

MEMORANDUM

February 20, 2014

TO: Planning, Housing and Economic Development Committee
FROM: Jacob Sesker, Senior Legislative Analyst 
SUBJECT: FY15-20 CIP: General Government (Economic Development)

ATTENDEES

The following individuals will participate (depending upon availability):

- From OMB: Mary Beck, Pofen Salem, Jahantab Siddiqui
- From DED: Tina Benjamin

INTRODUCTION

Economic Development projects are in the following departments: County Executive and Economic Development. The following projects will be discussed: Long Branch Town Center Redevelopment; and Universities at Shady Grove Expansion. On March 15, the Executive will transmit amended PDFs on two other projects, Wheaton Redevelopment and White Flint Redevelopment.

OVERVIEW

While many recommended capital projects facilitate economic development or economic growth, only four capital projects are included in the Economic Development portion of the Executive's FY15-20 CIP for County Government. The economic development projects include three redevelopment programs and a new parking garage to facilitate campus expansion at the Universities at Shady Grove. None of the four projects are new—all were in the approved FY13-18 CIP.

	Est. FY14	FY15	FY16	FY17	FY18	FY19	FY20
FY13-18 Approved	\$5.349	\$31.824	\$42.324	\$5.524	\$1.824	\$0.000	\$0.000
FY15-20 Recommended	\$5.263	\$9.765	\$17.170	\$30.720	\$29.608	\$0.420	\$0.420
Change	(\$0.086)	(\$22.059)	(\$25.154)	\$25.196	\$27.784	\$0.420	\$0.420

Based on the recommended budget, a substantial amount of FY15-16 expenditure has been shifted to FY17-18. All of these numbers will change substantially when the March 15 amendments are transmitted. The Executive’s recommended (January 15) FY15-20 Wheaton Redevelopment Program, like the Approved FY13-18, only included funding for the M-NCPPC portion of the Wheaton office building. However, the Council is expecting a March 15 amendment that includes funding for M-NCPPC and County offices in a building nearly twice the size of the M-NCPPC offices alone.

ECONOMIC DEVELOPMENT PROJECTS

There are no outstanding issues related to either project. Both projects under consideration are candidates for the consent calendar.

1. Long Branch Town Center Redevelopment-No.150700 (PDF @ © 1)

	Est FY14	FY15-20 Total	FY15	FY16	FY17	FY18	FY19	FY20
Total	\$0.000	\$0.300	\$0.300	\$0.000	\$0.300	\$0.000	\$0.000	\$0.000

Recommended funding source: Current revenue

Total FY15-20 request: \$0.300

Recommended FY15-16 appropriation: \$0.300

PROJECT DESCRIPTION

This project provides for the public improvements necessary to support the redevelopment of the super block bounded by Arliss Street, Flower Avenue, and Piney Branch Road. Planning may address new streets, utilities, streetscaping, public amenities, and parking.

HIGHLIGHTS

The request is limited to planning, design, and supervision in FY15.

SCHEDULE

The planning, design, and supervision had been delayed from FY13 to FY15. The proposed expenditure in Long Branch had been delayed due to a lawsuit among the property owners, the recession delaying the private sector investment, and the timing of the Purple Line transit project.

TESTIMONY/COMMENTS

The following comment was provided by M-NCPPC: *“We support this CIP project in coordination with review of future projects, especially those utilizing the Optional Method Density Incentive in the CR Zones.”*

STAFF RECOMMENDATION

Concur with Executive, with slight modification. The project location is identified in the PDF as “the site bounded by Arliss Street, Flower Avenue, and Piney Branch Road in Silver Spring, Maryland.” Since it is possible that the PDF could be used to plan improvements to the plaza at the Public Library (just outside of the boundary, across Arliss Street), Staff recommends that the language be changed to reflect that possibility. See © 1.

2. Universities at Shady Grove Expansion—No. 151201 (PDF @ © 2-3)

	Est FY14	FY15-20 Total	FY15	FY16	FY17	FY18	FY19	FY20
Total	\$0.000	\$20.000	\$5.000	\$10.000	\$5.000	\$0.000	\$0.000	\$0.000

Recommended funding source: G.O. bonds
Total FY15-20 request: \$20.000
Recommended FY15-16 appropriation: \$4.900

PROJECT DESCRIPTION

This project provides funding for the design and construction of a parking garage and related site modifications at the Universities at Shady Grove Campus.

HIGHLIGHTS

The County’s commitment to fund the garage (capped at \$20 million) is intended to leverage state funding (\$169.0 million) for a 220,000 square foot Biomedical Sciences/Engineering Education academic building. Construction of the academic building will require the removal of the existing surface parking lot. The new parking garage will replace lost capacity (approximately 200 spaces) and add capacity (approximately 500 spaces) necessary to accommodate an increase in students, faculty, and staff.

The State classifies structured parking facilities as “auxiliary enterprise facilities” and does not fund parking garages. Any expansion of the USG will necessarily entail the construction of structured parking.

SCHEDULE

The County and the University System of Maryland (on behalf of USG) have entered into a Memorandum of Understanding that outlines the roles and responsibilities of the County, USM, and USG for this project. A contractor has been selected to design and construct the garage. This project will go through mandatory referral during late spring 2014, with an anticipated groundbreaking in the summer. The project will be managed by the Stadium Authority on behalf of the parties.

STAFF RECOMMENDATION

Concur with Executive.

Attachments:

- PDF#150700: © 1
- PDF#151201: © 2-3

Long Branch Town Center Redevelopment (P150700)

Category	General Government	Date Last Modified	1/6/14
Sub Category	Economic Development	Required Adequate Public Facility	No
Administering Agency	County Executive (AAGE03)	Relocation Impact	None
Planning Area	Silver Spring	Status	Planning Stage

	Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	300	0	0	300	300	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	300	0	0	300	300	0	0	0	0	0	0

FUNDING SCHEDULE (\$000s)											
Current Revenue: General	300	0	0	300	300	0	0	0	0	0	0
Total	300	0	0	300	300	0	0	0	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 15	300
Appropriation Request Est.	FY 16	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		0
Expenditure / Encumbrances		0
Unencumbered Balance		0

Date First Appropriation	FY 15
First Cost Estimate	
Current Scope	FY 13 300
Last FY's Cost Estimate	300

Description

This project provides for the public improvements necessary to support the redevelopment of the super block bounded by Arliss Street, Flower Avenue, and Piney Branch Road. This block is poorly organized and has an under-developed commercial area that was reviewed by an Urban Land Institute panel which recommended that this block be intersected by new streets and reoriented as a Town Center for the Long Branch community. The development of the Purple Line will influence the development potential of the site. Planning will include new streets, utilities, streetscaping, public amenities, and parking necessary for the redevelopment of this area as a higher density mixed-use Town Center with retail at street level and residential above.

The infrastructure will be planned in partnership with the Mass Transit Administration, property owners and businesses in this super block with input from the surrounding Long Branch community. M-NCPPC will assist by developing land use regulations that will facilitate this redevelopment effort.

Location

The site bounded by Arliss Street, Flower Avenue, and Piney Branch Road in Silver Spring, Maryland *and adjacent or confronting public facilities.*

Estimated Schedule

Planning, design and supervision for this project is requested for FY15.

Justification

The Long Branch Community is a very diverse, high density community with a large immigrant population. This community is underserved by the commercial center that is the focus of the community at the intersection of Flower Avenue and Piney Branch. The Long Branch community has been designated as a revitalization area by the County and has been designated as an Enterprise Zone by the State of Maryland. The objective of the redevelopment effort is to provide better services to the community and expand the availability of affordable housing. The effort to create a Town Center for Long Branch must be a public/private partnership to effectively accomplish these goals. This project was recommended by the Long Branch Task Force, The Long Branch Advisory Committee, and is supported by the Silver Spring Citizens Advisory Board. Related studies include: Urban Land Institute (ULI) Washington, "A Technical Assistance Panel Report, the Long Branch Community"; and the Long Branch Task Force 3rd Annual Report, May 2005.

Other

This project will comply with the standards of the Department of Transportation (DOT), Department of General Services (DGS), Maryland State Highway Administration (MSHA), Manual on Uniform Traffic Control Devices (MUTCD), American Association of State Highway Officials (AASHTO), and Americans with Disabilities Act (ADA).

Disclosures

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

Coordination

Department of Housing and Community Affairs, DOT, Department of Permitting Services, M-NCPPC, Long Branch Advisory Committee, Maryland Transit Administration (MTA), Maryland State Highway Administration (MSHA), Department of General Services

Universities at Shady Grove Expansion (P151201)

Category General Government
 Sub Category Economic Development
 Administering Agency Economic Development (AAGE06)
 Planning Area Shady Grove Vicinity

Date Last Modified 1/6/14
 Required Adequate Public Facility No
 Relocation Impact None
 Status Planning Stage

Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0
Construction	20,000	0	0	20,000	5,000	10,000	5,000	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	20,000	0	0	20,000	5,000	10,000	5,000	0	0	0

FUNDING SCHEDULE (\$000s)

G.O. Bonds	20,000	0	0	20,000	5,000	10,000	5,000	0	0	0
Total	20,000	0	0	20,000	5,000	10,000	5,000	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 15	4,900
Appropriation Request Est.	FY 16	10,000
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		100
Expenditure / Encumbrances		0
Unencumbered Balance		100

Date First Appropriation	FY 15
First Cost Estimate	
Current Scope	FY 15 20,000
Last FY's Cost Estimate	20,100

Description

This project provides funding for the construction of a parking garage and related site modifications at the Universities at Shady Grove (USG) Campus.

The County's commitment to fund the garage and ground modifications is intended to leverage State funding to build a Biomedical Sciences/Engineering Education (BMSE) academic building. In conjunction with the nearby Institute for Bioscience and Biotechnology Research (IBBR), the new fourth 220,000 sq.ft. academic building is expected to expand capacity at the campus, particularly in the high growth fields of biotechnology and engineering. The building will house science/engineering classrooms as well as clinical training laboratories for programs that will include health, allied health, science and engineering/technology programs in both traditional and bioscience areas and education degrees focused on science, technology, engineering and mathematics (STEM). This initiative will support the County's education, employment, and economic development goals.

The new academic building will be built on the surface parking lot adjacent to the IBBR on the USG campus. The County has agreed to provide funding to the University System of Maryland (USM) for the design and construction of a garage adjacent to the new facility that will recover and expand existing parking capacity and free up land on which the new academic building will be constructed. County funding will also be used to complete ground modifications to create a new entrance to the campus.

Location

Universities at Shady Grove Campus

Estimated Schedule

The County and the USM (on behalf of the USG) have entered into a Memorandum of Understanding that outlines the roles and responsibilities of the County, USM and USG for this project. A contractor will soon be selected to design and construct the garage, with a groundbreaking anticipated for the summer of 2014.

Cost Change

\$100,000 in Current Revenue originally appropriated to conduct a needs assessment is no longer required and has been removed. The construction costs remain the same, and the County's contribution is capped at \$20 million.

Justification

Universities at Shady Grove Expansion (P151201)

The new Biomedical Sciences/Engineering Academic Complex (BMSE) will be constructed on existing USG land already zoned for academic building expansion. Parking is currently limited and construction of the building will require the removal of the surface parking lot on this site. A structured parking facility is needed to replace the parking spaces taken by the BMSE. Site improvements for a new entrance to the campus to accommodate the increased student, faculty, and staff access are also required.

The project is a step toward implementing several objectives of the Biosciences Strategy adopted by the County's Biosciences Task Force (December 2009). The new building is planned to be funded by the State, with the County contributing toward the creation of site capacity through the structured garage. This expanded higher education presence in Montgomery County will help to build a robust biosciences workforce and foster commercialization that will provide economic benefits to the County and the State.

The Biosciences Strategy further recommends that the County support partnerships between higher education institutions, industry, and Montgomery County Public Schools to support STEM curriculum development, enhance STEM teacher preparation and expand "laboratory" programs designed to spark student interest in and preparation for health science and bioscience careers. The new building will house programs and curriculum focused on STEM education.

The USG offers more than 70 undergraduate degree programs from nine of the schools in the USM. Located in the Great Seneca Science Corridor Master Plan Area, USG offers among its programs, courses that complement the life sciences focus of the Great Seneca Science Corridor Master Plan. These programs included biology, business, health systems management, nursing, pharmacy, public health sciences, and respiratory therapy. The USG provides for significant development of the workforce for high quality science jobs in Montgomery County. Approximately 600 undergraduate students and 400 to 500 students with graduate and professional degrees graduate each year at the USG. The USG plans to increase its capacity to annually graduate 2,000 undergraduate students and approximately 1,200 graduate/professional degree students (several hundred of which will be in the bioscience and biotechnology disciplines).

Fiscal Note

The County contribution for the parking structure and ground modification costs is capped at \$20 million and is dependent on State funding to design and construct a BMSE academic building. In 2013, the General Assembly pre-authorized \$5.0 million for the design of this academic building, and the State's CIP has the remaining \$154.2 million programmed for FY15-FY18.

Coordination

Department of Economic Development, Department of General Services, State of Maryland, USM, USG