General Government

Economic Development

Life Sciences and Technology Centers
(P789057)

Category	General Government	Date Last Modified	04/14/20
SubCategory	Economic Development	Administering Agency	General Services
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE ($000s)

Cost Elements	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Planning, Design and Supervision	1,821	1,721	-	100	100	-	-	-	-	-	-
Land	39	39	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	73	73	-	-	-	-	-	-	-	-	-
Construction	909	175	234	500	500	-	-	-	-	-	-
Other	28	12	16	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,870	2,020	250	600	600	-	-	-	-	-	-

FUNDING SCHEDULE ($000s)

Funding Source	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Current Revenue: General	1,600	1,556	44	-	-	-	-	-	-	-	-
G.O. Bonds	616	410	206	-	-	-	-	-	-	-	-
PAYGO	54	54	-	-	-	-	-	-	-	-	-
Recordation Tax Premium (MCG)	600	-	-	600	600	-	-	-	-	-	-
TOTAL FUNDING SOURCES	2,870	2,020	250	600	600	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA ($000s)

Appropriation FY 21 Request	600	Year First Appropriation	FY90
Appropriation FY 22 Request	-	Last FY's Cost Estimate	2,270
Cumulative Appropriation	2,270		
Expenditure / Encumbrances	2,270		
Unencumbered Balance	-		

PROJECT DESCRIPTION

This project has supported a myriad of enhancements related to the County's life sciences and entrepreneurial climate. This project originally provided funds to design and construct the public amenities at the Shady Grove Life Sciences Center. The project has supported the development and land use plans for the Germantown Life Sciences Park (GLSP) and the Site II development. Additionally, the project has supported the development of the Germantown and Rockville business incubators and upgrades to the Silver Spring incubator. Specific tasks included feasibility studies, due diligence, refining Programs of Requirements (PORs), design and construction. Additions to the original project scope included: revised development and subdivision plans to increase site density (FY00); sub-division plans for prospective Life Sciences and Technology Centers (FY03); planning for the Rockville incubator (FY07);

and the pursuit of all needed steps for Site II to be accepted into the Maryland Voluntary Clean-Up Program (FY11). This project may also be used for incubator renovations, the preliminary development of other incubators, tech parks, or other economic development capital projects should future new opportunities become available. In FY21, this project will provide funds for the conversion of excess office space into wet labs in the lab corridor of the Germantown Innovation Center.

ESTIMATED SCHEDULE

The project will be completed by June 30, 2021, including formal cost estimates, design, construction and all tasks necessary to renovate the Germantown Innovation Center through the creation of additional wet lab space.

COST CHANGE

The project costs are adjusted to fund additional wet lab space in the Germantown Innovation Center.

PROJECT JUSTIFICATION

For the past two years the Germantown Innovation Center has had excess office space and insufficient lab space to meet the demand of small life science companies. The labs are routinely at 100% occupancy while the office space is routinely 28-44% vacant. Generally each lab company also occupies office space. By increasing the number of available wet labs the incubator can serve more emerging life science companies by providing both lab and office space, thereby reducing the current office space vacancy.

OTHER

The original component of the CIP project, the construction of all required amenities and improvements to meet M-NCPPC's subdivision requirement for the SGLSC property, is complete. The Rockville Innovation Center and the Germantown Innovation Center have been open for business. Site II was accepted into the Maryland Voluntary Clean-Up Program and has been conveyed to Percontee. The Silver Spring Innovation Center has been renovated.

COORDINATION

State of Maryland, TEDCO, Maryland Department of Public Works and Transportation - Division of Capital Development, the Maryland-National Capital Park and Planning Commission, and tenants of the Germantown Innovation Center. Facility Planning: Montgomery County Government, Montgomery College, the Washington Suburban Sanitary Commission (WSSC), and private developers.

Marriott International Headquarters and Hotel Project

(P361703)

Category	General Government	Date Last Modified	06/15/20
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	Bethesda-Chevy Chase and Vicinity	Status	Planning Stage

EXPENDITURE SCHEDULE ($000s)

Cost Elements	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Other	22,000	5,500	5,500	11,000	5,500	5,500	-	-	-	-	-
TOTAL EXPENDITURES	22,000	5,500	5,500	11,000	5,500	5,500	-	-	-	-	-

FUNDING SCHEDULE ($000s)

Funding Source	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Current Revenue: Economic Development Fund	11,000	-	-	11,000	5,500	5,500	-	-	-	-	-
Recordation Tax Premium (MCG)	11,000	5,500	5,500	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	22,000	5,500	5,500	11,000	5,500	5,500	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA ($000s)

Appropriation FY 21 Request	5,500	Year First Appropriation	
Appropriation FY 22 Request	5,500	Last FY's Cost Estimate	22,000
Cumulative Appropriation	11,000		
Expenditure / Encumbrances	5,500		
Unencumbered Balance	5,500		

PROJECT DESCRIPTION

This grant provides for the retention of Marriott International, Inc.'s new $500 million headquarters facility in Montgomery County. The facility will be approximately 700,000 square feet in size and include an adjacent Marriott brand hotel. The headquarters building will house upwards of 3,250 permanent full-time employees and equivalent contract workers, as well as 250 part-time workers and equivalent contract workers.

LOCATION

7730 Wisconsin Avenue, Bethesda, Maryland

ESTIMATED SCHEDULE

Facility to be delivered in late 2022.

PROJECT JUSTIFICATION

The County and the State have a unique economic development opportunity to retain the global headquarters of Marriott International, Inc. (currently ranked 221 on the Fortune 500 Company list) and its 3,500 employees in the County, and to also induce approximately $500 million in capital investment from the project to construct a new 700,000 square feet Class A office building and a new hotel in the downtown Bethesda area. The grant made to Marriott International, Inc., will be recouped directly from the incremental real and personal property tax generated from the project in less than seven years, above and beyond the $1.2 billion in direct and indirect economic impacts that Marriott International, Inc. creates in the State of Maryland.

FISCAL NOTE

The State of Maryland will contribute $22 million towards this project. The State's contribution will be made directly to Marriott International, Inc. The terms of the Marriott agreement required appropriation of $11 million in FY17. Annual payments began in FY19. Currently, the funding sources are assumed to be Recordation Tax Premium and the Economic Development Fund. The source of funds may be revised in the future.

COORDINATION

Department of Transportation, Department of Permitting Services, Department of Finance, Maryland Department of Commerce, and Maryland State Highway Administration

Wheaton Redevelopment Program
(P150401)

Category	General Government	Date Last Modified	05/05/20
SubCategory	Economic Development	Administering Agency	Transportation
Planning Area	Kensington-Wheaton	Status	Under Construction

EXPENDITURE SCHEDULE ($000s)

Cost Elements	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Planning, Design and Supervision	33,665	21,819	8,759	3,087	3,087	-	-	-	-	-	-
Land	1,011	1,011	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	1,477	1,477	-	-	-	-	-	-	-	-	-
Construction	134,888	74,278	57,610	3,000	3,000	-	-	-	-	-	-
Other	8,287	519	7,768	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	179,328	99,104	74,137	6,087	6,087	-	-	-	-	-	-

FUNDING SCHEDULE ($000s)

Funding Source	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Contributions	862	-	862	-	-	-	-	-	-	-	-
Current Revenue: General	1,212	750	462	-	-	-	-	-	-	-	-
Current Revenue: Permitting Services	20,991	20,991	-	-	-	-	-	-	-	-	-
Current Revenue: Solid Waste Disposal	8,876	8,287	589	-	-	-	-	-	-	-	-
Federal Aid	418	417	1	-	-	-	-	-	-	-	-
G.O. Bonds	78,663	52,821	23,245	2,597	2,597	-	-	-	-	-	-
Land Sale	12,650	-	12,650	-	-	-	-	-	-	-	-
Long-Term Financing	39,818	-	36,328	3,490	3,490	-	-	-	-	-	-
PAYGO	15,088	15,088	-	-	-	-	-	-	-	-	-
State Aid	750	750	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	179,328	99,104	74,137	6,087	6,087	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA ($000s)

Appropriation FY 21 Request	-	Year First Appropriation	FY04
Appropriation FY 22 Request	-	Last FY's Cost Estimate	179,328
Cumulative Appropriation	179,328		
Expenditure / Encumbrances	170,186		
Unencumbered Balance	9,142		

PROJECT 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 308,100 square feet (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 12,000 s.f. of street front retail space and move offices of the RSC, Wheaton Urban District, Department of Environmental Protection (DEP), Department of Permitting Services (DPS), Department of Recreation, the Community Use of Public Facilities (CUPF), and Environmental Health Regulatory Services in the Department of Health and Human Services (DHHS) to this building. The building will have a geothermal heating and cooling system which is likely to result in LEED Platinum certification for the office building. After the building is delivered to M-NCPPC, the Commission will transfer the ownership of the parcels at 8787 Georgia Avenue in Silver Spring and 11200 Amherst Avenue in Wheaton to the County. The County will then transfer 8787 Georgia Avenue 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 Reedie Drive. The Town Square will be maintained and programmed by the RSC for community benefit. Publicly available WiFi will be among those community benefits. 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.

LOCATION

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

ESTIMATED SCHEDULE

The project design started in July 2014 and construction began in June 2017. Demolition of the RSC site began in February 2018. The Town Square and the substantial completion of the office building are scheduled to be completed by late Spring 2020. Close-out activities are expected to be implemented in the beginning of FY21.

PROJECT 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), and 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 facade improvements and a pilot solar-powered trash compactor program. State aid reflects actual spending and reimbursements. Non-tax supported long-term financing and PAYGO will be used to finance the costs for DEP, DPS and CUPF facility space. Per County Code §11B-45(f), $4.25 million, or 25 percent, of the land sale proceeds from the sale of the M-NCPPC Headquarters property in Silver Spring must be transferred to the Housing Initiative Fund. The remaining proceeds after taxes are used to finance the project costs. Total project costs include $8,930,000 for streetscape and facade work funded through FY12. The residential development on Lot 13 will not be funded in this PDF. Expenditure and funding schedules are adjusted to align with construction of the office building and to reflect updated space allocations. The original terms of the development agreement with the private development partner assumed the private developer would build a residential development in Lot 13. The developer subsequently notified the County that they do not intend to move forward with the Lot 13 project.

DISCLOSURES

A pedestrian impact analysis has been completed for this project. The County Executive asserts that this project conforms to the requirement of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

White Flint Redevelopment Program
(P151200)

Category	General Government	Date Last Modified	01/07/20
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	North Bethesda-Garrett Park	Status	Planning Stage

EXPENDITURE SCHEDULE ($000s)

Cost Elements	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Planning, Design and Supervision	4,376	2,767	450	1,159	342	229	147	147	147	147	-
Land	204	204	-	-	-	-	-	-	-	-	-
Other	78	78	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	4,658	3,049	450	1,159	342	229	147	147	147	147	-

FUNDING SCHEDULE ($000s)

Funding Source	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
White Flint Special Tax District	4,658	3,049	450	1,159	342	229	147	147	147	147	-
TOTAL FUNDING SOURCES	4,658	3,049	450	1,159	342	229	147	147	147	147	-

APPROPRIATION AND EXPENDITURE DATA ($000s)

Appropriation FY 21 Request	(474)	Year First Appropriation	FY09
Appropriation FY 22 Request	229	Last FY's Cost Estimate	6,459
Cumulative Appropriation	4,315		
Expenditure / Encumbrances	3,075		
Unencumbered Balance	1,240		

PROJECT DESCRIPTION

This program provides for the plans, studies, analysis, and development coordination activities by the County necessary to implement redevelopment in the White Flint Sector Plan Area. Specialized services as detailed in the "Project Justification" section below are required to implement the extensive public infrastructure requirements called for in the Sector Plan, and for the implementation of the specified public financing mechanism and related requirements for infrastructure funding. This program also provides for certain land acquisitions necessary to support Transit-Oriented Development (TOD) activities in the White Flint Sector Plan Area.

COST CHANGE

Cost change reflects updated staff charges and the addition of FY25 and FY26 to this project.

PROJECT JUSTIFICATION

In the spring of 2010, the Montgomery County Council approved the new White Flint Sector Plan, which covers a 430 acre area. The Plan establishes a vision for transforming what has long been an auto-oriented suburban development pattern into a denser, mixed-used 'urban' center in which people can walk to work, shops and transit. An expanded street grid and other infrastructure improvements will create walkable blocks containing residences, retail, offices and local services. The Plan also calls for a financing mechanism that would generate significant revenues from properties and developments within the Sector Plan Area. The County Council further defined this financing mechanism in Bill 50-10, which established a White Flint Special Taxing District, authorized the levy of a property tax and the issuance of bonds to finance transportation infrastructure improvements, and stated conditions for the loaning or advancing of County funds to the District. In Resolution No. 16-1570, the Council adopted an implementation strategy which required the Executive to carry out a feasibility or other study to assess whether debt repayment will require a district tax rate that exceeds certain policy goals, and called for the forward funding or advance funding of specified items in order to promptly implement the Sector Plan. In addition to the financing implementation, specialized services are required related to the complex land assemblage and disposition actions necessary to implement the new street grid and for the reconfiguration of Executive Boulevard/Old Georgetown Road associated with implementation of Stage 1. Staff time and services are required to manage and coordinate efforts to develop detailed staging plans, to assess opportunities to maximize property dedications, and to negotiate property dedications to avoid or minimize acquisition costs. Necessary services will include appraisals, legal services, title services and consultants versed in land assemblage. The County is also currently implementing roadway improvements through the Conference Center site, which is a County asset. Special requirements related to the Conference Center include negotiations with the private hotel owner as well as the Hotel and Conference Center management firm, and the provision of interim and permanent parking related to the impacts of road rights of way that traverse the site and will reduce the number of parking spaces available to patrons.

FISCAL NOTE

The funding source for this project is White Flint Special Taxing District tax revenues.

COORDINATION

Office of the County Executive, Department of Finance, Department of Transportation, Revenue Authority, Maryland Department of Transportation (MDOT), Maryland State Highway Administration (SHA), and Developers

White Oak Science Gateway Redevelopment Project

(P361701)

Category	General Government	Date Last Modified	03/06/20
SubCategory	Economic Development	Administering Agency	General Services
Planning Area	Colesville-White Oak and Vicinity	Status	Ongoing

EXPENDITURE SCHEDULE ($000s)

Cost Elements	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Planning, Design and Supervision	1,921	921	200	800	200	200	200	200	-	-	-
Site Improvements and Utilities	5,779	3,089	2,690	-	-	-	-	-	-	-	-
Construction	40,000	-	-	40,000	800	2,500	8,000	10,000	6,200	12,500	-
Other	260	12	248	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	47,960	4,022	3,138	40,800	1,000	2,700	8,200	10,200	6,200	12,500	-

FUNDING SCHEDULE ($000s)

Funding Source	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Current Revenue: General	160	-	160	-	-	-	-	-	-	-	-
G.O. Bonds	44,610	832	2,978	40,800	1,000	2,700	8,200	10,200	6,200	12,500	-
PAYGO	3,190	3,190	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	47,960	4,022	3,138	40,800	1,000	2,700	8,200	10,200	6,200	12,500	-

APPROPRIATION AND EXPENDITURE DATA ($000s)

Appropriation FY 21 Request	(600)	Year First Appropriation	FY17
Appropriation FY 22 Request	-	Last FY's Cost Estimate	48,960
Cumulative Appropriation	48,560		
Expenditure / Encumbrances	5,429		
Unencumbered Balance	43,131		

PROJECT DESCRIPTION

This program provides for the planning and development coordination activities by the County necessary to implement the redevelopment of the 110-acre previously County-owned parcel on Industrial Parkway in White Oak (Site II). The site will be redeveloped in conjunction with the adjacent 170-acre parcel in a public-private partnership as one, comprehensive and coordinated 280-acre bioscience-focused mixed-use community per the approved White Oak Science Gateway (WOSG) Master Plan. The project includes $40 million to assist with the funding needed to construct master-planned roads A-106, B-5 and improvements to FDA Boulevard. Additionally, funds for demolition of existing structures and site clearing activities, as well as costs for County staff to coordinate multiple activities, are included in the project.

LOCATION

Silver Spring, Maryland

ESTIMATED SCHEDULE

The County completed demolition of the existing structures and site clearing activities. The County's development partner presented a development schedule to Council in July 2019.

COST CHANGE

Cost decrease due the transfer of County staff costs for coordination activities to the operating budget and demolition cost savings.

PROJECT JUSTIFICATION

In 2014, the Montgomery County Council approved the new White Oak Science Gateway Master Plan. The Plan establishes a vision for transforming what has been an industrial area into a denser, mixed-use commercial and residential center in which people can walk to work, shops, and transit. The County's initiative includes using both previously County-owned property (Site II) and privately-owned property as a public-private partnership and leveraging existing relationships with the adjacent Food and Drug Administration (FDA) campus to advance development activities in the Master Plan. Specialized services are required for the complex land assemblage and disposition actions associated with implementation of Stage I development requirements. Staff time and services are required to manage and coordinate efforts to develop detailed staging plans, manage demolition and clean-up activities, design infrastructure, and to negotiate transactions with development partners. The proposed 280-acre development is large-scale, long-term and transformational. It will be a catalyst for desired revitalization and redevelopment in the White Oak sector area and elsewhere in the Eastern portion of Montgomery County. The project will create job opportunities throughout White Oak and the Eastern portion of Montgomery County and will expand the tax base.

FISCAL NOTE

In FY17, a supplemental appropriation for $47.2M in G.O. Bonds was approved for this project. Project schedule has been adjusted to reflect implementation schedule.

COORDINATION

Department of Transportation, Department of Finance, Office of Management and Budget, Department of Housing and Community Affairs, Department of Permitting Services, Maryland Department of the Environment, and M-NCPPC