

**Worksession**

**MEMORANDUM**

April 13, 2009

TO: Planning, Housing and Economic Development Committee

FROM: Justina J. Ferber,  Legislative Analyst

SUBJECT: **Cost Sharing – PDF No. 720601**  
**Adventist HealthCare Project – \$1,400,000**  
**FY09-14 Capital Budget & Capital Improvements Program**

**Project**

This project provides incentive funding in the form of a \$1,400,000 conditional grant to be disbursed in FY11 to Adventist HealthCare to assist with the construction of a medical clinic project.

The PDF currently describes the Adventist HealthCare project as providing incentive funding to assist with the rehabilitation and reuse of Columbia Union College's defunct sport facility building, near the Washington Adventist Hospital, into a primary care clinic that will be approximately 5,180 square feet. The original project entailed the construction of a medical office building at 8702 Flower Avenue in the Long Branch community for which the County initially committed to fund the project with \$2,100,000 over three years. During FY08 the project was substantially delayed due to legal proceedings. The previously programmed \$1,400,000 was deferred to FY10 with the remaining \$700,000 to be programmed in later years. With no definite timeline on when legal proceedings will conclude and current financing and market conditions will improve, Adventist HealthCare has identified an alternative option of rehabilitating an existing facility to expedite the delivery of the clinic.

**Background**

In FY09 CIP budget deliberations, the Council encouraged Adventist HealthCare to take the opportunity to reevaluate the medical building project and work with the community to develop a strategic plan to respond to the need for health care services in the Long Branch area in light of the relocation of Washington Adventist Hospital.

**Staff Recommendation**

- **Approve EDF funding of \$1,400,000 for FY11 for the Adventist HealthCare clinic project in the Cost Sharing PDF and revisit the funding and specifics of the project in the FY11 CIP budget discussions when more details become available.**

Attachments: Cost Sharing PDF – Adventist HealthCare Project PDF ©1

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# Cost Sharing: MCG -- No. 720601

Category  
Subcategory  
Administering Agency  
Planning Area

Culture and Recreation  
Recreation  
Recreation  
Countywide

Date Last Modified  
Required Adequate Public Facility  
Relocation Impact  
Status

March 18, 2009  
No  
None.  
On-going

## EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY08	Rem. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	1,022	1,022	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	4	4	0	0	0	0	0	0	0	0	0
Construction	950	950	0	0	0	0	0	0	0	0	0
Other	7,729	0	454	7,275	5,475	400	1,400	0	0	0	0
<b>Total</b>	<b>9,705</b>	<b>1,976</b>	<b>454</b>	<b>7,275</b>	<b>5,475</b>	<b>400</b>	<b>1,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## FUNDING SCHEDULE (\$000)

Current Revenue: General	4,315	1,976	14	2,325	1,925	400	0	0	0	0	0
Economic Development Fund	1,400	0	0	1,400	0	0	1,400	0	0	0	0
G.O. Bonds	140	0	140	0	0	0	0	0	0	0	0
Long-Term Financing	3,850	0	300	3,550	3,550	0	0	0	0	0	0
<b>Total</b>	<b>9,705</b>	<b>1,976</b>	<b>454</b>	<b>7,275</b>	<b>5,475</b>	<b>400</b>	<b>1,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### DESCRIPTION

This project provides funds for the development of non-government 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

Increase represents the County's contribution to Aunt Hattie's Place, CASA de Maryland, Inc., Jewish Council for the Aging of Greater Washington, Inc., and the Warren Historical Site Committee, Inc.

### 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

\$3,550,000 was programmed in FY09 for the music venue in Silver Spring. \$150,000 was expended out of the Economic Development Fund in FY07 for a feasibility study for a music venue, and \$300,000 was programmed in FY08, bringing the total County match to the State to \$4,000,000. The remaining funds will not be expended until an agreement is reached between the development partners and the County, which includes Council review and approval of the general business terms. The County will own the facility and will fund its contribution with short-term financing proceeds consistent with the terms of the lease agreement with the operator of the music venue.

For FY10, County participation is anticipated for the following projects in these amounts:

Aunt Hattie's Place: \$100,000  
CASA de Maryland, Inc: \$100,000  
Jewish Council for the Aging of Greater Washington, Inc: \$50,000, and  
Warren Historical Site Committee, Inc: \$150,000.

For FY11, County participation is anticipated for the following projects in these amounts:

Adventist HealthCare: \$1,400,000

The Adventist HealthCare Project provides incentive funding to assist with the rehabilitation and reuse of Columbia Union College's defunct sport facility building, in close proximity to the Washington Adventist Hospital, into a primary care clinic that will be approximately 5,180 square feet. The original project entailed construction of a medical office building at 8702 Flower Avenue in the Long Branch community, for which the County initially committed to fund the project with \$700,000 for each of the three years from FY07-FY09 for a total of \$2,100,000. During FY08, the project was substantially delayed due to legal proceedings. The previously programmed \$1,400,000 had been deferred to FY10 and the additional \$700,000 was to be programmed in later years. With no definite timeline on when the legal proceedings will conclude, and the concern of delivering the necessary bank financing to construct the original project in the current market conditions, the Washington Adventist Hospital has identified an alternative option of rehabilitating an existing facility to expedite the delivery of the clinic. Continued support of this clinic project underscores the County's commitment to place much needed health care facility in the Long Branch area. Based on the current project scope and time line, Adventist HealthCare Project will require a total of \$1.4 million from the County in FY11 to complete the clinic.

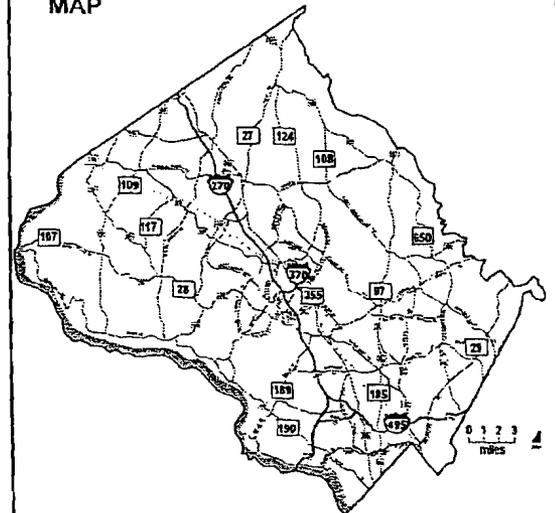
### APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY06	(\$000)
First Cost Estimate	FY10	9,705
Current Scope		
Last FY's Cost Estimate		9,305
Appropriation Request	FY10	400
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		7,765
Expenditures / Encumbrances		3,907
Unencumbered Balance		3,858
Partial Closeout Thru	FY07	0
New Partial Closeout	FY08	0
Total Partial Closeout		0

### COORDINATION

Private organizations  
State of Maryland  
Municipalities  
Montgomery County Public Schools  
Community Use of Public Facilities  
Department of General Services  
Department of Economic Development

### MAP



(11)

(1)

## Cost Sharing: MCG -- No. 720601 (continued)

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EDF funds will not be expended until there is an agreement between Adventist HealthCare, the Columbia Union College, and the County specifying the project scope, timeline, cost, and the specific performance requirements including fiscal analysis and job generation.

The Old Blair Auditorium Project (a private, non-profit organization) received State bond bill funding of \$600,000 for the renovation of the Old Blair High School Auditorium. The County is providing \$190,000 as a partial match for the State funds with \$50,000 in current revenue in FY06-FY07 for DPWT to develop a Program of Requirements and cost estimate for the project, and a programmed FY06-FY07 bond funded expenditure of \$140,000 to pay for part of the construction. The Council will consider appropriating the \$140,000 after: a) facility planning is complete and the full cost of the renovation is known; b) the County, MCPS, and the Old Blair Auditorium Project resolve issues about management of the renovation project, operation of the facility, and parking for the facility; and c) the Old Blair High School Auditorium project raises the remaining \$410,000 required to match the State funding. MCPS has included funds for a feasibility study for the auditorium in its Facility Planning project (No. 966553). During the study, MCPS will work with the community to develop a new program of requirements for the auditorium.

### OTHER DISCLOSURES

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