regarding the outcome of these studies and any planning or negotiations regarding job opportunities and training as well as small business protections before the Executive staff resume negotiating the terms of any General Development Agreement. Planning for the bus bay site in FY17-18 includes any necessary updates to previous studies. Project requires coordination with the related M-NCPPC Headquarters Project #138707.

### ESTIMATED SCHEDULE

Planning and engineering will commence in FY13. Construction of the parking garage and town square on Parking Lot 13 will commence in FY15. Construction of the M-NCPPC headquarters will be completed in FY16. Planning for the bus bay site is scheduled for FY18. Planning for redevelopment of the WMATA site will begin in FY18. The facade and streetscape improvement program will be reassessed after completion of the town square.

### COST CHANGE

Cost change is due to an updated project scope which includes planning, design, engineering, site improvements, and construction of a town square, underground parking, and a government office building, as well as a financial analysis of the feasibility of redeveloping the WMATA bus bays. Cost estimates were prepared prior to completion of the Programs of Requirements for the office complex, parking and town square. Unknown factors that will affect the ultimate project costs and revenues are the ultimate scale of the office development, the potential for sharing parking costs with a private partner, the availability of M-NCPPC land sale proceeds, and other factors.

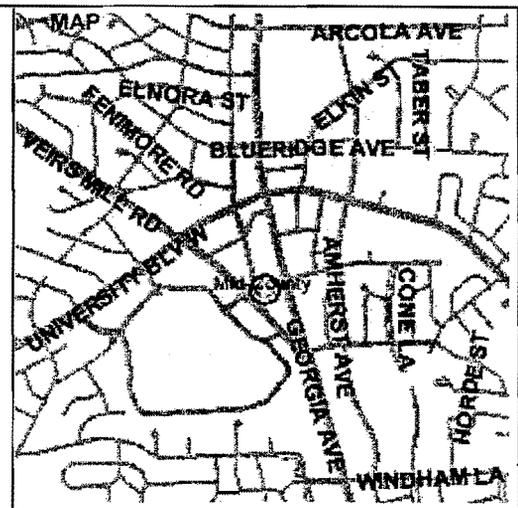
### JUSTIFICATION

The Wheaton Redevelopment Program was established in 2000 with the goal of encouraging private reinvestment through targeted, complementary public

APPROPRIATION AND EXPENDITURE DATA		
Date First Appropriation	FY04	(\$000)
First Cost Estimate	FY13	73,266
Current Scope		
Last FY's Cost Estimate		13,191
Appropriation Request	FY13	650
Appropriation Request Est.	FY14	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		8,930
Expenditures / Encumbrances		6,385
Unencumbered Balance		2,545
Partial Closeout Thru	FY10	0
New Partial Closeout	FY11	0
Total Partial Closeout		0

### COORDINATION

WMATA  
Office of the County Attorney  
M-NCPPC  
Westfield Mall  
Community Associations and Residents  
Department of General Services  
Department of Transportation  
Private developers  
Department of Housing and Community Affairs  
Mid-County Regional Services Center  
State of Maryland



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## Wheaton Redevelopment Program -- No. 150401 (continued)

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investment. The complementary public investment that Wheaton most needs is investment in creating a centrally located public space and a daytime population that together will contribute to an 18-hour economy in downtown Wheaton. It is expected that this public investment will leverage private investment, some of which is already occurring in Wheaton.

Plans & Studies: Wheaton CBD and Vicinity Sector Plan (2011), State of Maryland designation as a Smart Growth and TOD site (2010), Urban Land Institute Technical Assistance Panel (2009), The International Downtown Association Advisory report (2008); Wheaton's Public Safety Audit (2004); The Wheaton Redevelopment Advisory Committee visioning process for the Wheaton core; National Mainstreet Center Planning Study (2000); WRAC activities since established in 2000.

### **OTHER**

Special Capital Projects Legislation will be proposed by the County Executive.

### **FISCAL NOTE**

- \$418,000 federal grant, funded through the SAFETEA-LU transportation act, was received in FY09.
- A developer contribution of \$861,940 from M-NCPPC Public Use Space and Amenity Fund. November 5, 2010 Planning Board Resolution, 10-149, Site Plan 820110010.
- Total project cost includes \$8,930,000 for Streetscape and Facade work funded through FY12.

### **OTHER DISCLOSURES**

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

July 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	100	0	0	100	100	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
<b>Total</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### FUNDING SCHEDULE (\$000)

Current Revenue: General	100	0	0	100	100	0	0	0	0	0	0
<b>Total</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### 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) on the site of County Parking Lot 13

M-NCPPC will work with the County and community to determine requirements and feasibility of a new M-NCPPC Headquarters in Wheaton CBD that will be coordinated with the County through project #150401, the Wheaton Redevelopment Program. When the County Government and M-NCPPC have completed their respective programs of requirements, the agencies will brief the County Council and submit to the Council an appropriation request for the development and a memorandum of understanding between the agencies describing their respective roles and responsibilities throughout the design process, including the process by which M-NCPPC can charge design-related personnel costs to the Wheaton Redevelopment Program. The design will be developed pursuant to the MOU.

This project will fund staffing and professional consulting services to finalize the program of requirements. All design and construction costs, including the cost of M-NCPPC staff time, will be funded in the Wheaton Redevelopment PDF.

#### ESTIMATED SCHEDULE

Project planning 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.

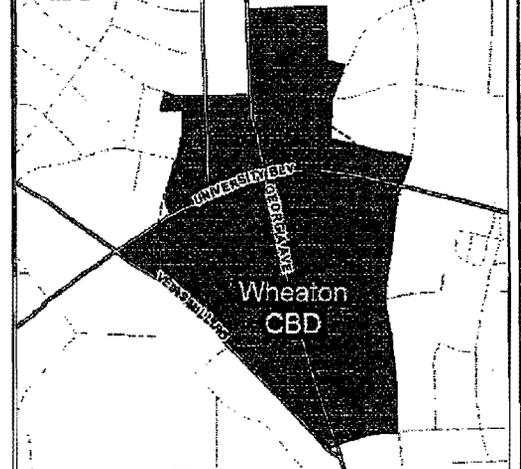
#### APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY13	(\$000)
First Cost Estimate		
Current Scope	FY13	100
Last FY's Cost Estimate		0
Appropriation Request	FY13	100
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

#### COORDINATION

Montgomery County Department of General Services  
 Wheaton Redevelopment Program (#150401)  
 MC Department of Transportation  
 Community Associations and Residents  
 Mid-County Regional Services Center  
 State of Maryland

#### MAP



Wheaton Redevelopment Program

Category	General Government	Date Last Modified	March 15, 2013
Subcategory	Economic Development	Required Adequate Public Facility	No
Administering Agency	County Executive	Relocation Impact	None
Planning Area	Kensington-Wheaton	Status	Planning Stage

Expenditures 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	6,735	3,495	520	2,720	1,800	460	230	230			0
Land	1,010	1,010	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	1,309	1,309	0	0	0	0	0	0	0	0	0
Construction	4,399	408	250	3,741	0	0	0	3,741	0	0	0
Other	74	64	10	0	0	0	0	0	0	0	0
<b>Total</b>	<b>13,527</b>	<b>6,286</b>	<b>780</b>	<b>6,461</b>	<b>1,800</b>	<b>460</b>	<b>230</b>	<b>3,971</b>	<b>0</b>	<b>0</b>	<b>0</b>

Funding Schedule (\$000)

GO Bonds	7,300	1,618	733	4,949	1,150	460	230	3,109	0	0	0
Contributions	862	0	0	862	0	0	0	862	0	0	0
Current Revenue: General	650	0	0	650	650	0	0	0	0	0	0
Federal Aid	418	371	47	0	0	0	0	0	0	0	0
PAYGO	3,797	3,797	0	0	0	0	0	0	0	0	0
State Aid	500	500	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>13,527</b>	<b>6,286</b>	<b>780</b>	<b>6,461</b>	<b>1,800</b>	<b>460</b>	<b>230</b>	<b>3,971</b>	<b>0</b>	<b>0</b>	<b>0</b>

DESCRIPTION

The project provides for design, site improvements, and construction associated with a town square on Parking Lot 13 that is at least 1/3 the area of the site. The town square will be coordinated with private development on Parking Lot 13. The project also provides up to \$650,000 in FY13 for consulting services, including a comprehensive parking study to identify potential disruptions to parking supply and changes in parking demand that result from redevelopment and how those changes in supply and demand might affect existing businesses in Wheaton, and to identify potential solutions (including, but not limited to signage, parking management, and temporary/interim parking); and planning studies that review potential models and approaches to creating local jobs and job training opportunities in advance or during redevelopment, including relevant case examples in Montgomery County as well as innovative models from other jurisdictions in the DC region as well as nationally. This project does not provide for planning or feasibility analysis associated with the WMATA bus bay site, though funding may be added for this purpose at a later date.

The Executive will brief the Council regarding the outcome of these studies and any planning or negotiations regarding job opportunities and training as well as small business protections before the Executive resumes negotiating the terms of any General Development Agreement related to redevelopment of Parking Lot 13.

ESTIMATED SCHEDULE

Planning and engineering to commence in FY14. Construction of the town square, to be coordinated with private development on Parking Lot 13, will commence in FY16.

**COST CHANGE:** Cost change (-59,639) due to corresponding increase (+59,639) in the cost of M-NCPPC Headquarters Project (#138707). Funding for bus bay feasibility studies and planning has been shifted to the town square planning and construction.

JUSTIFICATION

The Wheaton Redevelopment Program was established in 2000 with the goal of encouraging private reinvestment through targeted, complementary public investment. The complementary public investment that Wheaton most needs is investment in creating a centrally located public space and a daytime population that together will contribute to an 18-hour economy in downtown Wheaton. It is expected that this public investment will leverage significant private investment, some of which is already occurring in Wheaton.

Plans & Studies: Wheaton CBD and Vicinity Sector Plan (2011), State of Maryland designation as a Smart Growth and TOD site (2010), *Urban Land Institute Technical Assistance Panel (2009)*, The International Downtown Association Advisory report (2008); Wheaton's Public Safety Audit (2004); The Wheaton Redevelopment Advisory Committee visioning process for the Wheaton core; National Mainstreet Center Planning Study (2000); WRAC activities since established in 2000.

Appropriation and Expenditure Data	Coordination	Map
Date First Appropriation	FY04 (\$000)	WMATA
First Cost Estimate Current Scope (FY13)	73,166	Office of the County Attorney
Last FY's Cost Estimate	13,191	Westfield Mall
		M-NCPPC
Appropriation Request	FY13 0	Department of General Services
Appropriation Request Est.	FY14 -285	Department of Transportation
Supplemental Approp. Request	0	Community Associations and Residents
Transfer	0	Private developers
		Department of Housing and Community Affairs
Cumulative Appropriation	8930	
Expenditures/Encumbrances	6385	Mid-County Regional Services Center
Unencumbered Balance	2545	State of Maryland
Partial	FY10 0	
New Partial Closeout	FY11 0	
Total Partial Closeout	0	

# 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

March 14, 2013  
 No  
 None  
 Planning Stage

### EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY11	Est. FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 years
Planning, Design and Supervision	7,879	0	0	7,879	100	2,500	2,500	1,500	1,279	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	5,000	0	0	5,000	0	0	0	2,500	2,500	0	0
Construction	46,860	0	0	46,860	0	0	0	24,000	22,860	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>59,739</b>	<b>0</b>	<b>0</b>	<b>59,739</b>	<b>100</b>	<b>2,500</b>	<b>2,500</b>	<b>28,000</b>	<b>26,639</b>	<b>0</b>	<b>0</b>

### FUNDING SCHEDULE (\$000)

Current Revenue: General	100	0	0	100	100	0	0	0	0	0	0
G.O. Bonds	59,639	0	0	59,639	0	2,500	2,500	28,000	26,639	0	0
<b>Total</b>	<b>59,739</b>	<b>0</b>	<b>0</b>	<b>59,739</b>	<b>100</b>	<b>2,500</b>	<b>2,500</b>	<b>28,000</b>	<b>26,639</b>	<b>0</b>	<b>0</b>

#### DESCRIPTION

This project provides for planning, design, and construction of a new regional headquarters for the Montgomery County functions of the Maryland-National Capital Park & Planning Commission (M-NCPPC) to be located on Reedie Drive in the Wheaton Central Business District. The project also includes office space for the Wheaton Regional Services Center (WRSC). The building will include 132,000 sq. ft. of office space for the M-NCPPC headquarters and 10,000 sq. ft. for the WRSC. The building may also include private commercial uses that would benefit the revitalization of Wheaton. M-NCPPC will enter into negotiations with Montgomery County to exchange properties that will result in M-NCPPC ownership of the County owned WRSC site at 2424 Reedie Drive.

#### ESTIMATED SCHEDULE

Planning and design will occur in FY 14 and 15. Construction will occur in FY 16 and 17 with occupancy in FY 17.

#### COST CHANGE

Initial expenditure of \$100,000 for a program of requirements was approved for FY 13. As an FY 14 amendment, funding totaling \$59,639,000 will be added to FY 14 – 17 for planning, design, and construction. Funding for a multi-user government complex to include a new headquarters for M-NCPPC was included in PDF # 150401, "Wheaton Redevelopment Program", with the adoption of the FY 13-18 Capital Improvements Program. Funding associated with the M-NCPPC headquarters will be removed from that project. Project costs remain within the initially approved expenditure in the Wheaton Development Program. The cost of furniture, fixtures, and equipment to be funded by current revenue will be determined during the design phase of the project. Land acquisition costs are not included and will be determined during the planning and design stage of the project.

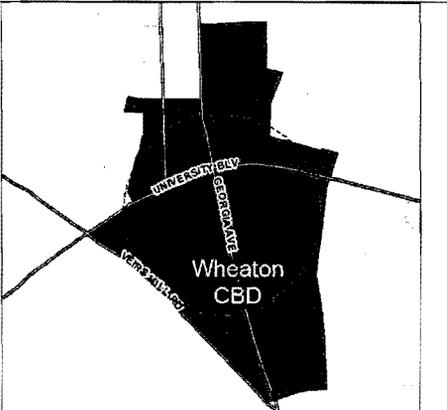
#### JUSTIFICATION

Revitalization of Wheaton is a priority of the County Council. The Wheaton Redevelopment Program was established in 2000 with the goal of encouraging private investment through targeted, complimentary public investment. M-NCPPC's need to replace its outdated headquarters in Silver Spring has been well documented. The move of M-NCPPC's headquarters to Wheaton will help jump start redevelopment and add needed office space to the mix of uses planned for Wheaton.

Plans and Studies: Program of Requirements for a New Regional Headquarters Building, M-NCPPC, dated November 21, 2012; Wheaton CBD and Vicinity Sector Plan (2011)

#### OTHER

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

APPROPRIATION AND EXPENDITURE DATA			COORDINATION	
Date first appropriation	FY13	(\$000)		
First Cost Estimate				
Current Scope	FY13	59,739		
Last FY's Cost Estimate		100		
Appropriation Request	FY13	100		
Appropriation Request Est.	FY14	7,879		
Supplemental Appropriation Request		0		
Transfer		0		
Cumulative Appropriation		100		
Expenditures/Encumbrances		76		
Unencumbered Balance		24		
Partial Closeout Thru	FY10	0		
New Partial Closeout	FY11	0		
Total Partial Closeout		0		

## Wheaton Redevelopment Program – No. 150401 (Revised Draft)

EXPENDITURE SCHEDULE (\$000)								
Cost Elements	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
Planning, Design, and Supervision	3,116	1,250	506	844	76	36	404	32
Land	-	-	0	0	0	0	0	0
Site Improvements and Utilities	357	0	0	0	0	0	357	0
Construction	3,665	0	0	0	0	0	3,665	0
Other	346	0	0	0	0	0	346	0
<b>Total</b>	<b>7,484</b>	<b>1,250</b>	<b>506</b>	<b>844</b>	<b>76</b>	<b>36</b>	<b>4,772</b>	<b>32</b>
FUNDING SCHEDULE (\$000)								
Current Revenue: General	650	0	325	325	0	0	0	0
G.O. Bonds	6,834	1,250	181	519	76	36	4,772	32
Federal Aid	0	0	0	0	0	0	0	0
PAYGO	0	0	0	0	0	0	0	0
State Aid	0	0	0	0	0	0	0	0
<b>Total</b>	<b>7,484</b>	<b>1,250</b>	<b>506</b>	<b>844</b>	<b>76</b>	<b>36</b>	<b>4,772</b>	<b>32</b>

### DESCRIPTION

This revised PDF reflects the request by Council staff to move the official building, namely the M-NCPPC Headquarters, to a separate PDF (M-NCPPC Headquarters Project #138707). The revised project provides for the planning, design, and construction of a town square at the southern side of Parking Lot 13, which is at least 1/3 the area of the site. The project also coordinates the Regional Services Center relocation into an M-NCPPC regional headquarters at the site of the existing RSC, and provides for studies and staff support of private sector development on Lot 13.

This revised PDF leaves the town square and \$650,000 for the County's facility planning and for consulting services to provide 1) a comprehensive parking study to identify potential redevelopment disruptions to parking supply and demand, the related impact to existing businesses, and potential solutions or mitigation, and 2) planning studies that review potential models and approaches to creating local jobs and job training opportunities prior to or during redevelopment, including relevant case examples in Montgomery County as well as innovative models from other local and national jurisdictions. Additionally, the revised PDF will replace the evaluation of the financial feasibility for the WMATA bus bay site proposed in the existing PDF with a business assessment study to determine the number of businesses and the magnitude impacted by the redevelopment project. The business assessment study is required by Council Bill 6-12 for the establishment of service provisions and technical assistance to those small businesses adversely impacted by a County redevelopment project.

This project will also provide coordination with the M-NCPPC headquarters project and managing the private development project on Lot 13.

### ESTIMATED SCHEDULE

Planning and engineering will commence in FY14. Construction of the private sector development is anticipated to begin in FY16 with the County's construction of the town square planned to follow with a FY18 start. The façade and streetscape improvement program, that was suspended when this Wheaton Redevelopment Project was approved, will be reassessed after completion of the town square.

**COST CHANGE**

Cost change is due to removing the planning and construction components of the M-NCPPC Headquarters and Lot 13 parking replacement from the existing PDF. Other unknown factors that may also affect the final project cost include: the ultimate scale and integration of the public-private partnership, the coordinated concept design for the town square among all stakeholders, the utilization of existing parking facilities in Wheaton CBD, and the successful land transfer of 8787 Georgia Avenue between M-NCPPC and the County Government.

**JUSTIFICATION**

The Wheaton Redevelopment Program was established in 2000 with the goal of encouraging private reinvestment through targeted, complementary public investment. The complementary public investment that Wheaton most needs is investment in creating a centrally located public space and a daytime population that together will contribute to an 18-hour economy in downtown Wheaton. It is expected that this public investment will leverage private investment, some of which is already occurring in Wheaton.

Plans & Studies: Wheaton CBD and Vicinity Sector Plan (2011), State of Maryland designation as a Smart Growth and TOD site (2010), Urban Land Institute Technical Assistance Panel (2009). The International Downtown Association Advisory report (2008); Wheaton's Public Safety Audit (2004); The Wheaton Redevelopment Advisory Committee visioning process for the Wheaton core; National Mainstreet Center Planning Study (2000); WRAC activities since established in 2000.

**FISCAL NOTE**

- \$418,000 federal grant, funded through the SAFETEA-LU transportation act, was received in FY09.
- A developer contribution of \$861,940 from M-NCPPC Public Use Space and Amenity Fund. November 5, 2010 Planning Board Resolution, 10-149, Site Plan 820110010.
- Total project cost includes \$8,930,000 for Streetscape and Façade work funded through FY12.

**OTHER DISCLOSURES**

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



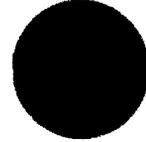
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OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

MEMORANDUM

March 27, 2013



RECEIVED  
MONTGOMERY COUNTY  
2013 MAR 27 PM 4:29

To: Nancy Navarro, President  
Montgomery County Council

From: Isiah Leggett, Montgomery County Executive

Subject: Wheaton Redevelopment Program

It has long been a mutual goal to reduce overall cost of County facilities and better accommodate access and utilization by the public. As a result, I undertook an analysis of the option of including offices for the County's Department of Environmental Protection (DEP) and the Department of Permitting Services (DPS) in the Council's approved Wheaton Redevelopment Project. This project's primary funding is currently allocated to constructing a new headquarters building for Maryland-National Park and Planning Commission (M-NCPPC). It was my initial belief that relocation of these related County offices would provide great synergy for the employees of these departments, and those businesses and residents served by them. Despite these benefits, for the reasons outlined below, I cannot recommend the inclusion of office space for DEP and DPS in the Wheaton Redevelopment project.

The primary objective of the Wheaton Redevelopment Project is to encourage private investment through targeted complementary public investment. I do not believe that the M-NCPPC Headquarters project alone meets the goals and objectives of the Wheaton Redevelopment program. I have previously stated my concern that a government office building adds only a few hundred employees during the daytime hours and will not alone provide the needed foot traffic and activity that will promote the 18-hour economy necessary for the true revitalization of Wheaton.

Further, an expanded site, as currently proposed by the M-NCPPC and contemplated by the Council, adds costs to the project while potentially also further decreasing the County's future tax base. Consequently, the economic development impact of such a project is limited at best. Moving County departments to Wheaton and co-locating them with the M-NCPPC Headquarters, without changing the footprint of the building could move us more in the direction of meeting our economic development goals for Wheaton by increasing the number of daytime employees in Wheaton and generating a significant number of visitors to those offices. It could also provide potential lease savings and could reduce some operating costs for the County. Including DEP and DPS would also provide opportunities for greater efficiencies among the entities touching the development review process.

Nancy Navarro, President  
Montgomery County Council  
Wheaton Redevelopment Program  
Page 2

Therefore, I evaluated the option of adding DPS and DEP to the headquarters site in hopes that the additional employment base, coupled with the efficiencies of having related government functions in the same building, added additional value to the project. It was my belief that the added value could partially overcome the disadvantage of the primarily daytime activity resulting from a project that included the M-NCPPC headquarters alone.

By using the same footprint as the M-NCPPC headquarters, there would be approximately \$67 million in incremental costs above the already allocated \$65 million to house these departments. These incremental costs could be partially offset by lease savings related to the move of DEP and DPS to this site. I firmly believe that Parking Lot 13 as well as 8787 Georgia Avenue, should be reserved for private investment in order to ensure that there is a more robust tax base in the Wheaton CBD. Therefore, the option that I considered did not utilize those two parcels for government purposes. Attached is a draft Project Description Form (PDF) that illustrates the costs and schedule associated with a multi-user government building that would incorporate offices for DEP, DPS, as well as M-NCPPC.

As you are aware, additional debt capacity in the CIP is *severely* limited in the FY15-20 period and the addition of \$67 million in costs for the Wheaton Redevelopment project will necessitate delaying or eliminating existing projects such as library renovations, recreation centers, and other high priority projects. In addition, there will be enhanced pressure on the FY15-20 CIP from additional project requests, including MCPS capacity projects and other critical infrastructure needs, as well as the potential need to use the large amount of PAYGO funding assumed by the Council for future operating budget purposes.

We have worked hard to bring fiscal discipline to the capital budget by adhering to debt capacity limits that recognize the impact of ever-growing debt on the County's fiscal health. I do not believe that it is in the County's best interests to exceed these limits after prudent and difficult decisions have been made.

Accordingly, I do not recommend that the County move forward with a proposal to co-locate DPS and DEP as part of the redevelopment project with M-NCPPC. The Council may choose to proceed with a separate stand alone M-NCPPC Headquarters project. In such a case, I recommend that the Council maintain funding for a town square on Parking Lot #13, as well as redevelopment of 8787 Georgia Avenue and associated staff costs.

## Wheaton Redevelopment Program (P150401)

Category General Government  
 Sub Category Economic Development  
 Administering Agency County Executive (AAGE03)  
 Planning Area Kensington-Wheaton

Date Last Modified 3/22/13  
 Required Adequate Public Facility No  
 Relocation Impact None  
 Status Planning Stage

	Total	Thru FY12	Rem FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
<b>EXPENDITURE SCHEDULE (\$000s)</b>											
Planning, Design and Supervision	19,858	3,745	270	15,843	135	1,497	5,650	3,565	2,313	2,683	0
Land	1,010	1,010	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	10,683	1,309	0	9,374	0	0	0	3,369	6,005	0	0
Construction	102,923	409	249	102,265	0	0	0	9,780	51,971	40,514	0
Other	6,001	130	-56	5,927	0	0	0	0	1,986	3,941	0
<b>Total</b>	<b>140,475</b>	<b>6,603</b>	<b>463</b>	<b>133,409</b>	<b>135</b>	<b>1,497</b>	<b>5,650</b>	<b>16,714</b>	<b>62,275</b>	<b>47,138</b>	<b>0</b>

<b>FUNDING SCHEDULE (\$000s)</b>											
Federal Aid	418	417	1	0	0	0	0	0	0	0	0
G.O. Bonds	133,871	0	462	133,409	135	1,497	5,650	16,714	62,275	47,138	0
PAYGO	5,686	5,686	0	0	0	0	0	0	0	0	0
State Aid	500	500	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>140,475</b>	<b>6,603</b>	<b>463</b>	<b>133,409</b>	<b>135</b>	<b>1,497</b>	<b>5,650</b>	<b>16,714</b>	<b>62,275</b>	<b>47,138</b>	<b>0</b>

### APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 14	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		8,930
Expenditure / Encumbrances		6,821
Unencumbered Balance		2,759

Date First Appropriation	FY 04
First Cost Estimate	
Current Scope	FY 14 140,475
Last FY's Cost Estimate	73,266

### Description

The project provides for land acquisition, planning, design, and construction of a multi-user government building located on the south side of Reedie Drive, to include a new headquarters for the Maryland-National Capital Park & Planning Commission (M-NCPPC) (approx. 132,000 sq. ft.), new offices for County departments (approx. 108,000 sq. ft.), the Regional Service Center (RSC) and Urban District (approx. 10,000 sq. ft.), and a new town square on Parking Lot #13. The County and M-NCPPC have completed their preliminary Program of Requirements (PORs) (with the M-NCPPC POR under a separate capital project: M-NCPPC Headquarters Project, #138707). The respective PORs use the same space standards but will require further review to identify space and design efficiencies in the multi-user building. The agencies have briefed the Council on the status of a Memorandum of Understanding (MOU) between the agencies describing their respective roles and responsibilities throughout the design process, including the process by which M-NCPPC can charge design-related personnel costs to the Wheaton Redevelopment Program, in addition to the customary County staff costs. It is expected that the MOU will reflect M-NCPPC's status as an independent agency. The government office building will contain a vertical mix of uses. The design will be developed pursuant to the MOU and the respective PORs, and the cost estimates will be revised as the design phase progresses. The project also provides for a new town square on Parking Lot #13. The County intends to coordinate the construction of the town square in conjunction with private development on Parking Lot #13. The project provides for the County's facility planning and for consulting services to provide: 1) a comprehensive parking study to identify potential redevelopment disruptions to parking supply and demand, related impacts to existing businesses, and potential solutions (including, but not limited to, signage, parking management, and temporary/interim parking); and 2) planning studies that review potential models and approaches to creating local jobs and job training opportunities prior to or during redevelopment, including relevant case examples in Montgomery County, as well as innovative models from other local and national jurisdictions. Executive staff will brief the Council regarding the outcome of these studies and any planning or negotiations regarding job opportunities and training, as well as small business protections, before Executive staff resumes negotiating the terms of any General Development Agreement with M-NCPPC. This project requires coordination with the related M-NCPPC Headquarters Project #138707.

### Estimated Schedule

Planning and engineering will commence in FY14. Construction of the multi-user building containing M-NCPPC headquarters and County offices will commence in FY16. The facade and streetscape improvement program will be reassessed after completion of the town square.

### Cost Change

Cost change is due to an updated project scope that includes land acquisition, planning, design, engineering, site improvements, and construction of a town square and a multi-user government office building. Due to the unique nature of this project, the cost estimates have been prepared prior to completion of the final PORs for the multi-user building and town square. Unknown factors affecting the final project cost are the ultimate scale of the development, the potential for sharing costs with a private partner, necessary land acquisitions, the utilization of existing parking facilities in the Wheaton CBD, the availability of M-NCPPC land sale proceeds, and any other unidentified factors.

### Justification

## Wheaton Redevelopment Program (P150401)

The Wheaton Redevelopment Program was established in 2000 with the goal of encouraging private reinvestment through targeted and complementary public investment. It is expected that this public investment will leverage private investment, some of which is already occurring in Wheaton. Plans & Studies: Wheaton CBD and Vicinity Sector Plan (2011), State of Maryland designation as a Smart Growth and TOD site (2010), Urban Land Institute Technical Assistance Panel (2009), The International Downtown Association Advisory report (2008); Wheaton's Public Safety Audit (2004); The Wheaton Redevelopment Advisory Committee visioning process for the Wheaton core; National Mainstreet Center Planning Study (2000); WRAC activities since established in 2000.

### **Other**

THIS PDF IS FOR COUNCIL REVIEW PURPOSES ONLY AND IS NOT INTENDED AS A SUBMISSION FROM THE COUNTY EXECUTIVE.

### **Fiscal Note**

A \$418,000 federal grant, funded through the SAFETEA-LU transportation act, was received in FY09. A developer contribution of \$861,940 from M-NCPPC Public Use Space and Amenity Fund. November 5, 2010 Planning Board Resolution, 10-149, Site Plan 820110010. The total project cost includes \$8,930,000 for Streetscape and Facade work funded through FY12.

### **Disclosures**

A pedestrian impact analysis has been completed for this project.

The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

### **Coordination**

WMATA, Office of the County Attorney, M-NCPPC, Westfield Mall, Community Associations and Residents, Department of General Services, Department of Transportation, Private developers, Department of Housing and Community Affairs, Mid-County Regional Services Center, State of Maryland

## DGS Response

**In the scenario Council approves a new headquarters within the County CIP; the County would proceed with Wheaton Redevelopment in the following manner:**

Issue a solicitation for a private development partner for the redevelopment of Lot 13 and 8787 Georgia Avenue and construct a M-NCPPC headquarters on the 2424 Reddie Drive site. The solicitation would include language to incorporate the town square construction in conjunction with redevelopment of Lot 13 and a fee development of the M-NCPPC headquarters.

A solicitation could be issued immediately following a Council decision. DGS assumes 18 months for selection and negotiations and 18-24 months for design. Construction of the M-NCPPC building could commence as early as summer 2017. Construction of the M-NCPPC headquarters would be concurrent with redevelopment of Lot 13. Redevelopment at 8787 would commence after relocation of the M-NCPPC headquarters.

**In the scenario Council approves a new headquarters within the M-NCPPC CIP; the County would proceed with Wheaton Redevelopment in the following manner:**

Issue a solicitation for a private development partner for the redevelopment of Lot 13 and 8787 Georgia Avenue. The solicitation would include language to incorporate the town square construction in conjunction with redevelopment of Lot 13.

A solicitation could be issued immediately following a Council decision. DGS assumes one year for selection and negotiations, 18 months for design with construction commencing as early as summer 2016. Various streetscape and façade projects could take place throughout this schedule provided funding is available.

Lot 13 is a PLD lot so it is possible that the town square project would stand on its own if there is not a larger redevelopment program for Lot 13. In this scenario, planning and design of the town square could commence in the near term and construction could begin in 12-18 months.

## DGS Response

**In the scenario Council approves a new headquarters within the M-NCPPC CIP; the Department of General Services identifies the following considerations:**

### **Land Acquisition and Disposition**

Redevelopment of the 2424 Reddie Drive site will require the disposition of the Regional Services Center property. There are three County owned properties that would need to follow the County's disposition requirements. In all likelihood, there would also be an acquisition associated with this scenario as well.

### **Small Business Assistance/Relocation**

There are County and several non-profit uses in the RSC that would be required to be relocated. Additionally, there will be impacts to small businesses in the Wheaton Triangle. Relocation and coordination during disruptive construction is a critical element of the program and the most significant ongoing concern of the community.

### **Public Outreach and Coordination**

The Wheaton Urban District Advisory Committee, Wheaton Redevelopment Advisory Committee and the Mid-County Citizens Advisory Board are involved stakeholders in this project. Additionally, there are several community associations and organizations that require regular updates and communications.

### **Project Management**

The redevelopment of the Regional Service Center site is a complex urban redevelopment project. There are many moving parts and multiple levels of coordination are required with various stakeholders such as MCDOT, Ride-On and WMATA.

### **Compliance with County Programs and Initiatives**

Planning, design and construction of County projects are required to comply with the goals and objectives adopted by the Executive and Council. The goals include maximum inclusion of minority businesses, local small businesses, and prevailing wage. Prevailing wage compliance requires regular reporting from the contractors as well as regular auditing by an independent consultant. The County also requires buildings to be LEED Silver certified. Certification is obtained, not merely qualified. Certification requires independent inspection and approval by the Green Building Council. Finally, in accordance with recently adopted legislation, affordable housing and day care facility co-location must be explored as well.

### **Coordinated Development and Scale**

In the scenario the Council approves the M-NCPPC in the County CIP, a more orderly, coordinated sequence of events is possible. Concurrent redevelopment of the RSC site and Lot 13 would be assured. Timelines could be enhanced based on efficiencies and the economies of scale relative to a development partner proceeding with the RSC, Lot 13 and 8787 entitlements could be achieved and translate into redevelopment sooner than other scenarios.

## M-NCPPC Response

1. Please describe advantages or disadvantages from M-NCPPC standpoint of proceeding under either the 1 PDF or 2 PDF approach.

If the Council approves the "M-NCPPC Headquarters Project" CIP amendment transmitted by the Planning Board, M-NCPPC would be the lead agency for the development including planning, land acquisition, design, and construction of the M-NCPPC headquarters. Montgomery County would remain in the lead for the "Wheaton Redevelopment Project" which would include a potential joint development with WMATA at the Wheaton METRO and the development of Parking Lot 13 including a town square.

The advantages of this are:

- M-NCPPC is well suited and qualified to manage a capital project for its own headquarters and to secure the property rights necessary for its headquarters. It is intimately familiar with its needs as documented in its program of requirements.
  - The "2 PDF" approach would require a County project team and an M-NCPPC project team working under an MOU, which would add unnecessary overhead, cost and time to the project. The "1 PDF" approach avoids this duplication and the related budget and schedule impact.
  - The M-NCPPC project team can focus on building its headquarters while the County will be able to focus its resources on development of Lot 13, potential joint development with WMATA, and other projects that meet Wheaton redevelopment goals.
2. Please describe, in bullet/outline form, the timeline of agreements, transactions, swaps, or procurements necessary to fully implement the 2 PDF approach. Include all relevant properties (RSC, adjacent property, Lot 13, 8787) and parties to any transaction (MNCPPC, County, PLD, property owners, fee developer of HQ project, private developer for Parking Lot 13, private developer for 8787).

Action	Timeframe
Property right acquisition	July 2013 – June 2014
Retain architect	July 2013 – September 2013
Retain fee developer	July 2013 – December 2013
Finalize concept plan	October 2013 – December 2013
Schematic design	January 2014 – April 2014
Design development	May 2014 – August 2014
Construction documents	September 2014 – February 2015
Entitlements / construction permits	July 2014 – May 2015
Contractor selection / bidding / contract negotiation	November 2014 – June 2015
Construction	July 2015 – June 2017
Occupancy	July 2017

3. (Related to above) What challenges or opportunities does MNCPPC foresee to issue a joint solicitation for a fee developer of the HQ who would also be the development partner on Lot 13 and 8787?

- The fee development of the M-NCPPC headquarters and at-risk development Lot 13 are not related from the points of view of developers, lenders, and investors. A fee developer of the M-NCPPC HQ will look at that project as a stand-alone, while the development of Lot 13 must be independently feasible in order to secure financing and attract investor interest. Montgomery County has contended that the development of Lot 13 may be more attractive to the private sector if it is linked to the development of the 8787 site, and M-NCPPC's independent

## M-NCPPC Response

development of its headquarters does not alter the County's ability to link the development of the Lot 13 and 8787 parcels together.

- The primary challenge with this approach is added complexity to the transaction will likely add significant time to the initial occupancy of office space in Wheaton. If forward movement on the M-NCPPC headquarters is tied to a deal involving the Parking District's Lot 13, we see a major delay in the schedule submitted by the Planning Board. We propose that M-NCPPC focus on expedited delivery of its HQ, while the County focuses on development of Lot 13 as a separate project.



**MONTGOMERY COUNTY PLANNING BOARD**  
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

OFFICE OF THE CHAIR

April 30, 2013

The Honorable Nancy Navarro, President  
Montgomery County Council  
Stella B. Warner Council Office Building  
100 Maryland Avenue  
Rockville, Maryland 20850

Dear Ms. Navarro:

The Planning Board continues to believe that the quickest and best way to move Wheaton redevelopment forward by getting a Class A office building constructed is to proceed with the PDF that we submitted earlier this month to build a headquarters building on Reddie Drive. We understand, however, that the Council may wish to explore the possibility of a public/private development agreement that would include a broader development scenario involving development of multiple properties. In preparation for next week's PHED/GO meeting about Wheaton redevelopment, the Planning Board has prepared a list of elements that, in our view, should be part of any such agreement:

- MNCPPC to own the building, with any other occupants as tenants
- If a joint development agreement between us, the County, the Parking Lot District and the private entity cannot be negotiated within 90 days, our proposed Parks Department PDF to build a headquarters on the RSC site plus adjacent property becomes activated
- Occupancy of the building assured by July 2017
- MNCPPC controls design and construction of the building
- The process to choose the private partner is open and transparent

We look forward to discussing Wheaton redevelopment with the PHED and GO members and the rest of the Council. If I can provide any additional information in the meantime, please do not hesitate to contact me.

Sincerely,

Françoise M. Carrier  
Chair, Montgomery County Planning Board



May 8, 2013

MEMORANDUM in regard to the proposed M-NCPPC building at the Wheaton Metro station

Metro staff has been working with M-NCPPC with regard to a proposed headquarters building on the site of the mid-county services center building. Discussions have included the possible transfer of a grassy area owned by Metro which would expand the floorplate of the new building.

Metro staff believes that any new building should be designed so to as promote connectivity with the future redevelopment of the Metro triangle, and especially not to interfere with that future redevelopment. The principles of this connectivity were developed as part of the planning for the BF Saul project. Even though that redevelopment did not go forward, the planning principles can apply to any future development.

- Preserve a space at least 2 stories tall for a Transit Plaza. As part of the expansion and reconstruction of the bus facility, it would be re-graded so that bus and rail riders would be able to walk directly to Reddie Drive and the new Town Square. This is illustrated by the attached perspectives. It is important that the Transit Plaza be located adjacent to the flat part of Reddie Drive in order for the grades to meet ADA requirements.
- Enhance the East-West pedestrian connectivity whereby residents and commuters can walk from the Metro entrance east of Georgia Avenue to Wheaton Plaza without crossing any streets at grade level.
- Do not use any of the Metro parking garage for the M-NCPPC building. It will likely be needed to facilitate a redevelopment of the Metro triangle.
- Maintain a length of frontage for a Metro redevelopment to face the Town Square.
- If the grassy area is incorporated into the M-NCPPC building, maintain access to service and maintain the existing Metro bridge and elevator.

Process

Discussions to date have been with the Metro real estate staff. If M-NCPPC wishes to utilize the grassy area, the potential disposition will have to be screened through internal Metro departments to determine that the area is not needed. Any transaction is subject to approval by the Metro Board as well as the Federal Transit Administration (FTA). FTA requires that Metro obtain fair market value for its property. Easements will likely be required for areas to be used by transit riders.

**Washington  
Metropolitan Area  
Transit Authority**

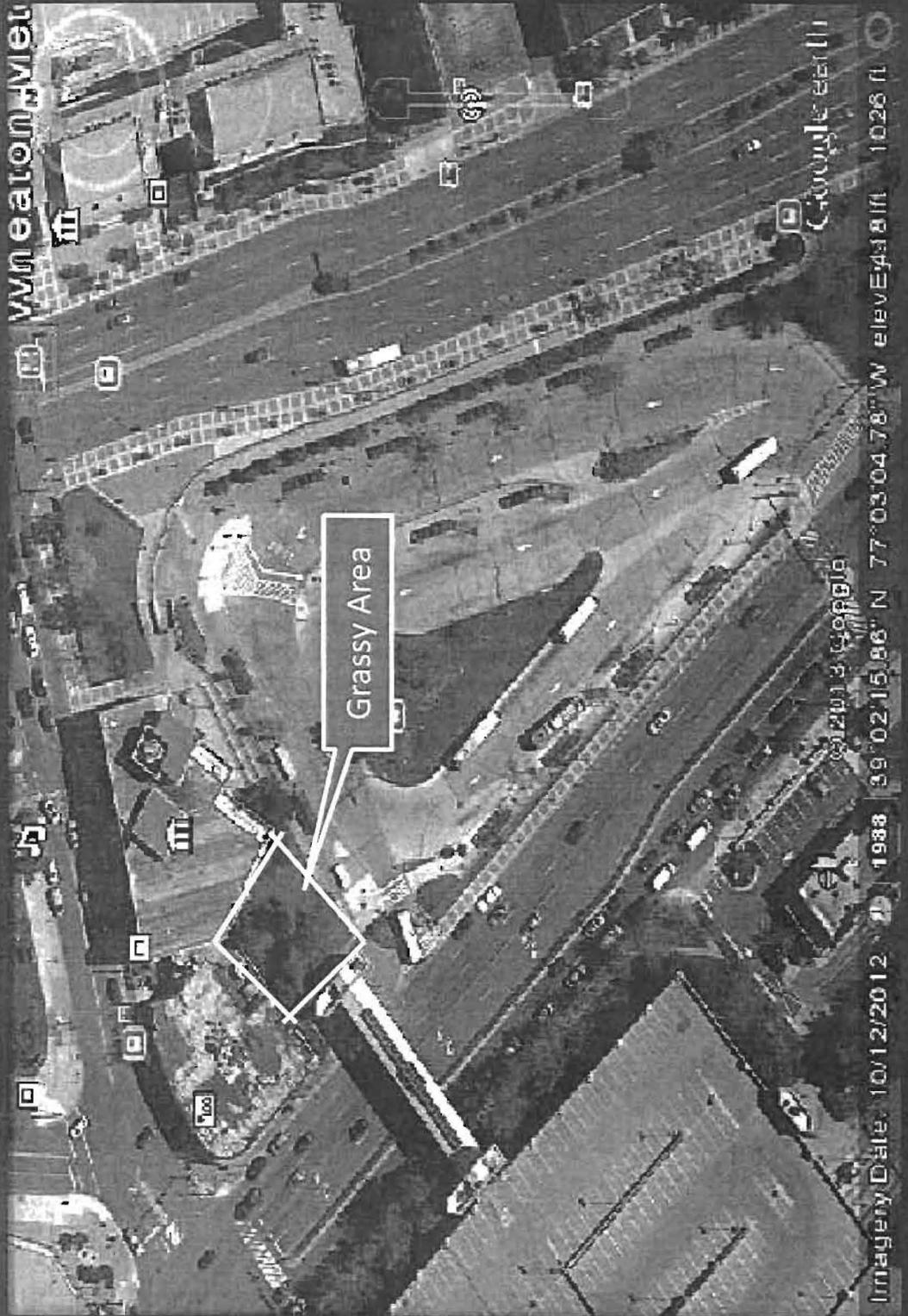
600 Fifth Street, NW  
Washington, D.C. 20001  
202/962-1234

*By Metrorail:  
Judiciary Square-Red Line  
Gallery Place-Chinatown  
Red, Green and  
Yellow Lines*

*A District of Columbia  
Maryland and Virginia  
Transit Partnership*

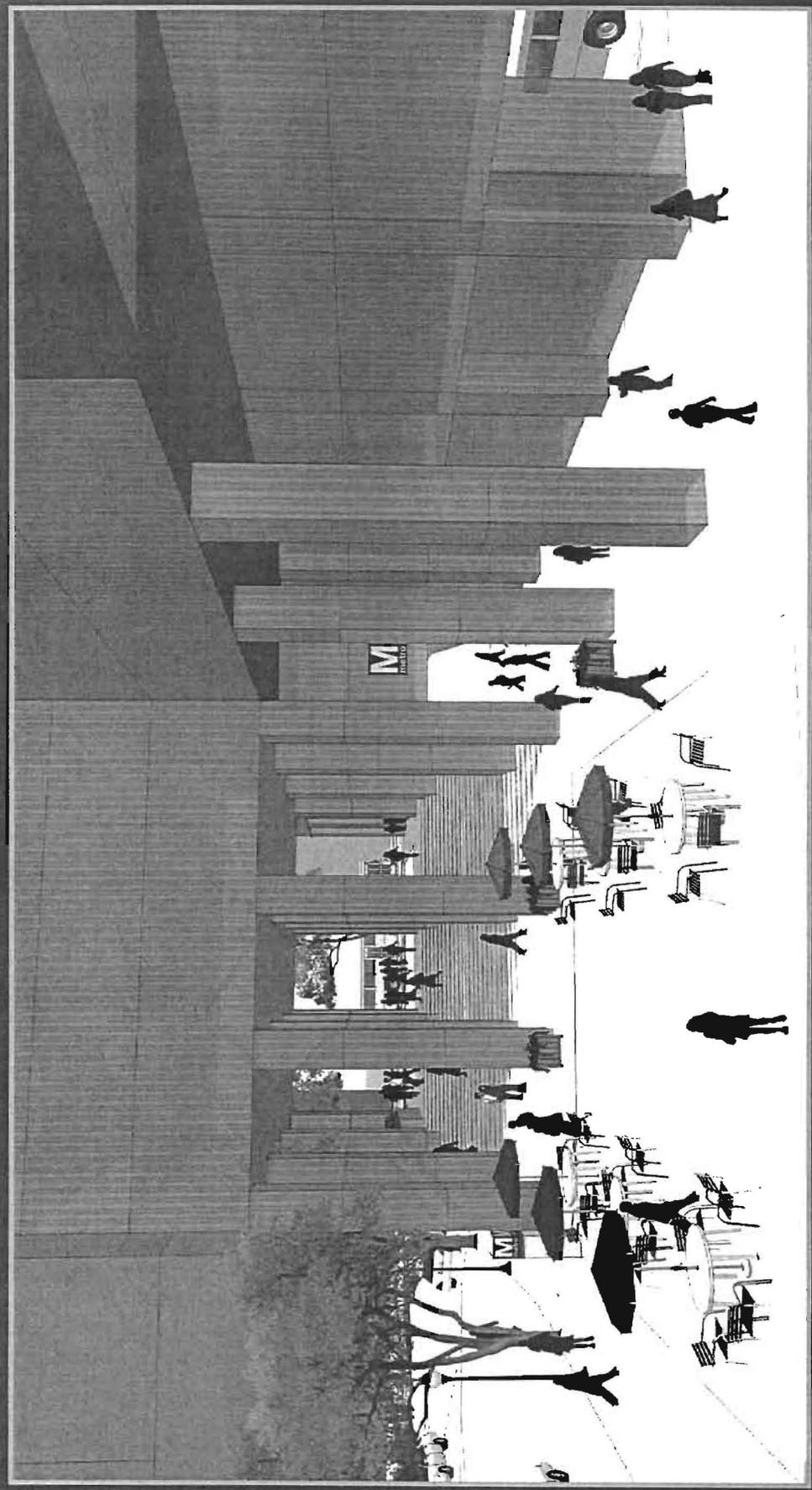


# Grassy Area





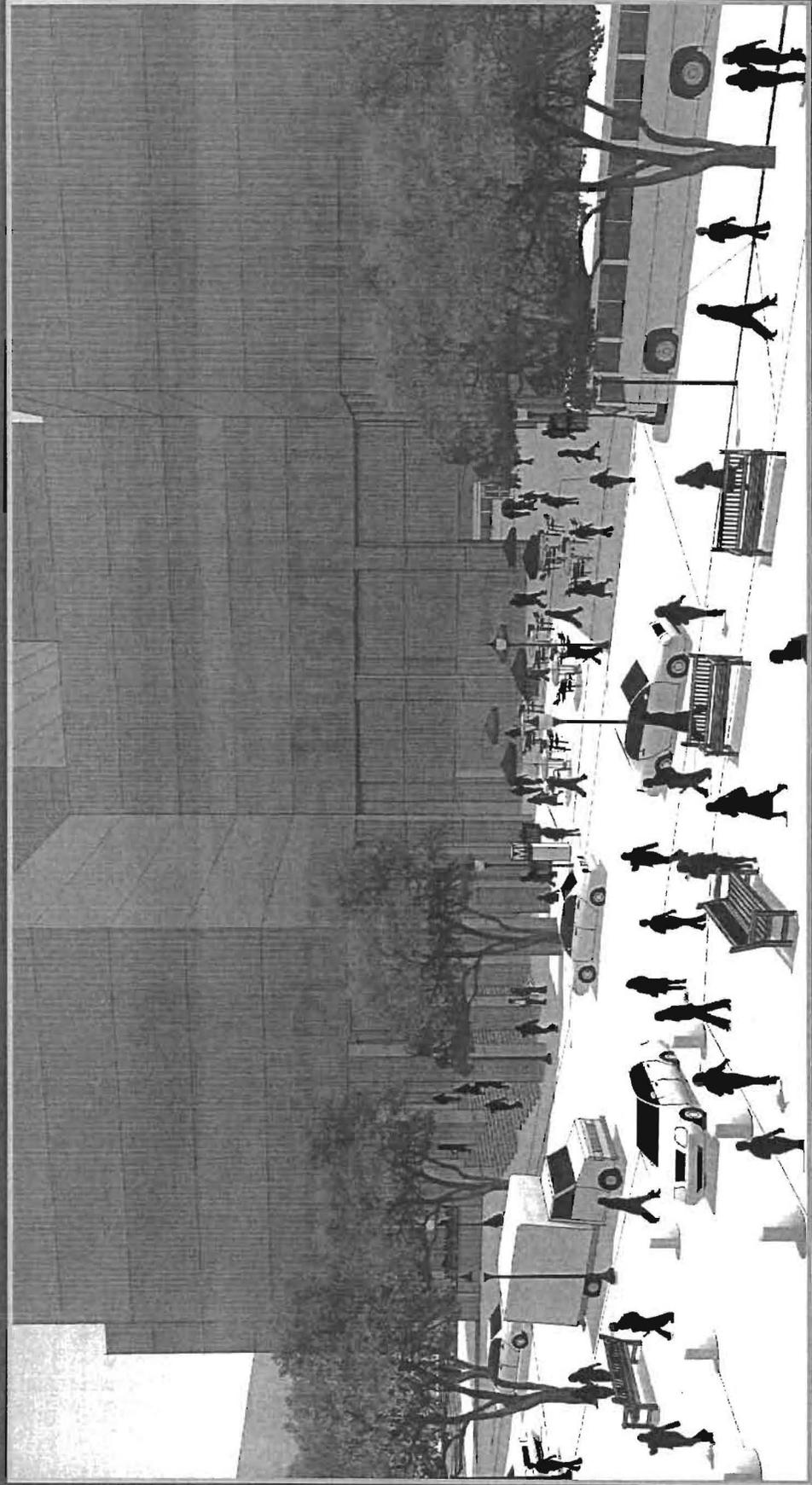
# Transit Plaza – Bus/Rail Connections





# View from Transit Plaza

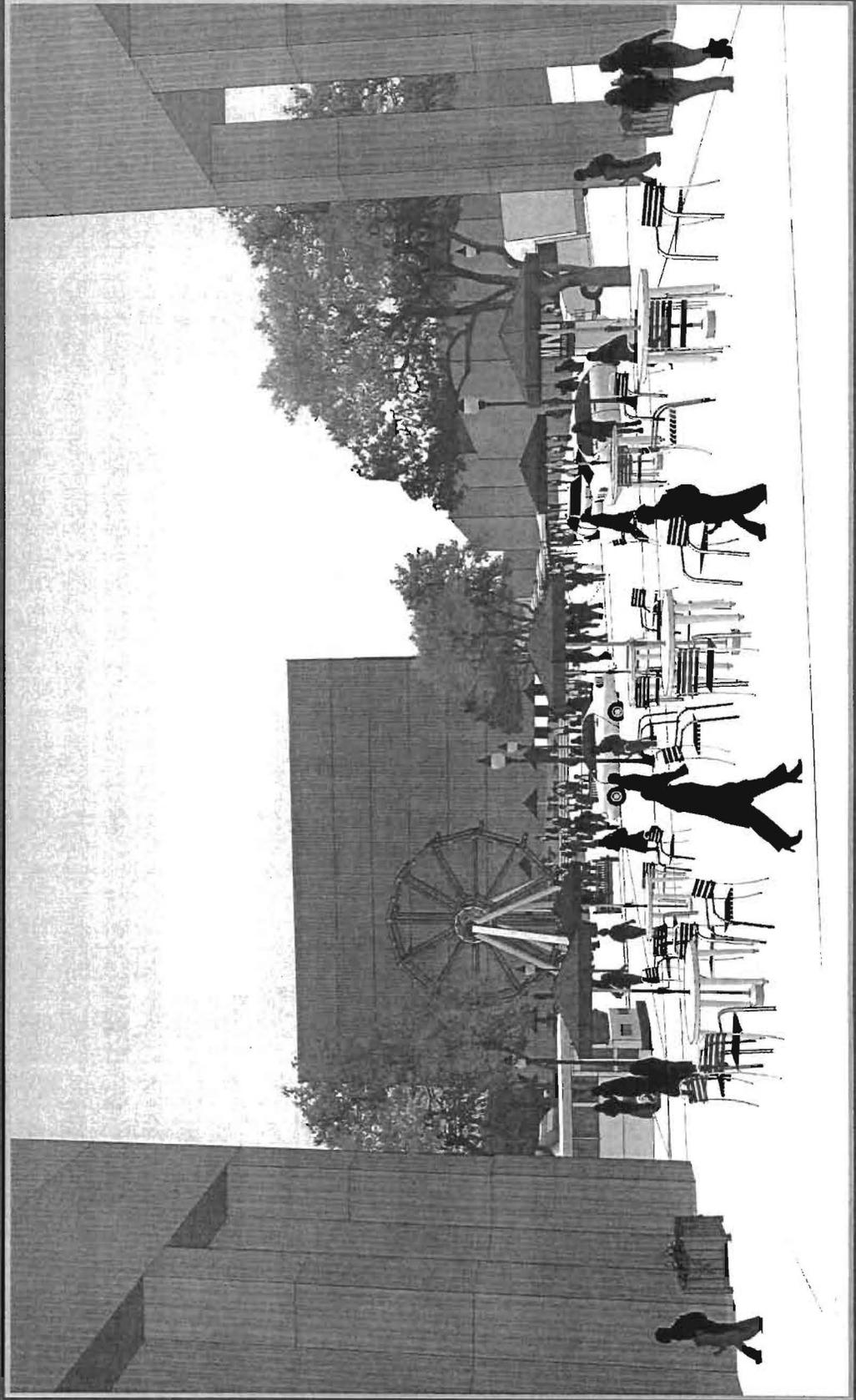
*Looking Back from Town Square*





# View from Transit Plaza

*Looking Toward Town Square*





**MONTGOMERY COUNTY GOVERNMENT**

Request for Proposals  
for  
11143 Grandview Avenue, Wheaton, MD  
and  
8787 Georgia Avenue, Silver Spring, MD

**ISSUED BY:**

**MONTGOMERY COUNTY GOVERNMENT  
101 MONROE STREET, 9<sup>TH</sup> FLOOR  
ROCKVILLE, MARYLAND 20850**

**RESPONSES DUE BY: AUGUST 1, 2013 - 4:00 PM**

**MONTGOMERY COUNTY GOVERNMENT  
ISIAH LEGGETT, COUNTY EXECUTIVE**

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## I. OVERVIEW

Montgomery County, Maryland ("The County") seeks a qualified developer or team for market-responsive design and development of up to four county-owned sites to include – subject to location - government offices, mixed-use private development, public open space, and respective public and private parking. The objective of this Request for Proposals ("RFP") will be the development of high quality, transit-oriented projects within the Wheaton and Silver Spring Central Business Districts that are consistent with the County's objectives of increased density, mixed-use, and appropriate levels of affordable and workforce housing.

Interested parties, having the creative vision, demonstrated experience and financial capability to plan, develop, and manage projects of similar type and scope are encouraged to reply to this Request for Proposal ("RFP").

The County owns or controls four (4) sites, three (3) in Wheaton and one (1) in Silver Spring. The properties in Wheaton are adjacent or proximate to each other while the Silver Spring property is stand-alone

The properties are as follows:

- A. County Parking Lot 13, 11143 Grandview Avenue, Wheaton ("Lot 13");
- B. Mid-County Regional Services Center Offices, 2406 Reddie Drive, Wheaton ("RSC");
- C. County Parking Lot 34, 2510 Ennalls Avenue, Wheaton ("Lot 34"); and,
- D. Maryland-National Capital Park and Planning Commission - Montgomery Regional Office, 8787 Georgia Avenue, Silver Spring, ("MRO")

Development of these properties in the two Central Business Districts is inter-related. The MRO will relocate to Wheaton as part of a design concept that best achieves the County's requirements and private development reflecting the proposed sites' highest and best uses. Development of the MRO site in Silver Spring will be contingent upon and subsequent to development in Wheaton.

The Wheaton sites are proposed for substantial, mixed use development of the Wheaton CBD. Design and development of the MRO site in Silver Spring should reflect a creative mix of uses that will serve to integrate the surrounding residential and commercial uses divided by the site. Development in both locations should be exemplary of smart growth principles and sustainability.

Interested parties are encouraged to consider all properties identified within this RFP as potential development sites, as well as additional privately owned properties the Developer is capable of aggregating.

The County, at its sole discretion, reserves the right to (a) cancel this RFP at any time, (b) select none of the submissions submitted, (c) choose separate developers for individual sites identified within this RFP.

**Submissions in response to this Request for Proposals (“RFP”) are due August 1, 2013 at 4:00 p.m.**

## **II. OBJECTIVES**

Development of these properties should achieve the County’s objectives identified below, reflect the highest and best use of the sites developed, and be consistent with the objectives, goals, and requirements of their respective Sector Plans.

The sites offered for redevelopment in Wheaton represent the core of the Central Business District. As such, development proposed for this area should strive to foster not only a unique sense of place that allows for all elements of the community to intersect and converge, but also foster connectivity and accessibility among Wheaton’s additional assets, such as Westfield Wheaton Mall and newly developed/ proposed transit-oriented development. The County seeks a development concept that will be transformative, not only addressing specific uses described below, but also fully consistent with the recommendations of the 2012 Wheaton CBD and Vicinity Sector Plan, calling for “...mixed use development – residential/office/retail – on and around the Wheaton METRO Station...provid(ing) an opportunity to improve mobility, increase METRO ridership, diminish negative environmental impacts, reduce traffic congestion and increase the diversity of employment opportunities and services in the Wheaton area”.

### Wheaton CBD Development:

- Private sector, mixed use development employing highest and best uses consistent with the Wheaton CBD Sector plan and achievable within current and estimated market conditions. Submissions should include a rationale for the type, size and location of proposed private development
- Supported by significant County contribution (see Appendix \_\_), construction of a government office facility of approximately 142,000 square feet to include a new MRO for the Maryland-National Capital Park and Planning Commission (approximately 132,000 sq. ft) and the inclusion of RSC offices (approximately 10,000 sq. ft). The respective programs of requirements for these two facilities are attached as an appendix to this RFP. Subject to Developer terms, the County may consider bringing Approximately 108,000 square feet additional County offices or departments to the project. Submissions should include a rationale for the type, size and location of proposed public elements.
- Compensation, at fair market value, to the Parking Lot District “(PLD)” for replacement of PLD parking spaces absorbed by the proposed project - net of developer-provided parking for MRO and RSC/Urban District offices, plus an additional 100 PLD parking Spaces for County use. All submissions should include assumption as to how compensation/replacement value is determined
- Construction of a Town Square must be an integral component of the project. The Town Square should be consistent with the Revitalization Strategy described in

the approved and adopted January 2012 Wheaton CBD and Vicinity Sector Plan (see p.27). The location, size, context, and concept of the Town Square should not only complement contemporaneous development but demonstrate consideration of close, proximate future transit-oriented development. Current development in Wheaton has provided \$863,000 in M-NCPPC-stipulated amenity funding for Town Square on or in proximity to Lot 13.

- Underground parking as an expectation of Lot 13 development as well as the understanding that parking for all private development will be at the developer's own expense.
- Long term ground lease to developer for private developer use of County properties.
- Develop mutually agreeable government space by County/M-NCPPC prior to project completion.
- Consideration of developer-proposed financing options which the county might utilize for project funding.
- Downtown environment, contributing to an active, vibrant street life.
- Additional County responsibilities specified.

Silver Spring Development:

- The Silver Spring CBD Sector Plan, approved in 2000, envisions an active downtown serving both the surrounding residential communities and a broader regional market. Proposed development of the site should reflect careful consideration of the site's unique location on the northern boundary the Silver Spring CBD and its adjacency to areas governed by the North Silver Spring Master Plan.
- Redevelopment of the Silver Spring site is subject to and contingent upon development Wheaton sites to accommodate the relocation of the MRO and the County's objectives.

### **III. CONTEXT**

The County seeks a qualified developer or team ("Developer") capable of delivering high quality, transit-oriented, pedestrian-friendly development as envisioned by each site's respective Sector Plan and consistent with the County's objectives of increased density, mixed-use, and appropriate levels of affordable and workforce housing.

Interested parties are encouraged to consider any additional privately owned properties the Developer is capable of aggregating. The Developer's ability to aggregate any private property adjacent to the sites referenced in Section I should be indicated as well. It is not necessary that a Developer have these properties under contract at submission of the RFP, should such aggregation be proposed. Experience in property assemblage and financial commitment are evidence of ability to aggregate.

All properties are situated in both Urban and Parking Lot Districts in their respective locality and subject to the benefits that they provide and obligations they incur. The

Wheaton properties enjoy Enterprise Zone and Arts& Entertainment District designation as well.

#### IV. SITE LOCATIONS AND DESCRIPTIONS

Public Properties Offered for Development				
Site Name	Address	Property Size*	Zoning	Ownership
<b>Wheaton</b>				
Lot 13	11143 Grandview Ave.	75,625 sf/1.74 acres	CR 6.0, C 5.5, R 5.5, H 200'	Montgomery County
RSC	2406 Reedie Dr.	15,365 sf/.35 acres	CR 6.0, C 5.5, R 5.5, H 200'	Montgomery County
Lot 34	2506 Ennalls Ave	20,49\02 sf/.47 acres	CR 6.0, C 5.5, R 5.5, H 200'	Montgomery County
<b>Silver Spring</b>				
MRO	8787 Georgia Ave	140,780 sf/3.23 acres	CBD-1	M-NCPPC
			Std. Method: FAR =3, H 60' OMD:	
* Property sizes are approximate				

##### A. Lot 13 - 11243 Grandview Avenue, Wheaton

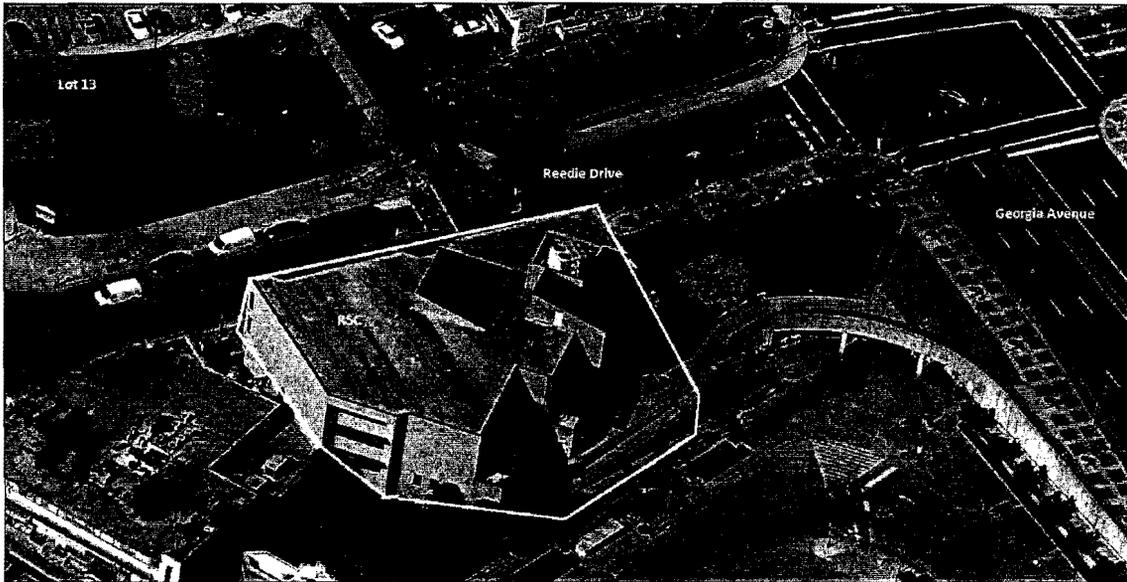
Lot 13 is located within in the triangular core of downtown Wheaton, which is framed by three major roadways – Georgia Avenue (MD 97), University Boulevard (MD 191) and Veirs Mill Road (MD 586). The aggregate daily traffic count for these three roadways surrounding the “Wheaton Triangle” is approximately 94,400 vehicles per day. Lot 13 is situated in the northeast quadrant of the intersection of Reedie Drive and Grandview Avenue in Wheaton. It is comprised of three adjacent parcels totaling 1.7 acres: 21415 Reedie Drive, 2421 Reedie Drive, and 11143 Grandview Avenue. The Reedie Drive parcels are comprised of green space, bordered by public sidewalk. The Grandview Avenue parcel is comprised of a surface parking lot containing 158 metered parking spaces. All three parcels are controlled by the Parking Management Division of the Montgomery County Department of Transportation. County law has specific requirements for compensation (See Montgomery County Code, Chapter 60, Section 2b). If existing PLD facilities redevelop for a different use, appropriate levels of replacement parking/capacity will need to be addressed by the Developer, the County, or both. The specific nature of ownership rights for such replacement parking would need to be negotiated between the Developer and the County.



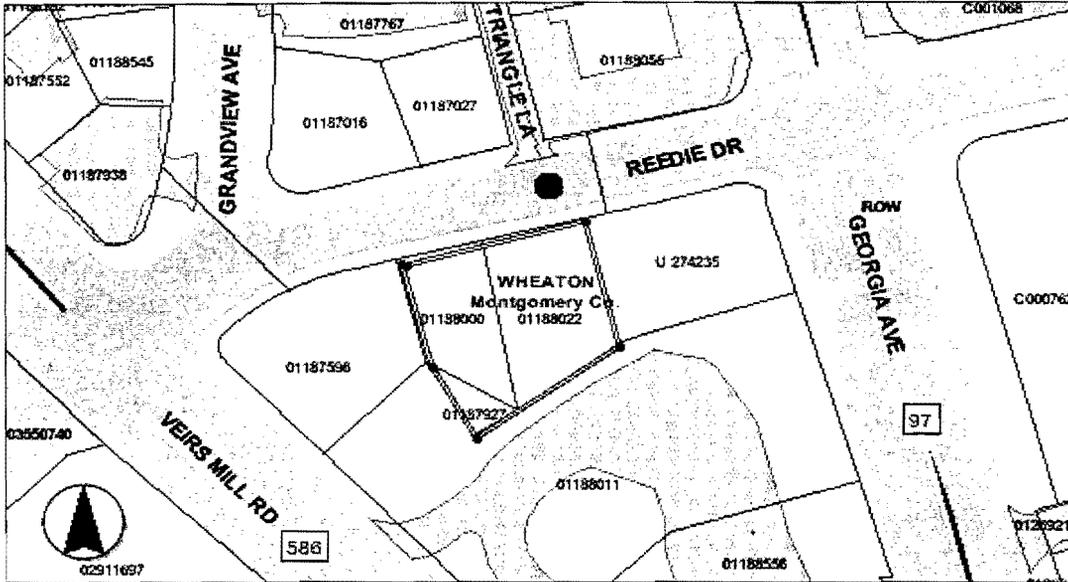
by approximately 100 small businesses which are served by Parking Lot 13. Proposals for development of this site must include replacement of Lot 13's 158 public parking spaces, in addition to the parking demands of the proposed project.

**B. RSC - 2406 Reddie Drive, Wheaton (Mid-County Regional Services Center)**

The Regional Services Center is comprised of three (3) parcels totaling .35 acres, improved by a 15,367 sq. ft. office building. The facility currently houses offices of the Mid-County Regional Services Center, the Wheaton Urban District, and several initiatives of the Department of Health & Human Services as well as a medical clinic. The RSC fronts the south side of Reddie Drive and lies directly opposite the southern boundary of Lot 13. East of the RSC, immediately adjacent, lies 11123 Veirs Mill Rd. a 16,476 sq. ft. two-story commercial building, affording frontage to both Veirs Mill Road and Reddie Drive. This building houses approximately 10 professional services businesses. To the west, the RSC is bordered by 4,900 sq ft of greenspace controlled by Washington Metropolitan Transit Authority. This corner property fronts Reddie Drive and the east side of Georgia Avenue. The rear of the RSC, its south side, borders the Wheaton Red Line Metro Station and Busbays. Both the RSC and Lot 13 lie approximately 500 feet east of the Westfield Wheaton Regional Shopping Mall.



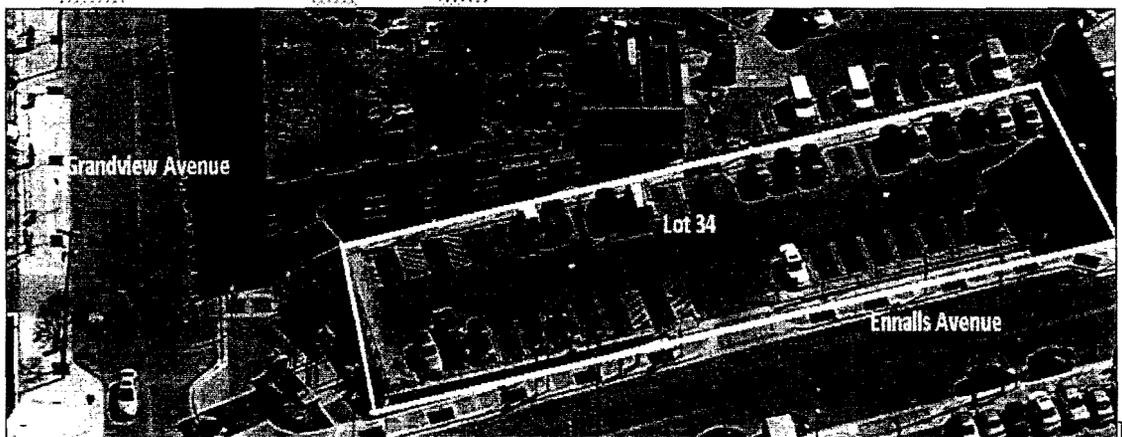
**RSC, looking North to Reddie Drive**



RSC – 2406 Reddie Drive, Wheaton

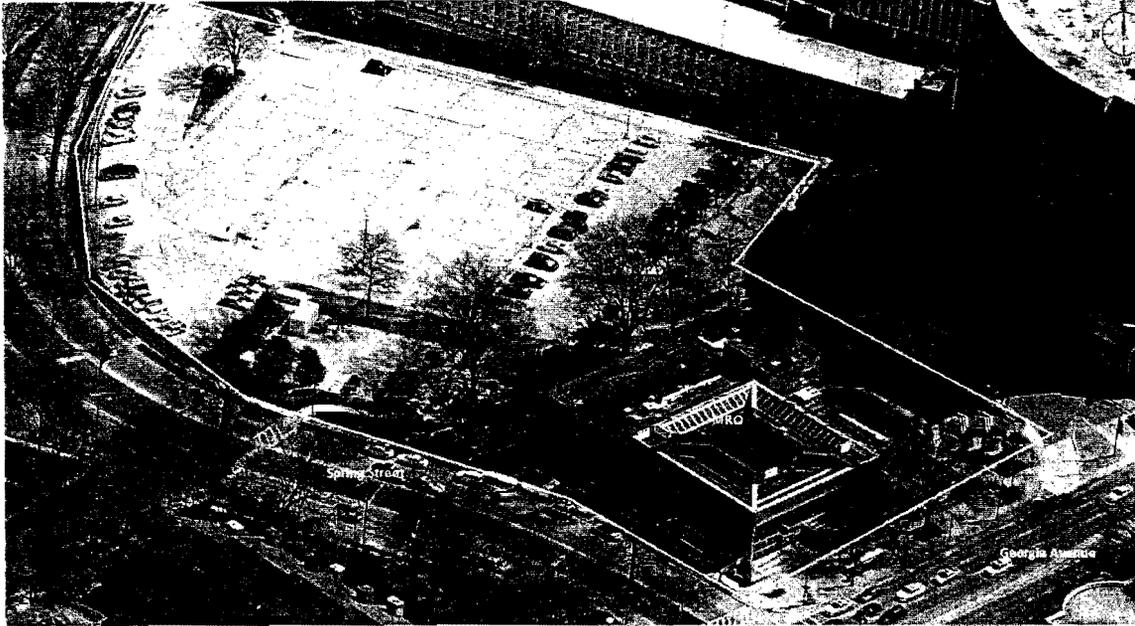
**C. Lot 34 – 2506 Ennalls Avenue, Wheaton**

Lot 34 is situated in the southwest quadrant of the intersection of Grandview and Ennalls Avenues. The 20,490 sq. ft. surface parking lot provides metered parking for 42 vehicles. The northern boundary of Lot 34 fronts Ennalls Avenue, opposite Triangle Park shopping center, which is comprised of 20 local retailers. The southern and western boundaries of Lot 34 are adjacent to commercial retail properties which are affiliated with the nationally recognized Chuck Levin’s Washington Music Center. As these properties front Lot 34, any development would need to address these properties’ access/egress issues. As with, Lot 13, If existing PLD facilities redevelop for a different use, appropriate levels of replacement parking/capacity will need to be addressed by the Developer.

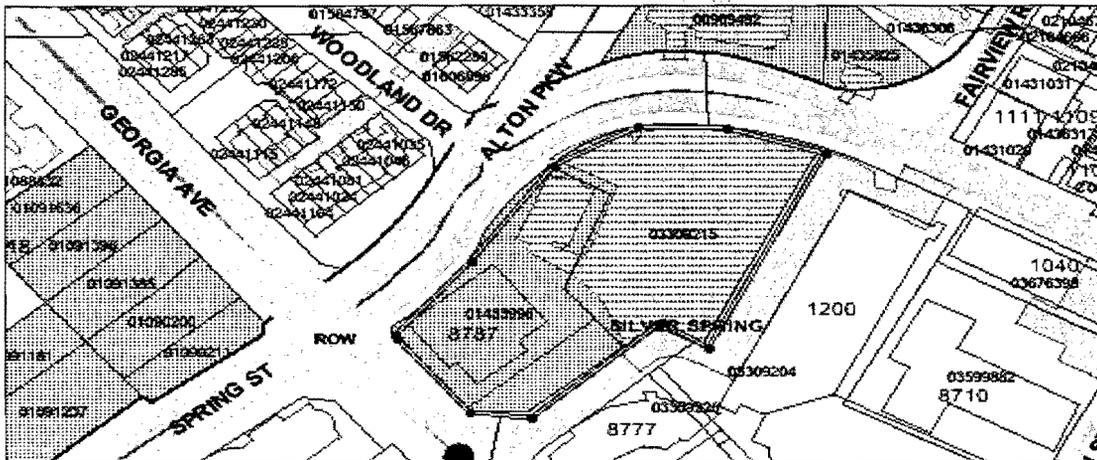


ot 34, looking south from Ennalls Avenue





**MRO, looking southwest on Georgia Avenue**



**MRO- 8787 Georgia Avenue, Silver Spring**

## V. Zoning

### Wheaton - Lot 13, RSC, Lot 34

Under the approved and adopted Wheaton CBD and Vicinity Sector Plan (January 2012), zoning was revised from CBD zoning to Commercial-Residential zoning. All three sites offered in Wheaton are zoned CR 6.0, C 5.5, R 5.5, H 200 to accommodate mixed use,

higher-density development, in proximity to multi-modal public transit. Please refer to Chapter 59 of the Montgomery County Code, particularly Section C-15, Commercial/Residential Zones for further guidance.

Silver Spring - MRO

Under the current approved and adopted Silver Spring CBD Sector Plan, the MRO site is zoned CBD-1, for which the following maximum FAR and Height requirements apply:

For Standard method of Development – FAR = 3, Height 60’

For Optional Method of Development greater densities may be permitted and there are fewer specific standards, but developers must provide certain public facilities and amenities. Under the Optional Method of Development the maximum height is normally 143 feet, but can increase to 200 feet under certain conditions. Please refer to Chapter 59 of the Montgomery County Code, particularly Section C-6, Central Business District Zones for further guidance.

**VI. SUBMISSION REQUIREMENTS**

All Proposals must provide a thoughtful development concept and explanation of key factors and milestones for its successful implementation. The County reserves the right to request additional information during the RFP review period.

**FAILURE OF A PROPOSER TO SUBMIT ALL REQUIRED INFORMATION MAY RENDER THE PROPOSAL INCOMPLETE AND INELIGIBLE FOR FURTHER CONSIDERATION.**

The Proposal must include the following elements:

1. Cover: The cover should contain the RFP title, the Proposer’s name and the submission date.
2. Transmittal Letter: The transmittal letter should not exceed two pages and should contain:
  - A. The name, title and contact information of the individual with authority to bind the Proposer. This person should also sign the transmittal letter.
  - B. The address and legal form of the Proposer. If a joint venture is involved, provide the above information for all participating firms.
  - C. Statement that, if selected, the Proposer will negotiate in good faith with the County.

The transmittal letter must also include a statement that the firm is not in arrears in the payment of any obligation due and owing to the State of Maryland or Montgomery County, including tax payments and employee benefits, and that it shall not become so during the term of the agreement if selected; a statement that the Proposal is valid for a minimum of 120 days from the date of submission.

3. Statement of Qualifications:

- A. *Background Information:* A description of the Proposer, including organizational structure, identification of principals, and length of time in business. If the Proposer is a joint venture, information for each entity should be furnished, as well as an explanation as to why a joint venture is the preferred arrangement for the proposed development project. Legal documentation of the JV must be provided.
  
- B. *Financial Capability:* A description of the Proposer's financial capability to complete the project including, with examples, typical financing mechanisms the Proposer has used on similar projects. This section should provide evidence of the Proposer's ability to obtain sufficient financing for the project. Under separate cover and marked "Confidential" the Lead Developer and if applicable, any member of the joint venture having an equity stake of 20% or greater in the business entity to be formed for this proposal, must provide current Interim statements and audited annual financial statements for their respective firm's last three fiscal years. Developers with an equity interest of less than 20%, or having no equity stake at all, must provide current Interim and Review statements for their respective firm's last three fiscal years. An appropriately authorized officer/managing member of each firm providing financial information should certify that their respective statements present an accurate representation of that firm's financial condition as of the date of the statements.
  
- C. *Project Experience:* Description of the Proposer's experience with similar developments. This information should clearly describe the size, scope and financial structures of those projects, where located and when completed. For projects not yet complete, the Proposer should include the anticipated completion date. Additionally, provide references and contact information -name, telephone number and email address -for each project described.
  
- D. *References:* Provide the names, phone numbers and email addresses of at least three commercial or institutional credit references for the Proposer and, if applicable any member of the proposed joint venture. Include a letter to each of the credit references, authorizing them to respond to inquiries from the County.

4. Project Vision: This section should describe the Proposer's vision for the project and how this vision meets the County's objectives. This vision should identify the following:

- A. Milestones necessary to implement the vision (pre-development, land use approvals, etc);

- B. Concept plan that illustrates the proposed development plan for each site, and other characteristics of the development, including building height and density;
- C. Project budget must include cost, revenue and inflation assumptions, as follows:
  - Pre-development costs;
  - Soft and hard costs, including cost to build the new Station;
  - Infrastructure costs; and
  - Any cash flows to the Proposer and the County
  - Any assumptions/projections regarding stabilized rents or when stabilized rents will be achieved should be specified. Estimates of the project's asset value to the Proposer and to the County should be included. In addition to providing a hard copy of the budget, the Proposal should include in Excel format on a CD-ROM.
- D. A proposed ownership structure; and
- E. A statement of whether the proposed development is contingent on any County or State government action (e.g., regulation changes, public funding-grants, loans), etc. and a listing of these contingencies.

Electronic Files: One copy of the entire Proposal shall be submitted in PDF format on a CD-ROM as one single file.

## VII. EVALUATION CRITERIA

Upon receipt of the Proposals, the County's Qualification and Selection Committee ("QSC") will review and evaluate the Proposals in accordance with the criteria listed below. Interviews may be conducted with development teams. Decisions and recommendations by the QSC will be consensus-based.

The County's goal is to select the best Proposal from the most qualified Proposer that meets the County's objectives for this key site. The following evaluation criteria will help the County achieve its objectives for the Site:

1. Meeting the County's objectives for the Site:	40 points
2. Expertise and financial capacity to implement the vision:	30 points
3. Overall vision and quality of the proposed development:	10 points
4. Proposed timeframe for completion of the development:	10 points
5. Rates, fees and charges	10 points
	Total: 100 points

## VIII. ADMINISTRATION OF THE RFQ

Proposals are due by **4:00 pm on XXX 2013**. If a Memorandum of Understanding or other form of agreement acceptable to the County cannot be successfully negotiated with

the top-ranked Proposer, the County may proceed to negotiate with the Proposer that submitted the next highest ranked Proposal. Alternatively, and in the County's discretion, until an initial letter of intent or memorandum of understanding is entered into, the County may elect to negotiate with more than one Proposer at a time.

Any amendments to the RFP will be posted on the Department of General Services' website, which can be located through the County's website at *need link right here*

The County expects the RFP to meet the following schedule, but reserves the right to amend this schedule or, in its sole discretion, to cancel the solicitation at any time

RFP Release:	<b>June 1, 2013</b>
Pre-Submission Meeting:	<b>July 1, 2013</b>
Deadline for Questions:	<b>June 15, 2013 at 4:00 P.M.</b>
<b>Proposals Due</b>	<b>August 1, 2013 at 4:00 P.M.</b>
Proposal Review and Developer Selection	<b>November 1, 2013</b>

The County anticipates proposal reviews and developer selection to occur fall 2013 . A General Development Agreement is anticipated within 6 months and the County expects to commence planning and design work in 2014. Proposals should include the Offerors ability to meet these timing requirements.

## **IX. SUBMISSION INSTRUCTIONS**

All Proposals shall include one original and **seven (7)** copies in 8½" by 11" format with no smaller than 11-point font; not exceed 25 pages, not including credit references, Letters of Intent ("LOIs"), Memoranda of Understanding ("MOUs"), renderings, excel-based worksheets/models, tables, charts, etc. Submissions must be bound and sealed, and must be mailed or delivered to:

Greg Ossont, Deputy Director  
Department of General Services  
101 Monroe Street, 9<sup>th</sup> Floor  
Rockville, MD 20850

The envelope must state "Request for Proposals – 11143 Grandview Avenue, Wheaton, MD and 8787 Georgia Avenue, Silver Spring, MD." Written Proposals will be evaluated upon only what is submitted. It is incumbent upon the Proposer to submit sufficient information to enable the County to fully evaluate the Proposer's capabilities and experience. Proposals to this RFP received after the date and time specified are considered late and may not be considered. The County will not accept fax Proposals or Proposals sent via e-mail. Unless requested by the County, additional information cannot be submitted by the Proposer after the deadline set for receipt of Proposals. Proposer will be notified in writing of any change in the specifications contained in this RFP.

Prior to the time and date designated for receipt of Proposals, Proposals submitted early may be modified or withdrawn only by notice to the County receiving Proposals at the place and prior to the time designated for receipt of Proposals.

Timely modifications or withdrawals of a Proposal must be in writing and must be received by the County on or before the date and time set for receipt of Proposals.

Withdrawn Proposals may be resubmitted up to the time designated for the receipt of Proposals provided that they are then fully in conformance with the RFP.

## **X. OPTIONAL PRE-SUBMISSION CONFERENCE & TOUR**

There will be an optional pre-submission tour and meeting on July 1, 2013 at the Sites. A tour of the Wheaton sites will begin at 2424 Reedie Drive, Wheaton, MD at 1:30 p.m., followed immediately by a tour of the MRO, 8787 Georgia Avenue, Silver Spring, MD at 3:00 p.m. Immediately following the MRO tour a pre-submission meeting will be held in then MRO Auditorium on the 1<sup>st</sup> floor. The County will not provide transportation to or from the Site or the pre-submission meeting.

## **XI. CONDITIONS AND LIMITATIONS**

The County reserves the right to reject any or all Proposals submitted in response to this RFP, advertise for new Proposals or to accept any Proposal deemed to be in the best interest of the County. A Proposal submitted in response to this RFP does not constitute a contract and does not indicate or otherwise reflect a commitment of any kind on behalf of the County. This RFP does not represent a commitment or offer by the County to enter into an agreement with a Proposer or to pay any costs incurred in the preparation or submission of a Proposal to this RFP. Furthermore, this RFP does not commit the County to pay for costs incurred in the negotiation or other work in preparation of, or related to, a final agreement between the selected Proposer and the County.

Any commitment made by the County will be subject to the appropriation of funds by the Montgomery County Council to carry out any such commitments and the execution of a contract acceptable to the County.

Written questions regarding the RFP should be directed, via email, to Greg Ossont at *Need dedicated email Link here*

No verbal questions, outside of the Pre-Submission Meeting, will be accepted. All questions, and the responses from the County, will be posted on County's website at *Need link to RFP homepage here*

The Proposals and any information made a part of the Proposals will become a part of the project's official files. The County is not obligated to return the responses to the

Responders. This RFP and the selected team's response to this RFP may, by reference, become a part of any formal agreement between the Responder and the County.

The County reserves the right, in its sole and absolute discretion, to reject any and all Proposals received in response to this RFP and to cancel this RFP at any time, for any or no reason, prior to entering into a formal contract. The County further reserves the right to request clarification of information provided in Proposals submitted in response to this RFP without changing the terms of this RFP.

If a Proposer contends that any part of its Proposal is proprietary or confidential and, therefore, is limited to disclosure under the Maryland Public Information Act, Md. Code Ann. State Gov't §§10-611 *et seq.* (the "MPIA"), the Proposer must identify all information that is confidential or proprietary and provide justification for why such materials should not be disclosed by the County under the MPIA. The County, as custodian of Proposals submitted in response to this RFP, reserves the right to determine whether or not material deemed proprietary or confidential by the Proposer is, in fact, proprietary or confidential as required by the MPIA, or if the MPIA permits nondisclosure. The County will favor disclosure of all Proposals in response to any request for disclosure made under the MPIA.

Proposers must familiarize themselves with the Site and form their own opinions as to suitability for any proposed development on the Site. The County makes no representations as to the Site. The County assumes no responsibility for site conditions including, but not limited to, environmental and soil conditions on the Site. Proposers are responsible for their own background investigation as to restrictions, if any, bearing upon title, zoning, subdivision, transportation, developability, utilities, and physical conditions at the Site. Soils tests and other invasive tests may not be conducted upon the Site during the RFP stage.

Proposers are subject to the provisions of law pertaining to ethics in public contracting including but not limited to the provisions of Montgomery County Code Chapter 11B, Article XII and the applicable provisions of Chapter 19A.

## **XII. MINORITY, FEMALE, AND DISABLED PARTICIPATION**

The County encourages contracting and development opportunities with business interests reflecting its diverse population and interests. Therefore, the County encourages Proposers to include where possible meaningful minority, female and disabled ("MFD") participation in the proposed project. This participation could include, but not be limited to, the Proposer teaming with MFD developers, builders and/or subcontractors for the proposed project.



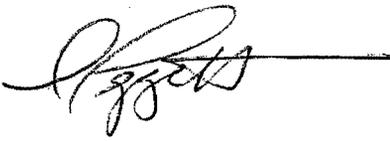
OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
*County Executive*

MEMORANDUM

May 7, 2013

To: Nancy Navarro, President  
Montgomery County Council

From: Isiah Leggett, Montgomery County Executive 

Subject: Wheaton Redevelopment Program

Please find attached two draft solicitations related to the Wheaton Redevelopment Program. One solicitation is for a development partner to advance the shared objectives of redeveloping Wheaton and the other is related to small business assistance. The attached documents provide scope and evaluation criteria but are currently in draft to be issued as formal Requests for Proposal.

The goal of the Wheaton Redevelopment Program is to encourage private investment through targeted complementary public investment that will help create a vibrant 18-hour economy in Wheaton's downtown with a mix of office, residential and retail uses. I do not believe that the M-NCPPC Headquarters project alone meets the goals and objectives of the Wheaton Redevelopment Program. Therefore, the attached solicitation encourages opportunities for private investment in Wheaton and Silver Spring, provides a new headquarters for M-NCPPC, the Regional Service Center (RSC) and the Urban District, while also presenting an option for a multi-agency building.

As you are aware, I recently analyzed the concept of relocating the Department of Permitting Services (DPS) and the Department of Environment Protection (DEP) as part of the Wheaton Redevelopment Program. Moving County departments to Wheaton and co-locating with the M-NCPPC Headquarters would bring additional employees to Wheaton, provide potential lease savings and reduce cost outlays for the County. However, without private investment, the multi-agency building presented significant financial challenges to the County Capital Improvement Program (CIP) budget. The attached draft RFP leverages County owned property, encourages private investment, and might make a multi-agency building a more cost-effective and feasible option.

Nancy Navarro, President  
May 7, 2013  
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Executive staff has included a preliminary timeline as part of the draft solicitation. Assuming that the RFP is issued this month, then a development partner could be selected by early Fall 2013 and negotiations for a general development agreement will commence.

Small business assistance is a priority for me. It is my expectation that while the solicitation process for a development partner is ongoing, a process of selecting a partner to facilitate a small business assistance program occur simultaneously. This will help assure that our small business owners in Wheaton will have the assistance they need as the redevelopment progresses, and can benefit as a new vibrant downtown moves forward in the future. The second attached solicitation seeks to obtain a development partner to focus specifically on the above mentioned goals.

IL:rbp

Attachments