

Resolution No.: 18-402  
Introduced: February 2 2016  
Adopted: February 23, 2016

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: Council President at the Request of the County Executive

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**SUBJECT:** Amendment to the FY15-20 Capital Improvements Program #17-A16-CMCG-3  
Montgomery County Government  
Department of Transportation  
Wheaton Redevelopment Program (No. 150401)

**Background**

1. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
2. The County Executive recommends this amendment to the FY15-20 Capital Improvements Program as shown on the attached project description form.
3. This amendment will permit work on the project to progress without delay and will authorize necessary infrastructure and site improvements. As detailed below, the proposed changes to the project provide cost, programmatic and economic development benefits. This amendment to the scope and funding level is needed because the project has changed to include the following:
  - a. Two additional floors to generate lease and maintenance savings, maximize land use, and co-locate County agencies with program synergies. The co-location of additional County agencies and programs to the planned office building include the Department of Recreation, the Community Use of Public Facilities, and the Environmental Health Regulatory Services in the Department of Health and Human Services. The co-location will reduce expensive lease and maintenance payments for County agencies and strengthen economic growth in the Wheaton Central Business District and surrounding communities.
  - b. Work to develop a Program of Requirements for the additional floors must begin as soon as possible to avoid costly delays.
  - c. Funding for environmental remediation due to the existence of contaminated soils.

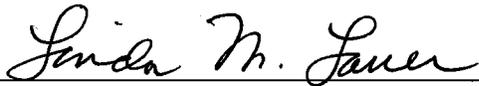
- d. The addition of an underground structural slab and tie-backs to account for a high water table under the proposed building.
4. The recommended amendment is consistent with the criteria for amending the CIP because these changes offer the opportunity to achieve significant savings that will be lost if not taken at this time and to support significant economic development initiatives, which in turn will strengthen the fiscal capacity of the County Government. No additional appropriation is needed until FY17.
5. The County Executive recommends an amendment to Wheaton Redevelopment Program (No. 150401).

**Action**

The County Council for Montgomery County, Maryland, approves the following action:

The FY15-20 Capital Improvements Program of the Montgomery County Government is amended as described above and as reflected on the attached project description form.

This is a correct copy of Council action.



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Linda M. Lauer, Clerk of the Council

### Wheaton Redevelopment Program (P150401)

Category	General Government	Date Last Modified	11/17/14
Sub Category	Economic Development	Required Adequate Public Facility	No
Administering Agency	Transportation (AAGE30)	Relocation Impact	None
Planning Area	Kensington-Wheaton	Status	Planning Stage

	Total	Thru FY14	Rem FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
<b>EXPENDITURE SCHEDULE (\$000s)</b>											
Planning, Design and Supervision	13,857	4,507	1,321	13,857	225,200	5,443	628	1,886	0	629	0
Land	1,010	1,010	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	10,559	1,346	0	9,213	0	2,044	5,794	0	0	0	0
Construction	112,986	888	0	113,874	4	720	7,882	36,000	8,913	16,810	0
Other	7,778	179	0	7,957	47	565	3,828	5,800	1,302	1,636	0
<b>Total</b>	<b>146,700</b>	<b>7,728</b>	<b>1,321</b>	<b>137,519</b>	<b>271</b>	<b>6,225</b>	<b>11,900</b>	<b>55,281</b>	<b>43,009</b>	<b>11,204</b>	<b>0</b>

	Total	Thru FY14	Rem FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
<b>FUNDING SCHEDULE (\$000s)</b>											
Contributions	862	0	0	862	0	862	0	0	0	0	0
Current Revenue: General	1,300	850	0	1,300	0	650	0	0	0	0	0
Federal Aid	418	417	0	417	0	0	0	0	0	0	0
G.O. Bonds	72,876	0	0	72,876	0	3,019	5,820	34,425	22,980	5,865	-1,500
Long-Term Financing	64,358	0	0	64,358	0	2,708	1,574	5,218	30,558	20,326	5,249
PAYGO	8,036	8,036	0	0	0	0	0	0	0	0	0
State Aid	850	625	0	850	175	75	100	81,485	52,046	19,075	0
<b>Total</b>	<b>146,700</b>	<b>15,728</b>	<b>50</b>	<b>137,519</b>	<b>175</b>	<b>5,225</b>	<b>11,900</b>	<b>55,281</b>	<b>43,009</b>	<b>11,204</b>	<b>0</b>

*Land Sale* 15,000      *APPROPRIATION AND EXPENDITURE DATA (\$000s)* 15,000

Appropriation Request	FY 1617	126,335
Appropriation Request Est.	FY 1818	500
Supplemental Appropriation Request		0
Transfer		0
<b>Cumulative Appropriation</b>		<b>136,860</b>
<b>Expenditure / Encumbrances</b>		<b>7,845</b>
<b>Unencumbered Balance</b>		<b>131,728</b>

Date First Appropriation	FY 04
First Cost Estimate	
Current Scope	FY 1617      143,847
Last FY's Cost Estimate	143,847

**Description** *303,000*

This project provides for the planning, studies, design, and construction of an office building, public parking garage, and a town square on the site of Parking Lot 13 and the Mid-County Regional Services Center (RSC) in Wheaton. The project components include 1) an approximately 266,000 s.f. office building to be owned by the Maryland-National Capital Park and Planning Commission (M-NCPPC); 2) an approximately 400 space underground public parking garage to be delivered to the Wheaton Parking Lot District (PLD); and 3) a town square located on Lot 13 and the current RSC site. The new headquarters for M-NCPPC will occupy approximately 132,000 s.f. of the building, including space for a child care facility. The remainder of the building space will be used by the County for office and retail under a long-term lease agreement. The County intends to use its space for nearly 15,000 s.f. of street front retail space and move offices of the RSC, Wheaton Urban District, Department of Environmental Protection, and Department of Permitting Services to this building. The building will have geothermal heating and cooling system, which is likely to result in LEED Platinum Certification for the office building. After the building is delivered to M-NCPPC, the Commission will transfer the ownership of the parcels at 8787 Georgia Ave. in Silver Spring and 11200 Amherst Ave. in Wheaton to the County. The County will then transfer 8787 Georgia Ave. to the developer who will develop a privately financed mixed-use project on the site. The delivery will include air rights above the land over the parking garage for the space comprising the office building and over that portion of the land located between the building and Reedy Drive. The town square will be maintained and programmed by the RSC for the community benefit. The obligations and relationship between County Government and M-NCPPC for the project are reflected in a Memorandum of Understanding dated May 31, 2013 and will be explicitly set forth in the Binding Agreements between the parties. This PDF also includes \$650,000 for consulting services to provide 1) a comprehensive parking study to identify potential redevelopment disruptions to the public parking supply and any related impacts of existing businesses and to identify potential mitigation options; 2) planning studies to review potential models and approaches to creating local jobs and job training opportunities prior to and during redevelopment, including relevant case examples in Montgomery County as well as innovative models from other local and national jurisdictions; and 3) a business assessment study to determine the number of businesses and the magnitude of the impact. The business assessment study is needed to support Council Bill 6-12 for the establishment of service provision and technical assistance to those small businesses adversely impacted by a County redevelopment project. As part of the agreement, this project also includes a privately owned mixed use residential building with independent financing and significant affordable housing components.

*Department of Recreation, the Commit  
Use of Public Facilities, and Environmental  
Health Regulatory Services in the District  
of Health and Human Services*

*Publicly available Wi-Fi will be among those community benefits.*

**Location**  
Montgomery County Public Parking Lot 13, between Grandview Avenue and Triangle Lane; the RSC site on Reedy Drive, Wheaton: 8787 Georgia Avenue, Silver Spring; and Veterans Urban Park at 11200 Amherst Avenue, Wheaton, Maryland.

*the fall of 2018.* Wheaton Redevelopment Program (P150401)

*estimated Schedule started*

The project design is expected to begin in July 2014 and construction is expected to begin in the summer of 2016 with delivery of the office building in ~~mid-2016~~. Demolition of the RSC site will begin as soon as the site can be vacated. The town square is planned to be completed in the fall of 2018. *Spring of 2019.*

**Cost Change**

The cost increase is based on estimated costs of design and construction of a geothermal heating and cooling system for the office building and ~~unexpected environmental remediation needs on the construction site~~. *for department with program synergies, and enhance the presence of the County investment in Wheaton. Two additional floors will also be added to the planned building to reduce expensive lease payments for County Agencies, facilitate co-located*

**Justification**

The Wheaton Redevelopment Program was established in 2000 with the goal of encouraging private reinvestment through targeted, complementary public investment. The complementary public investment that Wheaton most needs is investment in creating a centrally located public space and a daytime population that together will contribute to an 18-hour economy in downtown Wheaton. It is expected that this public investment will leverage private investment, some of which is already occurring in Wheaton. Plans & Studies: Wheaton CBD and Vicinity Sector Plan (2011), State of Maryland designation as a Smart Growth and TOD site (2010), Urban Land Institute Technical Assistance Panel (2009). The International Downtown Association Advisory report (2008); Wheaton's Public Safety Audit (2004); The Wheaton Redevelopment Advisory Committee visioning process for the Wheaton core; National Mainstreet Center Planning Study (2000); WRAC activities since established in 2000.

**Fiscal Note**

Minor project funding includes: 1) \$418,000 FY09 federal grant, funded through the SAFETEA-LU transportation act; 2) A developer contribution of \$861,940 from M-NCPPC Public Use Space and Amenity Fund. November 5, 2010 Planning Board Resolution, 10-149, Site Plan 820110010; and 3) \$350,000 FY14 and FY15 State aid to support facade improvements and a pilot solar-powered trash compactor program. Non-tax supported long-term financing will be used to finance the costs for DEP and DPS facility space. Total project cost includes \$8,930,000 for Streetscape and Façade work funded through FY12. The residential development on Lot 13 will not be funded in this PDF.

*and PAYGO*

*and CUPF*

**Disclosures**

A pedestrian impact analysis has been completed for this project.

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**

WMATA, Office of the County Attorney, M-NCPPC, Westfield Mall, Community Associations and Residents, Private developers, Department of General Services, Department of Transportation, Department of Environmental Protection, Department of Permitting Services, Department of Housing and Community Affairs, Mid-County Regional Service Center, and State of Maryland. Special Projects Legislation [Bill No. 33-14] was adopted by Council June 17, 2014.