




MEMORANDUM

June 18, 2015

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

FROM:  Marlene Michaelson, Senior Legislative Analyst
 Glenn Orlin, Deputy Council Administrator
Jacob Sesker, Senior Legislative Analyst 

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

Expected for this session:

- Greg Ossont, Deputy Director, Department of General Services
- Ramona Bell-Pearson, Assistant Chief Administrative Officer
- Tom Street, Assistant Chief Administrative Officer

The Executive has asked the Council to make a Declaration of No Further Need (DNFN) for Site II, a 115 acre property that was formerly the site of a Washington Suburban Sanitary Commission (WSSC) waste composting facility. He has submitted to the Council a confidential draft of the General Development Agreement (GDA) between the County and its development partner Global LifeSci Development Corporation's (GLDC), owner of approximately 185 acres adjoining Site II. Attached on © 3 to 7 is a memorandum from the County Executive summarizing the key terms of this agreement and benefits from the joint partnership. Questions regarding issues addressed in the summary will be addressed in open session. Should Committee Members have questions regarding specific language in the draft GDA, they will need to be answered in a closed session.

This disposition is unique in that it is not a simple sale of County land to a private developer. In fact, no land is proposed to be disposed at this time. Instead the DNFN is linked to the creation of a partnership between the County and GLDC that will result in future dispositions that are likely to occur in different stages to potentially different entities. It is also unique because there will be an ongoing both costs and potential future profits as well as an ongoing role for the County in the review and approval of development applications submitted to the Maryland-National Park and Planning Commission (M-NCPPC). The need to establish the terms of this ongoing relationship (while also ensuring that the development is consistent with the White Oak Science Gateway (WOSG) Master Plan) make this a particularly complex GDA.

Over the past several months the Executive Branch has answered numerous Council questions on the proposed partnership and they believe the draft GDA addresses all of the concerns raised by the Council that can be addressed in the GDA. (Council Staff memoranda and answers to Council questions are attached on © 10 to 77; © 11 to 12 has background information on the White Oak Science Gateway Master Plan and the Request for Proposals that led to the selection of Percontec.) They recommend Council approval so that the Partnership can begin to enter into agreements with those interested in purchasing or leasing a portion of the site. Council action on the DNFN is scheduled for June 23 if the Committees agree on June 22 that the materials presented by the County Executive sufficiently address Council questions and concerns. Action on the DNFN would be the Council's last opportunity to comment on the terms of the Partnership, but Council approval will be required for funding for the significantly infrastructure needs. Many of the issues previously raised by the Council and Staff will be considered by the Planning Board in the course of their regulatory reviews.

The revised list of material terms addresses many of the concerns raised by the Council and Staff. Staff presumes that the GDA will be revised to be consistent with the final list of material terms. The Committees may wish to confirm this at the meeting.

Staff has noted several issues that the Committees should consider in their review. If these can be addressed to the Committees' satisfaction, Staff recommends approval of the Resolution Approving a Declaration of No Further Need attached on © 1-2. Staff further recommends that the Council send a letter to the Planning Board highlighting the issues the Planning Board must carefully consider during its regulatory reviews of development applications (see © 9b). In particular, the Planning Board should consider how each phase of development would meet the objectives related to mix of commercial and residential development and the ultimate goals related to mode share.

MIX OF COMMERCIAL AND RESIDENTIAL DEVELOPMENT AND PHASING

The Request for Proposals for a partner to develop Site II expressed the County's hope 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." The vision evolved to be a mixed-use center with residential, retail and bioscience/biotech jobs. The Council has expressed its concern that the areas not be development primarily residential.

In his May 20th memo, the Executive indicated that although the project will have a residential component, he has "no plans to allow the project to become a large-scale residential development project as that does not accomplish the vision established in the White Oak Science Gateway Master Plan" (see © 69).

The GDA allows the first phase of development to be primarily residential. Although the Executive previously indicated that development would be no more than 60% residential, the draft of the GDA does not include this provision and **instead** limits residential development to 1000 units until the first 300,000 square feet of commercial space has "proceeded to building permit".¹ It also limits overall

¹ The language in the revised list of material terms is not clear that the 60% cap on residential development has been eliminated, but the draft GDA does not reference it and Executive Staff have clarified that it was their intent to eliminate this requirement.

development to 2 million square feet (previously 3 million square feet and reduced at the Council's request). **Therefore it is possible that the first phase of development could be only 15% commercial** (300,000 square feet commercial and 1.7 million square feet residential). Executive Staff note that the total residential now possible under the revised material terms is less than what could have been allowed if residential development was limited to 60% of 3 million square feet (1.8 million with approximately 1,500 units). **Based on prior material terms submitted to the Council, Staff assumed that both the 60% limit and the limit on the number of units would be in the GDA, limiting residential to 1.2 million square feet and 1,000 units and the Council needs to decide whether it supports this significant change.**

While it may be reasonable to allow significant residential development in the first phase to jump start this project, it will be important for latter phases to have a greater proportion of commercial development if the first phase is primarily residential; however, it is impossible to tell exactly when that will occur until the Partnership has reached agreements with future purchasers or tenants. **The GDA indicates that these issues will be addressed in a Phasing Plan included with development applications submitted to M-NCPPC.** Staff understands that it is premature to determine future phases at this time; however, it is possible that a different County Executive with different goals will make decisions related to future development. **Staff recommends that the Council share with Planning Board the importance of a Phasing Plan that ensures that development beyond the first phase will be consistent with the Master Plan emphasis on commercial development.** A draft letter from the Council to the Planning Board is attached at © 9b.

ACHIEVING MODE SHARE

The Master Plan included a goal of achieving 30% Non-Auto Driver Mode Share ("NADMS" or "mode share") at build out. The draft GDA does not reference this Master Plan requirement, but the revised material terms reflect this requirement. The draft GDA includes a requirement that a graduated mode share for each phase of development be established for development applications. This will be part of a Phasing Plan that is required to be submitted as part of the development application process. An exhibit to the GDA (previously shared in the Executive's May 20 memorandum to the Council) includes a table with an example of graduated NADMS goals for 6 phases of development. This example includes a target at the end of Phase I of 10%. Staff believes that the Phase I target needs to be significantly greater than 10% for development at build out to achieve 30%.² **Therefore Staff recommends that the Council clearly convey to the Planning Board that approval of the disposition does not indicate Council support for the example included in the GDA and ask that the Planning Department and Board carefully consider the necessary mode share targets needed for each phase of development to achieve the Master Plan goals.**

CAPITAL IMPROVEMENTS

In his May 20 memorandum the Executive also identified transportation improvements needed for Phase I. This list will be updated when GLDC develops (subject to County approval) a Project Infrastructure Plan for submission to M-NCPPC. **Once again the Council should urge careful Planning Board review of the infrastructure needed to ensure that the appropriate infrastructure is provided at the**

² In many respects the Great Seneca Science Corridor is the corollary to the development planned for Site II. It, too, has graduated mode share goals. At the end of its first phase, during which it is assumed that the Corridor Cities Transitway will not have been built (or even programmed), the mode share requirement is 18%, not 10%.

appropriate time, particularly infrastructure that can help attain mode share goals. The Council will have further opportunity to comment on infrastructure when it reviews funding requests in the Capital Improvements Program (CIP) and has the ultimate authority for deciding which projects should be funded.

Most of the projects on the list provided by the Executive, especially the extension of Industrial Parkway, are needed to provide basic access to the property. For the most part the cost associated with each project is a reasonable guesstimate, given that none of the projects have yet been designed. Within the list is a placeholder of \$7 million for intersection improvements needed to address traffic generated by Phase I; of course, until the size of Phase I is determined and until the White Oak LATR Study that the Council recently approved is completed this fall, this particular estimate could change considerably—up or down.

One of the improvements in the list is \$1 million for a contribution to a White Oak Circulator. The White Oak Science Gateway Master Plan envisions a bus circulator connecting the Life Sciences/FDA Village center to other areas within White Oak. However, the Department of Transportation envisions that in Phase I—prior to the implementation of the US 29 BRT—these resources would be used to provide a non-stop bus shuttle between the Life Sciences/FDA Village Center and the Silver Spring Metro Station.

Staff agrees that this is the best use of the Circulator funds: the highest priority for the transportation improvements, other than providing basic access to the property, should be to achieve as high a mode share as possible. However, \$1 million falls far short of the need. Buses cost about \$550,000 apiece, so the \$1 million would not quite pay for two additional Ride On buses. The cycle time for a shuttle from Life Sciences/FDA Village Center to Silver Spring Metro and back again—including circulation time within the Life Sciences/FDA Village Center and the required layover time at each end of the route—is about 80 minutes during rush hours. With only two buses, this means the service would be running with 40-minute headways, much too long to provide a reasonable transit connection to the Life Sciences/FDA Village Center. Instead, the Circulator cost in Phase I should cover the acquisition of six buses (five plus a spare) to provide a 15-16-minute headway: \$3.3 million. Furthermore, the annual operating cost of this shuttle needs to be provided.

To keep the overall cost of the Phase I improvements at the same level proposed by the Executive, Staff believes the Executive and Planning Board should consider postponing the \$9 million bikeway along Industrial Parkway until a later phase. During Phase I the bikeway would not yet connect to other bikeways to provide good bicycle access to the Life Sciences/FDA Village Center.

It should be noted that all the Phase I improvements are creditable against the transportation impact tax. So to the degree GLDC will be paying for these improvements, its transportation impact tax would be reduced commensurately.

COST SHARING

In his May 20, 2015 memorandum, the County Executive indicated he does not intend to allow the County to be responsible for an inequitable share of project costs. Independent appraisals of the value of Site II and the GLDC property determined that GLDC land currently represents 60% of the value and Site II is 40% of the value. Prior correspondence from the Executive indicated that these percentages would be used as the basis for proportional contributions for acquisitions, dedications, and infrastructure

costs. The GDA indicates that both transportation and non-transportation infrastructure costs will be shared proportionally among “the proposed project development, other new development within the WOSG Master Plan area, the County, and any needed Federal and/or State participation in those funding mechanisms”, making it less clear how much GLDC would contribute to funding infrastructure costs. Staff has discussed this with Executive Staff and they have provided the following response:

Section 9 of the Material Terms describes that the Joint Development’s equitable cost sharing of infrastructure includes both transportation and non-transportation (e.g., water, sewer, utilities, ultra-high speed broadband data transmission lines, etc.) infrastructure costs. Within the Joint Development, GLDC and the County would share proportionately in those costs of transportation and non-transportation infrastructure apportioned to the Joint Development (i.e., ~60% by GLDC and ~40% by the County).

The revised material terms clarifies this 60/40 cost sharing (see © 6, first bullet) and Staff believes the GDA should be amended accordingly. The cost sharing section in the draft GDA refers to contributions from other new development within the White Oak Science Gateway Master Plan without distinguishing between infrastructure costs that should be borne entirely by the Partnership and those that appropriately should be shared with other property owners. Staff recommends it be amended to make this distinction.

The GDA is clear that GLDC is responsible for **all** costs of design and land use entitlements, including preparing the applications for sketch plan, pre-preliminary plan, preliminary plan and site plans, as well as a Phasing Plan and Project Infrastructure Plan.

PROFITS/REVENUE TO THE COUNTY

The material terms indicate that the relative proportions of the full, fair market values of Site II and GLDC property will be the basis for determining the share of future net profits for GLDC and the County, providing no further detail. Executive Staff have indicated that they have yet to negotiate this part of the GDA, but that additional language will be developed to address this issue. Staff has three concerns.

1. The material terms do not indicate that the profit sharing will be based on the **current** appraised value (i.e., the 60/40 split), even if the relative value of one property changes over time, and even if development occurs solely on GLDC’s or the County’s land.
2. There is no indication of how or when profits will be calculated. While this may be a straightforward calculation if there is a direct sale of land to a third party, it will be far more complex if GLDC acts as developer and development costs are involved.
3. The material terms and draft GDA are silent with respect to the County’s access to cost and revenue data necessary to verify profits.

In response to Staff question they have provided the following information:

As would be customary in any proportionate joint venture structure, generally accepted accounting principles would be used (and audited financial statements would be prepared by independent certified public accountants) to monitor the proportionate contributions being made by the parties and the distributions earned by both GLDC and the County. The County will have full rights of access to all financial records to maintain complete

transparency of the revenues, expenses, profit-sharing, and proportionate distributions in accordance with all the terms and conditions set forth in the governing General Development Agreement. To date, these negotiations have not been solidified.

Staff believes that it will be important for the GDA to address each of the three issues mentioned above. The Council will have to decide if it is comfortable approving the disposition without addition detail on this import element of the agreement or whether it wishes to see additional information before approving the DNFN confirming that profits, like the County's land basis in the Joint Development, will be based on relative proportions of the full current fair market value (and regardless of where the property is located), indicating how profits will be calculated, and confirming the County's ability to verify costs, revenue and profits.

TRANSFER OF PROPERTY/FAIR MARKET VALUE

Staff had assumed County land would be transferred to the Partnership, but the GDA indicates that the County will transfer its property to GLDC (except property being used for government purposes (local, State, Federal, International or quasi-governmental). It does not indicate how the County will be compensated for each transfer and, as noted above, the GDA is not clear as to how net profits will be calculated.

It is also unclear in the GDA when the transfer would occur and Staff believes that it is important that the transfer not occur until purchasers or tenants have been identified and preliminary development applications approved. Staff discussed this with Executive Staff who indicated that no transfer would occur until the preliminary plan of the subdivision was approved, but before the Site Plan, which could be prepared by the contract purchaser and not GLDC. Executive Staff provided the following comments in response to Staff questions:

Title to Site II would not be transferred to GLDC or to any end users until sketch plan and preliminary plan approvals are obtained from M-NCPPC; and even then, would not likely be transferred in a single transaction. Instead, title to Site II would likely be conveyed in a series of "take down" installments, as a particular parcel is being developed (e.g., being graded or having roads, water, sewer, utilities, etc. being installed) and/or purchased or leased by third parties in a raw (pre-developed) condition. Title to Site II might also have "take down" installments to facilitate certain types of inter-governmental (e.g., to or for Federal or State governmental uses) or intra-governmental (e.g., for BOE, library, County agency, civic uses, etc.).

Staff believes that the material terms, and the GDA, should include information regarding the timing of the transfer to clarify that no transfer to GLDC would occur in advance of Sketch Plan and Preliminary Plan approvals.

Section 11B-459 (c) of the County Code requires that the Council either determine that the property will be sold at fair market value or waive this requirement. Given that the Council cannot know the profits that will result from the Partnership's efforts at this time, a waiver is necessary. The Council received an e-mail from Assistant Chief Administrative Officer Ramona Bell-Pearson requesting that the waiver be granted as part of the approval resolution. A draft resolution is incorporating this request is attached at © 1-2.

FUNDING STRATEGIES

As noted above, GLDC and the County will share infrastructure costs associated with development. The Executive has indicated that funding for the County portion of these costs could come from a variety of sources “including the CIP, leveraging the County’s land value and considering a special taxing district.” He indicated that prioritization of these options will be considered after further study and analysis. The Council should request that the Executive provide a future briefing on funding options in advance of potential CIP amendments.

RESOLUTION

The Council action on this will require approval of a resolution with a Declaration of No Further Need. The Council previously introduced this resolution in January and held a public hearing in February. Staff has updated the resolution to reflect events that occurred since introduction and to refer to the updated summary of material terms (see © 1-2). The Committees should consider whether any of the discussions at the worksession require a further change to the resolution. Should the Executive decide to amend any of the material terms after Council disposition, he would be required to return to Council with an amended list of material terms.

Attachments:

- © 1 Revised Resolution to Approve Declaration of No Further Need: Disposition of Site II
- © 3 June 17, 2015 Memorandum from Isiah Leggett to George Leventhal with updated Material Terms
- © 8 June 11, 2015 Memorandum from Isiah Leggett to George Leventhal
- © 9b Draft Letter from the Council to Planning Board Chair Casey Anderson

Background Materials

- © 10 January 15, 2015 Council Staff memorandum to GO&PHED Committees, including the following attachments:
 - © 17 November 13, 2014 Memorandum from Isiah Leggett to Craig Rice – Material Terms
 - © 20 November 24, 2014 Memorandum from Ramona Bell-Pearson to Craig Rice – Transmittal of Executive Order 214-14
 - © 21 Executive Order 214-14 Declaration of No Further Need
 - © 23 December 17, 2014 Memorandum from George Leventhal to Isiah Leggett - Extension of Time for Consideration of DNFN
 - © 24 Initial Council Comments and Executive Responses
 - © 27 Life Sciences and Technology Centers PDF #P789057
 - © 29 Montgomery County Request for Proposals – Site II
- © 43 January 20, 2015 Introduction of Resolution to Approve Declaration of No Further Need: Disposition of Site II
- © 46 January 20, 2015 Resolution to Extend the Time for Council Action for Approval of Declaration of No Further Need: Disposition of Site II
- © 49 April 10, 2015 Council Staff memorandum on Transportation Issues Related to the Disposition of Site II
- © 53 April 20, 2015 Council Staff memorandum on staging mechanisms related to Site II.

- © 69 May 20, 2015 Memorandum from Isiah Leggett to George Leventhal with responses to Council questions.
- © 78 June 1, 2015 Memorandum from George Leventhal to Isiah Leggett - Council comments on Property Disposition – Site II.

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Resolution No. _____
Introduction _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of Declaration of No Further Need: Disposition of Site II Property on Industrial Parkway in Silver Spring

Background

1. Montgomery County Code §11B-45 requires the Council to approve a Declaration of No Further Need before the County Executive can dispose of real property that has more than nominal value. Prior to seeking Council approval of a Declaration of No Further Need, the Executive must:
 - (a) submit all material terms of the proposed disposition and any appraisal the Executive relied on in setting the property's market value to the Council; and
 - (b) publish a declaration in the County Register and post a notice on the County website that the County has no further need for the property.

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

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

3. On November 24, 2014, the Council received Executive Order 214-14, Material Terms for Disposition of 2201 Industrial Parkway, Silver Spring, Maryland "Site II." This is the Executive's Declaration of No Further Need. On June 10, 2015 the Executive sent a memo to the Council informing Councilmembers that Executive Order 214-14 had been published in the Register, that no public comments had been received, and that the disposition is ready for the Council's consideration and approval.
4. On January 15, 2015 the Joint Government Operations and Fiscal Policy (GO) and Planning, Housing, and Economic Development (PHED) Committee held a worksession on the material terms and Declaration of No Further Need. The Joint Committee requested additional information and recommended the Council hold a public hearing on the disposition. The Joint Committee recommended the Council extend the time for action to consider additional information and any testimony from the public hearing.
5. On January 20, 2015, the Council adopted Resolution 18-27 which extended the time for action to July 31, 2015.
6. A public hearing was held on February 24, 2015.
7. On April 14, 2015, the Council was briefed on the transportation issues associated with the proposed development of Site II.
8. On June 22, 2015 the Joint Committee held a second joint worksession to consider the material terms. The Joint Committee reviewed the revised material terms and the recommendation that the Council waive the requirement that any disposition of this property be a full market value transaction. The Joint Committee recommended the Declaration of No Further Need be approved and the property be disposed of in the manner described in the material terms memorandum submitted by the County Executive on June 17, 2015. The Committees further recommend that the Council waive the requirement that disposition of this property be at full fair market value.

Action

The County Council for Montgomery County, Maryland approved the following resolution:

The Declaration of No Further Need contained in Executive Order 214-14, Material Terms for Disposition of 2201 Industrial Parkway, Silver Spring, Maryland is approved and may be disposed of under the material terms provided by the County Executive in his memo of June 17, 2015. The Council waives the requirement that disposition of this property be a full market value transaction.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

June 17, 2015

To: George Leventhal, President
Montgomery County Council

From: Isiah Leggett, County Executive 

Subject: Site 2 Disposition

This memorandum supplements my previous memo of June 11, 2015, which transmitted the confidential draft of the proposed General Development Agreement (GDA) containing the material terms of the proposed transaction. With this submission I am providing an outline that is intended to make public details contained in the GDA that are material terms of that Agreement.

The economic interests and benefits for the County that would be derived from the success of the Joint Development extend far beyond the profitability of the Joint Development. The opportunity to leverage the County's exceptionally unique asset, the United States Food and Drug Administration (FDA) Headquarters, located in the White Oak Sector plan area cannot be overlooked. Not only will this public – private partnership between Percontee and the County benefit the County financially, but it will also enhance the County's reputation as a world leader in the biomedical and biotechnology industry sectors.

The proposed 300-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. Accelerated tax revenues will support the funding of previously unfunded transportation infrastructure that will create greater mobility for residents and businesses regionally.

Public benefits such as job-creation incentive programs, ultra-high speed broadband data transmission infrastructure, day care facilities, enhanced environmental protection features, school facilities, affordable housing programs, public service centers, public parks and open spaces, public art; etc. will also be accelerated.

Executive staff has a proposed agreement with Percontee that will provide the County taxpayers with highly unique benefits and protections that are intended to rival other development partnerships the County has entered into previously. I am urging

the County Council to approve the Declaration of No Further Need as soon as possible so that none of the exciting opportunities will be lost.

The following is a summary of material terms from the GDA that have been communicated to the Council over the past several months:

- The County selected Global LifeSci Development Corporation (GLDC), through a competitive solicitation to assume the role of Master Developer for the Joint Development project. Executive staff 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.
- The County's land basis in the Joint Development has been 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 has also been established through an independent appraisal using the same appraiser and the same basis 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 interests derived from the appreciation in value of the Joint Development.
- GLDC is 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.
- GLDC would be responsible for 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").
- 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 M-NCPPC's approval of the 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").
- As part of the Applications to be submitted to M-NCPPC for the Entitlements, GLDC and the County will coordinate and agree on the specific Phasing Plan of development that would address, at a minimum, the following:

- an appropriate balance and mix of intended land uses for each phase of the Joint Development (including, but not necessarily limited to, employment, lodging, 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;
 - Ultra-high speed broadband data transmission infrastructure;
 - the graduated transportation trip mitigation goals required for each phase of the Joint Development;
 - the timing of the graduated transportation infrastructure improvements needed to serve each phase of the Joint Development including BRT.
- The initial material terms memorandum dated November 13, 2014 proposed a 60% residential cap for the first phase of 3 million square feet. I have noted that some Councilmembers are concerned that the initial phase of the development is not defined enough to assure Councilmembers that a 60% cap is sufficient to incentivize the acceleration of commercial development. For that reason, I am recommending that Phase 1 development be limited to not more than 2million square feet total, which is a reduction from the 3million square feet I originally proposed.
 - I have also proposed to limit residential development to not more than 1,000 market rate units until a minimum of 300,000 square feet of commercial development proceeds to building permit. Based on the approved zoning for the project, this recommendation essentially withholds approximately 80% of the overall residential development potential until commercial development occurs.
 - 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.
 - The following is a summary of the transportation improvements that will likely be needed for Phase 1:

Plum Orchard / FDA Blvd Connector (B-5)	New Road	\$10M
Industrial Pkwy Extension (A-106)	New Road	\$50M
Industrial Pkwy Bikeway (A-106)	Bikeway	\$9M
FDA Blvd Widening (B-10)	Widening	\$26M
White Oak Circulator Contribution	Transit	\$1M
LATR Placeholder	LATR	\$7M

- Generally, the project will be responsible for the proportionate share of the costs of these improvements. The cost sharing program is based on the partnership land basis, which is established by appraisals as a 60/40 split. The County's participation on project transportation infrastructure improvements will be funded from a variety of sources including the CIP, leveraging the County's land value and considering a special taxing district, if feasible.
- Prioritization will be considered after further study and analysis. However, some elements are apparent at this time. For example, there would be no benefit for circulator service at the start of the project, whereas the Industrial Parkway Extension is likely the first improvement that should be programmed for the site. All of these improvement projects will be incorporated into future CIPs, providing Council the opportunity to review cost, priority and development schedules.
- The 'graduated scale' is an obligation of the GDA and will be a requirement of the sketch plan. The Executive Branch will have approval authority of all submissions to the M-NCPPC. M-NCPPC will require applications to be consistent with master plan requirements, specifically the NADMS requirements. The project will need to demonstrate how the graduated scale achieves the required 30% NADMS.
- The County may transfer title to portions of Site II to GLDC at GLDC's sole cost of transfer and recordation, 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 governmental or quasi-governmental uses.
- The partners will be financially responsible for their proportionate share of non-transportation infrastructure to support the joint development such as a school site dedication, community facilities, parkland dedication, etc.
- 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. In the event that the Parties agree to a transfer of any portion of title to Site II to GLDC, then after the time of transfer, GLDC would be entitled to use that transferred portion of Site II along with the GLDC Property as collateral to finance and construct on-site and off-site infrastructure and other improvements necessary to deliver finished lots to end-users.

- 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.
- The GDA will require GLDC to use commercially reasonable efforts to perform a variety of obligations. For example, GLDC would be responsible for funding all costs of design and land entitlements and diligently preparing development plans to be submitted to M-NCPPC. Failure to do so would constitute a failure to perform.
- All customary efforts to minimize the County's risk will be utilized as is the case with all County projects. Participation in the upside and, conversely, the downside is inherent. County exposure will be primarily limited to covering public infrastructure costs should taxes and fees from real estate sales be insufficient to cover those costs.
- GLDC would be required to use commercially reasonable efforts to meet any obligations of the GDA in delivering commercial development. The residential cap reinforces the urgency of commercial development with a hard stop.
- GLDC's failure to perform is handled through exercising the County's right to seek remedies or terminate the agreement.
- I have directed that the GDA include an obligation for GLDC and the County to use commercially reasonable efforts to attract education and research entities/institutions to the White Oak Sector plan area.
- Executive staff will brief the County Council prior to approval of the sketch plan and its submission to M-NCPPC.

As I mentioned earlier the GDA anticipates using the property appraisals to determine fair market value of the 300 acre parcel when necessary to transact any conveyances of property. It should be noted, however, that Executive Staff will need flexibility to obtain development opportunities to facilitate revitalization and redevelopment of the White Oak area. For that reason I am requesting that Council approve this disposition of property and waive the obligation to obtain full fair market value. This will enable me to direct Staff to consider the best opportunities for this property including possible use for strategic economic development projects, government to government development projects, public amenities, etc.

IL:rbp



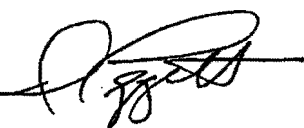
OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

June 11, 2015

To: George Leventhal, President
Montgomery County Council

From: Isiah Leggett, County Executive 

Subject: 2201 Industrial Parkway, Silver Spring Maryland (Site II) Disposition

I am in receipt of your memorandum dated June 1, 2015 regarding the County Council's request to review a draft general development agreement between the County and our partner on the White Oak Science Gateway Redevelopment project. A Confidential draft general development agreement has been transmitted for your review. It is important to note that the document should be kept Confidential as negotiations related to a land transaction are ongoing and cannot be conducted in the public forum. Furthermore, you will note that the draft incorporates the material terms that have been discussed at length with Council.

Specifically, you will note that after earlier discussions, I have amended the draft terms to reduce the first phase of development from an earlier proposed 3 million square feet to no more than 2 million square feet and withhold nearly 80% of the residential development capacity until a meaningful amount of commercial development has occurred. Additionally, the transportation infrastructure needed to facilitate the first phase of development has been listed in earlier submissions to Council. It should be noted that the references to transportation infrastructure are obtained from the master plan and reflect the improvements contemplated for the entire build out of the master plan which goes far beyond the first phase of development.

It is important to note that these proposed terms will be incorporated as part of the sketch plan submittal to the Maryland National Capital Park and Planning Commission (hereafter M-NCPPC) for review and approval. M-NCPPC requires the development plan to demonstrate compliance with the approved master plan including, but not limited to, achieving a 30% non-auto driver mode share (NADMS) at full build out, density allocations in future phases, timing of transportation improvements, dedication of land for a future school site and dedication of open space. The Council will also note that the County has review and approval authority over all submissions made to M-NCPPC to ensure County commitments are confirmed. The approval authority is not limited to the first phase; rather all subsequent phases are included. The

George Leventhal, President

June 11, 2015

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development plan for future phases will be established through collaborative efforts of the County and our development partner with the County maintaining final approval authority over the plan. As I have indicated in previous correspondence, Executive staff will be available to brief the Council once the sketch plan is finalized.

There is some element of risk associated with all development projects. All customary efforts to minimize the County's risk will be utilized as is the case with all County projects. Participation in the upside and, conversely, the downside is inherent. The Council will note terms in the draft agreement that specifically address the remedies available to both parties should performance matters arise.

The County's participation on project transportation infrastructure improvements will be funded from a variety of sources including the CIP, leveraging the County's land value and considering a special taxing district, if feasible. Prioritization of these options will be considered after further study and analysis has been conducted. There will be many opportunities in the future for Council to have input with any County development related to this property. For example, establishing these priorities will entail further discussion with the County Council as specific improvement projects will be incorporated into future CIPs that Council will have to consider for cost approval, priority setting and scheduling.

As you are aware, I secured Site 2 for the specific purpose of creating a life sciences based, mixed use development that would leverage assets at FDA, create jobs and make strategic investment in the East County area. It is my belief that this is the time for East County to benefit from a development project and this development project is the one that will provide the most benefit. I am committed to moving this project forward and the County Council's approval of the Declaration of No Further Need is required to do so and will facilitate moving this forward. I am also committed to continue working with Council and the Community in good faith to assure the sound development of this property and I urge the Council to take action on this matter as soon as possible.

Thank you for your continued cooperation on this important opportunity for East County.

IL:rbp

Attachment

**DRAFT LETTER FROM THE COUNCIL TO PLANNING BOARD CHAIR CASEY
ANDERSON**

Dear Casey,

I am writing in regard to the Site II/Global LifeSci Development Corporation (GLDC) project in White Oak. As you know, this project was an important part of the recently adopted White Oak Science Gateway Master Plan. The County Executive and the private partner in this effort, GLDC, are now working on creation of a General Development Agreement (GDA), which will lay out the implementation of this significant public/private partnership.

The Council is very interested in making sure that this project achieves the goals laid out in the White Oak Science Gateway Master Plan. Eventually, the Site II/GLDC project will also need to be reviewed by the Planning Board as a regulatory project – including, at a minimum, a sketch plan, a preliminary plan, and a site plan. This review by the Board will be a very important step and an opportunity to work out some of the most complex parts of the project, including the public amenities to be constructed, the delineation of mode share and how to achieve NADMS goals, and the timing of commercial development on the site. In all of these reviews, it will be essential that the final project that moves forward be consistent with the Master Plan.

A particularly important element of the regulatory review will be creation of Phasing and Infrastructure Plans. The Phasing Plan will determine the amount of development and mix of commercial and residential development in each phase and ensure that development will achieve the goals for a mix of uses with a focus on employment and economic development. It will also establish mode share goals for each phase. The Infrastructure Plan needs to identify and prioritize all major infrastructure necessary for the implementation of the Site II/GLDC project – including roads, transit locations, utilities, public facilities and other elements. Materials presented to the Council included an example of potential mode share targets and a list of infrastructure improvements. The Council is not endorsing the targets or the list and believe these need your careful review and will most likely need to be modified to meet the objectives in the Master Plan.


The Council feels that the Site II/GLDC project is essential to the revitalization and enhancement of the White Oak area, and Eastern Montgomery County as a whole. We hope that the Planning Board will be both creative and rigorous in the regulatory review of this project, focusing particularly on how to achieve appropriate NADMS goals and on how to assure that there is an appropriate ratio of commercial to residential development as each part of the project moves forward. We have great confidence in the Board's ability to work through these complex issues and look forward to continuing cooperation as this effort proceeds.

9b

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.

(Handwritten mark)

Craig Rice, President
November 13, 2014
Page 2

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 be 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
Page 3

- 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

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

WHEREAS, as required under §11B-45 of the Montgomery County Code, the County Executive must issue and publish an Executive Order declaring that County owned or controlled real property is no longer needed for public use.

ACTION

In consideration of the above recitals, the County Executive declares that 2201 Industrial Parkway is no longer needed for public use and hereby directs the Department of General Services to take all steps necessary to dispose of the Property in a manner acceptable to the County.

Approved as to Form and Legality
Office of the County Attorney

By: [Signature]
Date: 11-21-14

APPROVED

[Signature]
Ramona Bell-Pearson
Assistant Chief Administrative

Officer

Distribution:

- County Council
- County Attorney
- Department of General Services

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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 till 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	0	0	0	0	0	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	0	0	0	0	0	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,

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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

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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



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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.

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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.

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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



Montgomery County Request for Proposals

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.

MEMORANDUM

January 16, 2015

TO: County Council

FROM: Jacob Sesker, Senior Legislative Analyst *JS*

SUBJECT: **Introduction:** Resolution to Approve Declaration of No Further Need: Disposition of Site II

On November 24, 2014, the Council received Executive Order 214-14, Disposition of Site II, a County-owned property (115 acres) on Industrial Parkway in Silver Spring. The Joint PHED and GO Committees held a worksession on January 15, 2015 to consider the Executive's recommended Declaration of No Further Need and recommended (5-0) to hold a public hearing. In order to hold a public hearing on the disposition, a resolution of approval must first be introduced. The resolution that the Council ultimately acts on (following the public hearing and any additional worksessions that may be necessary) may reflect changes proposed by the Executive in response to issues raised. For more information, please see Council Staff's packet for the January 15th worksession:

[http://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2015/150115/20150115_GO PHED2.pdf](http://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2015/150115/20150115_GO_PHED2.pdf)

A resolution of approval is attached at © 1. A public hearing is tentatively scheduled for February 24, 2015. The Council will take action today (see item #6H) to approve a resolution to extend time for action to July 31, 2015.

Attachments:
Resolution

© 1

F:\Sesker\project files\Site II\012015 introduction of Site II DNFN.doc

Resolution No.: _____

Introduced: _____

Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of Declaration of No Further Need: Disposition of Site II Property on Industrial Parkway in Silver Spring

Background

1. Montgomery County Code §11B-45 requires the Council to approve a Declaration of No Further Need before the County Executive can dispose of real property that has more than nominal value. Prior to seeking Council approval of a Declaration of No Further Need, the Executive must:
 - (a) submit all material terms of the proposed disposition and any appraisal the Executive relied on in setting the property's market value to the Council; and
 - (b) publish a declaration in the County Register and post a notice on the County website that the County has no further need for the property.

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

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

3. On November 24, 2014, the Council received Executive Order 214-14, Material Terms for Disposition of 2201 Industrial Parkway, Silver Spring, Maryland "Site II." This is the Executive's Declaration of No Further Need.
4. On January 15, 2014, the Joint Government Operations and Fiscal Policy (GO) and Planning, Housing, and Economic Development (PHED) Committees held a worksession on the material terms and Declaration of No Further Need. The Joint Committees requested additional information and recommended the Council hold a public hearing on the disposition. The Joint Committees recommended the Council extend the time for action to consider additional information and any testimony from the public hearing.
5. On January 20, 2015, the Council extended the time for action to July 31, 2015.
6. A public hearing was held on February 24, 2015.

Action

The County Council for Montgomery County, Maryland approved the following resolution:

The Declaration of No Further Need contained in Executive Order 214-14, Material Terms for Disposition of 2201 Industrial Parkway, Silver Spring, Maryland may be disposed of in a fair market transaction and under the material terms provided by the County Executive in his November 13, 2014 memo to the Council President.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Agenda Item #6H
January 20, 2015
Action

MEMORANDUM

January 16, 2015

TO: County Council

FROM: Jacob Sesker, Senior Legislative Analyst *JS*

SUBJECT: **Action:** Resolution to Extend the Time for Council Action for Approval of Declaration of No Further Need: Disposition of Site II

On November 24, 2014, the Council received Executive Order 214-14, Disposition of Site II, a County-owned property (115 acres) on Industrial Parkway in Silver Spring. The Executive Order represents the Executive's recommended Declaration of No Further Need (DNFN). Under the property disposition law, the Council has 60 days within which to act or extend time for action on the DNFN or the DNFN is automatically approved. The 60-day time period will expire on January 23, 2015. The joint PHED and GO Committee held a worksession on January 15, 2015 to consider the Executive's recommended DNFN. The Committee recommended (5-0) that the Council extend time for action. A resolution extending time for action to July 31, 2015 is attached at © 1. The Council will also take action today (see item #6I) to introduce the executive's proposed DNFN and set a public hearing.

Attachments:
Resolution

© 1

F:\Sesker\project files\Site II\012015 extension council action.doc

Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Extend the Time for Council Action for Approval of Declaration of No Further Need: Disposition of Site II Property on Industrial Parkway in Silver Spring

Background

1. Montgomery County Code §11B-45 requires the Council to approve a Declaration of No Further Need before the County Executive can dispose of real property that has more than nominal value. Prior to seeking Council approval of a Declaration of No Further Need, the Executive must:
 - (a) submit all material terms of the proposed disposition and any appraisal the Executive relied on in setting the property's market value to the Council; and
 - (b) publish a declaration in the County Register and post a notice on the County website that the County has no further need for the property.

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

2. On November 13, 2014, the Executive submitted a summary of the material terms for the disposition of County-owned land, known as Site II, on Industrial Parkway in Silver Spring. The Executive recommends that the land be disposed of through transfers as a part of a joint development partnership. On November 28, 2014, the Council sent the Executive questions on the material terms.
3. On November 24, 2014, the Council received Executive Order 214-14, Material Terms for Disposition of 2201 Industrial Parkway, Silver Spring, Maryland "Site II". This is the County Executive's Declaration of No Further Need. On December 17, 2014, the Council informed the Executive that it may be necessary to extend the time for action.
4. The Joint Government Operations and Fiscal Policy (GO) and Planning, Housing, and Economic Development (PHED) Committees held a worksession on the Executive's

Declaration of No Further Need on January 15, 2015. The Joint Committees requested additional information on the material terms, expected costs and financing plan for infrastructure, and the process that will ensure implementation of the life sciences center envisioned in the Master Plan and required in the solicitation for Requests for Proposals.

5. The Joint GO and PHED Committees recommend the Council hold a public hearing on the Declaration of No Further Need. The Council has scheduled the public hearing for February 24, 2015.
6. The Council has determined that before it can act, additional information is needed from the Executive and from the public hearing.

Action

The County Council for Montgomery County, Maryland approved the following resolution:

The time for Council action on the Declaration of No Further Need contained in Executive Order 214-14, Material Terms for Disposition of 2201 Industrial Parkway, Silver Spring, Maryland "Site II" is extended to July 31, 2015.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

MEMORANDUM

April 10, 2015

TO: County Council

FROM: Jacob Sesker, Senior Legislative Analyst *JS*

SUBJECT: **Briefing:** Transportation Issues Related to Disposition of Site II

The Department of General Services (DGS) and Department of Transportation (DOT) will brief the Council on transportation issues related to implementation of the White Oak Science Gateway Master Plan generally, and to the development of Site II and the Percontee sites specifically.

On November 24, 2014, the Council received Executive Order 214-14, Disposition of Site II. The Council must approve by resolution the Declaration of No Further Need before the Executive can execute a General Development Agreement with the selected partner (Percontee). Executing the General Development Agreement is the next step in a process that began several years ago with the issuance of a solicitation/RFP. The RFP articulated several key objectives that a successful development proposal would meet, including two objectives that are relevant to this discussion of transportation capacity issues and transportation improvement costs:

- *Minimize the County's financial risk and maximize its return on investment (through direct or indirect means).*
- *Provide the infrastructure the site needs to maximize its development capacity.*

DGS and DOT have provided a summary of transportation costs by project category (see © 1) and a map of local area transportation (LATR) improvements (see © 2-3). Presentation slides are not available at this time, but may be available online in advance of this briefing.

Attachments:

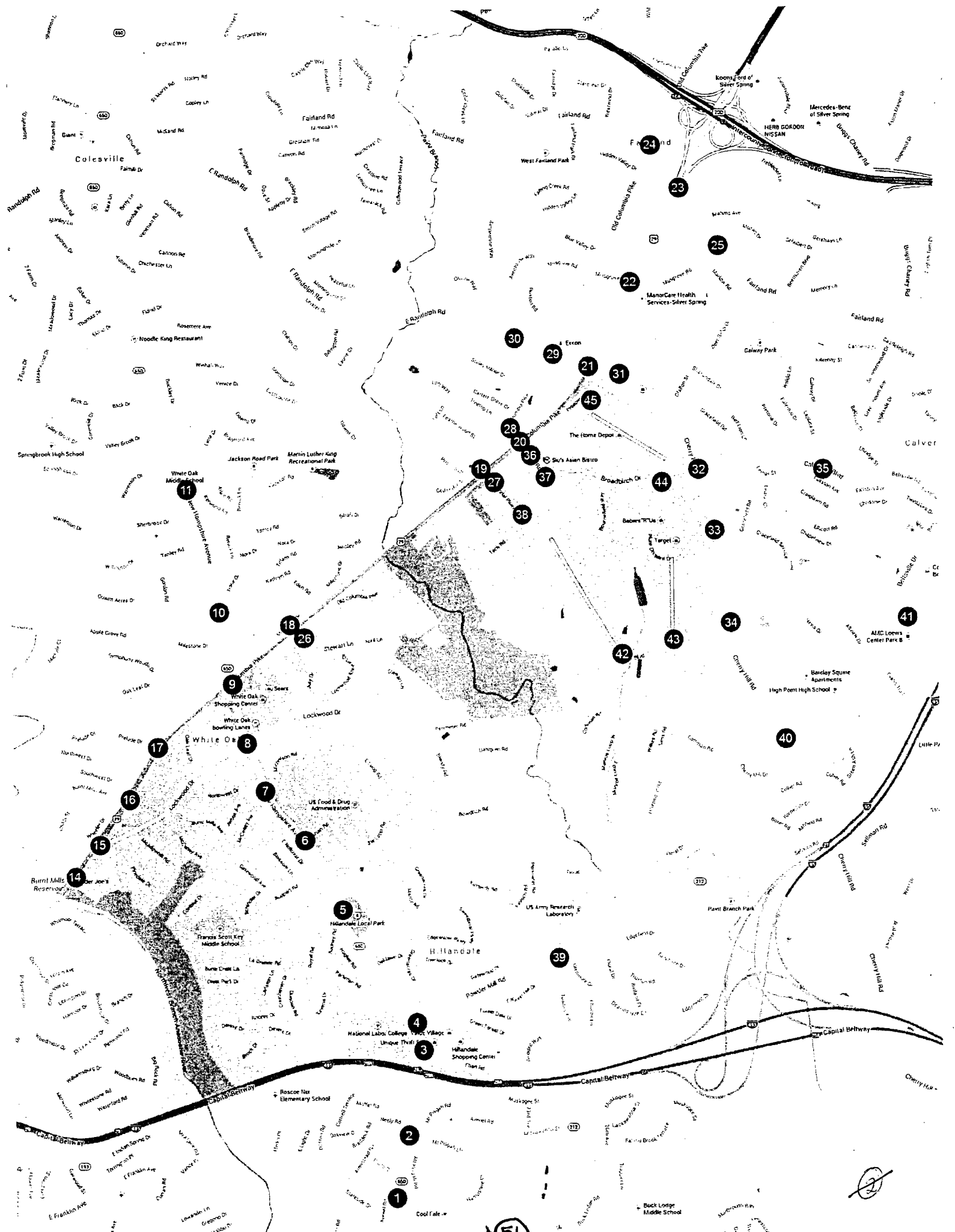
- © 1 Cost Estimates for the White Oak Science Gateway Master Plan
- © 2 LATR Improvement Map
- © 3 LATR Improvement Legend

**Cost Estimates for the
White Oak Science Gateway Master Plan**

Assumptions	
Daily Trips = 195,705	Peak Hr Trips = 15,243
All costs are Capital only; Maint+Operations costs not included.	

	Project	Approx Total Cost	Notes
Interchanges	Stewart La	\$ 130,000,000	Based on SHA estimates as of January 2015. Greencastle and Blackburn Interchanges are excluded on account of being a significant distance outside of the plan area. Fairland/Montrose is included on account of being within 2 intersections distant of the plan area.
	Tech Rd / Industrial Pkwy	\$ 93,000,000	
	Fairland Rd / Musgrove Rd	\$ 125,000,000	
	SUBTOTAL	\$ 348,000,000	
BRT	US 29	\$ 66,000,000	BRT accounts for the span within the master plan area only; full build-out of the system would be necessary for adequate functionality. Costs are based on a per-mile estimate prepared for each line by VHB. Randolph Rd initially estimated only to US 29; extrapolated for extension to FDA Blvd. Operating costs not included.
	MD 650	\$ 65,000,000	
	Randolph Rd	\$ 14,000,000	
	Orchard	\$ 5,000,000	
			<small>Orchard intersection 2 lanes with approximately 300 placements of 12' x 24' increments. Operating costs not included. Assumed to function as shuttle between Silver Spring and Downtown Silver Spring until US 29 BRT is built, at which point changes to MD 650 Orchard requires some 100' buses.</small>
LANE	Minor Intersections Modifications	\$ 50,000,000	A placeholder estimate pending more in-depth analysis.
	SUBTOTAL	\$ 50,000,000	
Intersectors	A-105 (White Oak Shopping Center)	\$ 24,000,000	Includes cost estimates for ROW and contingencies.
	A-106 (Industrial Pkwy Extended)	\$ 50,000,000	
	B-5 (Plum Orchard / FDA Blvd Connector)	\$ 19,000,000	
	B-6 (Plum Orchard Extended)	\$ 27,000,000	
	B-7 (Cherry Hill / Plum Orchard Connector)	\$ 9,000,000	
	SUBTOTAL	\$ 129,000,000	
Roadway Widening	A-105 Old Columbia Pike	\$ 71,000,000	All projects are for road widening for either additional capacity or parking, and includes any master planned bicycle infrastructure. A-105 widening includes \$12m for reconstructing the Old Columbia Pike Bridge. M-12 widening is for an additional thru lane along SB 650 under US 29. Assumes no bridge reconstruct; lanes narrowed; bikeway behind piers w/ reconstructed wall.
	M-12 MD 650 (New Hampshire Ave)	\$ 6,000,000	
	P-16 Elton Rd	\$ 1,000,000	
	B-9 Broadbirch Dr	\$ 34,000,000	
	B-10 FDA Blvd	\$ 26,000,000	
	B-11 Tech Rd (south of Industrial Pkwy)	\$ 11,000,000	
	SUBTOTAL	\$ 149,000,000	
New Bikeways	M-10 US 29 (Columbia Pike)	\$ 3,000,000	All projects are for shared use paths, for widening that is solely intended for provision of bicycle infrastructure, or (in the case of B-3) for narrowing as per the master planned cross-section.
	M-12 MD 650 (New Hampshire Ave)	\$ 5,000,000	
	A-94 Powder Mill Rd	\$ 19,000,000	
	A-106 Industrial Pkwy	\$ 9,000,000	
	A-107 Tech Rd (north of Industrial Pkwy)	\$ 8,000,000	
	A-108 Prosperity Dr	\$ 15,000,000	
	A-286 Lockwood Dr (west of New Hampshire Ave)	\$ 19,000,000	
	B-3 Elton Rd	\$ 1,000,000	
	SUBTOTAL	\$ 79,000,000	
	TOTAL ESTIMATED COST	\$ 905,000,000	





Coltsville

Fairland

HERB GORDON NISSAN

Mercedes-Benz of Silver Spring

ManorCare Health Services-Silver Spring

Exxon

Su's Asian Bistro

The Home Depot

Target

BEVERLY HILLS

ALIC LOVINS CENTER PARK B

BANDLEY SQUARE APARTMENTS

High Point High School

PAVEL BRANCH PARK

US ARMY RESEARCH LABORATORY

HILLANDALE SHOPPING CENTER

NATIONAL LABOR COLLEGE

FRANCIS SCOTT KEY MIDDLE SCHOOL

US FOOD & DRUG ADMINISTRATION

LOCKWOOD DR

WHITE OAK SHOPPING CENTER

WHITE OAK MIDDLE SCHOOL

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Map #	Intersection
1	MD 650 / Adelphi
2	MD 650 / Oakview
3	MD 650 / Elton/ 495 Ramps
4	MD 650 / Powder Mill
5	MD 650 / Chalmers
6	MD 650 / Mahan/ Schindler
7	MD 650 / Michelson/ Northwest
8	MD 650 / Lockwood
9	MD 650 / US 29 SB Ramps
10	MD 650 / Quaint Acres/ Heartfields
11	MD 650 / Jackson
12	US 29 / Lorain
13	US 29 / Southwood/ Eastwood
14	US 29 / Burnt Mills Shopping Ctr
15	US 29 / Lockwood
16	US 29 / Burnt Mills
17	US 29 / Prelude
18	US 29 / Stewart Lane
19	US 29 / Industrial
20	US 29 / Tech
21	Randolph / Cherry Hill / US 29 Ramps
22	US 29 / Musgrove
23	US 29 / Fairland
24	Fairland / Old Columbia Pike
25	Fairland / Musgrove
26	Old Columbia Pike / Stewart Ln
27	Old Columbia Pike / Industrial
28	Old Columbia Pike / Tech
29	Old Columbia Pike / Randolph
30	Randolph / Serpentine
31	Cherry Hill / Prosperity
32	Cherry Hill / Broadbirch
33	Cherry Hill / Plum Orchard
34	Cherry Hill / FDA Blvd
35	Calverton / Galway
36	Tech Road / Prosperity
37	Tech Road / Broadbirch
38	Tech Road / Industrial
39	212 / Powder Mill
40	212 / Cherry Hill
41	212 / Beltsville
42	FDA Blvd / Industrial Pkwy Extended
43	FDA Blvd / Plum Orchard Extended
44	Plum Orchard / Broadbirch
45	Plum Orchard Extended at Prosperity

MEMORANDUM

April 20, 2015

TO: County Council
FROM: Jacob Sesker, Senior Legislative Analyst *JS*
SUBJECT: **Property Disposition—Declaration of No Further Need—Site II**

Expected for this session:

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

PURPOSE OF THIS DISCUSSION

The purpose of this worksession is to discuss a proposal for a staging/metering mechanism in the general development agreement (GDA). Such a mechanism would provide an opportunity for the County to link infrastructure investments and performance by the development partner.

RFP TO SELECT A DEVELOPMENT PARTNER FOR SITE II

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.

WHY PUT STAGING IN THE DEVELOPMENT AGREEMENT?

Councils often require that *master and sector plans* be staged to assure a mixture of residential and commercial development as the Plan areas build out. Regarding transportation, all master-planned development must meet the applicable Transportation Policy Area Review (TPAR) and Local Area Transportation Review (LATR) requirements of the Subdivision Staging Policy (SSP). New development must also meet the applicable school capacity test.

In some master and sector plans, however, the Council has chosen to add a further layer of requirements that must be met even before the SSP tests are confronted. The Council may choose to do this out of concern regarding adequacy of public facilities when the specific issue is unique to a particular planning area or not addressed by the existing adequate public facilities ordinance. The Council may also choose to do this for land use related reasons, for example to ensure that job-housing balance goals are met or that jobs and housing remain in balance throughout the life of the plan.

Council Staff recommended staging this master plan. County Executive Leggett wrote a July 15, 2014 letter, attached at © 7, in which he urged the Council not to stage the master plan. In the July 16, 2014 PHED worksession, then Director of Economic Development Steve Silverman indicated that the Council's role vis-à-vis staging should be exercised in the context of the property disposition process: "...we will sit down and negotiate a General Development Agreement, which will contain all of the issues that you all have and community members and the Planning Board has for concerns. Because you control the disposition of the property and so you get a seat at the table. This isn't a "we're coming over with a GDA and we hope you'll bless it but we're moving forward anyway." This is a situation where you will have a seat at the table..."

Given the cost of public and private improvements (private improvements for the joint development would be in part the responsibility of the County as a development partner), the GDA should include a mechanism to assure that the joint development is achieving the objectives set forth in the RFP. **Furthermore, Percontee's interest in developing residential uses (see, for example, Percontee White Paper, © 9) may cause some concern that—in the absence of staging—the world class bioscience education and research campus will end up building out with townhouses and retail.**

Other considerations include the following:

- The 2002 Transportation Policy Report (TPR) focused on the need to increase employment in the eastern portion of the County while increasing residential development along the I-270 corridor. This has been one of the major policy objectives guiding the mixes of land uses in master plans in these areas, and the Council has increased residential development potential along I-270 (particularly in the White Flint area, but in other planning areas as well).
- The White Oak Science Gateway Master Plan envisions that the FDA could serve as a gateway to attract companies that offer high quality employment in health sciences fields. The plan notes that the County is pursuing development of a “major life sciences center.”
- The Master Plan designates the area as the “Life Sciences/FDA Village Center”.
- The property owner has been meeting with community groups since 2006 to discuss their concept of a “LifeSci Village”.

The Council should take this opportunity to ensure that the material terms related to staging not only implement the policy vision for this property but also are consistent with the objectives of the RFP, pursuant to which this GDA will be negotiated.

STAGING ALTERNATIVES

Executive branch staff explained the initial vision regarding how the GDA would balance housing and employment of the joint development. **The Executive proposes that the first phase would be whatever is defined as Phase 1 in the sketch plan, and the first phase of development would be no more than 60% residential.** Executive staff previously estimated that Phase I could include as much as 3 million square feet of development; consequently, Phase 1 could include as much as 1.8 million square feet of residential development (for illustration purposes, the 1.8 million square feet of residential might be 1,200 residential units with an average size of 1,500 square feet).

However, Council Staff feels that that approach is too permissive. Sketch plans for large developments often are segmented into sub-phases (Phase 1a, Phase 1b, etc.), and land uses are not evenly distributed across sub-phases. Under the CE's recommended approach, it would be possible that the joint development could complete a significant portion of the Phase 1 residential with little or no commercial development.

Council Staff, including the concurrence of Dr. Orlin and Ms. Michaelson, recommends tighter control.

- *First, Council Staff recommends maintaining the CE's recommended 60% cap for the Phase I sketch plan.*

- *Second, Council Staff recommends that no more than 300 residential units may be built until core and shell building permits have been issued to the joint development for more than 200,000 square feet of office, laboratory, or educational institution uses.*
- *Third, Council Staff recommends that no more than 600 residential units (cumulative) may be built until core and shell building permits have been issued to the joint development for 600,000 square feet (cumulative) of office, laboratory, or educational institution uses.*
- *Fourth, achieve a Non-Auto Driver Mode Share of 25% before moving to Phase 2 of the development.*

From a land use perspective, the joint development should be built out so that a balance between housing and employment is maintained throughout the entire build-out of the joint development. To ensure that this disposition achieves the County's objectives, the Council should place stricter controls over the staging of development. Council Staff's recommended approach is more likely to ensure that the vision for this property is achieved in the first phase of development.

Attachments:

- © 1 November 2014 Letter from Mr. Leggett
- © 4 November 2014 Letter from Ms. Bell-Pearson
- © 5 Executive Order 214-14
- © 7 Letter from Mr. Leggett to Ms. Floreen
- © 9 Percontee White Paper



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

Page 2

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 be 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
Page 3

- 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

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

WHEREAS, as required under §11B-45 of the Montgomery County Code, the County Executive must issue and publish an Executive Order declaring that County owned or controlled real property is no longer needed for public use.

ACTION

In consideration of the above recitals, the County Executive declares that 2201 Industrial Parkway is no longer needed for public use and hereby directs the Department of General Services to take all steps necessary to dispose of the Property in a manner acceptable to the County.

Approved as to Form and Legality
Office of the County Attorney

By: W. L. Paul
Date: 11-21-14

APPROVED

Ramona Bell-Pearson
Ramona Bell-Pearson
Assistant Chief Administrative

Officer

Distribution:

- County Council
- County Attorney
- Department of General Services



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

July 15, 2014

To: Nancy Floreen, PHED Chair
From: Isiah Leggett, County Executive *Isiah Leggett*
Subject: White Oak Science Gateway

The Executive Branch staff has worked closely with the Planning Board in preparing the revised draft, which strikes a sensible balance between the proposed land uses and the transportation network needed to support future development. I believe this approach to address the unique characteristics of the White Oak region is appropriate.

The County's development partnership with Percontee presents a rare opportunity to leverage a County asset and transform the Life Sciences/FDA Village center. But to do so responsibly and balance the growth with our transportation network will require certain actions, including requiring a higher standard for non-auto driver mode share in the White Oak Science Gateway. However, I do not support the application of this mode share to existing development throughout the White Oak Science Gateway.

Because these more stringent mode share requirements alone will not alleviate congestion in the White Oak Science Gateway, additional transportation infrastructure improvements will be required as well. The County and Percontee will share costs in an equitable manner and the material terms would be elements of the General Development Agreement (GDA) that the County Council will review as part of the disposition process. Clearly, a source of revenue will be identified for the needed improvements to the existing roadway and transit networks.

I support the creation of a new Subdivision Staging Policy (SSP) area category, "Transitional Transit Corridor," with a review standard of 1600 CLV. The new classification is appropriate as it will take advantage of the proposed Rapid Transit System and the overwhelming support for redevelopment opportunities in the sector plan nodes. I do not support the use of an interim measure of 1525 CLV.

Additionally, I recommend the following provisions apply to new development:

- A 30% non-auto driver mode share (NADMS) must be attained in the Life Sciences/FDA Village Center at full build-out as confirmed by the White Oak Transportation Management District. Attainment of interim NADMS goals will be on an appropriately graduated scale as each phase of a specific project is developed and accompanied with adequate sureties;



Nancy Floreen, PHED Chair

July 15, 2014

Page 2

- An equitably shared transportation cost program will be developed that adequately finances the necessary transportation improvements needed within the area independent from that required to satisfy TPAR and LATR.
- A comprehensive monitoring and verification system will be established to track NADMS throughout development phases and ensure the timely delivery of the transportation infrastructure.

The County's Subdivision Staging Plan is designed to balance the impact of growth on County infrastructure. If projects comply with the SSP then there is no need for additional staging requirements within the Plan. The County Council reviews the SSP regularly and may adjust the SSP to ensure balanced growth. There is no necessity for the Council to layer these requirements with additional milestone requirements that create obstacles to planning, financing and implementing the planned development. Accordingly, I do not support the Council staff recommendation to imbed additional staging requirements in the Plan. While these additional staging requirements may seem prudent, the practical implication of additional staging may jeopardize this opportunity for creating jobs and amenities in the East County.

Regarding Public Benefits, I support maintaining a high priority for affordable housing on the public benefits list to be considered during review of optional method projects in the CR zones. A research study that was just released this week by the Community Foundation for the National Capital Region, Housing Security in the Washington Region, shows critical gaps in affordable housing across a range of income levels in the Washington region. We must continue to place a high priority on creating affordable housing.

I hope this information is helpful. Executive staff will be available to answer any questions during the upcoming work session.

c: Councilmembers

Glenn Orlin, Deputy Council Administrator

Marlene Michaelson, Senior Legislative Analyst






JANUARY 2015
FROM: J GEMM/PERCUTEE
TO: JACOB SISKER

WHITE OAK SCIENCE GATEWAY MASTER PLAN

SUMMARY OF TOP 4 REASONS WHY, IF ANYTHING, RESIDENTIAL SHOULD BE INCREASED

June 11, 2014

EXECUTIVE SUMMARY OF TOP 4 REASONS WHY THE RESIDENTIAL PLAN IS ESSENTIAL

1. The residential plan IS the jobs plan, as the catalyst to transform area from 9am-to-5pm, 5-day/week (40 hour employment area) to a daytime, evening, and weekend (>120 hour per week) employment center
2. The residential plan IS the transportation plan, creating the efficiencies and effectiveness for all trip mitigation strategies, including high quality transit opportunities.
3. The residential plan is ESSENTIAL to make the plan economically viable, financeable, achievable, and implementable. Without the residential element, the plan would simply be a continuation of the 1997 set of master plans that have been an abysmal failure in attempting to create jobs (in fact, the "Employment Overlay Zone" LOST jobs between 2000 and 2013).
4. WOSG MP recommended by the Planning Board is DEFICIENT in residences with a plan that has greater than a 4:1 ratio of jobs to housing.

[More Detailed Explanation Follows on Subsequent Pages]

EXPLANATION OF THE TOP 4 REASONS WHY THE RESIDENTIAL PLAN IS ESSENTIAL**1. THE RESIDENTIAL PLAN IS THE JOBS PLAN:**

- a. The residential plan in the FDA/Life Sciences node is the only way to transform an industrial park that is 9am-5pm, 5 days/week (or 40 hours of employment) to a day, evening, and weekend activity center with 120+ hours per week of employment. This factor alone creates at least twice as many jobs as would otherwise be in this area.
- b. Only the residential creates the activity on evenings and weekend that are essential to attract the quality amenities that employers are looking for — nice restaurants, shops, meeting places — so those employers can attract the best employees (especially if they plan to locate their corporate headquarters here).
- c. It not just a factor of the quantity of jobs (10,000+), but the quality and diversity of jobs that would be created with the residential generating activity on evenings and weekends (i.e., not only jobs for scientists, researchers, professors, corporate executives; but also, administrators, middle-management, and service employees for the restaurants, shops, hotel and conference center, and commercial businesses).
- d. Any community development that does not see the mega-trend that is happening before our eyes would do so at its own peril. Today, teleworking means homes are becoming job centers. Teleworking 1 day/week could make 20% of any multi-family building in a job center. Add a wifi coffee shop or café on the first floor of the multi-family building and there may be more jobs in that multi-family building than in a 50,000 sq ft suburban office building (many of which are vacant in the WOSG MP area). This trend will only continue, including the paradigm for biotech innovation — moving away from mega-pharmaceutical companies doing their own R&D, and instead having small start-up entrepreneurs doing the R&D, then being bought out by big-pharma, and then starting up new entrepreneurial companies.
- e. Without the residential component of the plan, “on paper” (meaning in theory in an academic sense) the WOSG MP would likely produce fewer than 50% of the jobs now estimated to be created (i.e., fewer than 27,000 new jobs as opposed to the projected >54,000 new jobs), and hundreds of millions of dollars in fewer tax revenues for the County. But that is only “on paper.” In reality (meaning the actual financial reality), without the residential component (which has already been compromised down too far at the Planning Board), the WOSG MP is not financially viable, achievable, or implementable; and thus the desired job creation would not likely happen much, if at all. It would be a continuation of the 1997 set of master plans and the companion “employment overlay zone,” which has been a complete planning failure.

- f. The residential plan in the two shopping center nodes is what will be the catalyst for those older shopping centers to redevelop, because the more new residents (who demand higher quality shopping options) are attracted to walking distance to those shopping centers, the more economic reason and incentive there will be for those shopping centers to redevelop.

2. THE RESIDENTIAL PLAN IS THE TRIP MITIGATION PLAN:

- a. The residential plan creates the transit-worthiness and efficiencies that justifies greater investment in the most effective, state-of-the-art trip mitigation strategies, including high quality transit opportunities.
- b. With tens of thousands of jobs expected within the WOSG MP area, it would be extremely inefficient and costly to plan for transit to bring in thousands and thousands of workers and leave the WOSG MP as mostly empty "backhauls." That condition would create the highly inefficient, one-directional peak period transit use, which is just as inefficient as the one-directional peak period auto traffic. That is essentially the great challenge Metro (subway system) faces today, with the most Metro users going in one direction into Downtown DC, and why Metro wishes today that there was space for a third rail line, so two train lines could go in peak direction.
- c. The residential planned in the 3 primary activity nodes are of sufficient density that transit stations can be planned strategically and efficiently to generate ridership that would justify investment in more robust and high quality transit in an area that already is among the greatest users of transit in Montgomery County.
- d. The existing, older suburban single family homes are not as transit-oriented, and thus are unlikely to increase ridership very much beyond the existing use (which is minimal).

3. THE RESIDENTIAL PLAN IS THE ELEMENT THAT MAKES WOSG MP FINANCIALLY VIABLE:

- a. The majority of the estimated ~\$1.5 Billion of net fiscal benefit for Montgomery County are generated from the jobs that would be attracted to the area on account of new high quality amenities that would be developed ONLY if the new residential elements of the plan are fully implemented (because the new residents transform the 9am-5pm, 5-day per week industrial park to a vibrant mixed-use community with vitality on evenings and weekends, the time when the restaurants, shops, and other amenities need their customers the most).

- b. Moreover, encouraging "pioneer" employers to locate here before those high quality amenities are in place will likely require below market price/rent concessions (which reduces tax revenues for the County). And if those early "pioneer" employers are government facilities, hospitals, universities, or other tax-exempt organizations, the tax revenues for the County will be even lower.
- c. Conversely, with over 8,000 employees at FDA already (and many thousands more hoped for the area), and with plans for a 2,000+ job Washington Adventist Hospital, there is already a need to create a live-work residential community in the area, most of which would be at full market and would be swift; and would be the essential ingredient to attract the high quality amenities, which in turn create the multiplier effect to attract more high quality employers and jobs.
- d. For at least these reasons, the residential element of the plan is what makes the WOSG MP viable and financeable to the capital markets and the institutional lenders. Without the residential part of the plan, capital markets and institutional lenders would find the WOSG MP too high a risk and too low a return on investment. They will simply choose to invest elsewhere, where there is more certainty, less risk, and a higher return on investment. This undesirable result does not require more prognostications or further professional studies. The past 17 years since the adoption of the 1997 set of master plans (with the companion "Employment Overlay Zone") already validate this fact. The capital markets and institutional lenders have not invested much at all in this area.

4. THE WOSG MP ACTUALLY HAS A DEFICIENCY OF RESIDENCES

- a. By all counts for a viable "smart-growth/strategic activity center," the WOSG MP recommended by the Planning Board is woefully DEFICIENT in residences.
- b. The WOSG MP permits (subject to "earning" all CR zone densities) more than a 4:1 ratio of jobs to housing (although the Planning Board Draft Plan deleted reference to that disproportionate 4:1 ratio for the County Council to see). Almost universally, smart-growth/strategic activity center experts conclude that a vibrant mixed-use community should have no more than a 1.5 and 1.75 jobs-to-housing ratio.¹
- c. Even taking the most conservative ratio of 1.75:1 jobs to housing, and even presuming every property in the WOSG MP area could "earn" full CR zoning densities, the WOSG MP recommended by the Planning Board has a DEFICIENCY of over 3,000 residences.

¹ Although even this jobs-to-housing metric is becoming less and less relevant as teleworking, single-employee/small consulting businesses, work-share "hoteling," and other mega-trends in live-work lifestyles are becoming more and more commonplace, especially in the most vibrant mixed-use communities.

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2015 MAY 20 PM 1:45

OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850


Isiah Leggett
County Executive

RECEIVED
MONTGOMERY COUNTY
COUNCIL

MEMORANDUM

May 20, 2015

To: George Leventhal, President
Montgomery County Council

From: Isiah Leggett, County Executive 

Subject: County Executive Response - Site 2 Disposition

Thank you for the additional County Council comments dated April 22, 2015 regarding the material terms of the Site 2 property disposition. As you are aware, we are anxious to move this economic development project forward for East County.

When I secured the Site 2 property from WSSC it was for the very specific purpose of creating a life sciences based, mixed use development that would leverage the existing Federal presence at FDA, create jobs and make strategic investments in East County. While the project will have a residential component as part of the mixed use plan, I have no plans to allow the project to become a large-scale residential development project as that does not accomplish the vision established in the White Oak Science Gateway Master Plan. The County will maintain approval authority on any development application filed with M-NCPPC to ensure it is consistent with County commitments.

Attached please find responses to your questions including a summary of the transportation infrastructure improvements needed to facilitate development of the 300-acre County/Percontee project. You will note that Percontee is very much a partner in the cost participation program. As I have indicated on numerous occasions, I will not allow the County to be responsible for an inequitable share of these project costs. The County and Percontee will have equitable participation based on the respective land basis.

The County's participation on project based infrastructure improvements will be funded from a variety of sources including the CIP, leveraging the County's land value and possibly creating a special taxing district. Residential development is an important component of the proposed project because a critical mass of residential

George Leventhal, President
May 20, 2015
Page 2

development is needed to attract companies that provide amenities such as restaurants, coffee shops, laundry services, and other retail goods and services. Also, this type of development generates near term tax and fee revenues that can be used to offset the cost of project infrastructure, lessening the burden on the CIP.

I look forward to working with the Council in an expedited process to complete legal and regulatory requirements so that we and our chosen development partner can begin the work of creating a life sciences based, mixed use community that we all envision as a major employment center for the East County.

Thank you for your continued cooperation on this important opportunity for East County.

IL:ts

Attachments

Council Questions and Responses

1. The material terms, as transmitted, do not specify what conditions, if any, will constitute a failure to perform under the General Development Agreement (GDA) or otherwise trigger termination of the GDA or modification of the parties' rights and responsibilities under the GDA. Please provide any such terms that have been agreed upon by the parties.

Response: The General Development Agreement (GDA) will require GLDC to use commercially reasonable efforts to perform a variety of obligations. For example, the initial material terms transmitted on November 14th, 2014 indicated that GLDC would be responsible for funding all costs of design and land entitlements and diligently preparing development plans to be submitted to NM-NCPPC. Failure to do so would constitute a failure to perform. Additionally, the material terms also indicate that GLDC and the County will eventually need to transfer land associated with the development. If either party fails to do so, it would constitute a failure to perform.

2. One of the objectives of the County's RFP was to "Minimize the County's financial risk and maximize its return on investment...". The material terms transmitted are more or less silent with respect to minimizing the County's financial risk. In your responses to earlier Council comments, you indicated that the County will participate in any upside opportunities regardless of the transactional relationship. Do you intend for the County to also share in downside risk, including (though not limited to) net operating losses of projects/facilities owned by the Joint Development?

Response: There is some element of risk associated with all development projects. All customary efforts to minimize the County's risk will be utilized as is the case with all County projects. Participation in the upside and, conversely, the downside is inherent. However, the County does not envision significant operating obligations for projects. County exposure will be primarily limited to covering public infrastructure costs should taxes and fees from real estate sales be insufficient to cover these costs.

3. The material terms indicate that residential development will be limited to 60% of the Phase 1 development. With respect to non-residential development (40%), what will constitute a failure to perform on the part of GLDC?

Response: GLDC would be required to use commercially reasonable efforts to meet any obligations of the GDA in delivering commercial development. The residential cap reinforces the urgency of commercial development with a hard stop.

4. What recourse will be available to the County under the GDA if GLDC fails to perform after the County has forward-funded infrastructure to serve the Joint Development?

Response: GLDC's failure to perform is remedied through exercising the County's right to seek remedies or terminate the agreement. The termination language for three recent projects is attached for your review. (Attachment A)

5. There is some concern that the 60% residential cap on the Phase 1 sketch plan is too permissive. How will the GDA address concerns regarding the timing of commercial development within Phase 1? For example, should the material terms include mechanisms through which Phase 1 residential capacity can be unlocked by meeting non-residential triggers (e.g., 2X square feet of non-residential unlock 3X square feet of residential)?

Response: The initial material terms memorandum dated November 13, 2014 proposed a 60% residential cap for the first phase of 3 million square feet. The County Executive notes that some Councilmembers are concerned that the initial phase of the development is not defined enough to assure Councilmembers that a 60% cap is sufficient to incentivize the acceleration of commercial development. Accordingly, the County Executive is recommending a revision to the initial recommendation that Phase 1 development is limited to not more than 2M square feet total, down from 3M.

Additionally, the County Executive proposes to limit residential development to not more than 1,000 market rate units until a minimum of 300,000 square feet of commercial development proceeds to building permit. Based on the approved zoning for the project, this recommendation essentially withholds approximately 80% of the overall residential development potential until commercial development occurs.

6. In your July 15 letter to Chair Floreen, you stated that attainment of interim NADMS goals will be on an “appropriately graduated scale as each phase of a specific project is developed.” With respect to this joint development, there is concern that without interim mode share goals (e.g., before moving from Phase 1 to Phase 2), this joint development would not contribute sufficiently to achieving the 30% NADMS target at build-out of the plan. Please indicate how the material terms can address that concern. What mode-share goal is achievable by the end of the Phase 1?

Response: The ‘graduated scale’ is an obligation of the GDA and will be a requirement of the sketch plan. The Executive branch will have approval authority of all submissions to the M-NCPPC. M-NCPPC and will require applications to comport with master plan requirements, specifically the NADMS requirements. The project will need to demonstrate how the graduated scale achieves the required 30% NADMS.

For example, a project with 6 phases may graduate as follows:

Phase 1	10%
Phase 2	14%
Phase 3	16%
Phase 4	20%
Phase 5	25%
Phase 6	30%

7. Please provide the following: a list of transportation improvements necessary to accommodate Phase 1 development; estimated costs of those improvements; parties responsible for the costs of those improvements; revenue sources, cost sharing or financing

mechanisms that may be used to pay for those improvements; factors affecting decisions about project prioritization. (See attached Map)

Response: The following is a summary of the improvements needed for Phase 1:

Plum Orchard / FDA Blvd Connector (B-5)	New Road	\$10M
Industrial Pkwy Extension (A-106)	New Road	\$50M
Industrial Pkwy Bikeway (A-106)	Bikeway	\$9M
FDA Blvd Widening (B-10)	Widening	\$26M
White Oak Circulator Contribution	Transit	\$1M
LATR Placeholder	LATR	\$7M

Generally, the project will be responsible for the proportionate share of the costs of these improvements. The cost sharing program is based on the partnership land basis, a 60/40 split. The County's participation on project transportation infrastructure improvements will be funded from a variety of sources including the CIP, leveraging the County's land value and considering a special taxing district, if feasible. Prioritization will be considered after further study and analysis. However, some elements are apparent at this time. For example, there would be no benefit for circulator service at the start of the project, whereas the Industrial Parkway Extension is likely the first improvement programmed for the site. All of these improvement projects will be incorporated into future CIPs and the Council will have an opportunity to review and approve their cost, priority and development schedules.

8. Please confirm the financial responsibility for non-transportation "developer responsibility" infrastructure to support the joint development.

Response: The project partners will be financially responsible for their proportionate share of non-transportation infrastructure to support the joint development such as a school site dedication, community facilities, parkland dedication, etc.

9. One of the objectives in the County's RFP was to "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." The material terms are silent with respect to education and research entities/institutions. The GDA should include material terms related to GLDC's efforts to attract education and research entities/institutions.

Response: The County Executive agrees that the GDA should include this language and obligate GLDC and the County to use commercially reasonable efforts to attract education and research entities/institutions.

10. Please provide a sketch or map showing the planned phases for development when it is completed (for example, for submission to Park and Planning as a concept plan). If a draft is available at the time the Council is asked to approve the Declaration of No Further Need, it should be provided to the Council.

Response: GLDC and Executive staff are currently coordinating with M-NCPPC staff to develop a sketch and phasing plan that will be submitted as part of the regulatory requirements. Executive staff will provide the Council the final when completed.

11. Please brief the Council before a sketch plan proposal is approved by the County.

Response: Executive staff will brief the County Council prior to approval of the sketch plan and its submission to M-NCPPC.

Attachment A

Progress Place

7. DEFAULT

(a) Default by Developer.

(i) If Developer, for reasons other than Force Majeure, defaults under the terms of this Agreement prior to receiving the Commencement Notice, the County shall provide written notice of default to Developer in accordance with Section 14 of this Agreement, and Developer shall have thirty (30) days following receipt of such notice to cure the default. If, however, the default is of such a nature that it cannot reasonably be cured within thirty (30) days, Developer shall have such additional time to cure the default as may be reasonable under the circumstances provided that Developer commences to cure the default within the initial thirty (30) day period, diligently prosecutes those efforts to completion and ultimately cures the default within one hundred twenty (120) days after receipt of the original notice of default. If Developer has not cured the default within such one hundred twenty (120) days, the County's sole remedy shall be to terminate this Agreement, and thereafter the Parties shall be relieved of all liability hereunder, at law and in equity.

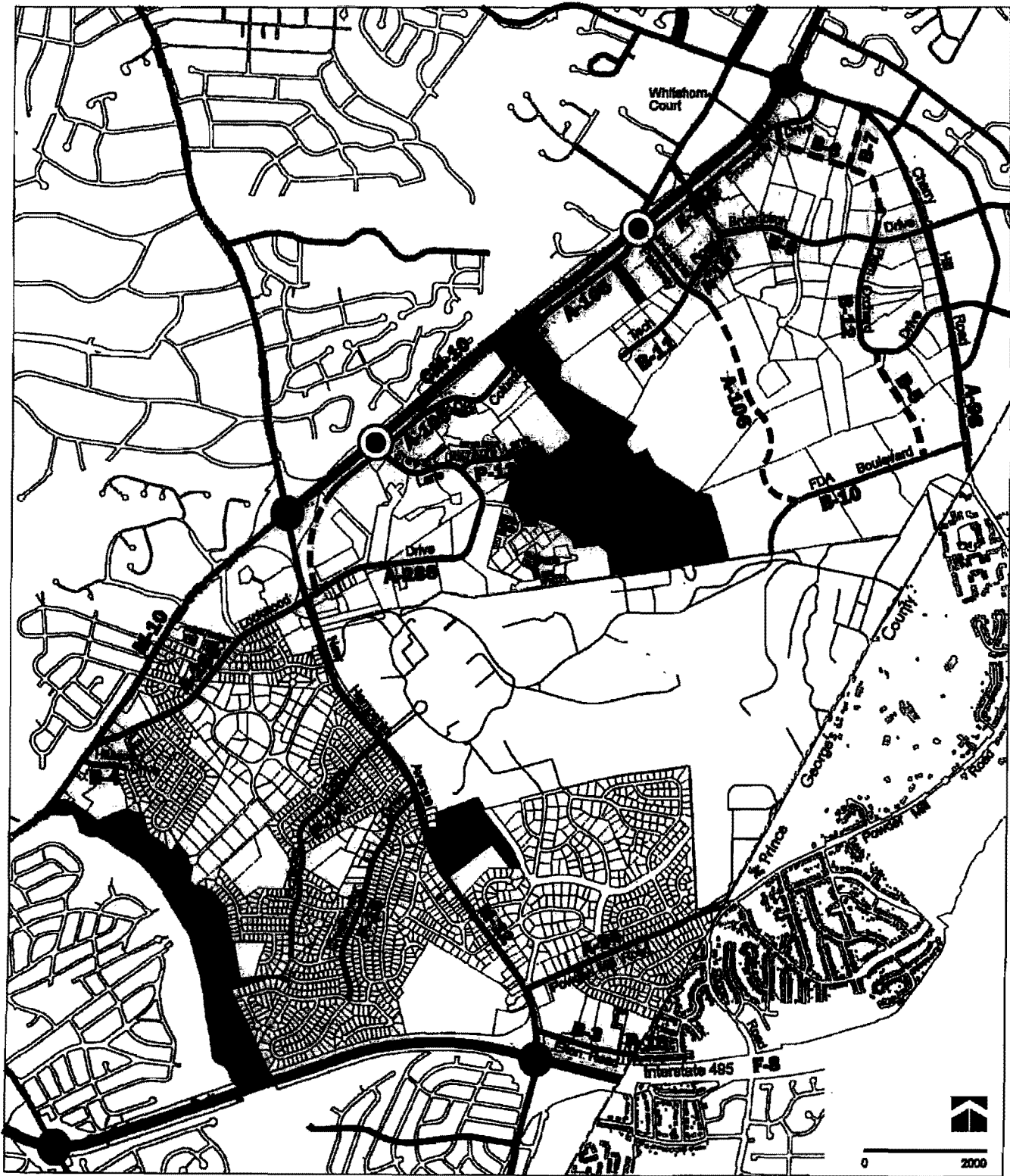
(ii) If Developer, for reasons other than Force Majeure, defaults under the terms of this Agreement after receiving the Commencement Notice but prior to Substantial Completion of the Facility, the County shall have as its sole right and remedy the right to exercise the Collateral Assignment and require the general contractor to complete the New Facility in accordance with the General Construction Contract and the Completion Guaranty. Notwithstanding any default by Developer after receiving the Commencement Notice, upon Substantial Completion of the New Facility, the parties shall consummate the Settlement in accordance with the remaining terms and conditions of this Agreement. Developer shall be responsible for, and shall pay to the County at the Settlement, out-of-pocket costs (including reasonable costs for staff time and legal fees) that are incurred by the County to manage the completion of the New Facility in an amount not to exceed Fifty Thousand Dollars (\$50,000).

2nd District

(b) **Default by Developer.** If Developer fails to perform its obligations under the terms of this Agreement, time being strictly of the essence, the County shall provide written notice of default to Developer in accordance with Section 11, and Developer shall have thirty (30) days following receipt of such notice to cure the default. If, however, the default is of such a nature that it cannot reasonably be cured within thirty (30) days, Developer shall have such additional time to cure the default as may be reasonable under the circumstances provided that Developer commences to cure the default within the initial thirty (30) day period and diligently prosecutes those efforts to completion and ultimately cures the default within ninety (90) days after receipt of the original notice of default. If Developer has not cured the default within such ninety (90) days, then, subject to the terms of the Attachment Agreement, the County's sole remedy shall be to terminate this Agreement and recover the Deposit if previously paid to Developer, and thereafter the Parties shall be relieved of all liability hereunder, at law and in equity. In no event shall Developer be liable for monetary damages or otherwise under the terms of this Agreement, except that Developer shall remain liable for the reimbursement of the Deposit in the event that the County shall elect to terminate this Agreement upon default by Developer as hereinabove provided.

EYA

If EYA shall materially breach or default under any of the material provisions of this Agreement and which such material failure or default shall impair the County's rights hereunder (a "Default"), then, provided EYA has received written notice from County specifying the nature of the Default and EYA fails to commence to cure the specified Default within thirty (30) days after receipt of the notice, then in such event and upon written notice from the County to EYA, EYA's Work Product shall be unconditionally assigned to the County in accordance with the Conditional Assignment, without recourse or warranty, and at no cost to the County in accordance with the terms of the Conditional Assignment, as the County's sole and exclusive remedy. In that event, this Agreement shall terminate and the Parties shall be relieved of further liability under and with respect to this Agreement, at law or in equity. County expressly waives all rights of action against EYA for specific performance or damages for any Default by EYA.



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|---------|---------------------------|---|---------------------------|---|---------------------|
| —●— | Master Plan Area Boundary | ● | Existing Full Interchange | — | Major Highway |
| - - - - | County Boundary | ⊙ | Planned Full Interchange | — | Arterial |
| ● | Existing Parkland | — | Freeway | — | Residential Primary |
| | | — | Controlled Major Highway | — | Business |



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

OFFICE OF THE COUNCIL PRESIDENT

MEMORANDUM

June 1, 2015

TO: Isiah Leggett, County Executive
FROM: George Leventhal, Council President *George Leventhal*
SUBJECT: Council Comments on Property Disposition – Site II

Thank you for your written responses to the Council's comments and questions. The Council will act expeditiously to approve a disposition of Site 2 that will achieve our shared goals in White Oak. My colleagues and I look forward to working with you to implement this joint development project—as well as the vision of the White Oak Science Gateway Master Plan—in a way that appropriately balances the various public interests involved.

As you know, several Councilmembers have expressed interest in reviewing a draft General Development Agreement prior to approving the declaration of no further need. Please clarify whether you intend to share with the Council a draft of the General Development Agreement (GDA). If you do intend to share a draft of the GDA, please indicate approximately when it will be transmitted to the Council for comments.

The Council would appreciate having your response by June 12, 2015. If you have any questions, please contact me or Jacob Sesker or Linda McMillan of Council staff.

c: Councilmembers
Greg Ossont, Department of General Services
Tom Street, Assistant Chief Administrative Officer