



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

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Testimony on behalf of County Executive Elrich in support of the Viva White Oak Development District and Tax Increment Financing

Viva White Oak is a transformative opportunity for East County and for Montgomery County. This 280-acre site - formerly home to sludge composting, sand and gravel mining, and concrete recycling – has long been planned as a hub for activity, housing, jobs, and innovation.

The establishment of a Viva White Oak development district moves this vision forward.

The Administration asks that you approve the creation of the Viva White Oak Development District, and tax increment financing, based on the following conclusions:

- The District advances the goals of the 2014 White Oak Science Gateway Master Plan, leveraging area assets to establish a thriving mixed-use center focused on bio/life sciences.
- Funding eligible public infrastructure through TIF bonds improves project feasibility; but for the TIF, the project would not proceed.
- The Viva White Oak plan includes \$2.8 billion in private investment, more than six times the value of public infrastructure supported by TIF bonds.
- TIF bonds enable environmental remediation and infrastructure construction without drawing on other County resources.
- Through FY 2069, when the last TIF bonds mature, the County forecasts approximately \$1.0 billion in tax revenues, exceeding bond costs and projected operating expenses.
- The proposed structure of the Development District mitigates inherent risks to a reasonable and acceptable level.

Tax Increment Financing is a proven tool used successfully across the country, Maryland, and the Capital region to fund public infrastructure without burdening taxpayers or diverting resources from other priorities.

Regardless, we have asked tough questions – the first being: is Tax Increment Financing a viable tool - and - is it right for this development.

- In August 2024 the County retained MuniCap, an independent Municipal Advisor, to assist in the review and analysis of the financial feasibility of MCB's Viva White Oak Development District proposal.
- This included a But-for/Gap analysis of the Viva White Oak project financial rate of return to determine the feasibility of the project in the absence of TIF bond financing and an estimate of the degree to which feasibility improves with the use of TIF bond financing.
- Additionally, Montgomery County's bond counsel McKennon Shelton & Henn reviewed the proposed uses of the TIF bond proceeds described in the Viva White Oak, Montgomery County, Maryland Qualified Cost Analysis prepared by MuniCap to evaluate whether the proposed public infrastructure facilities could be eligible for tax-exempt TIF bonds.

The analyses by MuniCap and the Department of Finance, supported by information from MCB and several other County Departments, have been shared with the Council and demonstrate the need for the Development District as proposed.

Thank you for your commitment to unlocking East County's potential and setting a precedent for strategic, inclusive growth. Because of your support, East County is experiencing a renaissance of new housing, new retail, and amenities that residents have asked for.

We thank Council staff for their thoughtful engagement with Finance, MuniCap, and the developer. We thank Planning Board Chair Artie Harris and Planning staff for their expeditious provisional adequate public facilities review. Our team looks forward to participating in the Committee worksession and in addressing any questions you have.

Thank you.