

**MEMORANDUM**

April 27, 2014

TO: Planning, Housing and Economic Development Committee

FROM: Jacob Sesker, Senior Legislative Analyst *js*

SUBJECT: FY15-20 CIP: General Government (Economic Development)—White Flint  
Redevelopment **Corrected**

**ATTENDEES**

The following individuals will participate (depending upon availability): Dee Metz, White Flint Coordinator; Tina Benjamin, Special Projects Manager, DED; Mary Beck, CIP Manager, OMB; Naeem Mia (OMB).

**INTRODUCTION**

The following project will be discussed: White Flint Redevelopment. This project is in the following budget: County Executive.

This PDF was amended to reflect a change in the sources of funding. Specifically, funding for a land purchase that is no longer needed was moved out of “current revenue”.

**WHITE FLINT REDEVELOPMENT**

*White Flint Redevelopment Program—No. 151200 (PDF © 1)*

	FY14	FY15	FY16	FY17	FY18	FY19	FY20
<b>FY13-FY18</b>	\$0.949	\$0.324	\$0.324	\$0.324	\$0.324	—	—
<b>FY15-FY20</b>	\$1.155	\$0.946	\$0.670	\$0.420	\$0.420	\$0.420	\$0.420
<b>Change</b>	\$0.206	\$0.622	\$0.346	\$0.096	\$0.096	\$0.420	\$0.420

*Recommended funding source: White Flint Special Tax District*  
*Total FY15-20 request: \$3.296 million*  
*Appropriation request: FY15 \$0.171; FY16 \$0.670*

## ***HIGHLIGHTS***

In FY13, the source of funding for land acquisition was identified as current revenue because the land was to be immediately sold. This amended FY15 PDF reflects a reduced cost (expenditures for land acquisition no longer needed, partially offset by increased staff charges), and a change in funding sources.

Delays to SHA's transportation impact study pushed \$775,000 into the FY15-FY20 CIP. The effect of that delay was to move \$525,000 into FY15 and \$250,000 into FY16 that previously had been programmed for before FY15.

The Planning, Design and Supervision (PD & S) budget includes personnel charges for the White Flint Special Tax District Manager (Department of Finance) and the White Flint District Coordinator (Office of the County Executive). Charges also include 0.2 FTEs for a Public Administration Intern (Department of Finance).

Staff efforts on this project include managing and coordinating implementation staging, land assemblage and disposition, and negotiating land dedications. This project will include real property appraisals, legal and title services, and real estate consultants. Coordination of the road improvements affecting the Conference Center site and the Conference Center Garage are part of this project, rather than part of the separate Conference Center Garage project proposed as an amendment to the FY14 capital budget.

## ***STAFF RECOMMENDATION***

**Concur with Executive.**

### Attachments:

PDF#151200 (March 6): © 1

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## White Flint Redevelopment Program (P151200)

Category	General Government	Date Last Modified	3/8/14
Sub Category	Economic Development	Required Adequate Public Facility	No
Administering Agency	County Executive (AAGE03)	Relocation Impact	None
Planning Area	North Bethesda-Garrett Park	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
<b>EXPENDITURE SCHEDULE (\$000s)</b>											
Planning, Design and Supervision	4,923	472	1,155	3,296	946	670	420	420	420	420	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
<b>Total</b>	<b>4,923</b>	<b>472</b>	<b>1,155</b>	<b>3,296</b>	<b>946</b>	<b>670</b>	<b>420</b>	<b>420</b>	<b>420</b>	<b>420</b>	<b>0</b>
<b>FUNDING SCHEDULE (\$000s)</b>											
White Flint - Special Tax District	4,923	472	1,155	3,296	946	670	420	420	420	420	0
<b>Total</b>	<b>4,923</b>	<b>472</b>	<b>1,155</b>	<b>3,296</b>	<b>946</b>	<b>670</b>	<b>420</b>	<b>420</b>	<b>420</b>	<b>420</b>	<b>0</b>

### APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation Request	FY 15	171
Appropriation Request Est.	FY 16	670
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		2,402
Expenditure / Encumbrances		472
Unencumbered Balance		4,163

Date First Appropriation	FY 08
First Cost Estimate	
Current Scope	FY 16 4,923
Last FY's Cost Estimate	5,931
Partial Closeout Thru	0
New Partial Closeout	0
Total Partial Closeout	0

#### Description

This program provides for the plans, studies, analysis, and development coordination activities by the County necessary to implement redevelopment in the White Flint Sector Plan Area. Specialized services as detailed in the Justification section below are required to implement the extensive public infrastructure requirements called for in the Sector Plan, and for the implementation of the specified public financing mechanism and related requirements for infrastructure funding. This program also provides for certain land acquisitions necessary to support Transit-Oriented Development (TOD) activities in the White Flint Sector Plan Area.

#### Cost Change

Cost decrease of \$2.233M due to reduction of land expenditures no longer needed, partly offset by cost increases due to updated staff charges and the addition of FY19 and FY20 to this ongoing project.

#### Justification

In the spring of 2010, the Montgomery County Council approved the new White Flint Sector Plan, which covers a 430 acre area. The Plan establishes a vision for transforming what has long been an auto-oriented suburban development pattern into a denser, mixed-used 'urban' center in which people can walk to work, shops and transit. An expanded street grid and other infrastructure improvements will create walkable blocks containing residences, retail, offices and local services. The Plan also calls for a financing mechanism that would generate significant revenues from properties and developments within the Sector Plan Area. The County Council further defined this financing mechanism in Bill 50-10, which established a White Flint Special Taxing District, authorized the levy of a property tax and the issuance of bonds to finance transportation infrastructure improvements, and stated conditions for the loaning or advancing of County funds to the District. In Resolution No. 16-1570, the Council adopted an implementation strategy which required the Executive to carry out a feasibility or other study to assess whether debt repayment will require a district tax rate that exceeds certain policy goals, and called for the forward funding or advance funding of specified items in order to promptly implement the Sector Plan. In addition to the financing implementation, specialized services are required related to the complex land assemblage and disposition actions necessary to implement the new street grid and for the reconfiguration of Executive Boulevard/Old Georgetown Road associated with implementation of Stage 1. Staff time and services are required to manage and coordinate efforts to develop detailed staging plans, to assess opportunities to maximize property dedications, and to negotiate property dedications to avoid or minimize acquisition costs. Necessary services will include appraisals, legal services, title services and consultants versed in land assemblage. The County is also currently evaluating efforts needed to implement roadway improvements through the Conference Center site, which is a County asset. Special requirements related to the Conference Center include negotiations with the private hotel owner as well as the Hotel and Conference Center management firm, and the provision of interim and permanent parking related to the impacts of road rights of way that traverse the site and will reduce the number of parking spaces available to patrons.

#### Other

The County purchased certain State-owned property in FY13 and resold the property to the developers to facilitate redevelopment. The land sale proceeds will be used to partially fund replacement Conference Center permanent parking, as well as other related Transit-Oriented Development projects, based upon an agreement between the County and State.

#### Fiscal Note

## White Flint Redevelopment Program (P151200)

The funding source for this project is White Flint Special Taxing District tax revenues. Current revenue was appropriated for this project in FY13 for the purchase of surplus SHA property. In FY15, current revenue was disappropriated from this project since the purchase of the surplus property was repaid through land sale proceeds the County received from transferring the property to a private developer. Accounting for these land expenditures will occur outside of this project by the Department of Finance.

### Disclosures

Expenditures will continue indefinitely.

### Coordination

Office of the County Executive, Department of Finance, Department of Transportation, Department of Economic Development, Maryland Department of Transportation (MDOT), Maryland State Highway Administration (SHA), Developers