

Resolution No: 17-221
Introduced: June 28, 2011
Adopted: July 19, 2011

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the County Executive

SUBJECT: Amendment to the FY11-16 Capital Improvements Program
Montgomery College
Germantown Goldenrod Building Acquisition (No. 126600), \$16,000,000

Background

1. The College leases an office building adjacent to the Germantown campus on Goldenrod Lane. The College uses the first floor for administrative offices and for classrooms, and leases the second floor to the County Government's Department of Economic Development for its business incubator.
2. Montgomery College has coordinated with the Montgomery College Foundation, Inc., the Department of Finance, the Revenue Authority, and outside financial advisors to draft the legal credit structure and appropriate financing mechanism to buy the Building.
3. The Revenue Authority intends to sell its revenue bonds in July 2011 and lend the proceeds to the Montgomery College Foundation.
4. The Foundation will use the proceeds to buy the Building.
5. The College will lease the Building from the Foundation and will continue to use the first floor and to lease the second floor to the DED.
6. The College will make lease payments to the Foundation (using an appropriation in its operating budget + the lease payments from DED), and the Foundation will use the lease payments to repay the loan to the Revenue Authority.
7. The Revenue Authority will use these lease payments to repay the bond holders.
8. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.

9. The College requested and the County Executive recommends an amendment to the FY11-16 Capital Improvements Program to add this new project for Montgomery College and to authorize an amount not to exceed \$16,000,000 for this project:

Project Name	Project Number	Cost Element	Amount	Source of Funds
Germantown Goldenrod Building Acquisition	126600	Land	\$16,000,000	Revenue Authority Bonds
Total \$16,000,000				

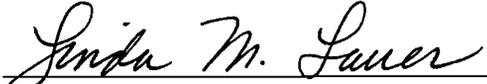
10. Notice of public hearing was given and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, amends the FY11-16 Capital Improvements Program of Montgomery College to add this new project and authorizes an amount not to exceed \$16,000,000 for this project, as reflected on the attached project description form:

Project Name	Project Number	Cost Element	Amount	Source of Funds
Germantown Goldenrod Building Acquisition	126600	Land	\$16,000,000	Revenue Authority Bonds
Total \$16,000,000				

This is a correct copy of Council action.


 Linda M. Lauer, Clerk of the Council

Germantown Goldenrod Building Acquisition -- No. 126600

Category **Montgomery College**
 Subcategory **Higher Education**
 Administering Agency **Montgomery College**
 Planning Area **Germantown**

Date Last Modified **June 22, 2011**
 Required Adequate Public Facility **No**
 Relocation Impact **None**
 Status **Land Acquisition**

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY10	Rem. FY10	Total Years	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 5 Years
Planning, Design, and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	16,000	0	0	0	0	16,000	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	16,000	0	0	0	0	16,000	0	0	0	0	0

FUNDING SCHEDULE (\$000)

Federal Aid	0	0	0	0	0	0	0	0	0	0	0
Revenue Authority	16,000	0	0	0	0	16,000	0	0	0	0	0
Total	16,000	0	0	0	0	16,000	0	0	0	0	0

DESCRIPTION

This project provides funding to purchase the Goldenrod Building, located at 20271 Goldenrod Lane, adjacent to the Germantown Campus. The Goldenrod Building is currently leased by the College. The college exercised the option to purchase and will assign the right to purchase to the College Foundation Inc. The College will pay base rent to the Foundation during the lease agreement. Base rent will cover the debt service on the Revenue Authority bonds which will fund the building acquisition. The first floor of the facility houses classrooms and faculty offices, as well as the Center of Teaching and Learning, the Provost Office suite, an office suite for the management of the Science and Technology Park, the Campus operations and maintenance offices, and information technology support space. The second floor of the building is subleased by Montgomery County Department of Economic Development as the up-county business incubator. The project is part of the Montgomery College Biotechnology Project, which encompasses three interrelated initiatives that are tied together through a unique approach to bioscience education and workforce development: (1) The Bioscience Education Center, a 126,900 gross square foot academic building featuring state-of-the-art science laboratories located on the Germantown Campus (CIP# 056603); (2) the Science and Technology Park, a million gross-square foot business park adjacent to the Germantown campus(CIP# 096607); (3) and the Germantown Incubator (CIP# 780701), a 35,000 gross square foot business incubator subleasing the second floor of the Goldenrod Building. The Germantown Science and Technology Park Infrastructure project and the Bioscience Education Center are separately funded projects in the College's Capital Budget.

JUSTIFICATION

The overall Montgomery College Biotechnology Project supports the College's leading role in biosciences and technology and enhances Maryland's and Montgomery County's reputation as a national leader in the provision of bioscience and technology opportunities.

Collegewide Facilities Master Plan Update (9/10), Montgomery College Science & Technology Park Master Plan (05/06), and Montgomery College Germantown Campus Site Planning Studies (03/06).

FISCAL NOTE

The Goldenrod Building Renovation CIP Project No 076624 funded the renovation and lease-related costs for the building in FY07 using Current Revenue General.

OTHER DISCLOSURES

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

APPROPRIATION AND EXPENDITURE DATA		
Date First Appropriation	FY12	(\$000)
First Cost Estimate	Current	
Scope	FY12	16,000
Last FY's Cost Estimate		0
Appropriation Request	FY12	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		0
Expenditures / Encumbrances		0
Unencumbered Balance		0
Partial Closeout Thru	FY09	0
New Partial Closeout	FY10	0
Total Partial Closeout		0

COORDINATION
 Germantown Bioscience Education Center (No. 056603)
 Germantown Science & Technology Park Infrastructure (No. 096607)
 Montgomery County Department of Economic Development, Germantown Incubator Project (No. 780701)
 Revenue Authority
 Montgomery College Foundation, Inc.

