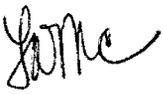


MEMORANDUM

June 14, 2013

TO: Planning, Housing, and Economic Development Committee
Health and Human Services Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Progress Place**

At this session, the joint Committee will receive an update on the proposal to build personal living quarters (PLQs) at the new, relocated Progress Place and information regarding the disposition of the land where the current Progress Place is located as well as a contiguous parcel belonging to the Silver Spring Parking Lot District.

1. Personal Living Quarters at New Progress Place

As a part of the FY14 Capital Budget and Amendments to the FY13-18 Capital Improvements Program, the Council approved a new project that approved funding for the County staff that will manage the project to relocate Progress Place from its current site to a site behind the Silver Spring joint Fire Station 1 and Police Substation (©1-2). At the April joint Committee session, the Executive thought that about 42 PLQs could be constructed on the third and fourth floors of this new building and that a County contribution of about \$3.7 million might be needed depending on final costs and financing. The space associated with the relocation of the programs at the current Progress Place will be funded by a private developer as a part of a development agreement but the County would be responsible for providing a funding solution for the PLQs.

The joint Committee was very supportive of having PLQs as a part of the project and asked whether a fifth or even sixth floor could be added to provide for additional affordable housing units since the height and density would be compatible with the area. Executive staff said that they were completing cost estimates and would return to the joint Committee with cost estimates for both a four floor building as well as a building with additional floors.

The June 13, 2013 memo from Department of General Services Director Dise says that some of the design and operational issues that have been worked through regarding the PLQs show that use of a portion of the 3rd floor is inefficient and that the cost for the fourth and fifth floors, which would provide a total of 42 units, is more costly than expected. They are continuing to evaluate the PLQ proposal. (See Dise memo ©5-6 and cost estimate ©9).

Executive branch staff will brief the joint Committee on the evaluation of the costs of the PLQs.

Director Dise's memo notes that the PLQ feasibility study is in accordance with Bill 37-12, Capital Improvements Program – Affordable Housing (©10-12). Council staff agrees that this feasibility study meets the intent of Bill 37-12. This project is a bit unusual as the RFP and development agreement process was underway well before Bill 37-12 became effective even though the CIP project was just transmitted this spring. It is also not a project that follows the facility planning process followed by most County Government capital projects. Council staff recommends that when the Executive has finished his deliberations on whether to construct PLQs, that the Office of Management and Budget should forward an evaluation as required.

Also, as the feasibility of the effort is still being studied, this is an opportunity for the joint Committee to make any further suggestions or recommendations regarding the proposed project. For example, each of the units is now proposed to have a full bathroom rather than just separate toilets and sinks. The continued study should look at any potential ways to reduce the cost of the new Progress Place/housing to see if this joint use can move forward since the site is in a very desirable location for this type of use.

2. Property Disposition – County owned site of current Progress Place and PLD No.20

Director Dise's memo provides the material terms of the agreement the Executive has made to dispose of three contiguous parcels once the developer completes a new Progress Place and provides a cash payment for the portion of the parcel that belongs to the Silver Spring Parking Lot District. A map of the parcels is included at © 7. The developer will make a cash payment of \$3,249,680 for the portion that is PLD Lot 20. The payment is based on an appraisal completed in June 2012 that estimated the land has a value of \$54 per square foot of FAR and that the combined parcels have an appraised total value of \$9.050 million. The appraiser did not provide a separate value for the PLD property and the \$3.2 million is an extrapolated value determined by the Executive branch. The memo also includes a cost estimate for the new Progress Place (without housing) of about \$13.5 million.

The Executive is seeking a declaration of no further need as required under Bill 11-12 - County Property Disposition (©13-19). Under Bill 11-12, the Council has 30 days to comment on the material terms. Because the cash payment and the value of the new building exceed the appraised value, the Executive branch concludes this is not a disposition at below market value. The Council will need to adopt a resolution of no further need for this disposition to proceed. The Council will need to decide if it will hold a public hearing on the resolution of no further need or waive this requirement. The Executive has provided the Council with a copy of the appraisal; it is being provided to joint Committee members but is not attached to this packet.

Director Dise's memo says that in following the process in Bill 11-12 there is confusion whether the REOI and subsequent CIP process and Council discussion have been sufficient to meet

the re-use analysis that was previously in place for a property disposition but now applies to more dispositions because Bill 11-12 broadened the definition of a disposition. The concern is that now, after the REOI process, the Executive branch will have to go back and have a process that looks at alternative uses.

Council staff agrees that the process in Bill 11-12 does not work well in this type of situation or when a new building is built with a specific disposition planned as a part of the approved CIP, including a long-term lease. If the joint Committee agrees, Council staff will work to provide proposed amendments to Bill 11-12 that would clarify the process for projects where there is an approved project in the current six-year CIP or where a solicitation process has been used (under some circumstances, a CIP project might not be required.)

3. Background - REOI

In November 2011, the county issued a request for expression of interest (REOI) seeking a private or non-profit developer with a development strategy for the Progress Place site in the Ripley District. A copy of the REOI is attached at ©20-33. The REOI states that the county's goals include but are not limited to:

- Relocation of Progress Place at no cost to the County;
- Economic Development in the Fenton Village and Ripley Districts;
- Implementation of the Silver Spring, Ripley District Plan;
- Transit Oriented Development;
- Financial feasibility and market viability; and,
- Community compatibility of including the impact on the local circulation system.

The REOI notes that Progress Place is about 20,000 square feet and is a location for Department of Health and Human Services' services to low income and homeless populations that include programs run by current contractors Shepherd's Table and Interfaith Works (Community Vision) and that there are also a health clinic and offices; however, the health clinic and offices will not be relocated to the DHHS offices. All of the current services and uses for Shepherd's Table and Community Vision must be relocated in the new facility. The new facility is to be a "turn key" facility.

Progress Place Relocation and Personal Living Quarters (P601401)

Category	Health and Human Services	Date Last Modified	5/3/13
Sub Category	Health and Human Services	Required Adequate Public Facility	No
Administering Agency	General Services (AAGE29)	Relocation Impact	None
Planning Area	Silver Spring	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
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	429	0	0	429	0	143	143	143	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	429	0	0	429	0	143	143	143	0	0	0
FUNDING SCHEDULE (\$000s)											
G.O. Bonds	429	0	0	429	0	143	143	143	0	0	0
Total	429	0	0	429	0	143	143	143	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 14	143
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		0
Expenditure / Encumbrances		0
Unencumbered Balance		0

Date First Appropriation	
First Cost Estimate	
Current Scope	FY 14 429
Last FY's Cost Estimate	0

Description

Progress Place is an existing building, located in the Ripley District of Silver Spring, MD, which houses services the Department of Health and Human Services provides to low-income, homeless residents of Montgomery County. These services, currently provided in conjunction with interfaith Works and Shepherd's Table, include medical, vision, and vocational services; case management; winter overflow overnight shelter, and meals. Due to development that is proposed for the Ripley District, these services will need to be relocated within the Central Business District (CBD), which has convenient transportation, available services and resources, and social networking opportunities in downtown Silver Spring for the homeless population.

In conjunction with a Public-Private partnership, a private developer will construct a new building within the downtown Silver Spring CBD, on County owned property located at the Silver Spring Fire Station No. 1 site. This new building will provide office space for the Progress Place services in exchange for the Ripley District land where Progress Place is currently located. This will release the existing site for construction of the Dixon Avenue roadway, the Metropolitan Branch Trail, and a private high-rise residential building. In addition, personal living quarter (PLQ) units will be colocated with the Progress Place service center.

Justification

Progress Place is a facility built nearly 20 years ago that is in need of major renovation. In addition, the east end of the building is in the path of Dixon Avenue extended (a Master Planned roadway), and the west end of the building is in the path of the Metropolitan Branch Trail.

Based on the 2012 Housing and Urban Development Unmet Need Calculation Methodology, the need for housing for Montgomery County homeless singles was 372 PLQs. This project includes the relocation of the services rendered at Progress Place and provides for placement of PLQs to increase the County's permanent supportive housing stock within the downtown Silver Spring CBD.

Fiscal Note

This is a public/private partnership. The County will exchange land within the Ripley District for a building that will satisfy the Program of Requirements to house Progress Place services. Funding from the Affordable Housing Acquisition and Preservation project (#P760100) will be used to support the creation of the PLQs. Non-County funding will also be sought to support PLQ construction and operating costs. Rental assistance from the Montgomery Housing Initiative Fund will be used to support operating costs not funded by outside contributions.

Disclosures

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

Coordination

Progress Place Relocation and Personal Living Quarters (P601401)

U.S. Department of Housing and Urban Development
Department of Housing and Community Affairs
Department of Health and Human Services
Department of General Services
Department of Transportation
Department of Police
Department of Fire and Rescue Services
Department of Technology Services
Utilities
Private developers
Private homeless service providers



Received 6/13/2013

DEPARTMENT OF GENERAL SERVICES

Isiah Leggett
County Executive

David E. Dise
Director

MEMORANDUM

To: Nancy Navarro, President
Montgomery County Council

From: David Dise, Director
Department of General Services *gd/d*

Subject: Progress Place Project

In November 2011, the Department of General Services issued a Request for Expressions of Interest (REOI) seeking a private or non-profit developer with a development strategy for the Progress Place site in the Ripley District. The goals and objectives of the REOI included:

- Relocation of Progress Place at no cost to the County;
- Economic Development in the Fenton Village and Ripley Districts;
- Implementation of the Silver Spring, Ripley District Plan;
- Transit Oriented Development;
- Financial feasibility and market viability; and,
- Community compatibility of including the impact on the local circulation system.

The site identified for the new Progress Place facility is located directly behind Fire Station 1 on Georgia Avenue. The new site is one block from the existing facility. The proposal would relocate the existing Progress Place into a new facility at the fire station site. The new facility would be planned, designed and constructed by the development partner. Upon completion and delivery of a turnkey facility the County would transfer three properties that make up the current site to the developer.

To date, County staff and the developer have been working on several facets of the project. A final Program of Requirements (POR) has been established for Progress Place and a basic site plan has been developed for the new facility. Additionally, staff has conducted multiple outreach efforts with various stakeholders including end users, adjacent property owners and the various County departments involved in the project. Finally, the Executive Branch has commenced discussions with the development partner regarding the material terms of a General Development Agreement (GDA).

In following the process prescribed through Bill 11-12, we note some confusion as to whether the solicitation and subsequent CIP process and all other previous discussions with Council to which this project has been

subjected has been sufficient advertisement of the plan to dispose and develop the property supplants the customary reuse analysis. As Council is aware the property disposition regulations in place prior to the passage of Bill 11-12 required a re-use analysis, which we endeavored to follow when managing this Progress Place project.

Notwithstanding the reuse matter and in accordance with the provisions of Section 11B-45, *Disposition of Real Property*, before seeking County Council approval of a declaration of no further need, the County Executive must submit all material terms of the disposition, including the price or rent to be paid and any associated economic incentives and any appraisal that the Executive relied on or will rely on in selling the property's market value. The Council is permitted 30 days to comment.

Accordingly, the following is a summary of the material terms thus far:

1. The County and the Developer intend to enter into an Agreement to establish the procedure by which the Developer will design and construct on a "turnkey basis" a new facility for Progress Place on County owned land behind the Silver Spring Fire Station #1. As part of the facility, the Developer may build private living quarters ("PLQs") for the County at the County's sole cost and expense;
2. In exchange for the Developer's (a) design and construction of the new Progress Place, and (b) payment to the County of \$3,249,680 in cash for the PLD Site (based on an appraisal of the PLD Site by the Treffer Appraisal Group dated as of June 7, 2012), the County will convey the PLD Site, Lot 7 and Progress Place Parcel to the Developer with settlement to occur within thirty (30) days after the issuance of a certificate of use and occupancy for the Progress Place;
3. 25% of the payment to the County for the PLD site will be diverted to the Housing Initiatives Fund;
4. The Developer's obligations under the Agreement will be contingent upon the Developer obtaining a certified site plan ("Site Plan") for the optional method redevelopment of the Redevelopment Property (the "Project") providing:
 - a. That the approved base density for the Project shall be at least 317,975 gross square feet plus, at Developer's option, an additional 22% residential bonus density achieved by providing 15% moderately priced dwelling units;
 - b. That the Site Plan approval shall find that the Project fully satisfies all required parking under Chapter 59 of the County Code;
 - c. That at the time of Site Plan approval the remaining 186 parking spaces existing in the 1150 Ripley Project (i.e., the total existing parking net of the 123 parking spaces that will be used exclusively for the Project) shall be deemed to fully satisfy all required parking under Chapter 59 for the 1150 Ripley Project; and
 - d. That the design and construction of the new Progress Place by the Developer shall be considered in the Site Plan approval of the Project as "public use space" (on an equal per

square feet basis) for the Project as such “public use space” is defined and required through the optional method redevelopment of the Redevelopment Property.

5. In addition to a purchase agreement setting forth the details of the proposed transaction, the County and the Developer shall enter into a turnkey design and construction agreement for the delivery of Progress Place, in the condition of a “warm, lit shell” with lighting, carpeting and kitchen equipment all as described in the GDA Requirements.
6. The County will pay the cost of building, furnishing and equipping any PLQs, if applicable. If the County makes any changes after the agreements are signed or needs any additional furniture, fixtures and equipment, which will be provided at the County’s cost. The County’s share of the costs for the PLQs at the Progress Place will be set forth in the Turnkey Contract.
7. Part of the Fire Station site was used for the disposal of fly ash and other soils. The cost to remove this soil to permit the construction of the Progress Place is currently estimated to be \$370,000.00. The Developer shall be responsible for the first \$200,000.00 of such cost; the County shall pay the balance.

Please note that the Council must ultimately approve the County Executive’s declaration of no further need.

In terms of timing, the developer expects to submit the new Progress Place facility for mandatory referral in August 2013 followed by their redevelopment project in fall 2013. We expect the private redevelopment entitlement process to take much longer than the County approvals. The developer will continue the design of Progress Place during the private development entitlements. Once the private development is approved, construction will commence and the County properties will be transferred upon completion.

Additionally, in accordance with Bill 37-12, *Capital Improvements Program – Affordable Housing Assessment*, the Department of General Services evaluated the feasibility of providing a significant amount of affordable housing with this project. Noting the County Executive’s support for including PLQ’s in this project, DGS indicated a feasibility study was underway as part of this project at the HHS/PHED worksession on April 25, 2013. The HHS/PHED committees requested that DGS review the feasibility of a 5th floor as well. At that time, a preliminary cost estimate to furnish an underutilized portion of the 3rd floor and create an entire 4th floor of PLQ’s was \$3.7M.

Since that time, the design team refined the PLQ program for Progress Place and worked through a number of design and operational issues for both the Progress Place and PLQ components. For example, a second entrance and elevator was introduced to separate the uses, the mechanical core required upgrading to a different system and trash chutes, laundry and kitchen facilities were introduced. Due to these new elements, the core of the building expanded and the underutilized 3rd floor space began to shrink as more of the Progress Place program moved to the 3rd floor. As a result, the number of PLQ units possible on the 3rd floor became operationally inefficient so the design team focused on a 21-unit scheme on floors 4 and 5 only.

Costs estimates for the 21-unit schemes on floors 4 and 5 are attached for your review. Due to the significant increase from preliminary estimates, the County's cost estimator has reviewed all the cost estimate documents and concurs with the estimates. DGS is continuing to evaluate the introduction of PLQ's to the project and will continue to update Council as necessary.

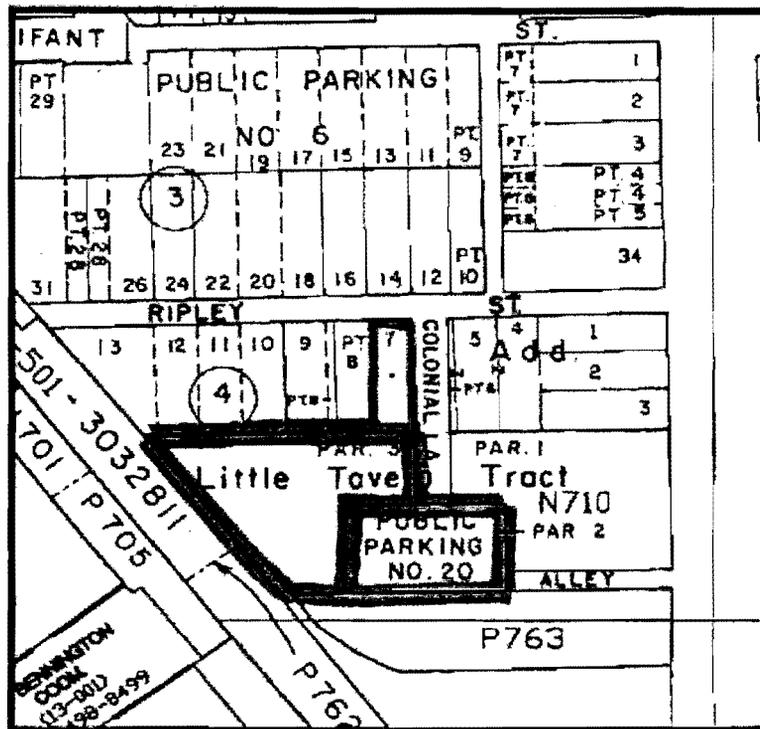
I hope this information is helpful. Executive staff is scheduled to brief PHED/HHS on June 18th.

The Progress Place facility is approximately 20,000 square feet and the site consists of three properties:

1014 Ripley Street,
JN 33, Block 4, Lot 7
7,062 SQ FT
\$1,144,044 (extrapolated)

8206 Colonial Lane
Parcel 2/Parking Lot 20
20,364 SQ FT
\$3,298,968

8210 Colonial Lane
Parcel 3
36,169 SQ FT
\$5,859,378



Progress Place
Base Building Estimate : June 2013

Base Case: 3 Story Building

26,100 sf

Soft Costs	3,761,329	
Hard Costs		
Clark Costs		
Base Cost	6,054,000	
Add: Wage Scale	363,000	
Add: Fly Ash	369,000	
Add: Parking Lot/Barns	141,000	
Add: Return Duct	207,000	
Add: Open Stair	33,000	
Total Clark	7,167,000	
Builders Insurance	25,000	
Kitchen Equipment	450,000	
Other Construction	262,500	
Subtotal Hard Costs	7,904,500	
Hard Cost Escalation	474,270	6%
Hard Cost Contingency	553,315	7%
Subtotal Hard Costs	8,932,085	
Total Development Cost Net Carry	12,693,414	
Cost of Equity	571,204	4.5%
Total Development Costs	13,264,618	
FF&E Progress Place	240,000	
TOTAL	13,504,618	

Progress Place
 PLQ Cost Estimate: June 2013

	<u>(4th floor/21 dus)</u>	<u>(5th floor/21 dus)</u>
Hard Cost	1,971,000	2,292,000
Prevailing Wage	118,000	138,000
2nd Elevator	203,000	n/a
STC Windows	46,000	22,000
Central System	147,000	109,000
Ducted Return	82,517	51,483
Soft Cost	1,257,608	1,279,192
Escalation	232,664	236,658
Contingency	411,029	418,083
FF&E	52,500	52,500
Total	4,521,318	4,598,916
 <u>Additional Cost to Base Building if Add PLQs</u>		
Upgrade from Hydraulic to Traction for 1st Elevator	119,000	
Upgrade to Central System for Base Building	290,000	
Ducted Returns Base Building	207,000	
Fit Out of 3rd Floor	213,000	
Escalation	84,720	
Contingency	149,672	
Subtotal Additional Costs	1,063,392	
 Total PLQ	 5,584,710	 4,598,916

Bill No. 37-12
Concerning: Capital Improvements
Program - Affordable Housing
Assessment
Revised: 2/5/2013 Draft No. 6
Introduced: November 27, 2012
Enacted: February 5, 2013
Executive: February 12, 2013
Effective: May 14, 2013
Sunset Date: None
Ch. 3, Laws of Mont. Co. 2013

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Berliner, Riemer, Ervin, Floreen, Leventhal, Andrews, Council President
Navarro and Council Vice-President Rice

AN ACT to:

- (1) require the Office of Management and Budget to submit affordable housing assessments with certain capital projects in the Capital Improvements Program;
- (2) authorize the Council to require other County departments and agencies to supplement the assessments furnished by the Office of Management and Budget; and
- (3) generally amend County law regarding the analysis of capital projects.

By amending

Montgomery County Code
Chapter 25B, Housing Policy
Section 25B-7

Boldface

Underlining

[Single boldface brackets]

Double underlining

[[Double boldface brackets]]

* * *

Heading or defined term.

Added to existing law by original bill.

Deleted from existing law by original bill.

Added by amendment.

Deleted from existing law or the bill by amendment.

Existing law unaffected by bill.

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

1 **Sec. 1. Section 25B-7 is amended as follows:**

2 **25B-7. ~~[Reserved]~~ Affordable housing assessment.**

3 (a) For each applicable capital project in the Capital Improvements
4 Program during facility planning, the Office of Management and
5 Budget must include in or transmit with the CIP an ~~[[analysis]]~~
6 evaluation of:

7 (1) the feasibility of including a significant amount of affordable
8 housing in the project;

9 (2) the effect of the project on the supply of affordable housing in the
10 immediate area; ~~[[and]]~~

11 (3) what capital or operating modifications, if any, would promote
12 and maximize affordable housing in the project and the
13 immediate area; and

14 (4) what operating budget modifications, if any, would be needed to
15 build and maintain affordable housing in the project.

16 (b) The affordable housing ~~[[analysis]]~~ evaluation submitted by OMB
17 should discuss at least the following issues related to the capital project:

18 (1) compatibility of affordable housing with the underlying project;

19 (2) conformity of affordable housing to applicable zoning and land
20 use plans;

21 (3) proximity to public transit, and availability of other transportation
22 options; and

23 (4) proximity to other community services.

24 (c) As used in this section, applicable capital project means any proposed
25 building project administered by the Department of General Services or
26 the Parking Management Division of the Department of Transportation.

Expedited Bill No. 11-12
 Concerning: County Property -
Disposition
 Revised: 5-1-12 Draft No. 8
 Introduced: March 13, 2012
 Enacted: May 1, 2012
 Executive: Disapproved May 14, 2012
 Re-enacted: May 15, 2012
 Effective: May 15, 2012
 Sunset Date: None
 Ch. 12, Laws of Mont. Co. 2012

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Leventhal and Elrich, Council President Berliner,
 and Councilmembers Andrews, Riemer, and Navarro

AN EXPEDITED ACT to:

- (1) modify the procedures to dispose of County property;
- (2) require the County Council to approve certain ~~[[dispositions of]]~~ actions regarding certain County properties, and authorize the Council to review certain agreements to dispose of County property;
- (3) prohibit the County from disposing of certain property at less than full market value, unless the Council waives this requirement; and
- ~~[[3]]~~ (4) generally amend the County law regarding disposition of County property.

By amending

Montgomery County Code
 Chapter 11B, Contracts and Procurement
 Section 11B-45

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

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

1 **Sec. 1. Section 11B-45 is amended as follows:**

2 **11B-45. Disposition of real property.**

3 (a) The County Executive must adopt regulations to establish a process for
4 the disposition of any real property owned or controlled by the County,
5 other than surplus school facilities and [other] property of nominal value
6 identified in the regulation. [[As used in this Section, "disposition"
7 means a sale, a lease or license for a term of 3 years or longer, or a lease
8 or other document which includes an option to buy.]] The regulations
9 must provide for:

- 10 (1) coordination among public agencies, including any [municipal
11 corporation] municipality in which the real property is located;
- 12 (2) opportunity to reserve property for alternative public use;
- 13 (3) comparative analysis of reuse proposals before any disposition
14 actions; and
- 15 (4) public notice and hearing on possible dispositions before final
16 decision on disposition, except that the County Executive may
17 waive the public hearing requirement for any real property that:
- 18 (A) has nominal value; or
- 19 (B) is recommended to be reused by the County government.

20 (b) As used in this Section, disposition means a sale, a lease or license for a
21 term of [[3]] 2 years or longer, or a lease or other document which
22 includes an option to buy. If a license or lease for an initial term of less
23 than [[3]] 2 years is extended or renewed beyond [[3]] 2 years, that
24 extension or renewal is a disposition. Disposition does not include:

- 25 (1) a lease of or license to use any parkland, or any facility located on
26 parkland, that the Parks Department operates or manages for the
27 County;

- 28 (2) a license to use County property that is coterminous with a
 29 contract for services performed by the licensee; [[or]]
- 30 (3) a license to use County property to provide child or adult day
 31 care services; [[or]]
- 32 (4) a sale or lease of property to the Housing Opportunities
 33 Commission for housing development;
- 34 (5) a sale of one or more housing units obtained by the County using
 35 its right of first refusal under Section 11A-3 or 11A-4, Chapter
 36 25A, or Chapter 53A, and resold for not less than the County
 37 paid; or
- 38 (6) a transfer of County right-of-way that is needed to implement a
 39 road or transit project that is included in the applicable master or
 40 other land use plan.
- 41 (c) Unless the County Council waives this requirement under subsection
 42 (e)(2)(B), the Executive must not dispose of any property owned or
 43 controlled by the County at less than full market value. In case of a sale
 44 of property, full market value must be determined by at least one
 45 professional appraisal of the property obtained by the Director within
 46 [[the previous]] [[6]] 12 months before a declaration is submitted to the
 47 Council.
- 48 (d) Before seeking Council approval of a declaration of no further need
 49 under subsection (e), the Executive must submit to the Council and
 50 allow the Council at least 30 days to comment on:
- 51 (1) all material terms of the disposition, including the price or rent to
 52 be paid and any associated economic incentives; and
- 53 (2) any appraisal that the Executive relied on or will rely on in setting
 54 the property's market value.

55 In addition, the Executive should when practicable submit for prior
 56 Council review the parameters and material terms of a disposition that
 57 has not begun to be negotiated. Any document submitted under this
 58 subsection, [[other than any document submitted under the preceding
 59 sentence which]] to the extent the document need not be disclosed under
 60 state law, [[is a public document]] must be treated as confidential.

61 [[b)] (e) [[Before]] In addition to the process required under subsection (a),
 62 before the disposition of any real property owned or controlled by the
 63 County (other than a property which has either nominal value or an
 64 appraised value lower than \$100,000) becomes final[[.]]:

65 (1) the Executive must publish a declaration in the County Register
 66 and post a notice on the County website that the County has no
 67 further need for the property or, if the disposition is a lease or
 68 license, has no further need for the property during the term of
 69 the lease or license; and

70 (2) the [[County]] Council, by resolution adopted after the Council
 71 holds a public hearing with at least 15 days advance notice, must
 72 approve:

73 [[1)] (A) the [[disposition]] Executive's declaration of no
 74 further need; and

75 [[2)] (B) [[all material terms of the disposition, including the
 76 price or rent to be paid and any associated economic
 77 incentives.]] any disposition of the property at less than
 78 full market value.

79 The Director must adjust the \$100,000 floor in this subsection on July 1
 80 every third year by the percentage increase or decrease in the applicable
 81 Consumer Price Index, or any successor index, during the previous 3

82 calendar years, rounded to the nearest \$1000. The Council may waive
 83 the public hearing required by this subsection if it concludes that a
 84 hearing on a particular proposed disposition is not necessary to properly
 85 assess the proposed action. If the Council does not act under this
 86 subsection within 60 days after the Executive has submitted [[all
 87 information necessary to assess]] the proposed action, the proposed
 88 action is automatically approved. The Council may extend [[this]] the
 89 60-day deadline by resolution if the Council President has informed the
 90 Executive, within 30 days after the Executive submitted the proposed
 91 action, that the Council has not received all information necessary to
 92 review the proposed action. If [[this]] the 60-day deadline would fall
 93 during August or from December 15 through December 31, the deadline
 94 is automatically extended until the next scheduled Council session.
 95 This subsection and subsection (c) do not apply to any disposition of
 96 property that will be used primarily for housing development if the
 97 recipient legally commits to the Director of the Department of Housing
 98 and Community Affairs that at least 30% of the housing units built on
 99 the property will be moderately priced dwelling units or other units that
 100 are exempt from the development impact tax under Section 52-49(g)(1)-
 101 (4).

102 [(b)] [(c)] (f) * * *

103 [(c)] [(d)] (g) The Executive must adopt regulations to establish a process for
 104 disposition of surplus schools. As used in this Section, "surplus school"
 105 means any building used at any time as a public school and later
 106 conveyed to the County and all or part of the land which constitutes the
 107 school site[, and "disposition" means a sale or a lease with an option to
 108 buy]. The regulations must provide for:

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* * *

[(d)] [(e)] (h) * * *

Sec. 2. Expedited Effective Date; Applicability.

The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date when it becomes law. County Code Section 11B-45, as amended by Section 1 of this Act, [[applies]] does not apply to any disposition of County property [[completed on or after]] for which a legally enforceable contract, lease, or other agreement was signed by all parties before that date.

Sec. 3. Applicability – White Flint Sector Plan area.

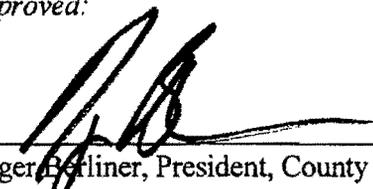
Section 11B-45(b)-(e), as amended by Section 1 of this Act, does not apply to any sale by the County of real property located in the boundaries of the White Flint Sector Plan if:

- (a) the property was acquired by the County from the State Highway Administration;
- (b) the property was originally acquired by the State Highway Administration to construct Montrose Parkway; and
- (c) the sale by the County is completed on or before December 31, 2012.

18

127 *Approved:*

128


Roger Berliner, President, County Council

5/2/2012

Date

129 *Approved:*

130

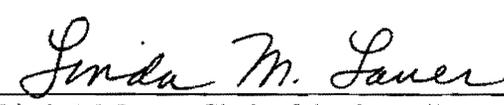
DISAPPROVED
Isiah Leggett, County Executive

5/14/2012

Date

131 *This is a correct copy of Council action.*

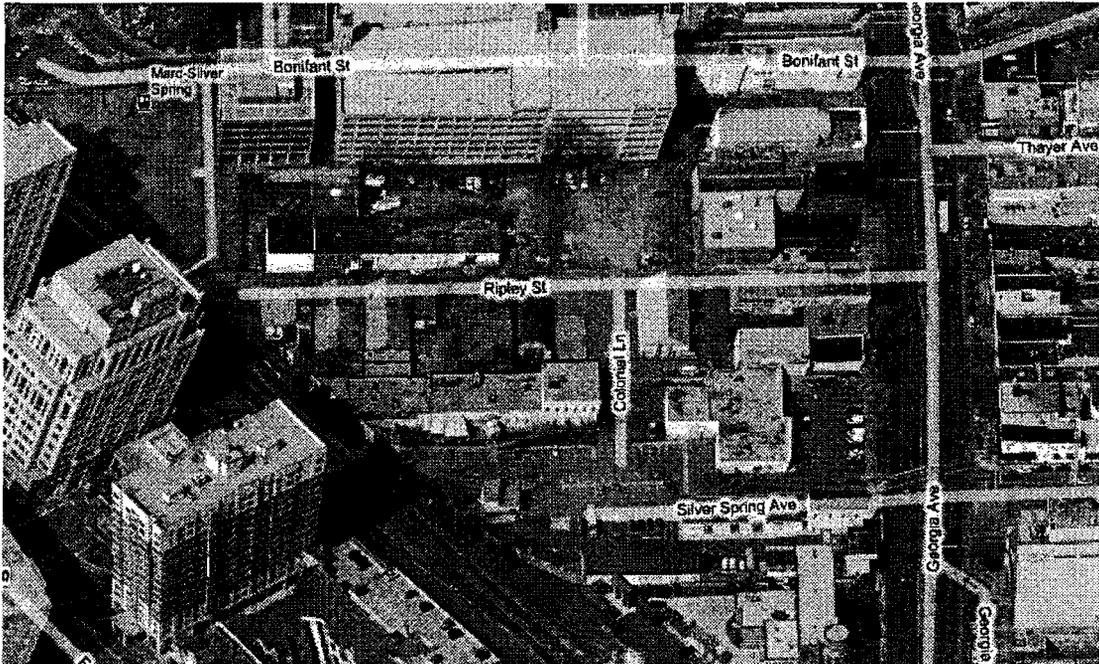
132


Linda M. Lauer, Clerk of the Council

5/15/2012

Date

Request for Expression of Interest
Progress Place Site
Downtown Silver Spring, Maryland
Ripley District



Issued by
Montgomery County, Maryland
Department of General Services
November 22, 2011

Process Summary

November 22, 2011 – Request for Expressions of Interest Issued

December 8, 2011 Open House/Pre-Submission Meeting

January 13, 2012 – Submission Deadline

February 1, 2012 – Finalists selected and notified for interviews

Submission maximum length: no more than 25 typed pages, exclusive of exhibits such as maps, sketches, layouts, drawings, resumes, etc.

Submit one original and 8 copies of the proposal in 8 ½” by 11” format. One copy of large scale drawings and exhibits, if included, will be sufficient.

Contact: Greg Ossont, Department of General Services
Montgomery County Government
101 Monroe Street, 9th Floor
Rockville, Maryland 20850
greg.ossont@montgomerycountymd.gov

Request for Expression of Interest (REOI)
Progress Place Site
Downtown Silver Spring, Maryland
Ripley District

I. Introduction

The Progress Place property was a bakery facility located adjacent to the CSX railroad tracks in downtown Silver Spring that was acquired by Department of Housing and Community Affairs using Community Development Block Grant (CDBG) funds. The County is seeking a development entity that has the vision, interest and the ability to conceive and implement an overall development strategy for the Progress Place site, as described. The County is seeking to meet several public purposes through a public/private partnership as listed below. The list sets forth the variety of development goals that the County desires to meet with the partnership.

The goals include but are not limited to:

- Relocation of Progress Place at no cost to the County;
- Economic Development in the Fenton Village and Ripley Districts;
- Implementation of the Silver Spring, Ripley District Plan;
- Transit Oriented Development:
- Financial feasibility and market viability;
- Community compatibility including the impact on the local circulation system.

The role of the County in the process will be to act as a catalyst for site development by initiating a search to find a private sector or nonprofit developer.

The County will:

- Contribute its expertise in promoting the public purposes described above;
- Facilitate the successful redevelopment proposal with various County agencies;
- Help to coordinate with the surrounding community and the broader community of interest.

There are several neighborhoods nearby and interest groups involved with the Progress Place facility. These interests are represented by several civic associations and groups, including East Silver Spring Civic Association and the South Silver Spring Neighborhood Association.

II. Property Description

The Progress Place site consists of three properties:

**1014 Ripley Street,
JN 33, Block 4, Lot 7
7,062 SQ FT**

**8206 Colonial Lane
Parcel 2/Parking Lot 20
20,364 SQ FT**

**8210 Colonial Lane
Parcel 3
36,169 SQ FT**

All 3 properties are zoned: CBD-2, Maximum Height 200'

III. Background

The Progress Place facility is located adjacent to the CSX railroad tracks in downtown Silver Spring and was acquired by Department of Housing and Community Affairs using Community Development Block Grant funds. The building was renovated in 1992 and has been used by the Department of Health and Human Services to provide services to low income and homeless population in the Silver Spring area through contracts with Shepherd's Table and Interfaith Works.

The building is about 20,000 square feet and also houses a health clinic and offices. Shepherd's Table and Community Vision are the two primary programs at Progress Place. Community Vision provides daily services critical to the safety and well being of homeless men and women in Montgomery County. Community Vision is designed to provide support, advocacy, education and training for the homeless in Montgomery County; with the goal of empowering clients to obtain independence and self-sufficiency.

There is an accessory garage located close to the building, next to the tracks. The Parking Lot District (PLD) owns a surface parking lot adjacent to Progress Place that has 41 parking spaces. A third lot is addressed on Ripley and abuts Parcel 2. These three properties combined are about 1.5 acres and have significant redevelopment potential.

Programs conducted in this facility have expanded to the point that the building no longer adequately meets the needs of the community served. In addition, the facility is used as an emergency overnight shelter in the winter. All of the current services and uses in the existing location must be relocated and continued in the new facility.

A Program of Requirements has been developed for a new Progress Place. The new program outlines a facility that meets current and future needs for services provided by Progress Place and describes a space more appropriate for overnight emergency shelter

needs in winter months. A conceptual design has been completed as well. The concept plan contemplates an addition to Fire Station #1 at 8110 Georgia Avenue to house the relocated Progress Place facility and associated services. A preliminary cost estimate for the new building is \$12.5 million. A partnership that facilitates the construction of the addition and redevelops the existing Progress Place site is desired.

IV. Existing Background Documents

Master Plan – The Silver Spring CBD Sector Plan adopted in 2000 calls for the redevelopment of the Ripley District, defined as an area bounded by Georgia Avenue to the east and the CSX Railroad tracks, south of Bonifant Street, to the west. This small district is located within a ¼ mile of the Silver Spring Transit Center and is primarily comprised of industrial buildings. The area is zoned CBD-2 and has a 200 foot height limit, which would allow high density mixed use development literally in the heart of downtown Silver Spring.

The Sector Plan shows two future transportation improvements that will impact the Progress Place site. The Metropolitan Branch Trail (bikeway) will be built along the CSX tracks, removing 10 feet from the west end of the site. In addition, the Sector Plan calls for the extension of Dixon Avenue south of Bonifant Street which would remove another 30-35 feet from the east end of the site. These two infrastructure improvements should be incorporated into any redevelopment proposal.

V. Qualifications

The County will accept proposals from interested and qualified parties. A qualified party may be an individual, a for-profit or not-for-profit organization, or a consortium consisting of builders, architects, developers, project managers, financial institutions or other entities. In all proposals, the end user(s) for the property should be identified, and a letter of intent to participate should be included with the submission, if applicable. Each proposal shall include the qualifications of the individual, entity, or each member of the team proposed to work on the project. It will be the sole determination of the County whether the offeror is qualified.

Responses to this Expression of Interest shall include the following:

1. A discussion of design capabilities and construction experience;
2. A list of successfully completed mixed use and/or design build projects (or projects in process) of a similar nature and scope to the Progress Place project;
3. A detailed discussion of the financial capabilities of the offeror to accomplish the project. (Financial information will be held in confidence and returned to the offeror upon request); and
4. Background information on the development entities, and resumes of key personnel directly working with the project, including discussion of experience on similar projects.

VI. Proposal Requirements

Each proposal shall be limited to a maximum of 25 typed pages, exclusive of exhibits consisting of maps, sketches, layouts, drawings, etc. Resumes may be included beyond this page limit, with a two page maximum per resume. Proposals shall contain:

1. The offeror's qualifications as listed in Section V above. If a group or consortium is the offeror, please submit a specific individual contact person with complete address, telephone number and email for each entity involved;
2. A concept plan and description of the proposed approach to complete the project. The concept plan may include sketches, layouts, drawings or whatever means necessary to explain the proposer's intent. Identify the property's ultimate use(s) and user(s), if they differ from the development entity and have been determined at this phase of the project. The description must describe how the goals for development that is set forth and based on the following:
 - **Plan for the property to be compatible with the surrounding community with regard to use, access, parking, and level of activity.** Describe the level of public access that will be permitted on the site upon its redevelopment, how parking needs for uses on the site will be accommodated, and any off-site transportation improvements that will be required to make the development feasible, including but not limited to roadway improvements, shuttle buses, or other transportation alternatives.
 - **The strategy for development must be financially feasible and viable in the current or near term market.** Describe, generally, the total potential sources of funding for the project. If public financing is anticipated, describe the services or other assistance that may be requested from public agencies to complete the project. The County anticipates a limited role, if any role, in the funding of the proposed project.
 - **The project must maximize redevelopment objectives and satisfy relevant laws and regulations including adherence to the Silver Spring Master Plan.** Include a description of the offeror's understanding of the Master Plan requirements and the offeror's experience in implementing urban redevelopment.
 - **A detailed time line approach to accomplishing the project.** Include the steps that will be required to complete the proposed redevelopment plan, such as zoning changes and construction timing.

VII. Process and Schedule

Time Schedule: The County expects the REOI to meet the following schedule, but reserves the right to amend this schedule or cancel this solicitation at any time.

November 22, 2011	Request for Expression of Interest issued
December 8, 2011	Open House/Pre-Submission Meeting
January 13, 2012	Sealed submissions due by 4:00 p.m.
February 1, 2012	Finalists selected and notified for interviews

Submission Deadline: To be considered for the development rights for the site, individuals or groups should submit sealed responses containing proposal team qualifications and statements of interest to Greg Ossont, Deputy Director, Department of General Services **no later than the 4:00 p.m. on January 13, 2012.** The address for submissions is 101 Monroe Street, 9th Floor, Rockville, MD 20850. The outside of the proposal should state: "Statement of Interest and Qualifications, Progress Place Site, Silver Spring." The proposals will not be opened publicly; all information, especially financial capabilities, will be held in confidence.

Any proposal received after the deadline will be returned to the offeror unopened.

Submission content and format: Offerors must submit **one original and 8 copies of their proposal in 8 ½" by 11" format** (one copy of large scale drawings and exhibits, if included, will be sufficient).

Submissions should provide enough detail to address the considerations listed above, but detailed technical analysis is not required for the submission. The County reserves the right to request additional information during the REOI review period. During the review period, the County will answer written questions from proposers. All such questions, and the County's answers thereto, will be provided to all recipients of this REOI.

Questions about the submission process: Questions about the required submission should be directed to Greg Ossont, Deputy Director, Department of General Services at 101 Monroe Street, 9th Floor, Rockville, MD 20850 or by email at greg.ossont@montgomerycountymd.gov.

All questions, and the responses from the County, will be posted on the Montgomery County Department of General Services' website at: <http://www.montgomerycountymd.gov/content/DGS/Dir/progress-place.asp>

Responses to all questions will be posted by **2:00 P.M. on Wednesday, December 21, 2011.**

VIII. Proposal Evaluation Process

The proposal evaluation committee will be composed of at least one representative from the following groups/agencies:

- a. Montgomery County Department of General Services
- b. Montgomery County Department of Economic Development
- c. Montgomery County Department of Health and Human Services
- d. Montgomery County Offices of the County Executive

In addition to the qualifications of the Offeror, the evaluation of each proposal will be based on the degree to which the proposal meets the requirements and preferences stated in this REOI. Members of the evaluation committee will assess the degree to which each proposal meets the requirements and responds to the objectives stated in the request, based on the following:

1. Overall approach to the development, including the development concept and proposed uses, and the extent to which the proposer's approach indicates an understanding of the goals for the project and a realistic approach to accomplishing them **(15 points)**
2. Relevant experience in successfully planning and developing complex projects including training and demonstrated experiences with the urban and/or transit oriented redevelopment **(15 points)**
3. Ability and approach to relocating Progress Place **(10 points)**
4. Proposer's experience with financing large, complex real estate projects and ability to complete the project without County financial assistance **(10 points)**

A short list of highest scoring offerors will be interviewed by the evaluation committee. Details of the second phase of the selection process will be provided to those offerors invited to the interview process.

IX. Conditions and Limitations

This Request for Expressions of Interest does not represent a commitment or offer by the Montgomery County Government to enter into an agreement with an offeror or to pay costs incurred in the preparation of a response to this request. The responses and any information made a part of these responses will become a part of the project's official files. The County is not obligated to return the responses from the individual offerors.

The County, or its individual members, reserves the right, in its sole and absolute discretion, to reject any and all Submissions received in response to this REOI and to

cancel this REOI 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 Submissions submitted in response to this REOI without changing the terms of this REOI.

A response to this REOI should not be construed as a contract or indicate a commitment of any kind. The REOI does not commit the County to pay for costs incurred in the submission of a response to this REOI or for any costs incurred prior to the execution of a final agreement.

The Submissions, and any information made a part of the Submissions, will become a part of the project's official files. The County is not obligated to return the Submissions to the Developers. This REOI and the selected Developer's response to this REOI may, by reference, become a part of any formal agreement between the Developer and the County.

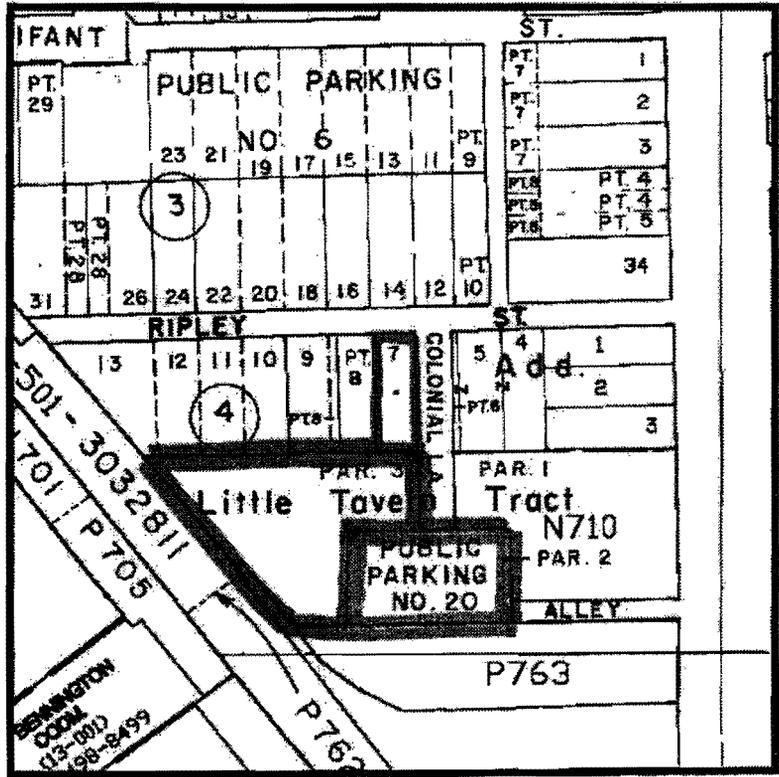
If a Developer contends that any part of its Submission is proprietary or confidential and, therefore, is limited to disclosure under the Maryland Public Information Act, MD Code Ann. State Gov't §§10-611 *et seq.* (the "MPIA"), the Developer must identify all information that is confidential or proprietary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

Developers must familiarize themselves with the properties included in Appendix A of this REOI and form their own opinions as to suitability for any proposed development on any or all of these sites. The County makes no representations as to these sites. The County, or its individual members, assumes no responsibility for site conditions including, but not limited to, environmental and soil conditions on these sites.

Developers are responsible for their own background investigation as to restrictions, if any, bearing upon title, zoning, subdivision, transportation, developability, utilities, and physical conditions at these sites. Soil tests and other invasive tests may not be conducted upon any of these sites during the REOI stage.

The County, reserves the right, in its sole and absolute discretion, to reject any and all Submissions received in response to this REOI and to cancel this REOI at any time, for any or no reason, prior to entering into any binding agreements. Responses to this REOI vest no legal or binding rights in the Developers nor does it or is it intended to impose any legally binding obligations upon the County, or any officials or employees of the County unless and until final legal binding agreements are negotiated and executed. The County further reserves the right to request clarification of information provided in Submissions as a response to this REOI without changing the terms of this REOI

Appendix A



29

**Progress Place Site Pre-Submission Meeting
December 8, 2011**

1. Is a 'turn key' facility desired for the new Progress Place facility?

Yes.

2. The Silver Spring Master Plan is slightly dated. Has there been any change in the County's preference for any particular use at this site.

The County will consider all proposals that are consistent with the adopted Master Plan and applicable zoning for the Central Business District. The County does not have a preference on uses at this location.

3. Will the uses in the existing Progress Place facility need to be expanded in the new facility.

The only requirements of the solicitation are to accommodate existing uses. Future expansion needs would not be determined until a future design stage.

4. Has any geo-technical work been completed for the existing site or for the fire station site?

The County does not have any reliable geo-technical information for either the subject properties.

5. What is the train station property to the south of the fire station and who owns it?

The property located to the south of the fire station is the historic Silver Spring train station. It is owned by Montgomery Preservation Inc.

6. Is the existing water and sewer capacity available at the site sufficient to support the proposed development - a high-rise (200') rental apartment building?

There are several residential high rise projects within the same area that have been determined to have adequate water/sewer service.

7. The Progress Place property was purchased using CDBG funds. Will this trigger Davis Bacon requirements and other federal requirements for the construction?

The original Progress Place property was purchased using CDBG funds. How this effects any applicable Federal requirements with a new facility is not known at this time. This information will be available during negotiations with the successful Offeror

8. Could the County provide a current list of users and the occupied space?

Please see the response to Question 9, below.

9. The REOI states on page 4 that “All of the current services and uses in the existing location must be relocated and continued in the new facility”. However, DHHS staff has informed us that only Shepherd’s Table and Community Vision (Interfaith Works) are intended to go to the new site and that the Community Clinic and DHHS staff offices are not intended to move to the new site. Can you please confirm?

The new site will house ONLY Shepherd's Table and Community Vision (Interfaith Works). Community Clinic and the HHS staff offices will not be included.

Please find the revised POR reflecting these changes on the following pages:

Space Requirements per the POR:

Combined Shepherd's Table and Community Vision

No.	Position	Area	No. Req'd.	Total Area
1	Loading Dock	400	1	400
2	Outdoor Dumpster Area	375	1	375
3	Combined Food Preparation			
4	Chemical Storage	50	1	50
5	Dish Room	150	1	150
6	Kitchen Laundry	187	1	187
7	Combined Client Area			
8	Exterior Waiting Area	450	1	450
9	Central Lobby	150	1	150
10	Dining Area	1,228	1	1,228
11	Dining Area Restrooms	88	2	176
12	Light Well	150	1	150
13	IT Room	80	1	80
	Sub Total (NSF)	3,308	12	3,396

Shepherd's Table

No.	Position	Area	No. Req'd.	Total Area
1	Client Area/Resource Suite			
2	Resource Waiting Room	210	1	210
3	Waiting Room Restrooms	88	2	176
4	Resource Room Intake/Window Area	50	4	200
5	Eye Clinic	300	1	300
6	Office of Director of Social Services	150	1	150
7	Office for Partner Providers	100	4	400
8	Social Services Counselor Office	100	1	100
9	Social Worker's Office	100	1	100
10	Bi-Lingual Counselor's Office	100	1	100
11	Resource Storage Area	100	1	100
12	Clothing Closet	798	1	798
13	Mental Health Counselor's Office	100	1	100
14	Administrative Suite			
15	Executive Director's Office	200	1	200
16	Resource Development Manager's Office	200	1	200
17	Administrative Assistant's Office	100	2	200
18	Bookkeeper's Office	100	1	100
19	2 Small Conference Rooms	252	2	504
20	Office Supplies and Historical Data Storage	200	1	200
21	Machine Room	100	1	100
22	Staff Rest Rooms	88	2	176
23	Food Preparation			
24	Kitchen	1,796	1	1,796
25	Cold and Freezer Storage	200	1	200
26	Office for Food Service Man. And Assist. Man	150	1	150
27	Volunteer Manager Office	150	1	150
28	Volunteer Lounge	150	1	150
29	Bulk Food Storage	600	1	600
30	Kitchen Janitor's Closet	80	1	80
31	Janitorial Supplies Rm.	50	1	50
	Sub Total (NSF)	6,612	38	7,590

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Community Vision

No.	Position	Area	No. Req'd.	Total Area
1	Case Management Waiting Area	150	1	150
2	Resource Waiting Room	210	1	210
3	Waiting Room Restrooms	88	2	176
4	Floor Supervisor Office	100	1	100
5	Security/Maintenance Office	120	1	120
6	Interview Rooms	60	2	120
7	Computer Classroom	300	1	300
8	Meeting Room/Women's Shelter	400	1	400
9	Meeting Room/Women's Shelter Storage Rm	100	1	100
10	Multi-Purpose Room/Women's Shelter	400	1	400
11	Women's Bathrooms	88	1	88
12	Women's Shower	59	1	59
13	Women's Locker Room	150	1	150
14	Private Bathroom	40	1	40
15	Recreation Room/Men's Shelter	1,260	1	1,260
16	Recreation Room/Men's Shelter Storage	100	1	100
17	Men's Bathrooms	200	1	200
18	Men's Shower	167	1	167
19	Men's Locker Room	248	1	248
20	Laundry Room w/ Closet	234	1	234
21	Fitness Room	150	1	150
22	Business Clothes Closet	300	1	300
23	Maintenance Storage Room	100	1	100
	Administrative Area	-		
24	Supervisor's Offices	110	3	330
25	Facility Manager Office	110	1	110
26	Case Management and Vocational Counseling Offices	100	6	600
27	Outside Professional Staff Offices	100	3	300
28	Intern Work Area	270	1	270
29	File Room	63	1	63
30	Office Supply Closet	60	1	60
31	Staff Rest Rooms	40	2	80
32	Employee Lounge	140	1	140
33	Maintenance Storage Room	195	1	195
34	IT Room	49	1	49
	Food Preparation	-		
35	Kitchen	306	1	306
36	Food Manager Office	100	1	100
37	Cold and Freezer Storage	200	1	200
38	Kitchen Storage Closet	200	1	200
	Exterior	-		
39	Garage	430	1	430
	Sub Total (NSF)	7,496	11	8,604
	Total (NSF)	17,416		19,590