

MEMORANDUM

February 21, 2019

TO: Planning, Housing, and Economic Development (PHED) Committee

FROM: Pamela Dunn, Senior Legislative Analyst

SUBJECT: **Amendments to the M-NCPPC FY19-24 Capital Improvements Program**

PURPOSE: Discuss M-NCPPC's Proposed Amendments to the FY19-24 CIP

M-NCPPC Participants

Mike Riley, Director, Montgomery Parks
Carl Morgan, CIP Manager, Park Development Division
John Kroll, M-NCPPC Corporate Budget Manager

Last year, the Council approved a Capital Improvements Program (CIP) for FY19-24 of approximately \$220 million for the Maryland-National Capital Park and Planning Commission (M-NCPPC). In this off-year of the CIP, the Commission has requested four amendments to the approved CIP. The Executive supports two of the proposed amendments and recommends modifying the other two. In addition, the Executive recommends an Affordability Reconciliation Project Description Form (PDF) that reduces Government Obligation (GO) Bond expenditures by \$1.45 million starting in FY21 and spread over the last four years of the CIP. The PDF does not indicate where the reductions should be made.

Attached on ©1-20 is the Planning Staff Report and County Executive Recommendation for the M-NCPPC FY19-21 Biennial CIP.

M-NCPPC staff will provide a brief update on the current CIP, followed by a discussion of the impact of the Executive-recommended reductions.

Amendments Supported and/or Modified by the Executive

On January 15, the County Executive released the recommended FY20 Capital Budget and Amendments to the FY19-24 Capital Improvements Program. The Executive's FY20 Budget includes increased funding from non-County sources for two projects.

| Project | \$ Increase | Funding Source |
|---|--------------|----------------|
| Small Grant Donor-Assisted Capital Improvements (P058755) | \$800,000 | Contributions |
| Bethesda Park Impact Payment (new) (P872002) | \$10,000,000 | Contributions |

The increase for Small Grant Donor-Assisted Capital Improvements reflects higher anticipated revenue for FY20 and matches the M-NCPPC budget request. The Bethesda Park Impact Payment is a new project that will hold, appropriate, and expend Park Impact Payments (PIP) made to M-NCPPC per the Bethesda Overlay Zone. The Executive's recommendation reflects estimated Park Impact Payments for development projects that have an approved site plan. M-NCPPC requested \$16 million for the Bethesda Park Impact Payment project, including \$10 million for FY20, and estimated contributions of \$4 million (FY21) and \$2 million (FY22). The Executive did not retain the funding for FY21 and FY22, stating that future funding should be reevaluated in the full CIP. **Council Staff concurs with the Executive's amendments.**

One of the two additional amendments proposed by M-NCPPC includes a request for \$500,000 in Community Use of Public Facilities (CUPF) funds for ballfield renovations (P008720). The Executive recommends deferring a decision on ballfield funding until the operating budget discussions take place next month. **Council Staff concurs with the Executive to defer this discussion.**

The fourth M-NCPPC suggested amendment is a minor amendment reflecting acceleration of the South Germantown Recreational Park: Cricket Field (P871746) project, without a change in total project cost. **The Executive and Council Staff concur with this amendment.**

Affordability Reconciliation PDF

The largest change to the FY19-24 Capital Improvements Program for M-NCPPC suggested by the Executive is an Affordability Reconciliation PDF (P871747) that recommends a reduction in GO Bond funding of \$1.45 million. The reductions do not begin until FY21 and are spread over the last four years of the CIP. The Executive did not specify to which projects the reductions should apply.

In response, the Planning Board, while advocating for relief from the requested cuts, identified non-recommended reductions that would satisfy the Affordability Reconciliation PDF. The Board continues to stress that maintaining what is in the park system is a higher priority than new park development. When facing a budget reduction, the Board's strategy has been to maintain full funding for the Department's level-of-effort capital projects that are designed to maintain or renovate existing parks. Currently, there are five non-local standalone projects with GO Bond funding in FY21-24:

| Projects | Current Funding (in thousands) | | | |
|--|--------------------------------|-------|-------|-------|
| | FY21 | FY22 | FY23 | FY24 |
| Josiah Henson Historic Park (P871552) | 862 | | | |
| Ovid Hazen Wells Recreational Park (P871745) | 1,039 | 2,375 | 1,210 | |
| Brookside Gardens Master Plan Implementation (P078702) | 250 | 700 | 500 | |
| Little Bennett Regional Day Use Area (P138703) | 600 | 692 | 1,786 | 3,066 |
| Little Bennett Regional Park Trail Connector (P871744) | 150 | | | |

The Josiah Henson Park project recently received a special appropriation from the Council and has only limited funding in FY21. The Board does not recommend it for reduction.

The Brookside Gardens Implementation project is primarily a renovation and maintenance project that will bring the formal gardens into compliance with federal ADA standards and will address failing infrastructure in the rose garden area. For these reasons, the Board considers this a high priority project and does not recommend it for reduction. In fact, the Board is requesting a shift in funding from FY24 to FY23.

The Little Bennett Trail Connector project retained design funding in the last CIP cycle, while construction funding was delayed beyond FY24. The Board recommends keeping the design funds in place so that the trail can be considered for additional construction funding in the FY21-26 CIP, if possible.

This leaves the two large park development projects in Clarksburg, the Little Bennett Day Use Area and Ovid Hazen Wells Recreational Park. The Little Bennett project has been reduced, phased, and delayed over multiple budget cycles. The funding schedule, while modified numerous times, has continued to receive Council support in the face of GO Bond cuts. Ovid Hazen Wells Recreational Park has design funding through FY21. The Planning Board proposes, as a non-recommended cut, delaying the start of construction by one year from FY21 to FY22, and allowing the construction funding to extend beyond FY24 (see table below). This reduction would meet the Executive’s Affordability Reconciliation PDF requirement and would allow for the acceleration of the Brookside Gardens schedule. **Council Staff recommends that the Committee agree with the Planning Board’s identified shift in funding to satisfy the Executive’s Affordability Reconciliation PDF, with the possibility that the change could be reevaluated in the FY21-26 CIP.**

| Project | | FY21 | FY22 | FY23 | FY24 |
|--------------------------------------|----------------------------------|-------|-------|-------|-------|
| Ovid Hazen Wells Recreational Park | | | | | |
| | GO Bonds Approved CIP FY19-24 | 1,039 | 2,375 | 1,210 | |
| | Affordability Reconciliation PDF | 689 | 2,025 | 335 | 125 |
| | Difference | (350) | (350) | (875) | 125 |
| Brookside Garden MP Implementation | | | | | |
| | GO Bonds Approved CIP FY19-24 | | 250 | 700 | 500 |
| | Affordability Reconciliation PDF | | 250 | 1,200 | 0 |
| | Difference | | 0 | 500 | (500) |
| Total Project Changes | | (350) | (350) | (375) | (375) |
| Executive’s Target Affordability PDF | | (350) | (350) | (375) | (375) |



MONTGOMERY COUNTY DEPARTMENT OF PARKS
THE MARYLAND NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MCPB Agenda Item 3
January 24, 2019

MEMORANDUM

Date: January 22, 2019

TO: Montgomery County Planning Board

VIA: Michael F. Riley, Director, Department of Parks *MFR*
John Nissel, Deputy Director, Department of Parks *JN*
Mitra Pedoeem, Deputy Director, Department of Parks *M. Pedoeem*
Patricia McManus, Acting Chief, Park Development Division (PDD) *PM*

FROM: Carl Morgan, CIP Manager, PDD *Carl Morgan*

SUBJECT: MNCPPC FY19-21 Biennial CIP, County Executive Recommendation

Staff Recommendation

- Agree with the County Executive's recommendation to
 - Fund the Bethesda Park Impact Payment for FY20 and reassess future appropriations in the next CIP cycle
 - Delay discussion of CUPF funding for additional MCPS field Renovations in the Ballfield Initiatives capital project until the Operating Budget discussions
- Advocate that the County Council not require an additional reduction of \$1.45 million in GO Bonds recommended by the County Executive.

County Executive Transmits Recommendations for the Capital Budget and CIP

On January 15, 2019, the County Executive transmitted the *Recommended FY20 Capital Budget and Amendments to the FY19-24 Capital Improvements Program (CIP)* to the County Council. Included in his transmittal are recommendations for the FY20 Capital Budget and CIP for Montgomery Parks. The Transmittal and summary of budget amendments are found on pages ©1-13. The recommendations are fairly consistent with the FY20 Capital Budget and Amended CIP that the Planning Board approved on September 27, 2018, with some modifications recommended by the County Executive.

Prior to the Executive's release of the Recommended FY20 Capital Budget and CIP, the Department of Parks submitted budget and CIP amendments approved by the Planning Board. This included

- FY19 Capital Budget Amendments (special appropriations approved by the Council November 13, 2018)
- FY20 Capital Budget Amendments (as part of the “biennial” submission to the County Executive November 1, 2018)

This report will outline the modifications being recommended by the County Executive and look at potential impacts to projects in the already approved FY19-24 Capital Improvements Program for Montgomery Parks. At the conclusion of the Planning Board’s review and work session, staff will assist the Board in transmitting any additional feedback to the County Council who will review the budget and CIP in February and March and act on final resolutions in May.

Modifications where the Executive Agrees with the Department Submission

There are instances where the Board’s amendments to the CIP and FY20 Capital budget were incorporated by the County Executive in his version of the budget and CIP.

| CIP Project(s) | Description |
|--|---|
| FY19 Capital Budget Amendments | <p>The County Executive’s January 15, 2019 Recommended CIP recognized and incorporated five special appropriations that the Council approved on November 13, 2018.</p> <ul style="list-style-type: none"> • \$1,000,000 for Small Grant/Donor-Assisted Capital Improvements (P058755) • \$116,562 for Acquisition: Local Parks (P767828) • \$99,500 for ADA Compliance: Non-Local Parks (P128702) • \$180,000 for Minor New Construction - Non- Local Park (P998763) • \$680,000 for Josiah Henson Historic Park (P871552) |
| Small Grant Donor-Assisted Capital Improvements PDF (P058755) | <p>Addition of \$800,000 of contributions appropriation to authorize spending of payments and contributions from individuals, the Montgomery Parks Foundation and developers.</p> |
| Various projects | <p>Technical adjustments to several stand-alone PDFs to rectify prior year errors in the expenditure roll-over process.</p> |

Modifications where the Executive Does NOT Agree with the Department Submission

There are instances where the County Executive either did not agree with the Board's decision to amend the CIP and FY20 Capital budget, or where he has chosen to postpone discussion.

| CIP Project | M-NCPPC Submission November 2018 | County Executive Recommendation January 2019 | Potential Impact |
|---|---|---|--|
| Bethesda Park Impact Payment (P872002) | The new Bethesda Park Impact Payment PDF (P872002) allows M-NCPPC to spend \$16,000,000 of developer paid contributions for park projects within the Bethesda Downtown Plan boundary. Expenditures by FY are: <ul style="list-style-type: none"> • FY20: \$10M • FY21: \$4M • FY22: \$2M | Recommended only FY20 Funding (\$10M) | <ul style="list-style-type: none"> • No Impact for FY20, appropriation request expenditure amount is the same • FY21-22 – will reassess the \$6M request in the next CIP cycle |
| Ballfield Initiatives (P008720) | Addition of \$500,000 of Community Use of Public Facilities funding to the Ballfield Initiatives PDF (P008720) to continue renovations to MCPS Ballfields in FY20 (\$250k) and FY21 (\$250k). | Hold off discussion until March 2019 in order to review in the context of the operating budget | <ul style="list-style-type: none"> • Impact to be determined in operating budget discussions, March/April 2019 |
| M-NCPPC Affordability Reconciliation (P871747)¹ | n/a | Reduce GO Bond expenditures by \$1.45M as follows: <ul style="list-style-type: none"> • FY21: \$350k • FY22: \$350k • FY23: \$375k • FY24: \$375k | <ul style="list-style-type: none"> • Delay to non-local park projects • Having to identify non-recommended reductions |

(See page ©14)

¹ This is a temporary, placeholder capital project that will be removed once the Council has approved a sufficient level of reductions, if any, to the Department's CIP. This is also often referred to by the Council and the County Executive staff as an "Affordability PDF" where "PDF" stands for "Project Description Form." In County Government budget-speak is synonymous with "capital project". See page ©14

Staff recommends that the Board accept the Executive's recommendations for the Bethesda Park Impact Payment and the Ballfield Initiatives capital projects. However, due to the impacts of the Affordability PDF on the CIP, staff does not recommend in favor of the Executive's request to reduce GO bonds and recommends that the Board advocate that the Council not require the reductions.

Identifying Non-recommended Reductions

While the recommendation is to advocate for relief from the requested reductions, it is important to look at what capital projects would likely be affected should the Council ask for the reductions, even if they are viewed as "non-recommended".

The Planning Board has continued to stress that maintaining what we have in the park system is a higher priority than new park development. When facing budget reductions, the Board's strategy has been to maintain full funding for the Department's level-of-effort capital projects that maintain or renovate existing parks. Continuing this approach, staff reviewed the non-local standalone projects with GO Bond funds in FY21-24 to review which projects could have negative impacts if the Department was required to fully comply with the County Executive's Affordability PDF. These projects include:

- Josiah Henson Historic Park, ongoing through FY21
- Ovid Hazen Wells Recreational Park, FY 19-23, FY25+
- Brookside Gardens Master Plan Implementation, FY22-24
- Little Bennett Regional Park Day Use Area, FY19-24, FY25 (Ph2)
- Little Bennett Regional Park Trail Connector, FY21 (design only)

Considering that the Josiah Henson Park project recently received additional funds in a special appropriation from the Council and only has limited funding in FY21, staff did not consider it for reductions and focused on the remaining four projects.

Three of the four projects are new park development projects, while only one, Brookside Gardens, is primarily a renovation and maintenance project. The Brookside Gardens project will bring the formal gardens into compliance with federal ADA standards and make them more accessible for people of all abilities. The project also updates failing infrastructure in the rose garden area. The gardens are viewed by many as the gem of the park system, but due to age and sometimes being too well-loved by an ever-growing population, it is a gem that struggles to keep its luster. Because of this, staff considers it a high priority.

In the last CIP cycle, the Council opted to delay construction funding beyond FY24 for the Little Bennett Regional Park Trail Connector. However, they kept \$150,000 of design funds in FY21 so that it could be considered for additional construction funding in the FY21-26 CIP. Because of this, staff opted to leave the design funds in place at this time.

This left the two large, new development projects in Clarksburg; the Little Bennett Day Use Area and Ovid Hazen Wells Recreational Park. Located within two miles of each other, they have been funded on somewhat similar schedules for design and construction. While both projects are important, and their justifications are buttressed by long term commitments to the communities they serve as well as

addressing growing demands and needs in the greater Clarksburg Area, financial constraints simply will not allow both projects to proceed on parallel timelines without making other large sacrifices elsewhere in the CIP.

Little Bennett has been significantly reduced, phased and delayed over multiple budget cycles. The funding schedule has been protracted and stretched, but when seeking GO bond cuts in past budget cycles, the Council has continued to support funding the project.

While Ovid Hazen Wells has long been awaiting sufficient growth and development to support the relocation of the historic Herschell Spillman Company carousel from Wheaton, the design phase of the project could be extended to address affordability constraints. This would delay the project construction start into the following fiscal year and extend the overall schedule but could alternatively provide some additional funding capacity in the later years of the CIP that the County Executive is seeking.

For these reasons, if the Council requires that the Department conform to the County Executive's Affordability PDF, staff recommends delaying the start of construction for Ovid Hazen Wells by one year from FY21 into FY22 and allowing construction funding to extend beyond FY24. To address capacity in FY24 and to keep Brookside Gardens on schedule, staff also recommends accelerating Brookside funding from FY24 into FY23. The non-recommended funding shifts are summarized in the table below:

GOB Projects Impacted by M-NCPPC Affordability Reconciliation (P871747)

Ovid Hazen Wells Recreational Park - No. P871745

| | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | Beyond 6 Years |
|---------------------------------|-------|-------|---------|---------|---------|-------|----------------|
| GO Bonds. Approved FY19-24 CIP | \$295 | \$181 | \$1,039 | \$2,375 | \$1,210 | | \$3,000 |
| Delay Construction start 1 year | \$295 | \$181 | \$689 | \$2,025 | \$335 | \$125 | \$4,450 |
| <i>Difference</i> | \$0 | \$0 | (\$350) | (\$350) | (\$875) | \$125 | \$1,450 |

Brookside Gardens Master Plan Implementation - No. P078702

| | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | Beyond 6 Years |
|---------------------------------|------|------|------|-------|---------|---------|----------------|
| GO Bonds. Approved FY19-24 CIP | | | | \$250 | \$700 | \$500 | \$0 |
| Shift funds from FY24 into FY23 | | | | \$250 | \$1,200 | \$0 | \$0 |
| <i>Difference</i> | \$0 | \$0 | \$0 | \$0 | \$500 | (\$500) | \$0 |

TOTAL Project Changes - GO Bonds

| | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | Beyond 6 Years |
|---------------------------------------|------|------|---------|---------|---------|---------|-----------------------|
| <i>Difference</i> | \$0 | \$0 | (\$350) | (\$350) | (\$375) | (\$375) | \$1,450 |
| CE's target cuts on Affordability PDF | \$0 | \$0 | (\$350) | (\$350) | (\$375) | (\$375) | Total 6-yr: (\$1,450) |

One more Project of Interest to Parks

The Wall Park Garage and Park Improvements project is not in the Parks CIP, but it does affect the future of Wall Park. The \$6.6 million project is fully appropriated in the CIP, but the County Executive is recommending a delay of \$5.5 million of funding that has not been spent. The County Executive recommendation now proposes expenditure in FYs 23 and 24. This is an important project related to Parks that will likely garner some significant discussion during the Council's budget review. We will

continue to follow the project and coordinate with the County Government, the County Council, and the Developer as they evaluate a revised construction schedule.

Attachments

- County Executive's transmittal memo regarding the Recommended FY20 Capital Budget and Amendments to the FY19-24 CIP, page ©1
- January Budget Amendment Summary, page ©9
- M-NCPPC Affordability Reconciliation PDF, (P871747), page ©14



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

January 15, 2019

TO: Nancy Navarro, President, County Council

FROM: Marc Elrich, County Executive *ME*

SUBJECT: Recommended FY20 Capital Budget and Amendments to the FY19-24 Capital Improvements Program (CIP)

I am pleased to transmit to you, in accordance with the County Charter, my Recommended FY20 Capital Budget and amendments to the FY19-24 Capital Improvements Program (CIP). This is a biennial year for the capital budget. **As a result, amendments are limited to project changes that either meet the County's CIP amendment criteria, or that are necessary to balance the CIP.** The attached recommendations are affordable within our constrained means, take advantage of opportunities to leverage non-County resources, and reflect our shared values of prioritizing education and core infrastructure.

Overall Fiscal Context

Impact Tax and Recordation Tax revenue estimates reflect a net reduction of almost \$122.0 million. While Recordation Tax revenues are expected to increase by \$11.6 million over the six-year period, Impact Tax revenue projections are expected to decrease by \$133.6 million. The largest component of the revenue shortfall relates to the Schools Impact Taxes (-\$120.7 million). The updated impact tax projections have been adjusted to reflect more reasonable collection assumptions. In addition, it appears that recent changes to the impact tax law, to promote the increased production of affordable housing, are also having a serious negative impact on revenue collections. While well intentioned, the changes are producing tradeoffs that mean we cannot fund schools as we would like. We intend to investigate this more and propose legislative changes to address it.

These revenue reductions are so severe that funding for any new projects or funding for cost increases will have to be offset by reductions, with even further reductions required to balance the CIP. The limited cost increases assumed in my Recommended CIP are necessary to maintain funding for critical, previously approved projects; leverage non-County resources; or fund critical infrastructure. Where possible, I have taken advantage of cost savings and have looked for opportunities to use other funding sources to help meet our capital budget needs.

Unfortunately, our operating budget is also severely constrained. As a result of the FY18 closeout, the December update to the Fiscal Plan showed a gap of \$44 million. When combined with known FY19 and FY20 cost pressures and commitments, the gap grows to more than \$100 million. Given these operating budget challenges, all proposed increases in current revenue or cash expenditures in the CIP will be considered in the context of other operating budget needs.

Montgomery County Public Schools (MCPS)

As County Executive, my top priority is maintaining and expanding funding to address the capacity and infrastructure needs of the public schools. That is why I exempted the MCPS CIP from any affordability reductions that other agencies are being asked to assume in this biennial CIP - even though almost all of the revenue shortfall relates to school CIP funding sources.

My biennial recommended CIP assumes \$1.775 billion in MCPS funding to build 625 classrooms in 26 new additions, three new schools, and one reopened school. This allocation is sufficient to maintain funding for all previously approved projects. My recommended capital budget also includes savings identified by the Board of Education related to the Silver Spring Elementary School Addition. According to new enrollment projections, that addition is no longer necessary.

The Board of Education's request included \$51.1 million in new funding for planning additions for Highland View, Thurgood Marshall, and Lake Seneca Elementary Schools; school security enhancements; restroom repairs; planned lifecycle asset replacement of core infrastructure; and other infrastructure investments. Unfortunately, due to the previously mentioned revenue shortfalls, my recommended CIP is not able to accommodate these increases.

Our collective ability to fund these requested increases is largely dependent on our ability to leverage more resources - either from the State or through revisions to the impact tax laws. I will work with the Council, the Board of Education, our state legislative delegation, the Governor, and advocates to pursue all options for funding our schools. My recommended FY19-24 CIP continues to assume \$355.7 million in State Aid. I am optimistic that the Governor and the state legislature can reach an agreement to generate more funding for school construction. If an agreement can be reached, I will dedicate those funds to addressing our school capacity and infrastructure needs.

I have chosen to allow the Board maximum flexibility to propose resource reallocations between previously approved funding and new proposals by not specifying particular changes in project-funding recommendations. With that said, I would ask that the Board and Council prioritize funding for projects that address capacity needs and critical failing infrastructure.

While I was on the Council, I had concerns when the Bethesda Elementary Schools Solution project was approved because I felt the Board's capacity study was too narrow. I was pleased to learn that the Board now intends to look at elementary school capacity from both the Bethesda-Chevy Chase and Walter Johnson Clusters when considering how to address overcrowding in Bethesda, and I would ask that the project name be changed to the Bethesda Area Elementary Schools Solution project to reflect this broader analysis. I see this action as another indication that the Superintendent and Board are willing to think creatively about ways to address our capital needs, and I am happy to be their partner in this endeavor.

As previously mentioned, due to the operating budget challenges ahead, I have deferred making any recommendation on the Board's requests for increased current revenue. Those requests will be considered in March in the context of the operating budget.

Montgomery College

I would like to acknowledge the College leadership for the collaborative approach they took in finding ways to fund their top priorities while also addressing the County's CIP revenue shortfalls. The College was very clear that including funding for State-allowed escalation increases for the Takoma Park/Silver Spring Math and Science Center project was their number one priority, and the College identified cost savings in the Rockville Garage, PLAR, and Germantown Observation Drive projects that helped fund the County's increased General Obligation (GO) bond costs and leveraged \$1.5 million in State funding.

In addition to supporting the requested Takoma Park/Silver Spring Math and Science Center cost increases, my recommended CIP also includes funding for the following:

- Increased support for the Collegewide Physical Education Renovations project (\$2.0 million) to renovate the Rockville Campus soccer facilities to Division 1 standards. The increase is funded by the Major Capital Facilities Fund;
- State-authorized cost escalation increases (\$2.4 million) for the Germantown Student Services Center which are reflected beyond the 6-year period due to affordability; and
- Increased State Aid (\$1,375,000) for a new Collegewide Central Plant & Distribution System project.

Due to significant revenue reductions, my CIP is not able to fund other College proposed project cost increases, and an additional affordability reduction of \$2.4 million spread across FY21 – FY24 has been assumed due to the previously mentioned revenue shortfalls.

Overall, FY19-24 funding for the College is \$279.6 million. This represents a \$2.3 million, or 0.8 percent, increase over the previously approved CIP. Non-County resources made this increase possible. State Aid is assumed to fund \$65.0 million of the FY19-24 College CIP.

Maryland National Capital Park & Planning Commission (M-NCPPC)

The recommended biennial CIP assumes increased M-NCPPC funding for contributions for the Small Grant/Donor-Assisted Capital Improvements project (\$800,000) and a new Bethesda Park Impact Payments project (\$10 million). This is in addition to \$2.1 million in FY19 supplemental appropriations which have already been approved for the Small Grants/Donor-Assisted Capital Improvements project, the Acquisition: Local Parks project, the ADA Compliance: Non-Local Parks (Seneca Landing Special Park) project, the Josiah Henson Historic Park project, and the Minor New Construction – Non-Local Parks (Maydale Nature Center) project.

I am particularly interested in efficiently maximizing park space in Bethesda, and I intend to stay involved as M-NCPPC's plans for the Bethesda Sector plan evolve. I also want to make sure that we are giving the community realistic expectations about how much can be accomplished in the near term. As a result, my recommended CIP includes only the requested FY20 funding (\$10 million) as these funds are based on revenues from developments with approved site plans. In the full CIP, I would expect that we will have updated data that can inform funding estimates for FY21 and FY22. If more funds become available before FY21, I will support a supplemental appropriation for the project.

The biennial CIP defers a recommendation on the increased utilization of Community Use of Public Facilities funds to renovate ballfields. This decision will be considered in March in the context of the operating budget and other competing needs – some of which benefit other Parks operations.

Due to the revenue reductions previously mentioned, a modest reduction in GO bonds (\$1,450,000) is included to help address revenue shortfalls. The reductions do not begin until FY21 and are spread over the last four years of the CIP. In total, M-NCPPC's FY19-24 CIP (\$231.1 million) will increase by \$11.2 million, or 5.1 percent, from the previously approved CIP – primarily funded with non-County resources.

Montgomery County Government Amendments

Although the vast majority of cost reductions and affordability-schedule adjustments came from County Government projects, there are some limited cost increases in County projects that leverage non-County funds, save money in the future, and maintain core infrastructure.

- South County Recreation and Aquatic Center. While costs on the project have increased significantly over original assumptions, we now have a competitively bid, fixed price contract that confirms market conditions. The project still provides significant cost savings through cost-sharing with the Housing Opportunities Commission's Elizabeth Square affordable housing project in Downtown Silver Spring. Once the Center is completed, it will serve as a focal point for aquatic, senior, and community activities for all ages in a part of the County that has been traditionally underserved by parks and recreation amenities.

- **Streetlighting.** The Department of Transportation (DOT) will undertake the second phase of an energy-savings performance contract to convert street lights to Light Emitting Diode (LED) fixtures. The \$6.5 million increase will be funded through Utility Incentives (\$3.6 million) and long-term financing backed by expected utility savings (\$2.9 million).
- **Bridge Renovations.** In July, a major sinkhole developed when a large culvert collapsed under Father Hurley Boulevard. Emergency repairs were initiated with existing project funding. This CIP amendment will replenish \$4 million in project funding to replace the Valleywood Drive pedestrian bridge and River Road, Belfast Road, and Falling Creek culverts.
- **White Flint Fire Station Funding.** \$1,100,000 has been added to construct additional space for a future Police substation to be co-located within the Fire station. Once the shell is built out, it will provide growth capacity for the 2nd District Police station as well as a local police presence in White Flint.
- **Council Office Building Garage Renovations.** As work progressed on the project, it became clear that additional stairwell, steel, and concrete deterioration had to be addressed. A supplemental appropriation request for \$1,990,000 is being transmitted to Council separately so that the project can be completed.

Acceleration of spending, where affordable, has been included for the Resurfacing: Residential/Rural Roads and Pedestrian Safety projects to advance important highway maintenance and Vision Zero objectives. A supplemental appropriation request for \$1 million is being transmitted to Council separately to support increased FY19 resurfacing.

A Facility Planning project amendment using existing funds to develop options for making County services more accessible to the Poolesville community is also recommended. This study will consider community needs as well as co-location options with Montgomery County Public Schools and other community resources. Planning funds for the Wheaton Arts Center continue to be included in our assumed FY20 project funding.

Project savings from the Dennis Avenue Health Clinic, the North Potomac Recreation Center, the Western County Outdoor Pool, the Burtonsville Community Revitalization, and the Public Safety System Modernization projects have been recognized. In some cases, these savings have helped fund cost increases for other projects.

Increases in Contributions and State Aid will fund Bikeway Program Minor Project improvements on the Emory Lane and Muncaster Mill Road Shared Use Path, while increases in Federal Aid will fund preliminary design of the Forest Glen Sidewalk as part of the Sidewalk Program Minor Projects effort.

Schedule adjustments based on updated implementation and billing information are included for the White Oak Science Gateway, Bethesda Metro Station South Entrance, Capital Crescent Trail, and Wall Park projects.

Adjustments related to identifying alternative approaches to accomplishing our capital goals have also been made. For example, DOT will be pursuing WMATA funding for the White Flint Metro Station Northern Entrance and the Forest Glen Metro Station Passageway projects. County funding for these projects has been delayed to allow time to pursue non-County funding and to reflect affordability considerations.

Placeholder funding for the KID Museum project has been assumed in FY20 as the Museum pursues an alternative permanent, larger location now that the previously proposed building is no longer a viable option. Once a specific proposal is put forward, costs and schedules will be updated.

Funding for the Montrose Parkway East project has been significantly reduced at this time. I have directed DOT staff to evaluate alternatives that address safety concerns regarding the railroad crossing and general traffic flow in a smaller, less costly manner. One million dollars has been retained in the project for planning.

Other project reductions and deferrals based on affordability considerations include:

- A one-year deferral of the Seven Locks Bikeway project;
- Deferral of the Dorsey Mill Road Bridge and the Bradley Boulevard Bikeway Improvements projects to beyond FY24; and
- Reductions in FY21, FY22, and FY23 when resources were particularly limited for the Bicycle-Pedestrian Priority Area Improvements and Sidewalk and Curb Replacement projects.

Technical Adjustments, including funding switches, project acceleration, previously approved transfers and supplementals, and other technical changes have also been made to a number of projects. These adjustments are itemized on the attached Budget Amendment Summary chart.

General Obligation Bonds

I recommend maintaining the approved level of General Obligation (GO) bond issues in each of the remaining five years of the FY19-24 CIP with \$320 million in FY20; \$310 million in FY21; and \$300 million per year in FY22, FY23, and FY24. As I look to begin to implement multi-year budgeting, it is important to balance the capital budget needs with the operating budget needs today and in the future. Furthermore, as we see the impacts that the federal government shutdown is having on our friends and neighbors, it is a reminder of the value of maintaining fiscal flexibility.

Set-Aside Considerations

Set-asides are funds that are intentionally not programmed to provide capacity to respond to unexpected needs and opportunities. The recommended capital budget assumes a \$135.2 million set-aside with \$18.6 million available in FY19 and FY20 for unanticipated needs. The recommended biennial set-aside allocates approximately \$31.4 million from last year's set-aside for project use.

As required by State law, I am also providing today (under separate cover) the recommendations for both the FY20-FY25 Capital Improvements Program and the FY20 expenditures for the Washington Suburban Sanitary Commission (WSSC).

Many people have helped to shape the recommendations I submit to you in these amendments, and I am grateful for their efforts. I wish to thank the members of the Board of Education, the College Trustees, the WSSC Commissioners, and the Planning Board for their work.

As noted above, further recommendations relating to current revenue and other CIP initiatives will be provided once I have finalized my March 15th Operating Budget recommendations. I look forward to discussing these proposals with you. As always, Executive Branch staff is available to assist you in your deliberations on the Capital Budget and CIP.

ME:rsm

Attachments:

Fiscal Summary Schedules

- FY19-24 Biennial Recommended CIP - January Budget Adjustments Summary
- General Obligation Bond Adjustment Chart
- General Obligation Bond - Programming Adjustment for Unspent Prior Years
- Tax Supported Current Revenues Adjustment Chart
- M-NCPPC Bond Adjustment Chart

Recommended Capital Budgets

- MCG FY20 Capital Budget: Appropriation and Closeout List
- MCPS FY20 Capital Budget: Appropriation
- Montgomery College FY20 Capital Budget: Appropriation
- M-NCPPC FY20 Capital Budget: Appropriation and Closeout List
- HOC FY20 Capital Budget: Appropriation and Closeout List

Project Description Forms

c: Montgomery County Councilmembers

Marlene Michaelson, Executive Director, County Council
Shebra Evans, Montgomery County Board of Education President
Dr. Jack R. Smith, Superintendent, Montgomery County Public Schools
Dr. DeRionne P. Pollard, President, Montgomery College
Casey Anderson, Chair, Montgomery County Planning Board
Carla A. Reid, General Manager/CEO, Washington Suburban Sanitary Commission
Stacy Spann, Executive Director, Housing Opportunities Commission
Keith Miller, Executive Director, Revenue Authority
Executive Branch Department Heads and Office Directors
Office of Management and Budget Staff

**FY 19-24 Biennial Recommended CIP
January Budget Amendments Summary (\$000s)
January 15, 2019**

| Project # | Project Name | Explanation of Adjustment | FY19-24 Change (\$000s) | Funding Sources |
|---|---|---|-------------------------|--|
| Existing Projects - FY19 Supplementals | | | | |
| P011601 | Council Office Building Garage Renovation | FY19 Supplemental to remedy additional concrete, steel and stairwell deterioration. | 1,990 | G.O. Bonds |
| P500511 | Resurfacing: Residential/Rural Roads | FY19 supplemental accelerates \$1,000,000 into FY19. Other affordability related schedule adjustments | 0 | Current Revenue: General, G.O. Bonds, Recordation Tax Premium (MCG) |
| P721701 | South County Regional Recreation and Aquatic Center | FY19 supplemental reflecting increased costs based on fixed-price contract. Also reflects acceleration adjustment. | 15,838 | G.O. Bonds, PAYGO |
| FY19-24 Scope Change and/or other Increase/Decrease Existing Projects - Amendments | | | | |
| P508768 | Facility Planning: MCG | Added Poolesville Service Co-Location project to the project scope using existing funds | 0 | Current Revenue: General |
| P340901 | Public Safety System Modernization | Deleted \$96,000 in Federal Aid that will not materialize without a change in project scope | 0 | Contributions, Current Revenue: General, Federal Aid, G.O. Bonds, Short-Term Financing |
| P451502 | White Flint Fire Station 23 | Added space for a future Police substation. Project schedule delayed for fiscal reasons. | 1,831 | G.O. Bonds |
| P509753 | Bridge Renovation | Replace funds used for emergency Father Hurley Boulevard culvert repair to maintain work on Valleywood Drive pedestrian bridge and River Road, Belfast Road, and Falling Creek culverts | 4,000 | G.O. Bonds |
| P508182 | Sidewalk and Curb Replacement | Adjusted for affordability in FY21-FY23 | (6,600) | G.O. Bonds |
| P501532 | Bicycle-Pedestrian Priority Area Improvements | Adjusted for affordability in FY21 - FY24 | (5,200) | G.O. Bonds |
| P507596 | Bikeway Program Minor Projects | Added Contributions and State Aid to fund improvements on the Emory Lane and Muncaster Mill Road Shared Use Path | 400 | Contributions, G.O. Bonds, Impact Tax, State Aid |
| P506747 | Sidewalk Program Minor Projects | Reflects additional Federal Aid for preliminary design of Forest Glen Sidewalk | 248 | Federal Aid, G.O. Bonds |
| P500717 | Montrose Parkway East | Reflects desire to identify alternatives to the previously approved project that address safety concerns and traffic concerns in a smaller, less costly manner. Planning funds to develop these alternatives remain in the project. | (86,744) | G.O. Bonds, Impact Tax, Intergovernmental |
| P507055 | Streetlighting | Reflects addition of Phase II work based on awarded energy savings plan contract costs. Also reflects expected utility incentives and prior approved supplemental | (4,546) | G.O. Bonds, Long-Term Financing, Utility Incentives |
| P641106 | Dennis Avenue Health Center | Funding transfer of \$1,500,000 to the Avery Road Treatment Center. Additional prior year savings of \$500,000 also recognized. | 0 | G.O. Bonds |
| P721903 | KID Museum | Placeholder funding is programmed while KID Museum looks for a new location | (2,930) | G.O. Bonds |
| P760900 | Burtonsville Community Revitalization | Prior year savings (\$1,000,000) reflects revised costs based on anticipated work. | 0 | G.O. Bonds |
| P760100 | Affordable Housing Acquisition and Preservation | Funding switch and updated loan repayment data. | 4,771 | G.O. Bonds, HIF Revolving Program, Loan Repayment Proceeds |

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**FY 19-24 Biennial Recommended CIP
January Budget Amendments Summary (\$000s)
January 15, 2019**

| Project # | Project Name | Explanation of Adjustment | FY19-24 Change (\$000s) | Funding Sources |
|---|---|---|-------------------------|---|
| Montgomery County Public Schools | | | | |
| P076506 | Building Modifications and Program Improvements | BOE requested supplemental to fund water bottle refilling stations | 2,000 | Contributions, G.O. Bonds |
| P926575 | Current Revitalizations/Expansions | Reflects BOE requested increase in Seneca Valley HS Career and Technology Education enhancements (\$7.5 million), prior year funding switches and MCPS adjustments. Also reflects acceleration into FY18 (-\$4,459,000). This does not reduce overall project spending; rather, it accelerates the spending out of the six year period into FY18. | 3,041 | G.O. Bonds, Recordation Tax |
| P966553 | Facility Planning: MCPS | Reflects BOE request to fund an enrollment study and a strategic long-range growth management plan. | 750 | Current Revenue: General, G.O. Bonds |
| P975051 | Improved (Safe) Access to Schools | Acceleration adjustment. No change in total project costs. | (586) | G.O. Bonds |
| P651801 | Outdoor Play Space Maintenance Project | BOE requested increase to address maintenance of outdoor playing fields. | 2,600 | G.O. Bonds |
| P896586 | Planned Life Cycle Asset Repl: MCPS | Reflects BOE requested increase to address infrastructure concerns, a \$603,000 supplemental, and significant acceleration of costs into FY18 (\$6.252 million). Total change in project costs = \$5,603,000 | (649) | Aging Schools Program, G.O. Bonds, Qualified Zone Academy Funds |
| P846540 | Relocatable Classrooms | Acceleration adjustment. No change in total project costs. | (246) | Current Revenue: General, Recordation Tax |
| P056501 | Restroom Renovations | BOE requested increase to address infrastructure concerns. | 3,000 | G.O. Bonds |
| P926557 | School Security Systems | Reflects BOE request to enhance security. Improvements include vestibules, cameras, and metal detectors | 28,008 | G.O. Bonds, State Aid |
| P651714 | East Silver Spring ES Addition | BOE cancelled project due to reduced enrollment projections | (3,514) | G.O. Bonds |
| P651518 | Gaithersburg Cluster Elementary School #8 | Prior year funding switches and acceleration of \$222,000 into FY18. No change in total project costs | (222) | G.O. Bonds, School Facilities Payment |
| P652001 | Highland View ES Addition | BOE request to add planning funds for addition | 775 | G.O. Bonds |
| P652002 | Lake Seneca ES Addition | BOE request to add planning funding for addition | 875 | G.O. Bonds |
| P651907 | Northwood HS Addition/Facility Upgrades | Funding schedule switches. | 0 | |
| P651705 | Thomas W. Pyle MS Addition | Acceleration of \$161,000 into FY18. No change in total project costs | (161) | G.O. Bonds |
| P652003 | Thurgood Marshall ES Addition | BOE request to add planning funding for an addition | 630 | G.O. Bonds |
| P056516 | MCPS Affordability Reconciliation | Represents MCPS CIP requested increases that are unaffordable given existing resources | (51,138) | Current Revenue: General, G.O. Bonds |
| P076510 | MCPS Funding Reconciliation | Reflects updated estimates for Recordation tax and School Impact tax revenues with offsetting adjustments in GO Bonds | 0 | School Impact Taxes, Recordation Tax, G.O. Bonds |

Montgomery College

| | | | | |
|---------|--------------------------------------|---|---------|--------------------------------------|
| P661401 | College Affordability Reconciliation | Reflects affordability adjustment in light of revenue shortfalls and related inability to fund most cost increases. | (7,750) | Current Revenue: General, G.O. Bonds |
|---------|--------------------------------------|---|---------|--------------------------------------|

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FY 19-24 Biennial Recommended CIP January Budget Amendments Summary (\$000s) January 15, 2019

| Project # | Project Name | Explanation of Adjustment | FY19-24 Change (\$000s) | Funding Sources |
|-----------|---|--|-------------------------|---|
| P662001 | Collegewide Central Plant and Distribution Systems | Newly requested project. CE recommends additional State Aid. | 5,375 | G.O. Bonds, State Aid |
| P661901 | Collegewide Library Renovations | Planning funds shifted for affordability as authorized by the College. Requested acceleration does not meet amendment criteria so construction was reverted to the previously approved schedule. | 0 | G.O. Bonds |
| P661602 | Collegewide Physical Education Renovations | Funds are added to upgrade a soccer field on the Rockville campus to D1 standards. | 2,000 | Major Facilities Capital Projects Fund (College) |
| P661801 | Collegewide Road/Parking Lot Repairs and Replacements | FY20 funding was deleted at the College's request to reflect available resources within the Transportation Facilities Capital Projects Fund. | (500) | Transportation Facilities Capital Projects Fund (College) |
| P816611 | Energy Conservation: College | Funds additional energy conservation work and a new position to analyze energy usage | 800 | Current Revenue: General, G.O. Bonds |
| P096604 | Germantown Observation Drive Reconstruction | Reflects prior year project savings reported by the College. (\$186,000) | 0 | G.O. Bonds |
| P076612 | Germantown Student Services Center | Costs increased to reflect the State's cost escalation allowance (\$2,383,000). Increase deferred to beyond six years due to affordability | 0 | G.O. Bonds, State Aid |
| P926659 | Planned Lifecycle Asset Replacement: College | Reflects affordability reduction offered by the College to provide funding to support the Takoma Park/Silver Spring Math and Science Center project cost increases | (1,000) | G.O. Bonds |
| P906605 | Planning, Design and Construction | Increase in FY20-24 is due to salary increases approved during the FY19 operating budget. | 550 | Current Revenue: General, G.O. Bonds |
| P136601 | Rockville Parking Garage | Recognizes project cost savings confirmed by the College. Total GO savings (\$900,000) were used to fund Takoma Park/Silver Spring Math and Science Center increases and address affordability challenges. | (200) | G.O. Bonds, Revenue Authority |
| P076607 | Takoma Park/Silver Spring Math and Science Center | Costs increased to reflect the State's cost escalation allowance and leverage State Aid. | 3,014 | G.O. Bonds, State Aid |

Maryland - National Capital Park and Planning Commission

| | | | | |
|---------|--|---|---------|--|
| P767828 | Acquisition: Local Parks | Approved FY19 Supplemental | | Land Sale (M-NCPPC Only), 117 M-NCPPC Bonds, Program Open Space |
| P872002 | Bethesda Park Impact Payment | New project assumes \$10,000,000 in developer payments based on approved site plans. Funds will be used to acquire property for Bethesda sector plan parks. | 10,000 | Contributions: Bethesda Park Impact Payments |
| P128702 | ADA Compliance: Non-Local Parks | Approved FY19 Supplemental. | 100 | Current Revenue: General, G.O. Bonds, PAYGO, State Aid |
| P008720 | Ballfield Initiatives | M-NCPPC request to add \$500,000 in CUPF funding for ballfield renovations will be considered in the context of the operating budget | 0 | Current Revenue: CUPF, G.O. Bonds, PAYGO |
| P871552 | Josiah Henson Historic Park | Approved FY19 Supplemental. | 680 | Contributions, G.O. Bonds, PAYGO, Program Open Space, State Aid |
| P871747 | M-NCPPC Affordability Reconciliation | Reflects affordability adjustments due to reduced CIP funding. | (1,450) | G.O. Bonds |
| P998763 | Minor New Construction - Non-Local Parks | Reflects Approved FY19 Supplemental Appropriation to support the Maydale Nature Center | 180 | G.O. Bonds, PAYGO |

**FY 19-24 Biennial Recommended CIP
January Budget Amendments Summary (\$000s)
January 15, 2019**

| Project # | Project Name | Explanation of Adjustment | FY19-24 Change (\$000s) | Funding Sources |
|---|---|---|-------------------------|--|
| P871746 | S. Germantown Recreational Park: Cricket Field | Reflects project acceleration. No change in total project costs. | (270) | G.O. Bonds, PAYGO |
| P058755 | Small Grant/Donor-Assisted Capital Improvements | Reflects Approved FY19 \$1,000,000 supplemental and additional FY20 request | 1,800 | Contributions |
| FY19-24 Implementation Acceleration/Delays & Other Schedule Adjustments | | | | |
| P361701 | White Oak Science Gateway Redevelopment Project | Schedule adjusted to reflect implementation | 0 | G.O. Bonds, PAYGO |
| P501906 | Dorsey Mill Road Bridge | Deferred due to affordability | (2,250) | G.O. Bonds |
| P500929 | Bethesda Metro Station South Entrance | Reflects revised MTA billing schedule and a funding switch. | 0 | G.O. Bonds, PAYGO, Revenue Bonds: Liquor Fund |
| P501914 | White Flint Metro Station Northern Entrance | Project delayed to allow time to pursue WMATA project funding and reflect affordability constraints | (3,500) | G.O. Bonds |
| P501733 | Bradley Boulevard (MD 191) Improvements | Deferred due to affordability | (7,679) | G.O. Bonds |
| P501316 | Capital Crescent Trail | Reflects revised MTA billing schedule | 0 | G.O. Bonds |
| P501911 | Forest Glen Passageway | Project delayed two years to allow time to pursue WMATA project funding and reflect affordability constraints | (11,200) | G.O. Bonds |
| P501303 | Seven Locks Bikeway and Safety Improvements | Deferred one year due to affordability | (793) | G.O. Bonds |
| P501204 | White Flint District East: Transportation | Acceleration adjustment. No change in total project costs. | 0 | White Flint Special Tax District |
| P500333 | Pedestrian Safety Program | Accelerated some work from FY23 to FY20 to support Vision Zero. Also reflects funding schedule switches | 0 | Current Revenue: General, G.O. Bonds, Recordation Tax Premium (MCG) |
| P721801 | Wall Park Garage and Park Improvements | Schedule reflects implementation delays. No change in total project cost. | 5,506 | G.O. Bonds |
| FY19-24 Funding Shifts, Switches and Reallocations - Other Technical Changes | | | | |
| P509923 | Elevator Modernization | Transfer of \$100,000 to Planned Life Cycle Asset Replacement for Data Center UPS system. | 0 | G.O. Bonds |
| P500918 | Environmental Compliance: MCG | Transfer of \$140,000 to Planned Lifecycle Asset Replacement for Data Center UPS system. | 0 | G.O. Bonds |
| P509970 | Life Safety Systems: MCG | Transfer of \$326,000 to Planned Life Cycle Asset Replacement for Data Center UPS system. | 0 | G.O. Bonds |
| P509514 | Planned Lifecycle Asset Replacement: MCG | Transfer of \$566,000 for Data Center UPS system. | 0 | G.O. Bonds, PAYGO |
| P150401 | Wheaton Redevelopment Program | Funding schedule switch. | 0 | Current Revenue: Permitting Services, G.O. Bonds, Long-Term Financing, PAYGO |
| P471802 | Public Safety Communications Center | Approved FY19 supplemental to fund the purchase of the building. | 6,550 | G.O. Bonds |

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**FY 19-24 Biennial Recommended CIP
January Budget Amendments Summary (\$000s)
January 15, 2019**

| Project # | Project Name | Explanation of Adjustment | FY19-24 Change (\$000s) | Funding Sources |
|-----------|--|--|-------------------------|--|
| P361902 | Salt Storage Facility | Approved FY19 Supplemental | 3,267 | G.O. Bonds |
| P501912 | Bus Rapid Transit: US 29 | Funding switch. | 0 | G.O. Bonds, Contributions |
| P501917 | Goldsboro Road Sidewalk and Bikeway | Approved FY19 supplemental. | 2,396 | G.O. Bonds |
| P500718 | MacArthur Blvd Bikeway Improvements | Acceleration adjustment. No change in total project cost | (25) | G.O. Bonds |
| P501209 | MD 355 Crossing (BRAC) | Acceleration adjustment. No change in total project cost. | (12,619) | Federal Aid |
| P500102 | Bethesda CBD Streetscape | Acceleration adjustment. No change in total project cost | (1) | G.O. Bonds |
| P501404 | MCG Reconciliation PDF | Reflects updated estimates for Recordation Tax Premium and Impact tax revenues with offsetting adjustments in GO Bonds | 0 | Impact Tax, Recordation Tax Premium, G.O. Bonds |
| P501307 | Seminary Road Intersection Improvement | Acceleration adjustment. No change in total project cost. | (14) | G.O. Bonds |
| P501109 | Snouffer School Road | Funding switch. | 0 | G.O. Bonds, Impact Tax, Intergovernmental |
| P501916 | Teachers Way Extended | Approved FY19 supplemental | 1,565 | Impact Tax |
| P509399 | Advanced Transportation Management System | Funding schedule switches. | 0 | Current Revenue: General, Current Revenue: Mass Transit, Recordation Tax Premium (MCG) |
| P507017 | Intersection and Spot Improvements | Funding schedule switches | 0 | Current Revenue: General, G.O. Bonds |
| P500704 | Traffic Signal System Modernization | Funding schedule switches | 0 | Current Revenue: General, Recordation Tax Premium (MCG) |
| P507154 | Traffic Signals | Funding schedule switches | 0 | G.O. Bonds, Recordation Tax Premium (MCG) |
| P601502 | Avery Road Treatment Center | FY19 funding transfer from Dennis Avenue Health Center to cover cost increase based on project bids. | 1,500 | G.O. Bonds, PAYGO |
| P711502 | Library Refurbishment Level of Effort | Acceleration adjustment. No change to total project cost. | (186) | G.O. Bonds, State Aid |
| P720601 | Cost Sharing: MCG | Approved FY19 Supplemental | 700 | Current Revenue: General, Recordation Tax Premium (MCG) |
| P720102 | North Potomac Community Recreation Center | Transfer of \$500,000 to the South County Recreation and Aquatic Center due to prior year cost savings | 0 | G.O. Bonds |
| P721501 | Western County Outdoor Pool Renovation and Modernization | Transfer of \$170,000 to the South County Recreation and Aquatic Center due to prior year cost savings | 0 | G.O. Bonds |



M-NCPPC Affordability Reconciliation

(P871747)

| | | | |
|----------------------|-------------|-----------------------------|----------------|
| Category | M-NCPPC | Date Last Modified | 01/14/19 |
| SubCategory | Development | Administering Agency | M-NCPPC |
| Planning Area | Countywide | Status | Planning Stage |

EXPENDITURE SCHEDULE (\$000s)

| Cost Elements | Total | Thru FY18 | Rem FY18 | Total 6 Years | FY 19 | FY 20 | FY 21 | FY 22 | FY 23 | FY 24 | Beyond 6 Years |
|---------------------------|----------------|-----------|----------|------------------|-------|-------|--------------|--------------|--------------|--------------|-------------------|
| Other | (1,450) | - | - | (1,450) | - | - | (350) | (350) | (375) | (375) | - |
| TOTAL EXPENDITURES | (1,450) | - | - | (1,450) | - | - | (350) | (350) | (375) | (375) | - |

FUNDING SCHEDULE (\$000s)

| Funding Source | Total | Thru FY18 | Rem FY18 | Total 6 Years | FY 19 | FY 20 | FY 21 | FY 22 | FY 23 | FY 24 | Beyond 6 Years |
|------------------------------|----------------|-----------|----------|------------------|-------|-------|--------------|--------------|--------------|--------------|-------------------|
| G.O. Bonds | (1,450) | - | - | (1,450) | - | - | (350) | (350) | (375) | (375) | - |
| TOTAL FUNDING SOURCES | (1,450) | - | - | (1,450) | - | - | (350) | (350) | (375) | (375) | - |

APPROPRIATION AND EXPENDITURE DATA (\$000s)

| | | | |
|-------------------------------------|---|--------------------------|------|
| Appropriation FY 20 Approp. Request | - | Year First Appropriation | FY16 |
| Cumulative Appropriation | - | Last FY's Cost Estimate | - |
| Expenditure / Encumbrances | - | | |
| Unencumbered Balance | - | | |

PROJECT DESCRIPTION

This project reconciles the M-NCPPC request with the County Executive's recommendation based on affordability considerations.

Unfortunately, Impact Tax and Recordation Tax revenue estimates reflect a net reduction of almost \$122.0 million with the largest revenue shortfall related to Schools Impact Taxes (-\$120.7 million). These revenue reductions are so severe that funding for any new projects or funding for cost increases must be offset by reductions, with even further reductions required to balance the CIP.

In light of these revenue shortfalls, a total M-NCPPC affordability adjustment of \$1,450,000 has been assumed in FY21 - FY24. These GO bond reductions are partially offset by prior approved FY19 GO bond supplementals.