

Resolution No.: 18-727
Introduced: December 13, 2016
Adopted: February 14, 2017

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: County Council

SUBJECT: Amendment to Resolution No. 18-195 Approving the Declaration of No Further Need: Disposition of Site II Property on Industrial Parkway in Silver Spring

Background

1. Montgomery County Code §11B-45 requires the Council to approve a Declaration of No Further Need before the County 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.

The Council must act on the Declaration of No Further Need within 60 days of receiving the Declaration or it is automatically approved. The Council may extend the 60-day deadline by resolution if the Council President has informed the Executive, within 30 days of receiving the proposed action, that the Council has not received all information necessary to review the proposed action.

2. On November 13, 2014, the Executive submitted a summary of the material terms for the disposition of County-owned land, known as Site II, on Industrial Parkway in Silver Spring. The Executive recommended that the land be disposed of through transfers as a part of a joint development partnership. The land was acquired in 2009 from the Washington Suburban Sanitary Commission for the purpose of developing a science and technology center with associated research, development, and manufacturing uses. The property is included in the East County Center for Science and Technology. The development partner, Percontee (dba Global Lifesci Development Corporation "GLDC"), was selected in response to a 2008 Request for Proposals (RFP) from entities interested in developing the property. On November 28, 2014, the Council sent the Executive questions on the material terms.

3. On November 24, 2014, the Council received Executive Order 214-14, Material Terms for Disposition of 2201 Industrial Parkway, Silver Spring, Maryland "Site II." This is the Executive's Declaration of No Further Need. On June 10, 2015, the Executive sent a memo to the Council informing Councilmembers that Executive Order 214-14 had been published in the Register, that no public comments had been received, and that the disposition was ready for the Council's consideration and approval.
4. On January 15, 2015, the Joint Government Operations and Fiscal Policy (GO) and Planning, Housing, and Economic Development (PHED) Committee held a worksession on the material terms and Declaration of No Further Need. The Joint Committee requested additional information and recommended the Council hold a public hearing on the disposition. The Joint Committee recommended the Council extend the time for action to consider additional information and any testimony from the public hearing.
5. On January 20, 2015, the Council adopted Resolution 18-27, which extended the time for action to July 31, 2015.
6. A public hearing was held on February 24, 2015.
7. On April 14, 2015, the Council was briefed on the transportation issues associated with the proposed development of Site II.
8. On June 22, 2015, the Joint Committee held a second joint worksession to consider the material terms. The Joint Committee reviewed the revised material terms and the recommendation that the Council waive the requirement that any disposition of this property be a full market value transaction. The Committee supported those terms with the amendments recommended by Council Staff and supported by Executive Staff as follows: the GDA should specifically mention the 60/40 split for cost sharing; differentiate between infrastructure that only serves the project versus infrastructure that serves a broader area; indicate that the County will have full rights of access to all financial records to maintain complete transparency of the revenues, expenses, and profit-sharing; and indicate that no transfer of land to GLDC would occur until there is an approved sketch plan and preliminary plan. In addition, the Joint Committee recommended that the Executive continue to negotiate how profits will be shared between the County and GLDC.
9. The Joint Committee recommended that the Declaration of No Further Need be approved and the property be disposed of in the manner described in the material terms memorandum submitted by the County Executive on June 17, 2015, with the above referenced revisions. The Joint Committee further recommended that the Council waive the requirement that disposition of this property be at full market value.
10. On June 23, 2015, the Council adopted Resolution No. 18-195 approving the Declaration of No Further Need and waived the requirement that the property be disposed of at full market value based upon the material terms submitted by the Executive on June 17, 2015 with the revisions noted.

11. The Executive was unable to negotiate an agreement with GLDC based upon the material terms previously approved by the Council in Resolution No. 18-195. On November 15, 2016, the Executive sent the Council revised material terms for the disposition of Site II as a sale to GLDC.
12. On December 6, 2016 the Council President informed the County Executive that the Council may need to extend the time for consideration in order to receive the Executive's proposed changes to the local area review for transportation improvements in the White Oak area, to consider testimony from the public hearing, and to consider responses to the Council's questions on the material terms. On December 13, 2016, the Council adopted Resolution No. 18-688 extending the time for its consideration of the revised material terms until March 15, 2017.
13. The Council held a public hearing on the revised material terms on January 17, 2017. The Joint Government Operations and Fiscal Policy (GO) and Planning, Housing, and Economic Development (PHED) Committee held a worksession on the revised material terms on January 26, 2017 and recommended approval with the expectation that GLDC would make every effort to use business practices that meet or exceed the goals of the County Local Small Business Reserve Program, the County MFD Program, and the County Prevailing Wage Law on all construction contracts awarded by GLDC on this project.

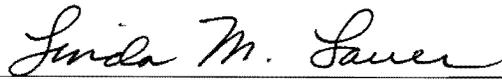
Action

The County Council for Montgomery County, Maryland amends Resolution No. 18-195 by approving the following resolution:

- (1) The Declaration of No Further Need for the disposition of 2201 Industrial Parkway, Silver Spring, Maryland is approved and the property may be disposed of under the revised material terms provided by the County Executive in his memorandum of November 15, 2016;
- (2) The Council waives the requirement that disposition of this property be a full market value transaction;
- (3) The Council expects GLDC to make every effort to use business practices that meet or exceed the goals of the County Local Small Business Reserve Program, the County MFD Program, and the County Prevailing Wage Law on all construction contracts awarded by GLDC on this project;
- (4) The Council requests the Executive to report annually on GLDC's progress on this project, including information about the number and type of jobs created and GLDC's efforts to meet or exceed the goals of the County Local Small Business Reserve Program, the County MFD Program, and the County Prevailing Wage Law for contracts awarded by GLDC on this project; and

- (5) This action is conditioned on the disposition to GLDC based upon the revised material terms described by the Executive in his memorandum of November 15, 2016. Any significant change to the revised material terms of this disposition must be submitted to the Council for approval.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council