

Clerk's note: Corrected PDF is attached.

Resolution No.:	18-786
Introduced:	March 21, 2017
Adopted:	May 2, 2017

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

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

SUBJECT: Amendment to the FY17-22 Capital Improvements Program and Supplemental Appropriation #20-S17-CMCG-14 to the FY17 Capital Budget Montgomery County Government Department of Transportation Wheaton Redevelopment Program (No. 150401), \$30,147,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. 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.
3. The County Executive recommends the following capital project appropriation increases:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Wheaton Redevelopment Program	150401	Planning, Design, Supervision, Construction, and Other	\$30,147,000	GO Bonds, Current Revenue: DPS & Solid Waste Disposal Fund
TOTAL			<u>\$30,147,000</u>	

4. This appropriation request fully appropriates the expected contract amount and reflects cost increases related to prevailing wage premiums, furniture, moving expenses, IT and telephone infrastructure for the two additional floors added last year; Fibernet and Town Square WiFi connections; traffic improvements; and enhanced project oversight. The recommended amendment is consistent with the criteria for amending the CIP because the project has experienced \$11,072,000 in cost increases, and project delays would further increase those costs. It also supports significant economic development initiatives, which in turn will strengthen the fiscal capacity of the County government.
5. I recommend that the County Council approves this supplemental appropriation and amendment to the FY17-22 Capital Improvements Program in the amount of \$30,147,000 and specifies that the source of funds will be GO Bonds, Current Revenue: Permitting Services, and Solid Waste Disposal Fund.
6. Notice of public hearing was given and a public hearing was held.


Action

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

The FY17-22 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Wheaton Redevelopment Program	150401	Planning, Design, Supervision, Construction, and Other	\$30,147,000	GO Bonds, Current Revenue: DPS & Solid Waste Disposal Fund
TOTAL			<u>\$30,147,000</u>	

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council

Wheaton Redevelopment Program (P150401)

Category
Sub Category
Administering Agency
Planning Area

General Government
Economic Development
Transportation (AAGE30)
Kensington-Wheaton

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

4/27/17
No
None
Planning Stage

	Total	Thru FY16	Rem FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	16,048	8,288	0	7,760	2,473	2,895	1,736	656	0	0	0
Land	1,010	1,010	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	10,559	1,348	0	9,213	737	2,858	4,238	1,382	0	0	0
Construction	138,455	1,468	0	134,987	11,778	53,519	49,328	20,362	0	0	0
Other	15,344	288	0	15,078	1,288	4,360	6,531	2,699	0	0	0
Total	179,416	12,378	0	167,038	16,276	63,630	61,833	25,299	0	0	0

FUNDING SCHEDULE (\$000s)											
Contributions	882	0	0	882	0	0	882	0	0	0	0
Current Revenue: General	1,300	750	0	550	190	120	120	120	0	0	0
Current Revenue: Permitting Services	25,000	0	0	25,000	6,591	14,400	4,008	0	0	0	0
Federal Aid	418	417	0	1	1	0	0	0	0	0	0
G.O. Bonds	78,422	0	0	78,422	9,494	49,110	20,113	-295	0	0	0
Land Sale	15,000	0	0	15,000	0	0	0	15,000	0	0	0
Long-Term Financing	38,327	0	0	38,327	0	0	28,442	9,885	0	0	0
PAYGO	10,481	10,481	0	0	0	0	0	0	0	0	0
Solid Waste Disposal Fund	8,876	0	0	8,876	0	0	8,267	589	0	0	0
State Aid	750	750	0	0	0	0	0	0	0	0	0
Total	179,416	12,378	0	167,038	16,276	63,630	61,833	25,299	0	0	0

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation Request Est.	FY 18	120
Supplemental Appropriation Request	30,147	0
Transfer		0
Cumulative Appropriation		148,909
Expenditure / Encumbrances		133,784
Unencumbered Balance		15,145

Date First Appropriation	FY 04
First Cost Estimate	
Current Scope	FY 17
Last FY's Cost Estimate	179,418

Description

Wheaton Redevelopment Program (P150401)

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 308,100 square feet (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 12,000 s.f. of street front retail space and move offices of the RSC, Wheaton Urban District, Department of Environmental Protection, Department of Permitting Services, Department of Recreation, the Community Use of Public Facilities, and Environmental Health Regulatory Services in the Department of Health and Human Services to this building. The building will have a 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 Avenue in Silver Spring and 11200 Amherst Avenue in Wheaton to the County. The County will then transfer 8787 Georgia Avenue 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 Reedie Drive. The Town Square will be maintained and programmed by the RSC for community benefit. Publicly available WiFi will be among those community benefits. 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 8-12 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.

Location

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

Estimated Schedule

The project design started in July 2014 and construction is delayed to begin in June 2017 due to adding two additional floors and environmental remediation in FY16. Demolition of the RSC site will begin as soon as the site can be vacated. The Town Square is planned to be completed in Fall 2019 and the completion of the office building is scheduled by April 2020.

Cost Change

Updated cost estimates and cost allocation to reflect cost increases related to prevailing wage premiums, furniture, moving expenses, IT and telephone infrastructure for the two additional floors added last year, FiberNet and Town Square WiFi connections, traffic improvements, and enhanced project oversight. The cost of one Program Manager II position is added to support the Small Business Assistance Program during FY18 - FY20.

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), and 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 façade improvements and a pilot solar-powered trash compactor program. State aid has been adjusted to reflect actual spending and reimbursements. Non-tax supported long-term financing and PAYGO will be used to finance the costs for DEP, DPS and CUPF facility space. \$15M of the land sale proceeds from the M-NCPPC Headquarters in Silver Spring is programmed in FY20 to help finance the project costs. 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. Expenditure and funding schedules are adjusted to align with construction of the office building and to reflect updated space allocations.

Disclosures

A pedestrian impact analysis has been completed for this project.

Wheaton Redevelopment Program (P150401)

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.