

HHS ITEM #2
May 4, 2016
Worksession

MEMORANDUM

TO: Health and Human Services Committee

FROM: Justina Ferber,  Legislative Analyst

SUBJECT: **Worksession – Continued** - Recommended FY17-22 Capital Improvements Program (CIP) and FY17 & FY18 Capital Budgets, Cost Sharing Project
CE Budget Amendments - Arts and Humanities Capital Project Grants

Those who may attend this worksession:

Mary Beck, Manager, Capital Programs, Office of Management and Budget (OMB)
Deborah Lambert, Management and Budget Specialist, OMB
Jedediah Millard, Management and Budget Specialist, OMB
Beryl Feinberg, COO, Department of General Services (DGS)
Suzan Jenkins, Chief Executive Officer, Arts and Humanities Council (AHCMC)
Representatives, Arts and Humanities Organizations

Council staff recommendation: Amend the proposed FY17 Capital Budget and FY17-22 Capital Improvements, Cost Sharing Project, to include:

- \$20,000 for Our House for a Community Grant.
- \$377,217 in grants for 3 Arts and Humanities Capital Projects to include the following entities: Glen Echo Park Partnership for Arts and Culture, Inc.; Montgomery Community Television, Inc.; and The Olney Theatre Center for the Arts, Inc.
- \$500,000 for an Arts and Humanities Capital Project Grant as a contribution to the Noyes Children's Library CIP project; \$300,000 for FY17 and \$200,000 for FY18.

BACKGROUND – COST SHARING

Today's worksession will review Arts and Humanities Capital Grant projects the County Executive has recommended for the CIP Cost Sharing Project for FY17 and one additional Community Grant recommended by the County Executive. A summary of preliminary action taken by the HHS Committee at its April 19 meeting is outlined on the next page.

SUMMARY OF ACTION ON APRIL 19 ON THE COST SHARING PDF

PDF – Cost Sharing No. 720601- FY17

<u>Project Type</u>	<u>Amount of Funds</u>	<u>Source</u>
Community Grants	\$1,120,000	Current Revenue
Strathmore Mansion	\$1,398,000	G.O. Bonds
Arts Capital Projects	\$1,000,000	Current Revenue (FY17 and FY18)
Executive Rec Total	<u>\$3,518,000</u>	
HHS Committee addition		
Lourie Center (add)	\$37,775	Current Revenue
Total FY17 w/ Lourie Center	<u>\$3,555,775</u>	

ADDITIONAL COMMUNITY GRANT

The Executive recommends moving “Our House” from the operating budget to the Cost Sharing project as a Community Grant. The Committee will consider the proposed Community Grant of \$20,000 for “Our House” to assist with the construction of a 9,300 square foot multi-purpose building on the “Our House” campus to allow them to serve 50% more at-risk teens. The mission of “Our House” is to provide high-risk male youth with training in carpentry and other mechanical trades, academic and life skills and civic responsibility.

Council Staff Recommendation for Arts Capital Projects: Approve funding for the proposed Community Grant of \$20,000 for “Our House”.

ARTS AND HUMANITIES CAPITAL IMPROVEMENT GRANTS

Grant Process

The County Executive recommends a budget amendment to the proposed FY17 Capital Budget and FY17-22 Capital Improvements Program for the Cost Sharing Project (No. 720601) to designate entities to receive Arts and Humanities Capital Grants. The Executive’s April 21, 2016, memorandum and Cost Sharing PDF are attached at ©1.

This amendment is needed in order to itemize grants and spend funds appropriated for Arts and Humanities Capital Grants. The grant awards are for facility construction or improvements of arts and humanities facilities as recommended by an independent review panel convened to review applications and make recommendations to the Board of the Arts and Humanities Council of Montgomery County (AHC MC). Background information on the Arts and Humanities Capital Improvement Grants process is included on the AHC MC website. The Office of Management and Budget (OMB) staff reviews the grant recommendations of the AHC MC and then submits the recommendations to the Executive.

The following step by step process was developed for grants applications:

- Guidelines and Application released by AHCMC
- CIP Guidelines and Application Webinar by AHCMC
- Application Deadline
- Advisory Panel deliberations
- AHCMC Grants Committee convenes
- AHCMC Board Votes
- Board Sends recommendations to County Executive
- CE sends recommendations to Council for final approval

FY17 Grants

The Executive recommends the following entities for FY17 Capital Improvements Grants for Arts and Humanities totaling \$377,217:

Glen Echo Park Partnership for Arts and Culture, Inc.	\$67,795
Montgomery Community Television, Inc.	\$159,422
The Olney Theatre Center for the Arts, Inc.	<u>\$150,000</u>
	\$377,217

Any unused arts and humanities capital funding, currently \$622,783, can provide flexibility to allow arts and humanities organizations to apply for CIP funding out of cycle in the event of a capital emergency. Requests for emergency funding go through an ad hoc panel process to provide a recommendation to the County Executive prior to his submittal to the Council for approval.

Noyes Children's Library FY17 and FY18

Of the \$622,783 remaining in the capital funding for the Arts and Humanities, \$300,000 is recommended to be used for the Noyes Children's Library project. The MOU between the County and the Noyes Children's Library Foundation is 99% finalized. During Library Department CIP discussions, the HHS Committee recommended that the Council approve the use of \$500,000 in Arts and Humanities Capital grant funding to be contributed to the Noyes Library renovation project in FY17 and FY18. For FY17, \$100,000 would be budgeted for design and \$200,000 for construction. For FY18 it is recommended that \$200,000 be budgeted for construction. Funds from the Cost Sharing PDF should be reflected in the Noyes Library PDF as a contribution when it is submitted by the County Executive in the next several days.

Council Staff Recommendation: Amend the FY17-27 Capital Improvements Program and FY17 Capital Budget to approve the Capital Improvements Grants for Arts and Humanities as reflected in the chart on page 4.

FY17 Capital Improvements Grants for Arts and Humanities		
Arts or Humanities Organization	Grant	Use of Grant Funds
Glen Echo Park Partnership for Arts and Culture, Inc.	\$67,795	Make capital improvements to Glen Echo Park's Bumper Car Pavilion – improve energy efficiency of the space and allow the space to be used for programs and rentals during colder months
Montgomery Community Television, Inc.	\$159,422	Continue technological innovations that serve volunteer producers and production staff including hardware for HD broadcasting
Round House Theatre, Inc. The Olney Theatre Center for the Arts, Inc.	\$150,000	Facilities updating and repair to allow Olney to better attract artists, donors and audiences
Noyes Children's Library	\$300,000 FY17 \$200,000 FY18	To assist in the design and construction in the renovation of the Noyes Library

RECOMMENDED ADDITIONS TO COST SHARING PDF

<u>Project Type</u>	<u>Amount of Funds</u>	<u>Source</u>
Our House Community Grant	\$20,000	Current Revenue

(Community Grants now total \$1,140,000)

Designate the following grants for the Arts and Humanities CIP Grants FY17:

Glen Echo Park Partnership for Arts and Culture, Inc.	\$67,795
Montgomery Community Television, Inc.	\$159,422
The Olney Theatre Center for the Arts, Inc.	<u>\$150,000</u>
	\$377,217
Noyes Library - \$100,000 Design, \$200,000 Construction	<u>\$300,000</u>
	\$677,217

Designate the following grants for the Arts and Humanities CIP Grants FY18:

Noyes Library - \$200,000 Construction	\$200,000
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This packet contains:

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April 21, 2016 Memo from County Executive	4
Background Information on Arts and Humanities Capital Grants	11

Cost Sharing: MCG (P720601)

Category: Culture and Recreation
 Sub Category: Recreation
 Administering Agency: General Services (AAGE29)
 Planning Area: Countywide

Date Last Modified: 11/17/14
 Required Adequate Public Facility: No
 Relocation Impact: None
 Status: Ongoing

Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	3,634	3,634	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	9	9	0	0	0	0	0	0	0	0
Construction	7,430	7,430	0	0	0	0	0	0	0	0
Other	20,036	6,026	5,472	8,538	3,538	1,000	1,000	1,000	1,000	1,000
Total	31,109	17,099	5,472	8,538	3,538	1,000	1,000	1,000	1,000	1,000

FUNDING SCHEDULE (\$000s)

Contributions	150	0	150	0	0	0	0	0	0	0
Current Revenue: General	17,950	7,152	3,658	7,140	2,140	1,000	1,000	1,000	1,000	1,000
G.O. Bonds	2,398	0	1,000	1,398	1,398	0	0	0	0	0
Land Sale	2,661	2,661	0	0	0	0	0	0	0	0
Long-Term Financing	3,850	3,850	0	0	0	0	0	0	0	0
State Aid	4,100	3,436	664	0	0	0	0	0	0	0
Total	31,109	17,099	5,472	8,538	3,538	1,000	1,000	1,000	1,000	1,000

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	3,397
Appropriation Request Est.	FY 18	1,000
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		22,712
Expenditure / Encumbrances		18,381
Unencumbered Balance		4,331

Date First Appropriation	FY 06
First Cost Estimate	
Current Scope	FY 17 31,109
Last FY's Cost Estimate	26,712

Description

This project provides funds for the development of non-governmental projects in conjunction with public agencies or the private sector. County participation leverages private and other public funds for these facilities. Prior to disbursing funds, the relevant County department or agency and the private organization will develop a Memorandum of Understanding, which specifies the requirements and responsibilities of each.

Cost Change

Addition of \$1,398,000 in GO Bonds in FY17 for Strathmore Mansion repairs. Addition of \$1,000,000 in FY21 and \$1,000,000 in FY22 for Capital Improvement Grants for the Arts and Humanities. Addition of \$1,140,000 in County support for Community Grants described on subsequent pages.

Justification

The County has entered into or considered many public-private partnerships, which contribute to the excellence and diversity of facilities serving County residents.

Other

See attached for Community Grants and CIP Grants for Arts and Humanities Organizations that includes FY17 CIP Grants for Arts and Humanities Organizations described on subsequent pages.

Fiscal Note

Remaining \$141,000 in unspent funds for Capital Improvement Grants for the Arts and Humanities have been eliminated in FY16 to reflect Council Approved FY16 Savings Plan. See Cost Sharing Grants attachment for Historical Fiscal Note regarding the Fillmore venue in Silver Spring and Old Blair Auditorium Project, Inc.

Disclosures

A pedestrian impact analysis will be performed during design or is in progress.

The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

Coordination

Private organizations, State of Maryland, Municipalities, Montgomery County Public Schools, Community Use of Public Facilities, Department of General Services, Department of Economic Development, Arts and Humanities Council of Montgomery County.

COST SHARING GRANTS

Grants:

For FY17, a CIP Grant for Arts and Humanities Organizations totaling \$1,398,000 is approved for the following project: Strathmore Hall Foundation, Inc.: \$1,398,000. The Department of General Services will be managing the Strathmore Mansion repair project. County participation is for the following community grant projects totaling \$1,140,000: A Wider Circle, Inc.: \$50,000; Congregation Beth El of Montgomery County, \$20,000; Cornerstone Montgomery, Inc.: \$350,000; Easter Seals Greater Washington-Baltimore Region, Inc.: \$50,000; Friends House, Inc.: \$50,000; Graceful Growing Together, Inc.: \$100,000; Hebrew Home of Greater Washington, Inc.: \$200,000; Jewish Community Center of Greater Washington, Inc.: \$25,000; Jewish Foundation for Group Homes, Inc.: \$100,000; Our House, Inc.: \$20,000; Potomac Community Resources, Inc.: \$50,000; Reginald S. Lourie Center for Infants and Young Children, \$30,000; Seven Locks Jewish Community Inc.: \$20,000; The Jewish Federation of Greater Washington, Inc.: \$25,000; Warrior Canine Connection, Inc.: \$50,000. For FY17, CIP Grants for Arts and Humanities Organizations totaling \$377,217 are approved for the following projects: Glen Echo Park Partnership for Arts and Culture, Inc.: \$67,795; Montgomery Community Television, Inc.: \$159,422; and The Olney Theatre Center for the Arts, Inc.: \$150,000.

For FY16, County participation is for the following community grant projects totaling \$865,000: Beth Shalom Congregation and Talmud Torah: \$60,000; Easter Seals Greater Washington-Baltimore Region: \$50,000; Graceful Growing Together, Inc.: \$75,000; Jewish Council for the Aging of Greater Washington, Inc.: \$50,000; Jewish Foundation for Group Homes: \$50,000; Latin American Youth Center, Inc.: \$25,000; Muslim Community Center Inc. DBA MCC Medical Clinic: \$25,000; Potomac Community Resources: \$25,000; Rockville Science Center, Inc.: \$15,000; Silver Spring United Methodist Church: \$50,000; The Jewish Federation of Greater Washington: \$40,000; Warrior Canine Connection: \$50,000; Cornerstone Montgomery, Inc.: \$350,000. For FY16, CIP Grants for Arts and Humanities Organizations totaling \$1,625,004 are approved for the following projects: The Writer's Center, Inc.: \$250,000; Montgomery Community Television, Inc.: \$119,181; Sandy Spring Museum, Inc.: \$30,170; Round House Theatre, Inc.: \$155,572; American Dance Institute, Inc.: \$70,081; and Strathmore Hall Foundation, Inc.: \$1,000,000.

For FY15, County participation was for the following projects: Easter Seals Greater Washington-Baltimore Region, Inc.: \$100,000; Graceful Growing Together, Inc.: \$125,000; Jewish Community Center of Greater Washington: \$150,000; Muslim Community Center, Inc.: \$250,000; Potomac Community Resources, Inc.: \$150,000; The Arc of Montgomery County, Inc.: \$17,973; Catholic Charities of the Archdiocese of Washington, Inc.: \$11,395; Melvin J. Berman Hebrew Academy: \$33,000; Jewish Social Service Agency: \$75,000; Warrior Canine Connection, Inc.: \$75,000; Jewish Council for the Aging of Greater Washington, Inc.: \$125,000; The Jewish Federation of Greater Washington, Inc.: \$100,000; Family Services, Inc.: \$75,000. For FY15, CIP Grants for Arts and Humanities Organizations totaling \$849,080 are approved for the following projects: Germantown Cultural Arts Center, Inc.: \$75,000; Jewish Community Center of Greater Washington, Inc.: \$134,000; Montgomery Community Television, Inc.: \$50,080; The Olney Theatre Center for the Arts, Inc.: \$150,000; Sandy Spring Museum, Inc.: \$90,000; and The Writer's Center, Inc.: \$250,000. \$100,000 of these funds will also be used to provide a State bond bill match for Silver Spring Black Box Theater. For FY15, emergency CIP Grants for Arts and Humanities Organizations totaling \$143,116 are approved for the following projects: Montgomery Community Television, Inc.: \$127,179; and Sandy Spring Museum, Inc.: \$15,937.

For FY14, County participation was for the following projects: Easter Seals Greater Washington-Baltimore Region: \$100,000; Jewish Foundation for Group Homes, Inc.: \$125,000; Muslim Community Center: \$100,000; Potomac Community Resources, Inc.: \$50,000; Sandy Spring Museum: \$65,000; St. Luke's House and Threshold Services United: \$50,000; and Takoma Park Presbyterian Church: \$75,000. Prior to disbursement of funds, Takoma Park Presbyterian Church must provide a final Business Plan to the Executive and Council that includes the proposed fee schedule and letters of interest from potential entrepreneurs with expected revenues from each user. The Church must agree to use the facility for the expressed purposes for a period of ten years from the time the facility is complete or repay the pro rata portion of County funds. The following Capital Improvement Grants for the Arts and Humanities were awarded to Friends of the Library, Montgomery County, Inc.: \$25,100; Imagination Stage, Inc.: \$190,000; The Washington Conservatory: \$26,875; Strathmore Hall Foundation, Inc.: \$26,000; The Puppet Company: \$25,000; The Writers Center, Inc.: \$250,000; Glen Echo Park Partnership for Arts and Culture: \$45,000; American Dance Institute, Inc.: \$34,889; Olney Theatre Corp: \$25,000; Montgomery Community Television dba Montgomery Community Media: \$62,469; The Dance Exchange Inc.: \$77,500; and Metropolitan Ballet Theatre, Inc.: \$100,850.

For FY13, County participation was for the following projects: ArtPreneurs, Inc.: \$80,000; Muslim Community Center, Inc.: \$120,000; Muslim Community Center, Inc.: \$175,000; Potomac Community Resources, Inc.: \$50,000; Sheppard Pratt Health System, Inc.: \$50,000; and The Menare Foundation, Inc.: \$80,000.

For FY12, County participation was for the following projects: Catholic Charities of the Archdiocese of Washington, Inc.: \$125,000; CHI Centers Inc.: \$200,000; and Ivymount School, Inc.: \$100,000.

For FY11, County participation was for the following projects: Girl Scout Council of the Nation's Capital: \$100,000; Jewish Foundation for Group Homes, Inc.: \$50,000; and Ivymount School, Inc.: \$100,000.

For FY10, County participation was for the following project: Aunt Hattie's Place, Inc.: \$100,000. Disbursement of FY09 and FY10 County funds is conditioned on the owner of the property giving the County an appropriate covenant restricting the use of the leased property to a foster home for boys for a period of ten years from the time the facility commences to operate as a foster home. Boys and Girls Club of Greater Washington: \$38,000; CASA de Maryland, Inc.: \$100,000; Jewish Council for the Aging of Greater Washington, Inc.: \$50,000; and Warren Historic Site Committee, Inc.: \$150,000.

For FY09, County participation was for the following projects: Aunt Hattie's Place, Inc.: \$250,000; Boys and Girls Club of Greater Washington: \$250,000; CASA de Maryland, Inc.: \$150,000; CHI Centers: \$50,000; and Institute for Family Development Inc., doing business as Centro Familia: \$75,000 (The organization had to demonstrate to the County's satisfaction that it had commitments for the entire funding needed to construct the project before the \$75,000 in County funds could be spent.); Jewish Council for the Aging of Greater Washington, Inc.: \$250,000; Montgomery General Hospital: \$500,000; Nonprofit Village, Inc.: \$200,000; and YMCA of Metropolitan Washington and Youth and Family Services Branch: \$200,000.

Occasionally, contracts are not executed or are terminated. For more information, contact Beryl Feinberg from the Department of General Services.

Historical Fiscal Note:

The State approved \$4,000,000 in State Aid from FY07 to FY09 for the Fillmore venue in Silver Spring. The County's required match of \$4,000,000 and \$6,511,000 was programmed. The Venue Operator agreed to purchase certain furniture, fixtures, and equipment for the project; \$150,000 of which would be used as the required County match. An agreement between the development partners and the County was executed. The Fillmore is now operational. Old Blair Auditorium Project, Inc., in FY06-07 the County provided \$190,000 as a partial match for the State funds with \$50,000 in current revenue for DPWT to develop a program of requirements and cost estimate for the project, and bond funded expenditure of \$140,000 to pay for part of the construction. These funds were budgeted in the MCG: Cost Sharing project (No. 720601). In FY11, the funds were transferred to a new CIP Old Blair Auditorium Reuse project (No. 361113).



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

April 21, 2016

TO: Nancy Floreen, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Budget Amendments: FY17-22 Recommended Capital Improvements Program

The Council has recently introduced Expedited Bill 15-16 that would increase the County's recordation tax from \$6.90/\$1,000 (.69%) to \$8.40/\$1,000 (.84%) and increase the incremental rate for transactions exceeding \$500,000 from \$3.10/\$1,000 (.31%) to \$4.60/\$1,000 (.46%). The maximum rate that could be paid for a transaction over \$500,000 would be \$13/\$1,000 (1.3%) under the proposed legislation which, at that level, would make Montgomery County's recordation tax the highest in Maryland.

I understand the Council's desire to identify additional revenue resources for the many worthy capital projects that are before you. However, I am concerned with the level of the proposed increase. First of all, increased recordation taxes could negatively impact our real estate market at a time when experts note its fragility. Adding additional closing costs to what are already some of the highest closing costs in the country could reduce demand for homes. Additionally, potential homebuyers will be adversely impacted as the cost of purchasing new homes will be affected; new homebuyers will have the most difficulty covering these additional costs. Furthermore, the recordation tax is one of our most economically sensitive revenues since it is subject to the volatility in the residential and commercial real estate markets. Depending on our historically high level of these revenues to continue well into the future may be unsustainable.

Finally, this increase should be viewed in the context of the recommended increase to property taxes. County taxpayers are already being asked to shoulder a property tax increase to fund the many vital programs and services funded through the operating budget – including debt service, which directly supports our capital program.

To the extent that the Council chooses to increase the recordation tax rates, I would urge you to devote any additional funds raised to addressing the capacity and building infrastructure needs of Montgomery County Public Schools.

Below are highlights of my recommended CIP amendments assuming current recordation tax rate funding.

Nancy Floreen, President, County Council

April 21, 2016

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Purple Line Related Projects

Significant progress has been made on the Purple Line and our related Montgomery County projects. Since my initial Capital Budget and CIP submission to you in January, the Maryland Transit Administration (MTA) has completed negotiations with the selected concessionaire and received approval from the Board of Public Works to move forward with this exciting public-private partnership transit and economic development project. The County Department of Transportation has successfully negotiated with MTA staff to reduce County project costs and to defer some County costs to provide a more affordable funding schedule. As a result, the Bethesda Metro Station South Entrance, the Capital Crescent Trail, the Purple Line, and the Silver Spring Green Trail project budgets have been updated to reflect the results of these negotiations. In addition, the Lyttonsville Place Bridge will be replaced as part of the state funded Purple Line project. As a result, cost savings in the County's bridge project can be reallocated to other projects.

In recent weeks, we have also made progress in reaching an agreement related to the Apex Building. Under this agreement, the Apex Building redevelopment will be done in such a way that we can achieve an improved Purple line station, improved pedestrian circulation and safety, and a tunnel under the new building for the Capital Crescent Trail that will improve future trail traffic flow and safety. This agreement is dependent on developer negotiations and agreement with the Purple Line concessionaire and MTA. Once those negotiations are completed and agreement is ratified between the developer and MTA, I will forward a CIP amendment to support these improvements.

In order to balance programmed expenditures with available resources in each year of the six year CIP, a number of other project amendments are also recommended. (See below and attached summary chart and modified Project Description Forms.) Fortunately, most of these amendments are of a minor nature.

Acceleration of Highway Maintenance Project Funding

In order to complete important road maintenance work and to alleviate budget pressure in the early years of the CIP, I am recommending that the \$9,315,000 remaining FY16 general obligation bond set-aside be allocated to accelerated FY16 highway maintenance in the Resurfacing: Residential/Rural Roads, Resurfacing: Primary/Arterial, and Residential and Rural Road Rehabilitation projects. Funding programmed in FY17 and FY18 has been reduced accordingly to reflect the acceleration.

Project Implementation Updates

The Frederick Road Bike Path project has experienced implementation delays that will result in a one year delay. Minor shifts in the funding schedules for the Metropolitan Branch Trail and the Public Safety Systems Modernization project are also reflected, but no delay in completion is anticipated. The Clarksburg Fire Station project assumes a minor delay of spending but is anticipated to be completed in FY21 instead of FY22.

Nancy Floreen, President, County Council
April 21, 2016
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Council Changes Reflected in Amendments

The following projects project changes already adopted by the County Council are also included in my April CIP amendments:

- Cost savings in the Child Care in Schools project
- Recognition of developer contributions in the Bethesda CBD Streetscape project
- Recreation Facility Modernization project funding switch
- Deferrals/reductions in the Future Fire Station, Rockville Fire Station 3 Renovation, and Highway Noise Abatement projects.

Minor Impacts to Project Schedules

Minor adjustments to the Montrose Parkway East, Goshen Road South, and Seminary Road Intersection projects are also included. Montrose Parkway East and Goshen Road South will continue to be completed in FY23. The Seminary Road project is still expected to be completed in FY20.

Noyes Library Project

For some time, staff from my office has worked collaboratively with representatives from the Noyes Foundation, Council staff, the Departments of Public Libraries and General Services, and the Offices of Management and Budget and County Attorney to develop a public-private partnership to upgrade facilities at Noyes Library. While we have not yet completed the Memorandum of Understanding needed to submit a budget amendment at this time, I have held fiscal capacity for the County's share of the project funding. I anticipate that I will soon be able to forward an amendment to you when the MOU is completed.

Cost Sharing – Community Grants

I am also recommending approval of the FY17 Arts and Humanities Facilities Grants as recommended to me by the Arts and Humanities Commission. These FY17 grants will allocate \$378,000 in the Cost Sharing project for the Glen Echo Park's Bumper Car Pavilion, Olney Theatre Center facilities, and high definition technology investments for Montgomery Community Television. A technical adjustment moving the Our House Community grant from the operating budget to the Cost Sharing project is also included.

Agricultural Land Preservation

Based on updated revenue estimates, a \$490,000 increase in FY17 Agricultural Transfer Tax is recommended to fund additional funding for purchasing easements.

Nancy Floreen, President, County Council

April 21, 2016

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Washington Suburban Sanitation Commission

The Washington Suburban Sanitation Commission recently transmitted revised Blue Plains projects and a new Potomac WFP Consent Decree Program project to Council. I am supportive of these projects which are needed to protect our environment and successfully manage our regional water and sewer system.

Other Technical Adjustments

Several Stormwater Management projects have been adjusted to align funding sources based on bond counsel guidance. No net change in funding is being made. Several other projects listed on the attached chart have been updated to reflect corrected actuals, beyond six year costs, and appropriation as well as funding switches.

I recommend that the County Council consider these adjustments in its remaining budget worksessions. As always Executive Branch staff are available to assist you in your review.

IL:jah

Attachments: Recommended Budget Adjustments
General Obligation Bond Adjustment Chart
Current Revenue Adjustment Chart

cc: Stephen B. Farber, County Council Administrator
Michael A. Durso, President, Montgomery County Public Schools Board of Education
Larry A. Bowers, Interim Superintendent, Montgomery County Public Schools
DeRionne P. Pollard, PhD., President, Montgomery College
Casey Anderson, Chair, Montgomery County Planning Board
Carla Reid, General Manager/CEO, Washington Suburban Sanitary Commission
Stacy Spann, Executive Director, Housing Opportunities Commission
Keith Miller, Executive Director, Revenue Authority
Executive Branch Department Heads and Office Directors

**FY17-22 RECOMMENDED FULL CIP
APRIL BUDGET AMENDMENTS SUMMARY (\$000S)
4/21/2016**

Circle #	PROJECT #	PROJECT NAME	EXPLANATION OF ADJUSTMENT	FY17-22 CHANGE	FUNDING SOURCES
FY16 SUPPLEMENTALS/AMENDMENT					
1	P500511	Resurfacing: Residential/Rural Roads	Accelerate funding from FY17 to FY16	(5,500)	GO Bonds
2	P508527	Resurfacing: Primary/Arterial	Accelerate funding from FY18 to FY16 and reflect FY18 funding switch	(1,500)	GO Bonds & Recordation Tax Premium
3	P500914	Residential and Rural Road Rehabilitation	Accelerate funding from FY17 and FY18 to FY16 and reflect FY18 funding switch	(2,315)	GO Bonds & Recordation Tax Premium
EXISTING PROJECTS - FY17-22 AMENDMENTS RELATED TO PURPLE LINE MTA NEGOTIATIONS					
4	P500929	Bethesda Metro South Station Entrance	Reflect MTA negotiations/concessionaire contract	50,620	GO Bonds & Liquor Bonds
5	P501316	Capital Crescent Trail	Reflect MTA negotiations/concessionaire contract and funding switch	(38,459)	GO Bonds & Impact Taxes
6	P501603	Purple Line	Reflect MTA negotiations/concessionaire contract	-	GO Bonds
7	P509975	Silver Spring Green Trail	Reflect MTA negotiations/concessionaire contract	(2,304)	GO Bonds
OTHER CIP AMENDMENTS					
8	P507658	Bus Stop Improvements	Add \$400,000 to Beyond 6 yrs costs	-	Mass Transit
9	P720601	Cost Sharing	Update project to reflect Arts Facility grants recommendations & technical corrections within existing project funding	-	Current Revenue: General
10	P788911	Ag Land Pres Easements	Increase funding for easement purchases based on updated revenue estimates	490	Agricultural Transfer Tax
EXISTING PROJECTS - FY17-22 CIP - PROJECT SAVINGS/IMPLEMENTATION DELAYS/MINOR SCHEDULE ADJUSTMENTS					
11	P340901	Public Safety System Modernization	Minor schedule adjustment	-	GO Bonds
12	P450300	Clarksburg Fire Station	Adjust schedule. Acceleration completion to FY21	-	GO Bonds
13	P451702	Future Fire Stations	Defer project to beyond FY23	(11,500)	GO Bonds
14	P450105	Rockville Fire Station 3 Renovation	Recognize implementation delay	-	Fire Consolidated
15	P501421	Lyttonsville Place Bridge	Recognize project savings. Bridge will be built by MTA as part of the Purple Line project. Related funding switch reflected in MCG Funding Reconciliation project	(100)	Recordation Tax
16	P501118	Frederick Road Bike Path	Recognize one year delay in implementation	-	GO Bonds
17	P501110	Metropolitan Branch Trail	Shift construction spending. No impact to final schedule	-	GO Bonds
18	P500102	Bethesda CBD Streetscape	Recognize savings due to increased developer contributions	(2,493)	GO Bonds
19	P500338	Highway Noise Abatement	Reduce program size due to underutilization	(550)	GO Bonds

**FY17-22 RECOMMENDED FULL CIP
APRIL BUDGET AMENDMENTS SUMMARY (\$000S)
4/21/2016**

Circle #	PROJECT #	PROJECT NAME	EXPLANATION OF ADJUSTMENT	FY17-22 CHANGE	FUNDING SOURCES
20	P649187	Child Care in Schools	Recognize project savings in Wheaton Woods & Brown Station Child Care Centers	(187)	GO Bonds
EXISTING PROJECTS - FY17-22 CIP ADJUSTMENTS TO BALANCE CIP					
21	P500717	Montrose Parkway East	Delay some land and construction funding. Also reflects funding switch	-	GO Bonds & Recordation Tax Premium
22	P501107	Goshen Road South	Delay some land purchases	-	GO Bonds
23	P501307	Seminary Road Intersection Improvements	Delay project less than one year with completion still planned for FY20	-	GO Bonds
EXISTING PROJECTS - FY15-20 - FUNDING SWITCHES, REALLOCATIONS, OTHER CHANGES					
24	P501404	MCG: Funding Reconciliation	Reflect FY16-22 funding switches related to project adjustments above	-	GO Bonds; Impact Taxes & Recordation Tax Premium
25	P720917	Recreation Facility Modernization	Replace GO Bonds with CR: General	-	GO Bonds & Current Revenue: General
26	P076510	MCPS Funding Reconciliation	Reflect FY17-22 funding switches related to project adjustments above	-	GO Bonds & Recordation Tax
27	P036510	Technology Modernization	Reflect FY17-22 funding switches related to project adjustments above	-	Current Revenue: General & Recordation Tax
28	P808726	SM Retrofit: Countywide	Reallocate FY16 and FY17 bond and cash funding sources between projects as advised by bond counsel. No net change to the Stormwater Management program.	-	Water Quality Protection Bonds & Water Quality Protection Charge
29	P809342	Watershed Restoration - Interagency	As above		As above
30	P800700	SM Facility Major Structural Repair	As above	-	As above
31	P800900	SM Retrofit - Government Facilities	As above	-	As above
32	P801300	SM Retrofit - Roads	As above	-	As above
33	P801301	SM Retrofit - Schools	As above	-	As above
34	P807359	Misc. Stream Valley Improvements	As above. In addition, collected but unprogrammed SWM Waiver fees have been programmed.	-	As above & SWM Waiver Fees
35	P809319	Facility Planning: SM	Correct FY17 and FY18 appropriation	-	Water Quality Protection Charge
36	P150701	Technology Modernization: MCG	Correct funding actuals and adjust FY16 funding accordingly		Contributions & Short-term Financing

**FY17-22 RECOMMENDED FULL CIP
 APRIL BUDGET AMENDMENTS SUMMARY (\$000S)
 4/21/2016**

Circle #	PROJECT #	PROJECT NAME	EXPLANATION OF ADJUSTMENT	FY17-22 CHANGE	FUNDING SOURCES
WASHINGTON SUBURBAN SANITATION COMMISSION PROJECTS					
37	NEW	Potomac WFP Consent Decree Program	New project needed to achieve EPA compliance	27,250	WSSC Bonds
38	954811	BP WWTP: Liquid Train, Part 2	Blue Plains project adjustments	2,302	
39	954812	BP WWTP: Biosolids Mgt, Part2	Blue Plains project adjustments	1,017	
40	023805	BP WWTP: Plant-wide Projects	Blue Plains project adjustments	(1,889)	
41	083800	BP WWTP: Enhanced Nutrient Removal	Blue Plains project adjustments	15,348	
42	113804	BP: Pipelines & Appurtenances	Blue Plains project adjustments	2,676	

FY17 Capital Improvement Project Grants

Organization Name	Grant funds will be used to/for:	Grant Request	Scores	Panel Recom.	Staff Recom.
Glen Echo Park Partnership for Arts and Culture (GEPPAC)	Make capital improvements to Glen Echo Park's Bumper Car Pavilion. Project activities are designed to improve energy efficiency of the space and extend our ability to use the space for programs and rentals during the colder months of March and November.	\$67,795	85.5	Full Funding	\$67,795
Olney Theatre Center	Facilities updating and repair. Enhancements to our physical plant will inspire critical new and increased support from audiences and donors, help us to attract artists, and ensure we remain competitive with peer theatres across the nation.	\$150,000	81	Full Funding	\$150,000
Montgomery Community Television	Continue the technological innovations that serve our volunteer producers and production staff and provide hardware that allows to participate in HD broadcasting.	\$159,422	79	Full Funding	\$159,422
Maryland Youth Ballet	Permanently insulate the large floor to ceiling windows located throughout our space in an effort to reduce HVAC costs.	\$25,000	64	No Funding	\$0
Heritage Montgomery (in partnership with Pleasant View Historic Association)	Stabilize the fragile historic structures of the recently re-discovered African American community of Quince Orchard.	\$70,000	40.75	No Funding	\$0
	Funding Available: \$1,000,000	\$472,217			\$377,217

Application Number	FY17_CIG_00004
Organization Name	Glen Echo Park Partnership for Arts and Culture (GEPPAC)
Project Description	
Grant funds will be used to:	
<ul style="list-style-type: none"> • Make capital improvements to Glen Echo Park's Bumper Car Pavilion (BCP), a covered, open-air space (similar to a large gazebo) that is currently used from April to October for social dance events, festivals and other special events, and summer concerts. The BCP is also used for facility rentals for weddings and other private events. • Permanently install motorized clear vinyl panels that will replace the current system of hand-sewn panels that were originally installed in 2002. The panels provide protection from inclement weather and also help to contain heat within the space during colder months. The upgraded curtain material will be clear and more transparent than the current curtains. In addition to the main curtain panels around the perimeter of the BCP, we will replace the "peak curtains" that enclose the upper level on the short sides of the structure. 	
Grant Request	\$67,795
Application Score	85.5
Organizational Capacity and Sustainability (20 pts.)	17.75
Effectiveness of Proposed Activity (30 pts.)	25.5
Community Impact (30 pts.)	23.25
Appropriateness of Budget and Amount of Grant Request (20 pts.)	19
Panel Recommendation	Full Funding
Staff Recommendation	Full Funding
Recommended Grant	\$67,795
Panel Highlights	
<ul style="list-style-type: none"> • Organizational Capacity and Sustainability: The organization is a leader in the local arts community and serves as a major cultural hub. The panel noted proactive steps being taken to revise the partnership agreement with the federal government to prevent future closure in the event of a government shutdown. The organization is working to update their strategic and business plan, but the panel raised concerns that they waited too long to update them. • Effectiveness of Proposed Activity: The BCP is an integral part of the organization's mission to provide educational, artistic, and cultural offerings to County residents. The permanently installed panels would be more energy-efficient than the current panels, which are old, expensive, and difficult to maintain. The installation of motorized panels would also save staff time that could be put to other operations. • Community Impact: The panel noted the organization's emphasis on historic preservation, family programs, and activities for students with disabilities. The National Park Service and various rental patrons were consulted about this project, and the organization elicited input from multiple stakeholders. The panel would have liked more details on their upcoming programming. Some of the programming lacked information on outreach to diverse communities and metrics to determine who is underrepresented. • Appropriateness of Budget and Amount of Grant Request: The budget and timeline for this project are reasonable and feasible. The project will reduce maintenance costs and the organization has established a long-term maintenance fund. 	

Application Number	FY17_CIG_00008
Organization Name	Olney Theatre Center
Project Description	
Grant funds will be used for:	
<ul style="list-style-type: none"> • Carpet replacement in the lobbies of the Mainstage and the Historic Theatre • A permanent concessions area and gift shop in the Mainstage Lobby, including plumbing to support a wet bar; • Essential technical and electrical upgrades to the Mainstage Lobby that will provide a more interactive and accessible space; A permanent exhibit area in our Historic Lobby to memorialize the history of Olney Theatre; • Renovations to our parking lot including expanded spaces, lighting, and paving; • Repair to railings, steps and patio; Interior painting of all public spaces; Upgraded Box Office façade; • Upgrades and repair to public restrooms; Floor and lighting replacements in the William H. Graham, Sr. Actor's Hall, which is used for rehearsal space and public events; Roof repair on all buildings; • Exterior signage, including the road sign and directional signage; Upgrades to common areas in the Crawford house, including the kitchen and bathroom 	
Grant Request	\$150,000
Application Score	81
Organizational Capacity and Sustainability (20 pts.)	15.25
Effectiveness of Proposed Activity (30 pts.)	25
Community Impact (30 pts.)	24.25
Appropriateness of Budget and Amount of Grant Request (20 pts.)	16.5
Panel Recommendation	Full Funding
Staff Recommendation	Full Funding
Recommended Grant	\$150,000
Panel Highlights	
<ul style="list-style-type: none"> • Organizational Capacity and Sustainability: The organization's mission and vision are clearly articulated, and despite recent staff and financial transitions, they are on a positive trajectory. The panel had concerns about debt but noted their strong ability to adapt during challenging times. Outside of Board giving, it was unclear how Board members were contributing to this particular project. The panel was impressed with the successes, largely attributed to the new leadership (artistic, management, and board): 17 Helen Hayes Award nominations and five wins, highest membership ever, and debt reduction. • Effectiveness of Proposed Activity: Campus renovations will increase income and rental opportunities, and the organization plans to launch a capital campaign in 2017 to garner more public support. The application makes a strong case that the proposed improvements are practical, achievable, and directly tied to strengthening the organization's mission. Quotes and estimates are provided. The proposal does not include a contingency plan in case the project is not fully funded. • Community Impact: The organization holds 14 different educational classes and workshops, and arts integration programs in 5 schools. The application reflects a commitment to being open and accessible to a wide range of audiences, though the panel would have liked to hear more about outreach to low-income residents. • Appropriateness of Budget and Amount of Grant Request: Grant funds will be matched through a state capital bond bill, which they are confident they will receive given supportive legislators and a strong history of capital support from the state. The project budget lacks detail and the panel would have liked to see budget expenses itemized. The application included quotes and estimates from various vendors. The budget expenses could have been better articulated. 	

Application Number	FY17_CIG_00006
Organization Name	Montgomery Community Television
Project Description	
Grant funds will be used to:	
<ul style="list-style-type: none"> • Continue the technological innovations that serve our volunteer producers and production staff and provide hardware that allows them to participate in HD broadcasting with fewer barriers to entry. • Integrate the File Catalyst Hardware that allows current and future multi-media content creators to transmit their content from home. 	
Grant Request	\$159,422
Application Score	79
Organizational Capacity and Sustainability (20 pts.)	16.25
Effectiveness of Proposed Activity (30 pts.)	23.5
Community Impact (30 pts.)	23.75
Appropriateness of Budget and Amount of Grant Request (20 pts.)	15.5
Panel Recommendation	Full Funding
Staff Recommendation	Full Funding
Recommended Grant	\$159,422
Panel Highlights	
<ul style="list-style-type: none"> • Organizational Capacity and Sustainability: The organization has a clear vision and mission, as well as two consecutive years of a budget surplus. The panel noted the strong Board composition, though the panel would have liked to know how Board members would be assisting in the proposed project. • Effectiveness of Proposed Activity: The project seems reasonable, and the application provides a detailed project plan with pictures. The panel noted that the project was bld to ensure low cost. • Community Impact: The organization teaches nearly 1,000 students enrolled in over 75 class subjects. The panel noted the Spring Break Backpack Journalism program and its efforts to gain free admittance for those with financial hardships. The application could have provided more details on viewership and audience engagement. • Appropriateness of Budget and Amount of Grant Request: The grant request is detailed, accurate, and feasible for the scope of the proposed project. Match funding is secured from reserves, which seem sufficient combined with in-kind contributions. The panel cautioned that, because the County does not own the equipment, the organization would have to cover the cost of equipment warranties. 	

Application Number	FY17_CIG_00007
Organization Name	Maryland Youth Ballet
Project Description	
<ul style="list-style-type: none"> Grant funds will be used to: Permanently insulate the large floor to ceiling windows located throughout our space in an effort to reduce HVAC costs. 	
Grant Request	\$25,000
Application Score	64.75
Organizational Capacity and Sustainability (20 pts.)	14.5
Effectiveness of Proposed Activity (30 pts.)	17
Community Impact (30 pts.)	22
Appropriateness of Budget and Amount of Grant Request (20 pts.)	11.25
Panel Recommendation	No Funding
Staff Recommendation	No Funding
Recommended Grant	\$0
Panel Highlights	
<ul style="list-style-type: none"> Organizational Capacity and Sustainability: The proposal demonstrates staff capacity to handle the proposed project. They are working to improve their Board governance, implementing many recommendations from their Compass grant; the panel recommended providing examples of some of these recommendations. The application lacked specifics about other fundraising initiatives. Effectiveness of Proposed Activity: The application states that adding laminated windows would significantly improve energy efficiency, but there are no supporting documents to verify this. The proposal does not provide sufficient details about the research to determine if this project was the best solution to the issue. The panel recommended an energy audit, a cost-benefit analysis, and a cost projection of energy savings. Community Impact: The organization engages over 900 students in classes and training. The panel noted their Music and Motion program for kids with disabilities, as well as their JumpStart scholarships for students to continue training. Appropriateness of Budget and Amount of Grant Request: The budget for this project seems reasonable and feasible. The estimates are detailed, but the timeline seems unclear and the application lacked information on plans for anticipated cost savings. The application also lacked details regarding how matching funds will be secured. 	

Application Number	FY17_CIG_00005
Organization Name	Heritage Montgomery (in partnership with Pleasant View Historic Association)
Project Description	
Grant funds will be used to:	
<ul style="list-style-type: none"> • Stabilize the fragile historic structures of the recently re-discovered African American community of Quince Orchard as a humanities resource for the Montgomery County public schools and the surrounding community. • Preparation of architectural and engineering plans and competitive bidding of construction work to stabilize the historic structures • Review of rehabilitation plans by the Maryland Historical Trust and the appropriate permitting agencies • Competitive bidding of rehabilitation work • Rehabilitation of historic structures 	
Grant Request	\$70,000
Application Score	40.75
Organizational Capacity and Sustainability (20 pts.)	7.75
Effectiveness of Proposed Activity (30 pts.)	12
Community Impact (30 pts.)	14.25
Appropriateness of Budget and Amount of Grant Request (20 pts.)	6.75
Panel Recommendation	No Funding
Staff Recommendation	No Funding
Recommended Grant	\$0
Panel Highlights	
<ul style="list-style-type: none"> • Organizational Capacity and Sustainability: Pleasant View will receive organizational, professional, and technical support from Preservation Maryland, which has designated this project as a priority. Heritage Montgomery's Board is knowledgeable about the project, but the application was unclear on the intended usage of this structure, including what kind of programming would take place there and who would handle the daily operations. The explanation of the finances made it difficult to understand who would cover which portions of the project. • Effectiveness of Proposed Activity: The structural engineer's report and facilities condition assessment were not submitted, which caused uncertainty amongst the panel as to the costs and timeline of the project. The lack of specifics in the application raised concerns that this would be a more costly and time-consuming project than anticipated. • Community Impact: Heritage Montgomery has done previous outreach to high school students, but the application did not elaborate on the nature of this. They also gave facility tours to MCPS teachers, but the application does not elaborate on the purpose of these tours or how many attended. The organizations could have looked for more opportunities to let the public know about this project and elicit feedback. • Appropriateness of Budget and Amount of Grant Request: Aside from in-kind contributions and a \$50,000 donation, much of the proposed funding for this project is unsubstantiated and unsecured. The proposal did not articulate a maintenance plan if the project comes to fruition. 	