



Economic Development

PROGRAM DESCRIPTION AND OBJECTIVES

The objectives of this program are to:

- Develop the necessary infrastructure and amenities to facilitate expansion of the County's technology and other business sectors with high growth potential;
- Develop business incubators to foster the growth of start-up technology companies in the County; and
- Facilitate public-private partnerships to maintain and attract major County employers and to revitalize targeted central business districts and other strategic locations in the County.

HIGHLIGHTS

- Continue funding for planning, design, and public infrastructure associated with the redevelopment of the White Oak Science Gateway Master Plan.
- Continue coordination activities necessary to implement redevelopment in the White Flint Sector Plan Area.
- Supplemental funding to complete the conversion of office space to wet lab space at the Germantown Innovation Center.

WHITE FLINT REDEVELOPMENT

In 2010, the Montgomery County Council approved the new White Flint Sector Plan. The Plan establishes a vision for transforming what has been an auto-oriented suburban development pattern into a denser, mixed-use "urban" center in which people can walk to work, shops, and transit. 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 establishes a White Flint Special Taxing District.

In addition to the financing implementation, specialized services are required for the complex land assemblage and disposition actions associated with the implementation of Stage I. 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.

PROGRAM CONTACTS

Contact Jake Weissmann of the Office of the County Executive at 240.777.0311 or Felicia Hyatt of the Office of Management and Budget at 240.777.2763 for more information regarding this capital budget project.

CAPITAL PROGRAM REVIEW

The White Flint Redevelopment 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. The total funded through FY22 is \$4.07 million. Beginning in FY23, staffing costs related to development coordination will be shifted to the General Fund operating budget.

Related and complementary projects, White Flint District East: Transportation, White Flint District West: Transportation, and White Flint West Workaround, are described in the Transportation section.

WHITE OAK SCIENCE GATEWAY REDEVELOPMENT

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 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 development requirements. Staff time and services are required to manage and coordinate efforts to develop detailed plans, manage demolition and clean-up activities, design infrastructure, and to negotiate transactions with the development partner. This project includes funds to assist with the construction of master-planned roads (A-105, B-5, and improvements to FDA Boulevard), the demolition of existing structures and site clearing activities, and the staff time to coordinate all these activities.

PROGRAM CONTACTS

Contact Thomas Lewis of the Office of County Executive at 240.777.8416, Greg Ossont of the Department of General Services at 240.777.6192, or Estela Boronat of the Office of Management and Budget at 240.777.2785, for more information regarding this capital budget project.

CAPITAL PROGRAM REVIEW

One ongoing project recommended for FY23-28 is the White Oak Science Gateway Redevelopment Project, which provides for public infrastructure as well as the plans, studies, analysis, and development coordination activities by the County necessary to implement redevelopment in the White Oak Science Gateway Master Plan Area. The FY23-28 total cost of funding for this project is \$47 million.

A related and complementary ongoing project, the White Oak Local Area Transportation Improvement Program is described in the Transportation section on the Office of Management and Budget's website <https://apps.montgomerycountymd.gov/BASISCAPITAL/Common/Project.aspx?ID=P501540&CID=3&SCID=9>

BUSINESS DEVELOPMENT

The Business Development Capital Program is administered by the Office of the County Executive. The objectives of this program are to:

- Provide attractive, well-coordinated improvements for key industry sectors; and
- Expand the educational and research resources available for Montgomery County residents, employers, and workforce.
- Conversion of office space to additional wet lab space at the Germantown Innovation Center.
- Long Branch Town Center Redevelopment, and Marriott International Headquarters and Hotel projects are being closed out.

PROGRAM CONTACTS

Contact Judith Costello of the Office of the County Executive at 240.777.2006 or Estela Boronat of the Office of Management and Budget at 240.777.2785 for more information regarding this capital budget project.



Life Sciences and Technology Centers

(P789057)

Category	General Government	Date Last Modified	01/15/22
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Planning, Design and Supervision	2,065	1,965	100	-	-	-	-	-	-	-	-
Land	39	39	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	73	73	-	-	-	-	-	-	-	-	-
Construction	1,081	175	906	-	-	-	-	-	-	-	-
Other	12	12	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	3,270	2,264	1,006	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Current Revenue: General	2,000	1,594	406	-	-	-	-	-	-	-	-
G.O. Bonds	410	410	-	-	-	-	-	-	-	-	-
PAYGO	260	260	-	-	-	-	-	-	-	-	-
Recordation Tax Premium (MCG)	600	-	600	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	3,270	2,264	1,006	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	-	Year First Appropriation	FY90
Appropriation FY 24 Request	-	Last FY's Cost Estimate	2,870
Cumulative Appropriation	3,270		
Expenditure / Encumbrances	2,264		
Unencumbered Balance	1,006		

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); subdivision 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 FY22, 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

Due to COVID the project has been delayed. The project is now estimated to begin in FY22.

COST CHANGE

Reflects FY22 supplemental appropriation to cover increased costs to complete conversion of office space to additional wet labs space at 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 percent occupancy while the office space is routinely 28-44 percent 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, Montgomery County Economic Development Corporation, and tenants of the Germantown Innovation Center. Facility Planning: Montgomery County Government, Montgomery College, the Washington Suburban Sanitary Commission (WSSC), and private developers.



White Flint Redevelopment Program

(P151200)

Category	General Government	Date Last Modified	01/14/22
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	North Bethesda-Garrett Park	Status	Planning Stage

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Planning, Design and Supervision	3,788	3,206	582	-	-	-	-	-	-	-	-
Land	204	204	-	-	-	-	-	-	-	-	-
Other	78	78	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	4,070	3,488	582	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
White Flint Special Tax District	4,070	3,488	582	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	4,070	3,488	582	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	-	Year First Appropriation	FY09
Appropriation FY 24 Request	-	Last FY's Cost Estimate	4,658
Cumulative Appropriation	4,070		
Expenditure / Encumbrances	3,526		
Unencumbered Balance	544		

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

Costs to coordinate the redevelopment efforts led by the Development Ombudsman will be charged to the Operating budget in the future.

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, and includes shops as well as 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. The County is consulting with the District stakeholders as we develop a long-term financing plan for the District's costs.

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	12/16/21
SubCategory	Economic Development	Administering Agency	General Services
Planning Area	Colesville-White Oak and Vicinity	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Planning, Design and Supervision	2,021	1,255	366	400	200	200	-	-	-	-	-
Site Improvements and Utilities	4,779	4,054	725	-	-	-	-	-	-	-	-
Construction	40,000	-	800	39,200	500	3,500	2,000	12,700	10,500	10,000	-
Other	160	11	149	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	46,960	5,320	2,040	39,600	700	3,700	2,000	12,700	10,500	10,000	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Current Revenue: General	160	50	110	-	-	-	-	-	-	-	-
G.O. Bonds	42,640	1,110	1,930	39,600	700	3,700	2,000	12,700	10,500	10,000	-
PAYGO	4,147	4,147	-	-	-	-	-	-	-	-	-
Recordation Tax Premium (MCG)	13	13	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	46,960	5,320	2,040	39,600	700	3,700	2,000	12,700	10,500	10,000	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	-	Year First Appropriation	FY17
Appropriation FY 24 Request	-	Last FY's Cost Estimate	46,960
Cumulative Appropriation	46,960		
Expenditure / Encumbrances	5,370		
Unencumbered Balance	41,590		

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. Construction schedule is delayed based on project progress to date.

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