

MEMORANDUM

January 13, 2015

TO: Planning, Housing, and Economic Development Committee
Government Operations and Fiscal Policy Committee

FROM: Jacob Sesker, Senior Legislative Analyst 

SUBJECT: **Property Disposition—Declaration of No Further Need—Site II**

Expected for this session:

- From Department of General Services: Greg Ossont, Deputy Director

On November 13, 2014, the Executive transmitted material terms related to a proposed disposition of Site II. Site II is a 115-acre County-owned property at 2201 Industrial Parkway in White Oak. Executive Order 214-14, transmitted to the Council on November 24, 2014, declares that the property is no longer needed and instructs the Department of General Services to take all necessary steps to dispose of the property in a manner that is acceptable to the County. The manner of disposition that is proposed involves transfer at fair market value of the County's land basis to a joint development partnership, as well as future/potential transfers of real property between the joint development partners.

Under the property disposition process, the Council has 60 days in which to act on the Declaration of No Further Need. That 60 day period will run out on January 23, 2015. If the Council is to extend time for consideration, the Council must notify the Executive within 30 days of receiving the declaration. On December 17, 2014, the Council President informed the County Executive that the Council may extend the time for consideration.

PURPOSE OF THIS JOINT COMMITTEE SESSION

In this worksession, the Joint Committees may:

- (1) Recommend to extend time for consideration. If PHED/GO determines that additional information or time is necessary, time for consideration must be extended (by resolution) on Tuesday January 20, 2015.
- (2) Request additional information necessary in order to make a recommendation to the full Council regarding the Declaration of No Further Need (DNFN).

- (3) Decide whether to waive of the public hearing. A public hearing requires 15 days notice. If the public hearing is not waived, then the time for consideration should be extended. If the public hearing is waived, the Council must do so by resolution. In that case, the Council would take two actions on January 20th—a resolution to extend time for consideration and a concurrent act to waive the public hearing.
- (4) Recommend additional requirements or modified requirements that should be included in a Council resolution approving the DNFN.

WHITE OAK SCIENCE GATEWAY MASTER PLAN

The White Oak Science Gateway Master Plan was approved on July 29, 2014. The Plan (page 20) recommends rezoning the current auto-oriented commercial areas “to the Commercial-Residential (CR) Zones, which allow a broad range of commercial uses, including general offices, technology and biotechnology, research and development, hospitals, educational institutions, some manufacturing and production, as well as multi-family residential and supportive retail services to create a complete community.” Site II is within the area that was designated in the Master Plan to be the Life Sciences/FDA Village Center.

REQUEST FOR PROPOSALS

After WSSC closed Site II, the County began to consider using the property to jointly develop an East County Science and Technology Center to take advantage of proximity/adjacency to the new FDA headquarters at White Oak. According to the Master Plan, the County issued an RFP in 2008 to create a “World Class Bio/Life Sciences, Education, and Research Community where the brightest and best regulators, researchers, professors, students and medical professionals can meet and share ideas, research and information that will lead to continuing technological, scientific and medical advancements.”

Percontee’s property is approximately 185 acres and is adjacent both to Site II and to the FDA property. Percontee was not selected in the initial RFP—in 2003, a team led by Republic Properties Corporation was selected as the County’s development partner. Following protracted negotiations, false starts, numerous extensions, and a lawsuit, the County reissued the RFP.

The County’s objectives as stated in the RFP were:

- *Create a World Class Bio/Life Sciences, Education and Research Community Campus at Site II that will be recognized at a national and an international level as a premiere economic engine for bio/life sciences, education and research.*
- *Position Site II as a strategic economic development asset that will become a vibrant, world-class project and attract tenants that complement and advance nearby Federal agencies, businesses, higher education institutions and research facilities;*
- *Minimize the County’s financial risk and maximize its return on investment (through direct or indirect means);*

- *Expand the local and state tax base through the creation of jobs, the growth of businesses, and the spill-over associated with this project;*
- *Provide the infrastructure the site needs to maximize its development capacity; and*
- *Establish a flexible and phased build-out that responds to changing market conditions and unique opportunities that may be presented over time.*

An updated proposal by Percontee was selected in 2011. Over the last several years, Percontee has actively engaged stakeholders in discussions regarding the future potential of the 300 acres (including the County's 115 acres) that would be part of this joint development. Percontee has described the confluence of events in White Oak as including: the consolidation of the FDA headquarters; the anticipated relocation by Washington Adventist Hospital to a new location in White Oak; expressions of interest by some of the nation's most preeminent universities to co-locate their academic and scientific research programs in White Oak; and expressions of interest by significant bio/life science private enterprises and other private businesses.

COUNCIL COMMENTS & EXECUTIVE RESPONSES

The Council provided the Executive with comments and requests for additional information in response to the material terms. Below are the Council comments along with the accompanying Executive responses in italics.

1. Question:

Please clarify whether there is any profit-sharing or upside for the County associated with lease revenues (such as ground leases or building leases) or other operational revenues (such as parking revenues) associated with the assets developed pursuant to the joint development.

Answer:

Yes, the County intends to participate in any upside opportunities regardless of the transactional relationship (i.e. land lease, operational revenues or fee simple).

2. Question:

The material terms say that the basis for land value that will be used as the basis for the parties' relative proportion in future net profits derived from appreciation will be through an independent appraisal using the same appraiser. Will the County select the appraiser? The selection of the appraiser and using the same appraiser and methodology for valuation of both the County's and Global LifeSci Development Corporation's (GLDC) property is critical to protect the County from undervaluation of Site II and/or overvaluation of the Percontee property. *Yes. The County and GLDC have completed appraisals for the respective properties using the same appraiser and using the same methodology. The appraiser was initially selected by the County.*

Answer:

Yes. The County and GLDC have completed appraisals for the respective properties using the same appraiser and using the same methodology. The appraiser was initially selected by the County.

3. The material terms discuss agreement on specific phasing of the development and say that, in the first phase, residential uses will not exceed 60% of the total square footage for all used.

Question:

- a) What is the expected number of phases in the joint development?

Answer:

GLDC/County anticipates 5-6 phases, subject to market conditions.

Question:

- b) What is the estimated square footage in the first phase?

Answer:

While the initial phase will be determined during the sketch plan design process and related to the traffic study, staff notes that MNCPPC recommended an initial phase of 3M square feet.

Question:

- c) What is included or excluded from the total square footage for purposes of calculating the 60% maximum for residential? Is parking excluded from the calculation? Are expected government uses, such as schools and a library, excluded?

Answer:

Subject to customary calculations of square footage uses, as would ordinarily be calculated by MNCPPC against the CR zoning FAR cap.

Question:

- d) Is there any estimate of how many units might be realized if 60% is used for residential?

Answer:

Using an average unit size of 1500 and the recommended 3M square feet per MNCPPC, Phase 1 could yield up to 1200 residential units.

Question:

- e) Is there a cap on the total amount of residential after all phases?

Answer:

Yes, subject to .5 R per approved zoning.

4. Question:

Please provide further description of the meaning of “an appropriate balance and mix of intended land uses for each phase of the joint development.” How is this reflected in the decision to allow up to 60% residential in the first phase of development? How does the 60% guarantee that the focus on job creation is achieved?

Answer:

The residential cap in Phase 1 is intended to ensure the initial phase of development is not entirely residential and prioritizes the County Executives commitment to job creation and commercial development complimented by an appropriate residential component.

5. Question:
How will the County and GLDC determine who is responsible for funding infrastructure improvements (transit, roads, non-transportation infrastructure) and to what extent will this be established in the General Development Agreement?

Answer:
See response to #8.

6. Question:
Is there any relationship between any County-funded infrastructure and the amount of allowable development in Phase 1?

Answer:
See response to #8.

7. Question:
What is the relationship between the joint development and the total cost of infrastructure, potential subdivision staging policy elements, transportation mitigation agreement, impact taxes (transportation and schools), and potential transportation APFO payments?

Answer:
See response to #8.

8. Question:
Is there any guarantee that any transportation will be built as a part of Phase 1? As part of all phases?

Answer:
Response to 5, 6, 7, 8: The County is analyzing a number of different funding sources for transportation infrastructure. Sources under review include, but are not limited to, impact taxes, TPAR, LATR and TMD fees as well as the CIP. The amended Subdivision Staging Policy will have a direct impact on the eventual terms of the GDA. Executive staff is currently evaluating all funding sources. It is expected that County funded infrastructure will correlate with the timing of development in Phase 1. Based on preliminary review and the information provided by MNCPPC during the master plan process, it is likely that transportation infrastructure improvements will be required in Phase 1 and future phases.

9. Question:
Does or should the General Development Agreement stipulate that the parties should jointly/proportionately bear the cost of land acquisition of strategic government uses (such as schools or a library) so that the County is not bearing 100% of land cost by having to acquire land from the developer?

Answer:
See response to #10.

10. Question:
Does or should the General Development Agreement stipulate that the County's proportionate participation reflect the value of publicly funded infrastructure improvement that benefits the

joint development as well as any public costs associated with the acquisition of real property that would normally be dedicated by the landowner?

Answer:

The County intends to accurately reflect proportionate contributions from the County and GLDC as would be customary in any partnership. It is not the County's intent to assume 100% of the land acquisition requirements. Dedications of land for public facilities will be done so proportionately. It should also be noted that there will be substantial on-site infrastructure improvement costs, for which GLDC would be contributing proportionately.

11. Question:

Please provide additional information regarding the types of positions or expertise expected on the "Executive Liaison Team", the appointment process, and the timing for the appointment.

Answer:

Currently, the County plans to use existing County resources with support from outside consultants. New appointments are not requested at this time. The "Executive Liaison Team" concept is simply a way to identify specifically those individuals within the Executive Branch who would be designated as the liaison personnel to GLDC with whom GLDC would work.

STAFF COMMENTS

As Joint Committee members consider this disposition of real property and the various other procedural steps associated with it (whether to extend time for consideration, whether to waive the public hearing, whether to add or modify material terms, etc.), the following questions should be considered:

- What is the distinction in principle between the County's role as government (e.g., provider of services and infrastructure) and the County's role as landowner?
- Through what process(es) will the County determine what transportation improvements are necessary to support the joint development?
- Through what process(es) will the County determine how to fund its portion of the cost of infrastructure to serve the joint development?
- How will the County explain/account for government and landowner expenditures? Expenditures related to the joint development versus Master Plan implementation?
- What is the relationship between the General Development Agreement (GDA) and the Subdivision Staging Policy, and how can the Council be certain that key issues with respect to transportation expenditures and transportation capacity are addressed in one or the other?
- What participation agreements or legal relationships will the County need to enter into with other landowners related to the financing of infrastructure?
- Will the County issue debt to finance non-government (developer responsibility) projects? Will the County's full faith and credit be pledged to secure debt issued to finance non-government projects?
- What is the timing of the County expenditures, and how does that timing relate both to the timing of revenues and to any conditions and clawbacks in the GDA?
- How will the County maintain separate accounts for obligations of the partnership and obligations related to the development but entered into separately by GLDC prior to the executed

GDA (e.g., infrastructure agreements with Washington Adventist Hospital, legal and lobbying expenses incurred during the Master Plan, etc.)?

- Do GLDC's 185 acres include any acres deeded to other entities (e.g., any acreage deeded to the Federal Government to provide access to the Federal Research Center property)?
- What are the responsibilities of the partners with respect to attracting education and research institutions to the joint development?
- What conditions, if any, will trigger termination of the GDA or modification of the parties' rights and responsibilities under the GDA?
- What will be the relationship between GLDC's responsibility to brand the development and market to/recruit tenants for the joint development and the County's responsibility (per the Master Plan) to establish a redevelopment office responsible for attracting investment to White Oak generally?
- Material term #9 generally describes the potential for future dispositions based on terms not yet agreed upon by the parties. Does the Council want to include or modify the material terms of this disposition in a way that would potentially restrict the Executive's future negotiations regarding other dispositions of the real property that is generally known as Site II?

COUNCIL STAFF RECOMMENDATIONS

Council Staff recommends that the Council extend the time for action. The resolution to extend time could be acted on next Tuesday, January 20, 2015. An extension of time is necessary to obtain additional information, both with respect to additional questions that Councilmembers have regarding the material terms and also additional questions that may arise in related discussions (e.g., PHED Committee worksessions related to a proposed amendment to the Subdivision Staging Policy) or as a result of the traffic study to be commenced this spring.

Council Staff recommends that the Council should not waive the public hearing. Certain issues related to the timing were not resolved during the Master Plan—e.g., timing of residential versus commercial development, timing of new development versus new transportation capacity. Staff believes that public input with respect to these issues will aid the Council's fact-finding efforts.

Attachments:

- © 1 Letter from Mr. Leggett to Mr. Rice – Material Terms
- © 4 Letter from Ms. Bell-Pearson to Mr. Rice – Transmittal of Executive Order 214-14
- © 5 Executive Order 214-14 Declaration of No Further Need
- © 7 Letter from Mr. Leventhal to Mr. Leggett - Extension of Time for Consideration of DNFN
- © 8 Initial Council Comments and Executive Responses
- © 11 Life Sciences and Technology Centers PDF #P789057
- © 13 Montgomery County Request for Proposals – Site II



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

November 13, 2014

To: Craig Rice, President
Montgomery County Council

From: Isiah Leggett
County Executive

Timothy L. Firestone (ACTING)

Subject: Site II – Tech Road

Montgomery County issued a competitive solicitation for a development partner to manage the development of the County's ~115 acre parcel on Industrial Parkway, White Oak, MD ("Site II"). Through that competitive process, the County Executive selected Global LifeSci Development Corporation ("GLDC") as the County's development partner in December 2011. The County and GLDC executed and entered into an Interim Development Agreement in October 2012.

Pursuant to that 2012 Interim Development Agreement, the County Executive staff and GLDC have been actively participating in the White Oak Science Gateway (WOSG) Master Plan process. Since the County Council's July 2014 approval of the WOSG Master Plan, the County Executive staff and GLDC have been working diligently on the material terms of a permanent General Development Agreement ("GDA"), which would govern the orderly and expeditious joint development and job-creation opportunities for Site II and GLDC's ~185 acre parcel adjoining Site II (the "GLDC Property") into one, comprehensive, and coordinated ~300 acre BioScience-focused mixed-use community development (collectively, the "Joint Development"), consistent with the County Council's recently approved WOSG Master Plan.

Among the most significant and unique economic elements of this transaction is the County retaining proportionate participation in the future appreciation in the value of the Joint Development; not only as it relates to Site II, but also as it relates to the GLDC Property (i.e., the County's participation would be on a pro-rata basis from the future appreciation of the entire ~300 acre Joint Development, not just for Site II).

In accordance with the provisions of Section 11B-45, *Disposition of Real Property*, before obtaining County Council approval of a Declaration of No Further Need, the County Executive must submit to the County Council all material terms of the disposition, including the price or rent to be paid and any associated economic incentives and any appraisal that the County Executive relied on or will rely on in selling the property's market value. The Council is permitted 30 days to comment.

Craig Rice, President
November 13, 2014
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Accordingly, the following is a summary of the material terms under consideration for the General Development Agreement:

1. The County Executive has selected GLDC, through a competitive solicitation and bid process, to assume the role of Master Developer for the Joint Development project. The County Executive will appoint an "Executive Liaison Team," who will work in collaboration with GLDC on the Joint Development. GLDC will be responsible for assembling its planning and development team, subject to the County's commercially reasonable rights of approval.
2. The County's land basis in the Joint Development would be established through an independent appraisal and the County will be credited with the full current fair market value of Site II. GLDC's land basis in the Joint Development shall also be established through an independent appraisal using the same appraiser and the same bases of valuation, and GLDC will be credited with the full current fair market value of the GLDC Property. The relative proportions of the full, fair market values of Site II and the GLDC Property shall be the basis for the parties' relative proportions in future net profits derived from the future appreciation in value of the Joint Development.
3. GLDC would be responsible for funding all costs of design and land use entitlements costs of the Joint Development. Spending would be reviewed and approved by the County.
4. GLDC would be responsible for diligently developing and preparing the applications for comprehensive sketch plan, pre-preliminary plan, preliminary plan, and future site plan approvals for the entire ~300 acre Joint Development (collectively, the "Applications"). GLDC would also be responsible for diligently developing and preparing a Phasing Plan and a Project Infrastructure Plan for the Joint Development.
5. The County would have rights of approval of the sketch plan, Phasing Plan, and Project Infrastructure Plan prior to GLDC submitting those plans to M-NCPPC. GLDC would be responsible for submitting to M-NCPPC, and diligently pursuing (with the County's reasonable cooperation, at no out-of-pocket costs to the County) M-NCPPC's approval of the comprehensive sketch plan, the pre-preliminary plan, the preliminary plan, the Phasing Plan, the Project Infrastructure Plan, and future site plans for the entire ~300 acre Joint Development (collectively, the "Entitlements").
6. As part of the Applications to be submitted to M-NCPPC for the Entitlements, GLDC and the County would first coordinate and agree on the specific Phasing Plan of development that would address, at a minimum, the following:
 - a. an appropriate balance and mix of intended land uses for each phase of the Joint Development (including, but not necessarily limited to, employment, lodging,

Craig Rice, President
November 13, 2014
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- b. retail/entertainment, institutional, various public and civic uses, and quality residential uses), reflecting the County's policy to encourage employment, community revitalization, and economic development with an emphasis on the biomedical and biotechnology industries and the innovation economy, and not primarily a residential development.
 - c. Ultra-high speed broadband data transmission infrastructure;
 - d. the graduated transportation trip mitigation goals required for each phase of the Joint Development;
 - e. the timing of the graduated transportation infrastructure improvements needed to serve each phase of the Joint Development including BRT.
7. For the first phase of the Joint Development, the maximum square footage for residential uses shall not exceed sixty percent (60%) of the total square footage for all uses in the first phase of the Joint Development.
8. As part of the Applications to be submitted to M-NCPPC for the Entitlements, GLDC and the County would also coordinate and agree on the Project Infrastructure Plan.
9. Upon satisfying the set of conditions precedent that are mutually agreed upon by the parties and set forth in the full and final GDA, the County would transfer title to portions of Site II at GLDC's sole cost of transfer and recordation to GLDC, subject to the County's reservation of its right to retain certain parcels of Site II and/or have the right to acquire certain parcels of GLDC's Property within the Joint Development for purposes of certain strategic governmental uses, including any local (e.g., schools, libraries, civic buildings, etc.), State, Federal, or International governmental or quasi-governmental uses.
10. The County would receive credit under the GDA for the full current, independently-appraised fair market value of Site II, and GLDC would receive credit under the GDA for the full current, independently-appraised fair market value of the GLDC Property. After the time of transfer of title to Site II, GLDC would be entitled to use that portion of Site II and the GLDC Property as collateral to finance and construct on-site and off-site infrastructure and other improvements necessary to deliver finished lots to eventual end-users.
11. GLDC will be responsible for branding and marketing the Joint Development, with cooperation and coordination of the County at no out-of-pocket cost to the County, unless the County otherwise expressly agrees.

I hope this information is helpful. If you have any questions, please contact me directly at 240-777-6192 or greg.ossont@montgomerycountymd.gov



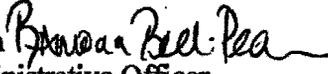
OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

November 24, 2014

TO: Craig Rice, President
Montgomery County Council

FROM: Ramona Bell-Pearson 
Assistant Chief Administrative Officer

SUBJECT: Executive Order 214-14
Disposition of 2201 Industrial Parkway Silver Spring Maryland
(Site II)

As required under Section 11B-45 of the Montgomery County Code, the County Executive must issue an Executive Order declaring that the County owned site is no longer needed for public use. Attached please find Executive Order 214-14 which will be published in the December *County Register* to give notice of the County Executive's intent to proceed with the disposition of some or all of the County property through a General Development Agreement with a private developer and to declare that the space is no longer needed for public use.

As you will recall the Material Terms of this property disposition were transmitted to you on November 13, 2014. I hope that information was helpful. This submission satisfies the obligation to give public notice of those material terms and will run in the *County Register* for a period of thirty (30) days. If you have any questions, please feel free to contact me directly at 240-777-2561, through email at Ramona.Bell-Pearson@montgomerycountymd.gov; or speak with Greg Ossont at 240-777-6192 or through email at Greg.Ossont@montgomerycountymd.gov.

Attachment

cc: Greg Ossont, Deputy Dir. DGS

COPY



MONTGOMERY COUNTY EXECUTIVE ORDER

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

Subject Material Terms for Disposition of 2201 Industrial Parkway, Silver Spring, Maryland "Site II"	Executive Order No. 214-14	Subject Suffix ORE
Department Department of General Services	Department No. ORE	Effective Date 11/21/14

BACKGROUND

WHEREAS, Montgomery County acquired the property commonly referred to as "Site II" located at 2201 Industrial Parkway, Silver Spring from the Washington Suburban Sanitary Commission (WSSC) in 2009 (Property) for the purpose of developing a science and technology center, with associated research, development and manufacturing uses; and

WHEREAS, the County also anticipates integrating mixed use development on the Property, including residential, office and retail uses, with the science and technology uses; and

WHEREAS, the Property is included in the current Life Sciences and Technology Centers CIP (P789057) as the East County Center for Science and Technology, which is intended to facilitate potential development of an East County business incubator, and therefore, the County Executive has designated the Property as available for disposition without a reuse analysis being conducted; and

WHEREAS, the Department of Economic Development issued a Request for Proposals in 2008 ("RFP"), based on a binding purchase agreement with WSSC, seeking proposals from developers interested in developing the Property; and

WHEREAS, under the RFP, Percontee (dba Global Lifsci Development Corporation "GLDC") was selected as the developer and the County anticipates that it will enter into a General Development Agreement ("Agreement") with Percontee (dba GLDC) to develop the Property if the terms of the Agreement are acceptable to the County; and

WHEREAS, the terms of the Agreement will memorialize the disposition of some or all of the Property and the terms of the subsequent redevelopment of the Property; and

WHEREAS, the disposition of the Property may include a long term ground lease for some or all of Site II or other restrictions to, or conveyances of, some or all of the County's property interest; and

WHEREAS, the County Executive approves the disposition of some or all of the Property for redevelopment; and

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MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

OFFICE OF THE COUNCIL PRESIDENT

MEMORANDUM

December 17, 2014

TO: Isiah Leggett, County Executive

FROM: George Leventhal, Council President *George Leventhal*

SUBJECT: Extension of Time for Consideration of Declaration of No Further Need – Site II, Industrial Parkway

As required by Section 11B-45, *Disposition of Real Property*, I am writing to inform you that the Council may extend the time for consideration of this Declaration of No Further Need. The Council received Executive Order 214-14, Disposition of 2201 Industrial Parkway, Silver Spring, Maryland (Site II) on November 24, 2014. On November 28, 2014 the Council sent questions on the material terms which the PHED and GO Committees will not be able to review on until January 15, 2014. Should the joint Committee or the Council decide that additional information is needed, we would act to extend the time for consideration. Please feel free to contact me or Jacob Sesker or Linda McMillan of Council staff if you have any questions.

C: Councilmembers
Ramona Bell-Pearson, Assistant CAO
Greg Ossont, Deputy Director, DGS
Linda Lauer, Clerk of the Council

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1. Please clarify whether there is any profit sharing or upside for the County associated with lease revenues (such as ground leases or building leases) or other operational revenues (such as parking revenues) associated with the assets developed pursuant to the Joint Development. Yes, the County intends to participate in any upside opportunities regardless of the transactional relationship (i.e. land lease, operational revenues or fee simple)
2. The material terms say that the basis for land value that will be used as the basis for the parties' relative proportion in future net profits derived from appreciation will be through an independent appraisal using the same appraiser. Will the County select the appraiser? The selection of the appraiser and using the same appraiser and methodology for valuation of both the County's and GLDC's property is critical to protect the County from undervaluation of Site II and/or overvaluation of the Percontee property. Yes. The County and GLDC have completed appraisals for the respective properties using the same appraiser and using the same methodology. The appraiser was initially selected by the County.
3. The material terms discuss agreement on specific phasing of the development and say that in the first phase residential uses will not exceed 60% of the total square footage for all used.
 - a) What is the expected number of phases in the joint development? GLDC/County anticipates 5-6 phases, subject to market conditions.
 - b) What is the estimated square footage in the first phase? While the initial phase will be determined during the sketch plan design process and related to the traffic study, staff notes that MNCPPC recommended an initial phase of 3M square feet.
 - c) What is included or excluded from the total square footage for purposes of calculating the 60% maximum for residential? Is parking excluded from the calculation? Are expected government uses, such as schools and a library, excluded? Subject to customary calculations of square footage uses, as would ordinarily be calculated by MNCPPC against the CR zoning FAR cap
 - d) Is there any estimate of how many units might be realized if 60% is used for residential? Using an average unit size of 1500 and the recommended 3M square feet per MNCPPC, Phase 1 could yield up to 1200 residential units.
 - e) Is there a cap on the total amount of residential after all phases? Yes, subject to .5 R per approved zoning.
4. Please provide further description of the meaning of "an appropriate balance and mix of intended land uses for each phase of the joint development." How is this reflected in the decision to allow up to 60% residential in the first phase of development? How does the 60% guarantee that the focus on job creation is achieved? The residential cap in Phase 1 is intended to ensure the initial phase of development is not entirely residential and

prioritizes the County Executives commitment to job creation and commercial development complimented by an appropriate residential component.

5. How will the County and GLDC determine who is responsible for funding infrastructure improvements (transit, roads, non-transportation infrastructure) and to what extent will this be established in the General Development Agreement?
6. Is there any relationship between any County-funded infrastructure and the amount of allowable development in Phase 1?
7. What is the relationship between the joint development and the total cost of infrastructure, potential subdivision staging policy elements, transportation mitigation agreement, impact taxes (transportation and schools), and potential transportation APFO payments?
8. Is there any guarantee that any transportation will be built as a part of Phase 1? As part of all phases?

Response to 5,6,7,8: The County is analyzing a number of different funding sources for transportation infrastructure. Sources under review include, but are not limited to, impact taxes, TPAR, LATR and TMD fees as well as the CIP. The amended Subdivision Staging Policy will have a direct impact on the eventual terms of the GDA. Executive staff is currently evaluating all funding sources. It is expected that County funded infrastructure will correlate with the timing of development in Phase 1. Based on preliminary review and the information provided by MNCPPC during the master plan process, it is likely that transportation infrastructure improvements will be required in Phase 1 and future phases.

9. Does or should the General Development Agreement stipulate that the parties should jointly/proportionately bear the cost of land acquisition of strategic government uses (such as schools or a library) so that the County is not bearing 100% of land cost by having to acquire land from the developer? See response to #10.
10. Does or should the General Development Agreement stipulate that the County's proportionate participation reflect the value of publicly funded infrastructure improvement that benefit the joint development as well as any public costs associated with the acquisition of real property that would normally be dedicated by the landowner? The County intends to accurately reflect proportionate contributions from the County and GLDC as would be customary in any partnership. It is not the County's intent to assume 100% of the land acquisition requirements. Dedications of land for public facilities will be done so proportionately. It should also be noted that there will be substantial on-site infrastructure improvement costs, for which GLDC would be contributing proportionately.
11. Please provide additional information the types of positions or expertise expected on the "Executive Liaison Team," the appointment process, and the timing for the appointment. Currently, the County plans to use existing County resources with support from outside consultants. New appointments are not requested at this time. The "Executive Liaison Team" concept is simply a way to identify specifically those individuals within the

Executive Branch who would be designated as the liaison personnel to GLDC with whom GLDC would work.

Life Sciences and Technology Centers (P789057)

Category General Government
 Sub Category Economic Development
 Administering Agency Economic Development (AAGE06)
 Planning Area Countywide

Date Last Modified 12/23/13
 Required Adequate Public Facility No
 Relocation Impact None
 Status Ongoing

Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	1,787	1,707	80	0	0	0	0	0	0	0
Land	39	39	0	0	0	0	0	0	0	0
Site Improvements and Utilities	148	73	75	0	0	0	0	0	0	0
Construction	218	159	59	0	0	0	0	0	0	0
Other	78	3	75	0	0	0	0	0	0	0
Total	2,270	1,981	289	0						

FUNDING SCHEDULE (\$000s)

Current Revenue: General	1,600	1,311	289	0	0	0	0	0	0	0
G.O. Bonds	670	670	0	0	0	0	0	0	0	0
Total	2,270	1,981	289	0						

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 15	0
Appropriation Request Est.	FY 16	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		2,270
Expenditure / Encumbrances		1,991
Unencumbered Balance		279

Date First Appropriation	FY 90
First Cost Estimate	
Current Scope	FY08 2,225
Last FY's Cost Estimate	2,270

Description

This project provides funds for the development and land use plans for the Germantown Life Sciences Park (GLSP) and the Site II development, also referred to as Life Sci Village. The project also supported the development of the Germantown, and Rockville Business incubators. Specific tasks included feasibility studies, due diligence, refining Programs of Requirements (PORs), design and construction. The Germantown Business incubator is located at 20271 Goldenrod Lane in a commercial building adjacent to the Montgomery College campus and the Rockville Innovation Center is located in Rockville's Town Square development. All incubators are modeled after the County's William E. Hanna Innovation Center at the Shady Grove Life Sciences Center (SGLSC). This project originally provided funds to design and construct the public amenities at the SGLSC. 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); and planning for the Rockville incubator (FY07). Currently, funds are being used to carry out all needed steps for Site II to be accepted into the Maryland Voluntary Clean-Up Program. This project may also be used for the preliminary development of other incubators, tech parks, or other economic development capital projects should future new opportunities become available.

Cost Change

No cost change as the Life Sci Village project is currently going through Clean-Up Program.

Justification

Montgomery County developed the original SGLSC as a research and development park for prospective biotechnology companies. All the available parcels in the SGLSC have been leased, purchased, or otherwise committed. The County's five business incubators, the William E Hanna Innovation Center, the Silver Spring Innovation Center, the Rockville Innovation Center, the Wheaton Innovation Center and the Germantown Innovation Center currently support over 140 companies. Given the success of the SGLSC and the incubators' graduation rates, it is in the County's interest to continue to invest in and develop projects to attract and provide growth and expansion opportunities for life science and advanced technology companies.

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 are open for business. Planning for the Site II development is continuing, as the County has an executed Interim Development Agreement with its private sector partner, Percontee; is actively engaged in the development of the White Oak Science Gateway Master Plan; and is pursuing all necessary steps for Site II to be accepted into the MD Clean-Up Program. Next steps include the negotiation and execution of a Master Development Agreement, and preliminary land use and financial planning. Emphasis will be given to tech park development in FY15-FY20.

Fiscal Note

The County secured a \$1 million Maryland Technology Development Corporation (TEDCO) grant for the ECCStand once the County is ready to move forward with the project, a 100% match will need to be programmed in addition to the State Funds. The County has also secured \$2 million in Federal Highway Funds for the Site II development and once the County is ready to move forward with the project, a 20% match will need to be programmed in addition to the Federal Funds. The County continues to work with the South Korean province of Chungbuk to create a strategic partnership.

Coordination

Life Sciences and Technology Centers (P789057)

State of Maryland, MEDAAF, TEDCO, MEDCO, City of Rockville, Chungbuk Province, South Korea, DPWT - Division of Capital Development, Maryland-National Capital Park and Planning Commission, Tenants of the SGLSC, Facility Planning: MCG, Montgomery College, WSSC, Johns Hopkins University,

I. Vision for a World Class Bio/Life Sciences, Education and Research Community

Montgomery County, a leading center for technology and biosciences, is requesting proposals from qualified development teams to develop a 115-acre property known as "Site II" into a World Class Bio/Life Sciences, Education and Research Community. The County envisions the creation of an environment where the brightest and the best regulators, researchers, professors, students and medical professionals can meet and share ideas, research and information that will lead to continuing technological, scientific and medical advancements.

Site II is conveniently located to major installations of regulators, researchers, professors, students and medical professionals. With the Food and Drug Administration Campus next door, Johns Hopkins University, the University of Maryland, Howard University, Georgetown University, George Washington University, premiere medical facilities including Washington Hospital Center, Children's National Medical Center, the National Institutes of Health, and the medical schools of the aforementioned higher educational institutions within easy driving distance, Site II is well suited to be an economic and employment hub where the best thinking and research can be easily accessed, partnered and reviewed by regulatory resources.

The selected project must be one that will provide new and exciting bio/life sciences, education and research linkages among public and private institutions. There should be elements of higher education, bio/life sciences corporate development, research facilities and ancillary supporting services. The project should reflect a vision that creatively links the County's and regional biosciences, educational, and regulatory resources. The project must also reflect high standards of environmentally sensitive and sustainable design.

Montgomery County is seeking an experienced developer with an innovative plan to achieve this vision for Site II with the financial capacity to implement the project, and with a proven track record that includes vibrant and successful large-scale developments. The selected developer will plan, finance, construct, market, manage, sell and/or lease the project. It is anticipated that the project will be privately owned and managed; however, other scenarios may be considered according to terms that may be agreed upon by the County and the selected developer.

II. Key Objectives

Through the development of Site II, Montgomery County is striving to create a unique hub that will capitalize on the surrounding and nearby regulatory, higher education, and medical resources and create a synergy of activities that will result in a World Class Bio/Life Sciences, Education and Research Community.

Economic and area forecasts predict that the advanced technology industries will continue to grow in the coming years and produce innovative products and services. To help achieve that growth and have the area continue to grow as a bio/life sciences,

education and research leader into the 21st Century and beyond, the County is making Site II available to stimulate continuous interaction among a broad range of technology companies, academic institutions, regulators and business support services in a campus-like setting.

The selected project must provide for technological advancement in a center that will stimulate ample growth opportunities and progression for technology companies of all sizes and focus; result in the development of unique partnerships among academia, research and business; and realize increased educational advancement for all. The County has several key objectives it wishes to achieve through the development of Site II. These objectives should guide the proposals, and are the basis from which the evaluation criteria are derived. A successful development proposal will meet the following key objectives:

- Create a World Class Bio/Life Sciences, Education and Research Community Campus at Site II that will be recognized at a national and an international level as a premiere economic engine for bio/life sciences, education and research.
- Position Site II as a strategic economic development asset that will become a vibrant, world-class project and attract tenants that complement and advance nearby Federal agencies, businesses, higher education institutions and research facilities;
- Minimize the County's financial risk and maximize its return on investment (through direct or indirect means);
- Expand the local and state tax base through the creation of jobs, the growth of businesses, and the spill-over associated with this project;
- Provide the infrastructure the site needs to maximize its development capacity; and
- Establish a flexible and phased build-out that responds to changing market conditions and unique opportunities that may be presented over time.

III. Site Location, Description & Background

Site II is centrally located at 2201 Industrial Parkway, in the Fairland section of Silver Spring, MD, as more particularly shown on the attached map. The site is in the center of a multi-county cluster of research, healthcare, higher education and technology led by federal, academic and private entities. Area federal assets include:

- The adjacent U.S. Food and Drug Administration's newly consolidated campus at New Hampshire Avenue and Route 29. Upon its completion in 2014, the FDA headquarters will employ 9,000 people.

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- A strong Federal presence within Montgomery County, including, but not limited to, the National Institutes of Health, the Health Resources and Services Administration of HHS and the National Institute of Standards and Technology.

Prestigious higher education facilities within the region that will provide a rich environment for the high level exchange of information, ideas and technology development that will complement the Site II project include:

- The University of Maryland's main campus located in College Park, less than 7 miles from Site II. The University of Maryland is a top 20 public research university and is home to the successful Maryland Technology Enterprise Institute and the Biotechnology Institute, which sponsors five research centers including the Center for Biosystems Research in College Park and the Center for Advanced Research in Biology in Rockville, Maryland. Additionally, the University of Maryland has its medical school in Baltimore, Maryland, off I-95, an easy drive from Site II.
- Johns Hopkins University has a presence close to Site II with its Applied Physics Lab (APL), a not-for-profit center for engineering research and development, located on a 399 acre campus in Howard County about 10 miles from the site. APL has 4,300 employees. Howard County General Hospital is part of Johns Hopkins Medicine, and Johns Hopkins also operates a campus in Rockville, Maryland. Its main campus and medical school are in Baltimore. Johns Hopkins University receives the most federal science and engineering funds of any university in the United States.
- In nearby Washington, D.C., there are several higher education institutions including George Washington University, Georgetown University, and Howard University, each of which has a medical school, and the American University.

In addition to nearby government agencies and academic institutions, the development will benefit from nearby private developments—both completed and proposed.

- In April 2007, Adventist HealthCare purchased a parcel of land on Plum Orchard Drive near Cherry Hill Road, on which it plans to relocate Washington Adventist Hospital. Adventist's new 48-acre campus will include medical facilities, several medical office buildings, and structured parking.
- In recent years, the eastern portion of Montgomery County has become a focal point for technology development, urban redevelopment and quality of life amenities. Since 2000, downtown Silver has seen a tremendous infusion of public and private investments which have altered the community's dynamics. The Discovery Channel and United Therapeutics relocated their respective headquarters into downtown Silver Spring. The community also

features Montgomery County's first arts and entertainment district, the American Film Institute's Silver Theatre, the Round House Black Box Theatre and school, numerous art galleries, Art Alley, and the soon-to-be-opened Fillmore Music Hall.

Transportation Access

Site II benefits from immediate access to US-29 as well as close proximity to both I-95 and the Washington Capital Beltway I-495. The Washington Metropolitan Area Transit Authority ("WMATA") and Montgomery County both operate bus routes along the US-29. The closest WMATA Metrorail station, located six miles southwest in downtown Silver Spring, provides a linkage to the greater Washington region via the Red Line. The Silver Spring Metro station is the busiest transit center in the WMATA system and links buses, taxis, Metrorail and Maryland Rail Commuter ("MARC") trains. Additionally, design is nearly complete for the imminent development of a new \$75 million multi-modal Silver Spring Transit Center. This project will create a multi-level facility that will be a hub for Metro, commuter rail, inter and intra-city buses, a confluence of bikeways, a new urban park and will create sites for transit-oriented mixed-use development.

Overall, Site II is centrally located, readily accessible and well served by the existing and planned transportation system.

Current Zoning

The site is currently zoned I-2, Heavy Industrial, and is located within the "U.S. 29/Cherry Hill Road Employment Area Overlay Zone of the Fairland Master Plan." The overlay zone was created to enhance and diversify employment and business opportunities for area residents. The zoning permits research and development uses, and research and development-related manufacturing uses.

It should be noted that the Maryland National Park and Planning Commission has begun the planning process associated with the East County Science Center Master Plan, a planning area that is bounded by the Capital Beltway, US 29, Cherry Hill Road and Prince George's County, and includes Site II. This effort will explore options for a new research and technology node that will capitalize on the growing presence of the FDA, and is complemented by mixed-use development. It is anticipated that the Plan will be adopted in 2013.

Existing Conditions

The site was formerly a Washington Suburban Sanitary Commission ("WSSC") waste composting facility, for which WSSC has implemented a decommissioning program. The site includes nearly 33 acres of undeveloped land, nine main buildings and eleven support buildings, totaling 455,000 square feet of improvements, minimal surface

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parking and one small access road, all of which may be examined during the Site Tour listed on the schedule for this RFP.

Site Status

Montgomery County is the fee simple owner of the Site II property. The County acquired the property from WSSC for \$10 million, plus interest, payable in fourteen annual installments of \$400,000 with a balloon payment in the fifteenth year.

Since 2007, Montgomery County has completed Phase I and Phase II Environmental Site Assessments at the property to identify environmental impacts to soil and groundwater. In addition, an application has been submitted to the Maryland Department of the Environment (MDE) Voluntary Cleanup Program (VCP) for the property; application approval is pending. The developer selected for development of the property must also apply to the MDE VCP and must comply with any requirements of the Program.

Additional Montgomery County Information

Montgomery County is a business center for bioscience, information technology satellites, professional services, and other dynamic industries. Nearly two decades ago, Montgomery County recognized the strategic importance of its economic base of the 19 federal research and regulatory agencies located in the County, including the National Institutes of Health (NIH) and the Food and Drug Administration (FDA), among others. These government entities collectively administer, conduct and/or fund hundreds of billions of dollars of research into a broad range of biotechnology and other technology fields. Their presence in the County has helped attract over 200 bioscience and 2,000 info-tech enterprises, making the County home to the third-largest cluster of biotech companies in the country, and one of the highest per capita concentrations of scientists in the world.

Montgomery County has a well-educated and highly skilled workforce, with nearly 60% of its residents holding Bachelor's degrees and over 30% with graduate or professional degrees. In addition to the over 100,000 advanced technology workers, the County boasts the highest percentage of Ph.D.s and an equally high number of scientific and technology entrepreneurs.

More information about the County can be found at www.SmartMontgomery.com.

Montgomery County encourages contracting and development opportunities with business interests reflecting its diverse population and interests. The County encourages proposing teams to include meaningful minority, female and disabled (MFD) participation in the proposed project. Participation may be in the form of equity participation and/or contracting opportunities for consultants and contractors. The proposal should identify the MFD participants, the percentage of equity and

development participation of each MFD participant and describe the role and scope of work of each MFD participant.

Montgomery County supports employment and investment opportunities that keep Montgomery County competitive as an employment and business center and therefore development teams are encouraged to include a diverse workforce and business opportunities that throughout the development of the project will 1) support small businesses and MFD businesses and 2) minimize impacts upon area roads including time spent commuting on area roads. Proposers should describe how their proposals address these principles.

IV. Submission Requirements

The submittal must provide a thoughtful development concept and explanation of key factors and milestones for its successful implementation.

The County reserves the right to request additional information during the RFP review period. Should additional information be requested, all candidates who received or requested the RFP will be notified, and the information will be on the website listed above.

FAILURE OF A PROPOSER TO SUBMIT ALL REQUIRED PROPOSAL SUBMISSIONS MAY RENDER THE PROPOSAL INCOMPLETE AND INELIGIBLE FOR FURTHER CONSIDERATION.

The submittal must include the following elements:

A. Cover: The Cover should contain the RFP title, the proposer's name and the submission date.

B. Transmittal Letter: The transmittal letter should not exceed two pages and should contain:

1. The name, title and contact information of the individual with authority to bind the developer. This person should also sign the transmittal letter.
2. The address and legal form of the proposer. If a joint venture is involved, provide the above information for all participating firms.
3. Statement that the proposal will remain in effect for 120 days after the due date.
4. Statement acknowledging receipt of each addendum that the County may issue to the RFP.
5. Statement that, if selected, proposer will negotiate in good faith with the County.

C. Statement of Qualifications:

1. **Background information:** A description of the developer, including the organizational structure, subsidiary companies, identification of principals or parent companies, length of time in business, office locations and size, and overall number of personnel by discipline. If the developer is a joint venture, information for each entity should be furnished as well as an explanation of why a joint venture is the preferred mechanism for development.
2. **Financial Capability:** A description of the developer's financial capability to complete the proposed project including "typical" financing mechanisms used on similar projects. This section should provide evidence of the team's ability to secure sufficient financing and equity for the project through completion.
3. **Project experience:** This section should describe the developer's experience with similar developments pursued in the last 10 years. This information should clearly describe the financial structures, size and phasing of those projects.

D. Project Vision:

This section should describe the developer's vision for the project and how this vision will meet each of the County's key objectives and create a World Class Bio/Life Sciences, Education and Research Community.

E. Vision Implementation:

This section should outline and illustrate the strategy for implementing the vision. The submittal should include:

1. A phasing plan that identifies the milestones necessary to implement the vision (pre-development, land use approvals, etc). Include information on any and all governmental actions and/or funding that is needed for the submitted proposal to be achieved, such as amendments to the zoning ordinance, transportation infrastructure improvements and the like. Include the steps necessary for these activities to move forward, and clearly delineate all costs associated with the actions that are needed for the proposed project to come to fruition.
2. A concept plan that illustrates the proposed land use and development plans at full build-out, including:
 - The location, layout, square footage, and other characteristics of the various land uses in the vision, including building heights and densities.
 - The proposed street network and public spaces, including biking/walking paths, etc.

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3. A conceptual project budget showing sources and uses of development funds.
4. A proposed ownership structure and a conceptual 15-year financial proforma for each deal structure that is proposed.

The proforma(s) must break out and correlate to the phasing plan and must detail cost, revenue and inflation assumptions, as follows:

- Pre-development costs;
 - Soft and hard development costs by functional use (by way of illustration only, retail, office, parking, hotel, etc.);
 - Infrastructure costs; and
 - Cash flows to the developer and the County for each phase of the project, and for the completed project, as a whole. Any assumptions/projections regarding stabilized rents or when stabilized rents will be achieved should be specified. Estimates of the project's asset value to the developer and to the County should be included for each phase and for the completed project, as well.
5. A proposed plan for the management of the site during development and construction, and the plans for marketing and maintaining the property after completion.

V. Evaluation Criteria

Upon receipt of the proposals, the County's selection committee will review and evaluate the submittals in accordance with the criteria listed below. Interviews will be conducted with the developers receiving the three highest scoring proposals. After the interviews are completed, the selection committee will combine the written and interview scores and recommend the highest ranked developer. The selection committee's decisions and recommendations will be consensus-based.

The County's goal is to select the best proposal from the most qualified developer to transform Site II into an economic engine for the region. The following evaluation criteria will help the County's achieve its key objectives for Site II.

A. Written Proposals

1. Overall quality of the development vision: 25 points

The vision transforms Site II into a World Class Bio/Life Sciences, Education and Research Community and an economic engine for the region.

The vision creates new jobs and expands the local and state tax base.

The vision fosters compatible uses that maximize synergies with nearby federal agencies, research facilities, educational institutions and health care services.

The concept ties into the surrounding community in a manner that will yield spillover development and benefits.

The concept includes a commitment to providing the necessary infrastructure for the project.

2. Expertise and financial capacity to implement the vision: 25 points

The developer has a track record of successful projects of similar size and/or complexity.

The developer has experience with institutional lenders and has successfully financed similar projects.

The developer has financial capability and evidence of the willingness of institutional lenders to finance the proposed development.

The developer has experience working with municipal, state and federal agencies, including Montgomery County's legislative, budgetary and planning processes.

The designated members of the Site II development team are experienced and qualified professionals.

3. Proposed financing structure and return to County: 25 points

The proposed financing structure(s) will minimize the County's risk and investment and maximize its return on investment.

The proposed financing plan includes a favorable mix of equity or personal risk that the developer is willing to contribute to the development, in addition to debt financing.

4. Proposed timeframe for commencement and completion of the development: 25 points

The proposed phasing plan maximizes the return to the County in a reasonable amount of time.

The proposed project/timeline is realistic and likely to be achieved.

The proposed phasing plan has the flexibility to respond to changing market conditions as the site is built-out.

Highest possible score for the written submittal *100 Points*

B. Interviews

1. Overall development concept and vision for the site: 15 points
2. Development team's proven capacity to finance similar projects: 15 points
3. The development team's commitment to minimizing public investments: 10 points
4. Background and experience of staff assigned to the project: 5 points
5. Overall quality of the presentation: 5 points

Highest possible score for the interview *50 points*

The principal personnel associated with this project must be present for the interview component of the evaluation. After the evaluation process, one development team will be recommended to negotiate a Memorandum of Understanding or similar agreement with the County to pursue the project. **Note: Any funds expended by the selected at-risk developer prior to the execution of the Memorandum of Understanding will be paid solely by the developer.**

VI. Development Agreements

Upon selection, the winning development team should be prepared to enter into a Memorandum of Understanding (MOU) or similar agreement with the County. This MOU will outline the terms of a future development/financing/operational agreement, and may include, but is not limited to:

- A definition of the development vision and how it will be achieved;
- Delineation of responsibilities of each party during the MOU period;
- Definition of the tasks to be completed as part of the MOU including a feasibility plan, project schedule, development timeline, a 15-year cash flow analysis, fiscal impact analysis and preliminary cost estimates;

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- Definition of the basic deal structure, which will be refined during the MOU period, and a comprehensive list of documents that will need to be developed; and
- Cost-sharing and payment terms associated with MOU activities.

After entering into the MOU, the County and the selected development team will enter into a long-term agreement that will address such issues as land transfer/ownership/land lease options, management structure, and potential financial returns to both parties. An overview of the anticipated responsibilities of the developer is described below and includes but is not limited to:

Master Plan: The developer will design and implement a master plan that exemplifies the agreed upon vision, complements other local initiatives, and accomplishes the County's objectives.

Financing: The developer will secure private financing and obtain the financing to leverage, if necessary, the use of public funding (if any). The developer will finance the entire cost of the project including predevelopment costs such as design, engineering and studies, as well as development costs such as infrastructure, off-site improvements, utilities and construction costs.

Design: The developer, with guidance from the County, will create sustainable design standards that are of a high architectural quality, that will reflect the vision, theme and branding for the project and that will reflect a sense of place.

Development Approvals: The developer will secure all necessary regulatory and development approvals, present subdivision and development plans, obtain building permits, etc.

Construction: The developer will manage the construction of all necessary off-site and selected on-site improvements including streetscapes, open space, amenities, utilities and roads, building cores and shells, tenant improvements, fixtures and equipment, and landscaping.

Development Schedule: The developer will develop a schedule for the project that reflects the coordination of all agencies, consultants, architects, engineers, contractors and property management functions. The Development Schedule should reflect critical path items.

Operation, Marketing & Maintenance: The developer will be responsible for the on-going operation, marketing and maintenance of the completed development.

Insurance & Bonding Requirements: Prior to execution of an agreement, the selected developer must obtain, at its own cost and expense, the insurance and bonds that are

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required by Montgomery County. These insurance requirements and bonding requirements will be incorporated into any future agreement.

Insurance companies must be licensed or qualified to do business in the State of Maryland and acceptable to the County's Division of Risk Management. The insurance must be kept in full force and effect during the term of the Agreement, including all extensions. The insurance must be evidenced by one or more Certificate(s) of Insurance and, if requested by the County, the selected developer must provide a copy of any and all insurance policies to the County. The selected developer's insurance must be primary. Montgomery County, MD, including its officials, employees, agents, boards, and agencies, must be named as an additional insured on all liability policies. Forty-five days written notice to the County of cancellation or material change in any of the policies is required.

The Developer should expect that payment and performance security may be required in an amount acceptable to the County. Such security may be in the form of bond(s), guarantees, cash or other security satisfactory to the County. The premiums must be paid by the selected developer and the bonds or other security must be in the form, substance and amount acceptable to the County.

The selected developer must require the person who executes the required bonds on behalf of the surety affix thereto a certified and current copy of the Power of Attorney authorizing the person's signature.

VII. Administration of the RFP

Proposals for the development of Site II are due by 3:00pm on June 3, 2011.

If a Memorandum of Understanding or other form of agreement acceptable to the County cannot be successfully negotiated with the top-ranked development team, the County may proceed to negotiate with the developer who submitted the next highest ranked proposal.

The County expects the solicitation to meet the following schedule, but reserves the right to amend this schedule or, in its sole discretion, to cancel the solicitation at any time.

RFP Release	April 11, 2011
Site Tour/Pre-Submission Meeting	April 28, 2011 <i>(Optional)</i>
Deadline for Questions	May 6, 2011
Proposals Due	June 3, 2011
Candidate Interviews	June 2011
Selection	July 2011
Kick-off	August 2011

Submittal Instructions

Development teams must submit one original and five (5) copies of their proposal in 8 ½" by 11" format (one copy of large-scale drawings and exhibits, if included in the package, will be sufficient). Submissions must be bound and sealed, and must be mailed or delivered to:

Mr. Steven A. Silverman, Director
Montgomery County
Department of Economic Development
111 Rockville Pike, Suite 800
Rockville, MD 20850

The envelope must state "Site II RFP." Written proposals will be evaluated upon only what is submitted, and it is incumbent upon the Proposer to submit sufficient information to enable the County to fully evaluate the Proposer's capabilities and experience. Responses to this RFP received after the date and time specified are considered late and may not be considered for any agreement resulting from this solicitation. The County will not accept fax proposals or proposals sent via e-mail. Unless requested by the County, additional information cannot be submitted by the Proposer after deadline set for receipt of proposals. Respondents will be notified in writing of any change in the specifications contained in this RFP.

Optional Pre-Submission Conference & Tour

There will be an optional pre-submission tour and conference on Thursday, April 28, 2011. The site tour will begin at 10:30 am at 2201 Industrial Parkway, Silver Spring, MD 20904. The pre-submission conference will be held from 1:00pm to 3:00pm at the Department of Economic Development, located at 111 Rockville Pike, Suite 800, Rockville, MD 20850. Questions about the RFP will only be answered at the conference. The County will not provide transportation to or from the site.

Conditions and Limitations

The County reserves the right to reject any or all responses to this RFP, advertise for new RFP responses, or to accept any response deemed to be in the best interest of the County. A response to this RFP should not be construed as a contract nor indicate a commitment of any kind. This RFP does not represent a commitment or offer by Montgomery County to enter into an agreement with a Proposer or to pay any costs incurred in the preparation or submission of a response to this request. The RFP does not commit the County to pay for costs incurred in the negotiation or other work in preparation of or related to a final agreement.

Questions regarding the technical component or the scope of services contained in the RFP should be directed, via email, to

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Tina Benjamin
Department of Economic Development
tina.benjamin@montgomerycountymd.gov

All questions, and the responses from the County, will be distributed to all recipients of this RFP.

The responses and any information made a part of these responses will become a part of the project's official files. The County is not obligated to return the responses to the individual Proposers. This RFP and the selected firm's response to this RFP may, by reference, become a part of any formal agreement between the Proposer and the County.

The County has sole discretion and reserves the right to reject any and all responses received with respect to this RFP and to cancel this Request at any time prior to entering into a formal agreement.

The County reserves the right to request clarification of information provided in response to this solicitation without changing the terms of this request.

If an Proposer contends that any part of its proposal is proprietary or confidential and therefore limited to disclosure under the Maryland Public Information Act, Md. Code Ann. State Gov't §§10-611 *et seq* (the "MPIA"), the Proposer must identify all information that is confidential or proprietary and provide justification for why such materials should not be disclosed by the County under the MPIA. The County, as custodian of proposals submitted in response to this RFP, reserves the right to determine whether or not material deemed proprietary or confidential by the Proposer is, in fact, proprietary or confidential as required by the MPIA, or if the MPIA permits nondisclosure. The County will favor disclosure of all proposals in response to any request for disclosure made under the MPIA.

Respondents must familiarize themselves with the Property for the Development identified in this RFP, and form their own opinions as to suitability for proposed development on the site. The County makes no representations as to this site. The County assumes no responsibility for site conditions including, but not limited to, environmental and soil conditions.

Respondents are responsible for their own background investigation as to restrictions, if any, bearing upon title, zoning, subdivision, transportation, development capability, utilities and physical conditions at the property. Soils tests and other invasive tests may not be conducted upon the site during the RFP stage.

Proposers are subject to the provisions of law pertaining to ethics in public contracting including but not limited to the provisions of Montgomery County Code Chapter 11B, Article XII and the applicable provisions of Chapter 19A.