

Resolution No.:	<u>17-1172</u>
Introduced:	<u>June 17, 2014</u>
Adopted:	<u>July 22, 2014</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of Declaration of No Further Need: Disposition of a Portion of Montgomery County Parking Lot #13 for Residential and Retail Development (Wheaton Redevelopment)

Background

1. Montgomery County Code §11B-45 requires the Council to approve a Declaration of No Further Need before the Executive can dispose of real property that has more than nominal value. Prior to seeking Council approval of a Declaration of No Further Need, the Executive must:
 - (a) submit all material terms of the proposed disposition and any appraisal the Executive relied on in setting the property's market value to the Council; and
 - (b) publish a declaration in the County Register and post a notice on the County website that the County has no further need for the property.

If the Council, by resolution, approves the Executive's Declaration of No Further Need, the Executive may dispose of the property for fair market value. The Council may waive the requirement for a full market value disposition.

2. On April 25, 2014 the County Council received a summary of the material terms for a proposed General Development Agreement that would implement the Wheaton Redevelopment Program. The material terms were reviewed with the joint Planning, Housing and Economic Development and Government Operations and Fiscal Policy Committee in closed session on April 28, 2014.
3. On June 2, 2014 the Executive transmitted Executive Order 78-14, Disposition of PLD Parking Lot #13 at 11143 Grandview Avenue, RSC 2406 Reddie Drive in Wheaton and M-NCPPC at 8787 Georgia Avenue in Silver Spring. Executive Order 78-14 was published in the County Register on May 1, 2014. The Executive declared that there is no further need for a portion of the air rights over Parking Lot #13 at 11143 Grandview Avenue that is needed for the new Maryland-National Capital Park and Planning Commission Regional

Headquarters, the portion of 11143 Grandview Avenue that is needed for a mixed-use project with affordable housing, and, once it is deeded to the County, 8787 Georgia Avenue. The Executive directed the Department of Transportation to take all steps necessary to dispose of the land in the manner described in the Executive Order.


4. On May 22, 2014, the Council approved the FY 2015-2020 Capital Improvements Program and FY 2015 Capital Budget for the Montgomery County Government. Included in the Capital Improvements Program is the Wheaton Redevelopment Program which, as described, requires the dispositions proposed in Executive Order 78-14.
5. A public hearing was held on July 15, 2014.

ACTION

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

The Declaration of No Further Need for the portion of 11143 Grandview Avenue that is needed for a mixed-use project with affordable housing is approved. The Executive may dispose of the property in the manner described in Executive Order 78-14 and the summary of material terms provided to the County Council. The Council waives the requirement that the property must be disposed of in a fair market exchange.

This is a correct copy of Council action.


Linda M. Lauer, Clerk of the Council



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject: Disposition of PLD Parking Lot #13 at 11143 Grandview Avenue, RSC 2406 Reddie Drive in Wheaton and M-NCPPC at 8787 Georgia Avenue in Silver Spring.	Executive Order No. 78-14	Subject Suffix ORE
Department: Department of Transportation	Department No. ORE	Effective Date 4/28/14

BACKGROUND

WHEREAS, a reuse recommendation was made by the Division of Parking Management, Department of Transportation ("DOT") regarding the Wheaton and Silver Spring Redevelopment Project ("Project") which includes the Parking Lot District's Parking Lot # 13 located at 11143 Grandview Avenue (the "Wheaton Triangle Property"). The reuse recommendation also includes a property currently owned by the Maryland-National Capital Park and Planning Commission M-NCPPC ("Commission") located at 8787 Georgia Avenue Silver Spring ("Commission Property"). The Commission property has been determined to no longer be needed for park purposes under Section 17-205 of the Land Use Article of the Annotated Code of Maryland and approved for transfer to the County on May 30, 2013 in Resolution No 13-05; and

WHEREAS, in accordance with the reuse recommendation, DOT issued a Request for Proposal ("RFP") in June 2013 seeking proposals from developers interested in the Project, including designing and developing a government office building, town square, public parking garage, and privately owned mixed- use residential projects in Wheaton and Silver Spring; and

WHEREAS, under the RFP, a portion of the Wheaton Triangle Properties will be used to construct a new office building to house the Commission's headquarters ("Headquarters") and, in exchange for the construction and transfer of the Headquarters and the transfer of the air rights for the Headquarters by the County to the Commission, the Commission agrees to transfer the Commission Property to the County; and

WHEREAS, the County's and the Commission's agreements concerning the construction of the Headquarters, transfer of air rights to the Headquarters and transfer of the Commission Property to the County will be memorialized in a binding agreement ("Commission Agreement"); and

WHEREAS, the Wheaton and Silver Spring Redevelopment Project is consistent with the County's objectives of increased density, mixed-use projects with appropriate levels of affordable housing; and

WHEREAS, StonebridgeCarras and Buzzuto ("Developer") was selected as the developer partner under the RFP and the County intends to enter into a General Development Agreement ("Agreement") with Developer for project and enter into a procurement contract with the Developer for the construction of the Headquarters; and

WHEREAS, the terms of the Agreement and the Commission Agreement will memorialize the disposition of a portion of the Wheaton Triangle Properties and the Commission Property by providing for the construction and transfer of the Headquarters, and the air rights to the Headquarters, to the Commission in exchange for the Commission transferring the Commission Property to the County; the transfer of a portion of 11143 Grandview



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Drive for the Developer's privately-owned mixed use development project in Wheaton; and, upon the County's receipt of the deed to the Commission Property, the transfer of the Commission Property to the Developer for a privately-owned mixed use development project in Silver Spring; and

WHEREAS, the County's transfers of a portion of the Wheaton Triangle Property and of the Commission Property to the Developer will not consummate until a Use and Occupancy permit is issued for the Headquarters; and

WHEREAS, the County Executive or his designee has considered the reuse recommendations and has determined that there is no further public need for the air rights on the Wheaton Triangle Properties for the Commission's new headquarters, the portion of 11143 Grandview Avenue to be used by the Developer for a mixed-use project, or to 8787 Georgia Avenue once the property is deeded from the Commission to the County; and

WHEREAS, as required under §11B-45 of the Montgomery County Code, the County Executive must issue an Executive Order declaring that County owned or controlled real property is no longer needed for public use.

ACTION

In consideration of the above recitals, the County Executive declares that there is no further public need for the portion of the air rights on 11143 Grandview Avenue needed for the Commission's headquarters, the portion of the fee simple ownership of 11143 Grandview Avenue needed for the mixed-use project with affordable housing, and, once it is deeded by the Commission to the County, for the fee simple ownership of 8787 Georgia Avenue, and hereby directs the Department of Transportation to take all steps necessary to dispose of the land in the manner described in this Executive Order.

Approved as to Form and Legality
Office of the County Attorney

By: *Veronica L. Fane*
Date: 4-28-14

APPROVED

Ramona Bell-Pearson
Ramona Bell-Pearson
Assistant Chief Administrative Officer

Distribution:

County Council
County Attorney
Department of General Services

Wheaton Redevelopment Program (P150401)

Category
Sub Category
Administering Agency
Planning Area

General Government
Economic Development
Transportation (AAGE30)
Kensington-Wheaton

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

4/21/14
No
None
Planning Stage

	Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	13,039	4,229	1,627	7,183	2,000	2,300	1,440	1,443	0	0	0
Land	1,010	1,010	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	10,559	1,346	0	9,213	3,750	2,044	3,419	0	0	0	0
Construction	111,461	585	73	110,803	0	7,210	58,372	35,309	9,912	0	0
Other	7,778	136	175	7,467	475	0	300	5,500	1,182	0	0
Total	143,847	7,306	1,875	134,666	6,225	11,554	63,531	42,252	11,104	0	0

FUNDING SCHEDULE (\$000s)											
Contributions	862	0	0	862	0	862	0	0	0	0	0
Current Revenue: General	1,300	650	325	325	325	0	0	0	0	0	0
Federal Aid	418	417	1	0	0	0	0	0	0	0	0
G.O. Bonds	71,668	0	1,373	70,295	3,019	5,638	33,502	22,281	5,855	0	0
Long-Term Financing	63,009	0	0	63,009	2,706	5,054	30,029	19,971	5,249	0	0
PAYGO	5,740	5,739	1	0	0	0	0	0	0	0	0
State Aid	850	500	175	175	175	0	0	0	0	0	0
Total	143,847	7,306	1,875	134,666	6,225	11,554	63,531	42,252	11,104	0	0

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation Request	FY 15	125,435
Appropriation Request Est.	FY 16	500
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		10,255
Expenditure / Encumbrances		7,384
Unencumbered Balance		2,891

Date First Appropriation	FY 04
First Cost Estimate	
Current Scope	FY 15 143,847
Last FY's Cost Estimate	73,338

Description

This project provides for the planning, studies, design, and construction of an office building, public parking garage, and a town square on the site of Parking Lot 13 and the Mid-County Regional Services Center (RSC) in Wheaton. The project components include 1) an approximately 266,000 s.f. office building to be owned by the Maryland-National Capital Park and Planning Commission (M-NCPPC); 2) an approximately 400 space underground public parking garage to be delivered to the Wheaton Parking Lot District (PLD); and 3) a town square located on Lot 13 and the current RSC site. The new headquarters for M-NCPPC will occupy approximately 132,000 s.f. of the building, including space for a child care facility. The remainder of the building space will be used by the County for office and retail under a long-term lease agreement. The County intends to use its space for nearly 15,000 s.f. of street front retail space and move offices of the RSC, Wheaton Urban District, Department of Environmental Protection, and Department of Permitting Services to this building. After the building is delivered to M-NCPPC, the Commission will transfer the ownership of the parcels at 8787 Georgia Ave. in Silver Spring and 11200 Arnhart Ave. in Wheaton to the County. The County will then transfer 8787 Georgia Ave. to the developer who will develop a privately financed mixed-use project on the site. The delivery will include air rights above the land over the parking garage for the space comprising the office building and over that portion of the land located between the building and Reedle Drive. The town square will be maintained and programmed by the RSC for the community benefit. The obligations and relationship between County Government and M-NCPPC for the project are reflected in a Memorandum of Understanding dated May 31, 2013 and will be explicitly set forth in the Binding Agreements between the parties.

This PDF also includes \$650,000 for consulting services to provide 1) a comprehensive parking study to identify potential redevelopment disruptions to the public parking supply and any related impacts of existing businesses and to identify potential mitigation options; 2) planning studies to review potential models and approaches to creating local jobs and job training opportunities prior to and during redevelopment, including relevant case examples in Montgomery County as well as innovative models from other local and national jurisdictions; and 3) a business assessment study to determine the number of businesses and the magnitude of the impact. The business assessment study is needed to support Council Bill 6-12 for the establishment of service provision and technical assistance to those small businesses adversely impacted by a County redevelopment project.

As part of the agreement, this project also includes a privately owned mixed use residential building with independent financing and significant affordable housing components.

Location

Wheaton Redevelopment Program (P150401)

Montgomery County Public Parking Lot 13, between Grandview Avenue and Triangle Lane; the RSC site on Reddie Drive, Wheaton; 8787 Georgia Avenue, Silver Spring; and Veterans Urban Park at 11200 Amherst Avenue, Wheaton, Maryland.

Estimated Schedule

The project design is expected to begin in July 2014 and construction is expected to begin in the summer of 2016 with delivery of the office building in mid-2018. Demolition of the RSC site will begin as soon as the site can be vacated. The town square is planned to be completed in the fall of 2018.

Cost Change

The cost increase is based on negotiated costs of constructing a 12 story office building that includes additional County government offices and changes to the concept design of the building and the town square based on community input.

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

Minor project funding includes: 1) \$418,000 FY09 federal grant, funded through the SAFETEA-LU transportation act; 2) 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; and 3) \$350,000 FY14 and FY15 State aid to support façade improvements and a pilot solar-powered trash compactor program.

Non-tax supported long-term financing will be used to finance the costs for DEP and DPS facility space. Total project cost includes \$8,930,000 for Streetscape and Façade work funded through FY12.

The residential development on Lot 13 will not be funded in this PDF.

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, Private developers, Department of General Services, Department of Transportation, Department of Environmental Protection, Department of Permitting Services, Department of Housing and Community Affairs, Mid-County Regional Service Center, and State of Maryland.