



OFFICE OF MANAGEMENT AND BUDGET

Isiah Leggett
County Executive

MEMORANDUM

January 15, 2014

TO: Craig Rice, President, Montgomery County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Recommended FY15 Capital Budget and FY15-20 Capital Improvements Program

In accordance with the County Charter, I am pleased to transmit my Recommended FY15 Capital Budget and Fiscal Year 2015-2020 Capital Improvements Program (CIP). This CIP maintains fiscal prudence while meeting the facility and other capital needs of a rapidly growing population.

I am recommending increased investment in:

- Education facilities at all levels;
- Facilities to support current and future job growth;
- Affordable housing;
- Our transportation network, including road construction and maintenance, and mass transit; and
- Facilities that serve our senior citizens and youth.

While balancing these needs, I am aggressively seeking to leverage additional investment from key State and private partners to increase the impact of County resources.

Education

Montgomery County is known nationally for our school system, which contributes directly to our ability to attract and retain an educated workforce and strengthen business and industry. To maintain the County's role as a key economic engine of the State of Maryland, we cannot allow our extraordinary enrollment increases – by far the highest in the State – to jeopardize our attractiveness as a place to work and live. Recognizing the critical capacity needs of Montgomery County Public Schools (MCPS) and the condition of aging school facilities, I am continuing to maintain education as my top priority. Through a significant increase in the local contribution, combined with \$230.7 million in new State-supported funding and \$240 million in traditional State funding, I am recommending full funding of the Board of Education's school construction cost request.

My recommended CIP takes a multi-pronged approach to addressing this unprecedented capacity issue. First, I am recommending a significant increase in local funding for the MCPS' CIP, which will total \$1.247 billion. Of that total, \$1.117 billion is allocated for school construction, an increase of 13.1% or \$129.5 million from the approved FY13-18 CIP. This investment represents an historic high in local funds for school construction. The increase has been accommodated in part by a reprioritization from County Government projects which are receiving \$308.3 million or 14% less in tax supported dollars. I am also aggressively pursuing a partnership with our State delegation.

From 2009-2014, MCPS grew by 13,526 students – more than the growth of Anne Arundel, Howard, Frederick, and Baltimore counties COMBINED over the same period. The County's unprecedented enrollment increases are the highest in the State, and nearly half of MCPS schools are projected to have seat deficits by the 2018-2019 school year. In October, I announced a \$600-700 million initiative to build additional classrooms with increased State aid as an essential ingredient in achieving our goal. I will continue to work with the State delegation throughout the General Assembly's legislative session to ensure that this important initiative moves forward and is funded. Given the staggering current and future growth expected, this budget assumes we will be successful in accessing \$230.7 million in new State-supported funding for school capacity construction over three years. We expect this amount to increase to the full \$600 million to \$700 million as MCPS completes feasibility studies for other new projects that will add classroom capacity.

With full funding of my recommended capital budget, MCPS will construct four new elementary schools and two new middle schools as well as new additions in 18 elementary schools, two middle schools, and two high schools. In total, these additions and new schools will add 455 new classrooms by FY20.

In addition, my recommended CIP supports MCPS' request for improvements to the Blair Ewing Center and 21 elementary school, four middle school, and five high school modernization projects. These investments will be balanced with funding to maintain our existing classroom space – including a \$37 million increase in funding for heating, ventilation, and air conditioning (HVAC) projects.

My capital budget also supports a number of projects carried out in conjunction with the Department of Health and Human Services which support MCPS' initiatives to address challenges faced by at-risk children and their families. These projects include Linkages to Learning, School Based Health Centers, High School Wellness Centers, and Child Care in Schools. My recommended capital budget also funds a feasibility study to consider the possibility of adding a High School Wellness Center at Kennedy High School – an effort that will support the broader Kennedy Initiative project.

I am also recommending \$13.5 million to fund the relocation of the Children's Resource Center (CRC) from a Rockville site that MCPS needs to build a new Richard Montgomery Cluster elementary school. The CRC houses Health and Human Services staff, MCPS staff, and programs that support our County's young children and their families including Early Childhood Services, the Infants and Toddlers program, and Parent Resource Center services. State funding has been requested to support this essential project.

As part of my Smart Growth Initiative to facilitate transit-oriented economic development, MCPS will benefit from the \$35.3 million MCPS Food Distribution Facility Relocation project and the \$69 million MCPS & M-NCPPC Maintenance Facilities Relocation projects which are budgeted outside the MCPS budget section.

Higher Education

Support for Montgomery College and the Universities at Shady Grove strengthens not only education, but also economic development by providing highly skilled employees for our County's businesses. Montgomery College also serves a large number of MCPS graduates. Twenty-five percent or nearly 2,600 MCPS graduates from 2013 attended Montgomery College during the Fall 2013 semester. Funding for the Montgomery College CIP totals \$348.1 million, with \$89.6 million assumed to be provided by the State.

- On the Rockville campus, my recommended budget will complete the construction of the Rockville Parking Garage and the renovation of the Science West Building in FY15 and FY16, respectively. The Rockville Student Services Center will begin design in Spring 2014 with an estimated completion date in FY17.
- On the Germantown campus, the Bioscience Education Center will open in FY15, the Germantown Science and Applied Studies Phase 1 Renovation will be completed by FY17, and design will begin in FY19 for the Germantown Student Services Center.
- On the Takoma Park campus, design will begin in FY18 and construction will begin in FY20 for the Takoma Park/Silver Spring Math & Science Center project.

My recommended budget also maintains \$20 million to build a parking garage at the Universities at Shady Grove (USG). This County investment leveraged State support for a new Biomedical/Engineering Education academic building and will allow USG to expand its academic offerings and better serve our residents and businesses.

Economic Development

Our plans to ensure the County's economic growth and vitality well into the 21st century require foresight and investments. These investments will pay off in job growth consistent with our long-term economic goals, while ensuring concentrated growth in areas of the County supported by mass transit. These investments reflect the equally important goal of preserving our environmental treasures such as the Agricultural Reserve. There are a number of areas in the County that will see intensive County investment in support of future economic development.

Through my Smart Growth Initiative, County industrial uses on prime real estate near public transportation within the Shady Grove sector plan will be transformed into vibrant, transit-oriented mixed-use communities. In October 2013, the relocated Emergency Maintenance and Transit Operations Center (EMOTC) opened. When complete, the EMOTC facilities will provide state of the art maintenance for County vehicles, enhanced transit and public use Compressed Natural Gas (CNG) fueling sites, and a new day laborer site. The site of the old County Service Park West will be cleared and sold for private mixed-use development by October 2014. Construction of the new Public Safety Training Academy will begin in late 2014 so that the old academy site can be cleared for private mixed-used development, including a significant affordable housing component. We are currently preparing to request proposals from private developers to redevelop the County Service Park East. As part of the solicitation, respondents will be asked to address MCPS' bus depot needs.

In the White Flint area, work is proceeding on road reconfigurations to support private redevelopment around the White Flint Metro Station area. Within the six-year CIP period, we expect to complete construction of a new road (Main Street/Market Street); a new bike lane (Main Street/Market Street); a reconfigured road (Executive Boulevard North); and a reconfigured intersection of Old Georgetown Road, Executive Boulevard, and Hoya Street to support this development. The proposed capital budget includes over \$170 million in special tax district financing for these road projects which constitute the Western workarround, and various projects in the Eastern workarround.

In addition, the capital budget includes another \$169 million in County funding for the Montrose Parkway East and Chapman Avenue Extended road projects and the relocation of the White Flint Fire Station - which also support the White Flint area. In total, almost \$340 million in public funds are currently dedicated to White Flint redevelopment to leverage significant private sector resources, with further expenditures necessary in future capital budgets.

Plans are underway to build a new structured parking garage for the conference center with future retail and affordable housing. Once planning is completed, a new CIP project will be forwarded to Council for approval.

The Wheaton Redevelopment project is moving forward and will bring sorely needed investment to the Wheaton Central Business District. This redevelopment project supports transit-oriented development and will be complemented by other CIP investments in the Wheaton area, including a modernization of Wheaton/Edison High School and a new combined library and recreation center.

Negotiations are underway with the firm selected to develop the mixed-use development and town square near the Wheaton Metro Station. M-NCPPC and affected County departments are collaborating to identify opportunities to share planned office building space. Additionally, we continue to solicit input regarding the development in Wheaton and plans for the site of the old M-NCPPC headquarters. The current M-NCPPC headquarters building on Georgia Avenue will be released for private development pending completion of the Wheaton office building. I anticipate sending revised project information in Spring 2014, pending completion of negotiations with the developer.

Affordable Housing

The County's work to preserve and increase affordable housing must continue. These efforts have employed strategic partnerships with the Housing Opportunities Commission (HOC) and non-profit and for-profit housing developers.

In this capital budget, we exceed the goal that I articulated, issuing \$100 million in bonds to support additional affordable housing projects with our housing partners. In addition to the last \$7.3 million installment of the \$100 million goal, this budget provides an additional \$8 million in general obligation bond funding to supplement these efforts.

Through these partnerships, the County has leveraged \$4.18 for every County dollar invested. In addition, loan repayments from many of these projects will be reinvested to produce or preserve additional affordable housing units, further multiplying the impact of our original investments. The Affordable Housing Acquisition and Preservation Project and the tax-supported Housing Initiative Fund have contributed to the financing of 4,097 affordable housing units. When added to other County programs, this brings the total number of affordable units produced and preserved to 9,100.

Through my Senior Initiative, the County has funded seven affordable senior housing developments, producing and preserving 599 housing units. In addition, discussions are underway for four more affordable senior housing developments.

As a part of the County's participation in the 100,000 Homes Campaign, 21 micro units will be provided for formerly homeless individuals in downtown Silver Spring. These units will be located above the new Progress Place Homeless Service Center. This new facility replaces the existing Progress Place and is being constructed at no cost to the County. County funding, however, will support new micro unit housing above the facility.

The capital budget also supports the HOC's efforts to expand and improve housing options for low and moderate income persons.

Investments in Core Facility Infrastructure

While we must meet the growing needs of our population with additional facilities, we must ensure that current facilities are properly maintained to safely and effectively serve our residents and businesses. My capital budget supports critically needed increased investment in MCPS' HVAC projects, funding for a new County Government project to support repairs to building envelopes (walls, windows, doors); essential repairs to the Western County Outdoor Pool, Kennedy Shriver Aquatic Center, and the Red Brick Courthouse; increases in funding for Maryland-National Capital Park and Planning Commission projects to maintain trails, protect streams, planned life cycle asset replacement, and enterprise facilities; and the addition of female facilities at the Cabin John #30 and Gaithersburg #8 Fire Stations.

Montgomery County is incorporating a new approach to updating, or "refreshing," County facilities. The Public Libraries will pilot this approach which is expected to yield shorter facility closure times and more expedited, cost-efficient renovations. This strategy will bring a greater number of existing facilities into the 21st century and better serve library users. The Department of General Services (DGS) will look for opportunities to coordinate this work with Energy Services Contracts to upgrade HVAC systems, windows, and other features to yield future cost savings. DGS will also look for opportunities to apply this strategy to other County facilities.

Transportation

My capital budget reflects a balance of road, mass transit, and pedestrian-bikeway facility projects while also maintaining core transportation infrastructure.

I have included significant support for mass transit and pedestrian-bikeway projects to broaden transportation options. The State and Federal Governments are expected to fund the Purple Line which will provide light rail service from College Park to Bethesda. In support of this project, the County has contributed \$144.2 million to fund the Bethesda South Metro Station South Entrance, the Capital Crescent Trail, the Silver Spring Green Trail, and State-requested changes to the Silver Spring Library to support the Purple Line project. The County also anticipates providing land donations and in-kind staff support to this project. I believe that these investments signal to the State and Federal governments our full support of this critically needed transit project. My CIP reflects the timing assumed by the State for the project.

The County Council recently approved the Countywide Transit Corridors Functional Master Plan which identifies specific corridors for a rapid transit system. My recommended capital budget includes \$10 million to begin facility planning for the MD 355 and US 29 corridors included in the approved plan. Funding will

be provided by the State, which has included the \$10 million in its Consolidated Transportation Program for 2014-2019. As a core component of the County's future transportation strategy, the proposed rapid transit system will reduce congestion on County and State roadways, increase transit ridership, improve air quality, and support job creation.

My recommended capital budget also includes construction funding for the Needwood Road and Frederick Road bike paths and planning and design funding for the Falls Road East Side Hiker/Biker Path and the Seven Locks Bikeway and Safety Improvements projects. Within the recommended projects, I assume the previously approved grade separated crossing across Georgia Avenue for the Metropolitan Branch Trail. Negotiations with the Maryland Historical Trust are in progress regarding this issue.

Road congestion is a fact of life for too many County residents – costing them precious time and damaging our environment. My recommended capital budget includes funding for the following projects to improve safety and reduce road congestion:

- Observation Drive Extended: This extension of Observation Drive will support existing and future development in the UpCounty and provide needed congestion relief between Germantown and Clarksburg.
- Clarksburg Transportation Connections (Little Seneca and Snowden Farm Parkways and Brink Road Intersection): This public-private partnership provides connectivity between existing roads in the Clarksburg area to support development and enhance traffic flow.
- Goshen Road South: This UpCounty project provides traffic congestion relief and safety improvements to the existing Goshen Road by widening existing lanes and adding center medians, sidewalks, and bikepaths.
- Snouffer School Road and Snouffer School Road North (Webb Tract): These two related projects will provide traffic congestion relief and safety improvements (sidewalks, turning lanes, and traffic signals) in the vicinity of the County's future Multi-Agency Service Park.
- East Gude Drive Roadway Improvements: This project will provide sidewalk safety improvements and enhance turning lanes at intersections to improve existing and future traffic flows.
- Montrose Parkway East: This project will provide a new east-west road (with bridge, interchanges, sidewalks, and bikepaths) to connect with the existing Montrose Parkway/Rockville Pike interchange to Viers Mill Road. This road will improve access to the White Flint area and to I-270. The County is coordinating with the State on several portions of the project.
- Seminary Road Intersection Improvements: This project realigns an existing intersection in Silver Spring to improve traffic flow and enhance safety by adding on-road bike lanes and sidewalks.

As is true with our buildings, we must maintain our existing transportation infrastructure while building new facilities. My recommended CIP includes \$154 million to protect and maintain existing roads. I have also provided an additional \$20 million to the residential and rural road resurfacing project, as it is the most cost-effective way to preserve investment in our roads. By investing \$147,000 per lane mile in timely road resurfacing, we can avoid future rehabilitation costs of \$680,000 per lane mile.

Bridge infrastructure is also an important component of my recommended capital budget. The Valley Road Bridge, the Piney Meetinghouse Road, and Park Valley Road bridges are all being replaced to maintain and improve structural integrity and safety.

Public Safety

My proposed CIP continues my commitment to improving all facets of public safety facilities and other capital needs.

To address a backlog in equipment replacement resulting from funding shortfalls during the Great Recession, I am recommending a new \$51.9 million fire apparatus replacement initiative. The Apparatus Replacement Program will provide a steady stream of CIP funding to meet critical apparatus replacement needs. During the six-year period, I anticipate that the following units will be replaced: 9 aerials, 64 EMS units, 21 engines, 4 all-wheel drive brush/wildland pumpers, 4 rescue squads, and 2 tankers. The Apparatus Replacement Program will also receive funding through the operating budget to support the debt service on financed apparatus and to purchase associated equipment and additional apparatus. This program will be funded primarily by Emergency Medical Services Transport revenue and will put the County back on track in addressing our fire apparatus needs.

My capital budget includes significant funding for fire and rescue projects needed to support development in the County and maintain core services. For example, my recommended budget adds funds for planning and construction of a new White Flint Fire Station to replace Rockville Station #23 and adds funds for construction of a permanent Clarksburg Fire Station, which was previously approved for design and site improvements only.

Additionally, the replacement of the Glenmont #18 and renovation and expansion of the Kensington (Aspen Hill) #25 fire stations will be completed in 2016 and 2018, respectively. Funding for new female facilities at Gaithersburg Station #8 have been added to those already planned for Cabin John Station #30; and planning funding for the Glen Echo Fire Station and Rockville Fire Station #3 renovation projects is also included.

In addition to the previously mentioned Public Safety Training Academy, my recommended capital budget will also replace the existing Second District Police Station in Bethesda with a new station under a cost sharing arrangement between the County and a private developer. We were able to leverage private funding for this facility, while also enhancing development opportunities in the Bethesda Central Business District.

A hands-on training center for correctional officers at the Montgomery County Correctional Facility has been added and funds are provided to renovate, expand, and improve the energy efficiency of the thirty-five year old kitchen and dining area at the Pre-Release Center. Department of Corrections and Rehabilitation staff has been working closely with Intergovernmental Relations and Office of Management and Budget staff to pursue up to 50 percent State funding for the Corrections projects.

The proposed capital budget continues funding for the Public Safety Systems Modernization program. This project is critically needed and will greatly enhance and improve the quality and response of the County's public safety departments by:

- Modernizing the County's core public safety radio communications system to provide efficient and reliable systems for first responders while leveraging the latest technical advances and meeting new federal standards by 2017;

- Upgrading the fire station alerting system at 43 existing fire stations with modern alarm systems to enable better-quality service to first-responders and citizens;
- Establishing a new computer-aided dispatch system to meet future needs and allocate the appropriate resources to emergencies; and
- Acquiring a new records management system that will promote greater information sharing across public safety departments.

Public Health

Construction will soon begin on the new Dennis Avenue Health Clinic and is scheduled for completion by Summer 2016. One in every 150 cases of tuberculosis in the United States is treated at this facility. The center's current caseload of 75,000 patients per year is more than ten times larger than the 1984 caseload when the center opened. The Department of Health and Human Services is working with the Office of Intergovernmental Relations to request State aid for the clinic. This request is under consideration by the Governor.

The Department of Health and Human Services has also worked with Maryland Department of Health and Mental Hygiene representatives to pursue State support for the replacement of the Avery Road Treatment Center. State Health and Mental Hygiene officials have encouraged the County to pursue a possible public-private partnership and have indicated a preliminary interest in providing \$100,000 to assist with planning costs for the project. This State funding is included in my recommended capital budget. We will also work with the State in pursuing State support for the construction of the project.

Quality of Life

To ensure that residents of all ages enjoy the high quality of life that Montgomery County is known for, we must continue to invest in libraries, recreation facilities, and senior centers. I recognize the critical role that libraries and recreation/senior centers serve as places for the community to learn, to exercise, and to socialize.

The recommended CIP includes significant enhancements to library services. I have continued funding for the Silver Spring Library, which is scheduled to open later this year. I have also included funds for the combined Wheaton Library and Community Recreation Center, scheduled to open in FY18. Offices for the Charles W. Gilchrist Center for Cultural Diversity, previously located in the Mid-County Regional Services Center building and the Wheaton Library, are included in the project to complement library and recreation programs. This co-location is expected to yield significant benefits for residents in a cost-effective manner.

As previously noted, my capital budget reflects a new and exciting approach to library renovations. In the past, massive renovations have resulted in long closures and costly projects which have disrupted local library services. My capital budget includes funding for two new level-of-effort projects funding mini-renovations to more quickly provide 21st century library facilities. Rather than the two libraries that would have been updated under the old approach, this new approach is expected to renovate and modernize seventeen libraries within the six-year CIP period.

My recommended capital budget includes FY14 funding for a new Potomac Adaptive Sports Court project. The Department of Recreation was approached to undertake this project by the community based Friends of Potomac CRC, Inc., along with representatives of a variety of groups supporting individuals

with disabilities, among them Special Olympics, Potomac Community Resources, Wounded Warriors, and the Department's own Therapeutic Recreation Section. This facility would be the only outdoor team sports surface for persons with disabilities in the County. The Friends of Potomac CRC, Inc. has agreed to donate \$25,000 to support the project.

This capital budget also includes funding to complete the Ross Boddy and Good Hope Neighborhood Recreation Centers in 2015 and 2017, respectively. Funding has been included for the completion of the North Potomac Community Recreation Center by 2016. This project will provide important community recreation and meeting space in North Potomac. As previously noted, significant repair projects are projected for the Western Outdoor Pool and the Kennedy Shriver Aquatic Center.

My recommended budget also supports two new parks projects. The Josiah Henson Historic Park project will rehabilitate the historic Riley/Bolton House, build a new visitor center, and fund site improvements to provide experiential learning regarding slavery and Josiah Henson, a slave whose real life escape from the Riley plantation inspired Harriett Beecher Stowe's *Uncle Tom's Cabin*. This project will leverage \$2 million in private funds through the Montgomery Park Foundation Capital Campaign.

The Western Grove Urban Park project will provide green open space near the densely populated Friendship Heights Metro Station area. The park was acquired through a partnership with Chevy Chase Village and will provide a valuable urban park resource. In addition, my recommended budget supports Phase V of Brookside Gardens Master Plan Implementation, which includes construction of a new greenhouse and plant propagation facility. In this project, County funds will leverage State Program Open Space funding and a \$1 million private donation. I applaud the M-NCPPC for developing these creative partnerships to provide meaningful recreation and educational opportunities for County residents. Funding for the construction of the Woodside Urban Park is also included in my recommended budget.

Preserving and appropriately maintaining existing parks facilities is also a priority in my recommended budget as reflected in increased funding for hard surface trail renovations, stream protection, Americans with Disabilities Act (ADA), and enterprise facilities related parks improvements.

As part of two transit-oriented economic development initiatives, M-NCPPC will also benefit from the \$73.7 million Wheaton Redevelopment project which will fund the replacement of M-NCPPC's Headquarters and the \$69 million MCPS & M-NCPPC Maintenance Facilities Relocation projects. Both projects are budgeted outside the M-NCPPC budget section.

The Revenue Authority will construct a new facility with a restroom and grille/snack bar area at the Hampshire Greens Golf course near the ninth tee. Improvements at the Little Bennett, Needwood, Northwest, Falls Road, and Poolesville golf courses and the Montgomery County Airpark are also included in my recommended budget.

Environment

My recommended capital budget will maintain the County's environmental leadership position in the State and the country, and my commitment to improving the environment. My recommended budget will invest more than \$363 million in stormwater management actions to help us meet Federal Clean Water Act requirements. These programs will also significantly enhance the County's efforts to improve water quality in local streams and, ultimately, the Chesapeake Bay by shifting the focus from hard concrete structures to natural treatment methods such as rain gardens, bioretention fields and other cutting edge "green" technologies. At the same time, my recommended budget invests \$16.6 million in storm drain upgrades that will ensure they safely and effectively protect our properties and the environment.

My recommended budget includes \$5.6 million to preserve agricultural land easements. This investment in the agricultural reserve is essential to preserve open space as the County continues to grow and develop and is a necessary corollary to our smart growth policies and plans.

Washington Suburban Sanitation Commission

My recommended capital budget will continue construction of wastewater treatment and solids handling facility improvements at the regional Blue Plains Advanced Wastewater Treatment Plant in order to achieve environmental goals, improve efficiency, and continue construction on the Bi-County Water Tunnel, which is scheduled for completion in July, 2015.

The Large Diameter Water Pipe Rehabilitation Program is fully funded to repair, replace, monitor, and protect large cast iron and pre-stressed concrete cylinder pipe water mains, including 36-inch diameter PCCP mains. My recommended capital budget will also fully fund the requested Trunk Sewer Reconstruction Program to inspect, evaluate, and repair sewer mains in environmentally sensitive areas; upgrades to the Blue Plains, Seneca, and Damascus wastewater treatment plants for enhanced nutrient removal to meet the environmental goals in the Chesapeake 2000 strategy, and will increase the replacement of small diameter water mains from 51 miles in FY14 to 60 miles in FY15.

Fiscal Summary

My recommended CIP assumes general obligation borrowing for the six-year period at \$324.5 million per year. I am recommending this increase in bonds due to the pressing needs of the schools and due to the improvement of a number of fiscal factors. This CIP allocates pay-as-you-go (PAYGO) funding at ten percent of the amount of general obligation bonds to be issued each year, or \$32.5 million per year. This PAYGO funding level is consistent with approved County policy and with information we have shared with the bond rating agencies. I believe that this capital budget is affordable and compatible with maintaining our AAA credit rating, while also meeting our critical capital and facility needs. This high credit rating allows us to borrow funds for our CIP at a low rate, thereby increasing our ability to meet residents' needs.

The tax supported portion of the FY15-20 Recommended CIP, totals \$4.1 billion, an increase of \$51.7 million or 1.3 percent from the FY13-18 Amended CIP. (Within the CIP only Stormwater Management, Housing Opportunities Commission, and the Revenue Authority are considered non-tax supported). With all sources of revenue for all agencies, excluding WSSC, this Recommended CIP totals \$4.492 billion for six years, an increase of \$103.0 million, or 2.3 percent. An assumption of additional State-supported funding resources for school construction, along with increases in recordation and impact taxes, helped fund the budget increase and offset reductions in PAYGO, land sale proceeds, and interim finance funding as a number of Smart Growth Initiative projects neared completion. Most decisions regarding requested project increases funded with current revenue were postponed until March to be considered in the operating budget's context, as they compete for the same funds. One exception is MCPS' request for \$5 million for additional relocatable classrooms which due to its critical nature is recommended for funding at this time.

Over the last eight years, I have recognized the value of leveraging outside resources to fulfill an increasing array of capital budget needs. As discussed above, I believe that the State can and will partner with the County to significantly increase support to meet critical MCPS needs. I have also included additional requests for State support for schools, college, transportation, corrections, libraries, recreation, and health and human services projects. I have also worked to increase the use of public-private partnerships to leverage private resources. The largest of such partnerships have been in the Smart Growth, White Flint Redevelopment, and Wheaton Redevelopment projects. But partnerships with the private sector are also

allowing us to move forward with a wide variety of smaller projects such as Avery Road Treatment Center, Progress Place, Josiah Henson Park, and the Second District Police Station projects.

My proposals, highlighted in the pages immediately following and detailed in my specific FY15-20 recommendations for County Government, MCPS, Montgomery College, M-NCPPC, WSSC, the Housing Opportunities Commission, and the Revenue Authority, capture the priorities of my administration. Many people have helped to shape the recommendations I bring to you in this budget. I appreciate their efforts and commend their contributions to you. As always, Executive Branch staff is available to assist you in your deliberations on the Capital Budget and CIP.

I wish to thank the members of the regional Citizens' Advisory Boards, the Board of Education, the College Trustees, the WSSC Commissioners, and the Planning Board for their work. I look forward to discussing with you any policy matters or major resource allocation issues that arise this spring.