


**M E M O R A N D U M**

April 22, 2019

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

FROM: Pamela Dunn, Senior Legislative Analyst 

SUBJECT: **Amendments to the M-NCPPC FY19 Capital Budget, FY20 Capital Budget and FY19-24 Capital Improvements Program**

PURPOSE: Discuss M-NCPPC's Proposed Amendments to the M-NCPPC FY19 Capital Budget, FY20 Capital Budget and FY19-24 Capital Improvements Program

**M-NCPPC Participants**

Mike Riley, Director, Montgomery Parks  
Carl Morgan, CIP Manager, Park Development Division

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 requested four amendments to the approved CIP. The Executive supported two of the proposed amendments and recommended modifying the other two. In addition, the Executive recommended an Affordability Reconciliation Project Description Form (PDF) that reduces Government Obligation (GO) Bond expenditures by \$1.45 million starting in FY21. The Committee reviewed the amendments and Reconciliation PDF on February 25. The Council discussed the proposed amendments and Reconciliation PDF on March 12. Final action on the FY20 Capital Budget and amendments to the FY19-24 CIP will occur in May.

On April 2, 2019, amendments to the FY19 Capital Budget and FY19-24 CIP and an amendment to the FY20 Capital Budget were introduced by the Council President at the request of the County Executive. A public hearing is scheduled for April 23, 2019, which is after the posting date of this report. Council Staff will note relevant testimony at the Committee worksession.

Attached on ©1-6 are the amendments as introduced. Attached on ©7-9 is the Planning Staff Report.

The amendments modify two acquisition-related capital projects:

- Acquisition Local Parks (P767828, "Acquisition LP") – This capital project allows the Parks Department to acquire land that serves County residents on a neighborhood or community basis; and

- Acquisition: Non-local Parks (P998798, “Acquisition NL”) – This capital project allows the Parks Department to acquire land for non-local parks that include Regional, Recreational, Conservation, Stream Valley, Special, Historic, and Urban Parks of Countywide significance.

Both projects are primarily funded through Program Open Space (POS), a significant funding source from the State of Maryland’s transfer tax dedicated to the planning, acquisition, and/or development of recreation land or open space areas. Occasionally, acquisitions are partially funded by developer contributions.

The Parks Department has sufficient POS revenue to acquire two parcels for the Westbard Urban Recreational Park, but the appropriation for those revenues is split between the two acquisition capital projects, Acquisition LP and Acquisition NL. To make the purchase, the Acquisition NL project needs an additional \$2.5 million of POS appropriation that is either transferred from the Acquisition LP project or is simply increased by way of a Supplemental Appropriation to the Acquisition NL project.

The Office of Management and Budget (OMB) recommends that the Parks Department reduce the appropriation request for FY20 that the Department transmitted to the County in November 2018 (currently under review by the Council). The Planning Board supports this approach; however, it means splitting the transfer into two procedural actions:

- Amend the existing FY19 Capital Budget to increase the appropriation for POS in Acquisition: NL Parks by \$2.5 million. This involves a “Supplemental Appropriation” resolution that modifies the existing FY19 Capital Budget and CIP; and
- Amend the FY20 Capital Budget request to decrease the appropriation request for POS in Acquisition LP by \$2.5 million. Because the FY20 Capital Budget has not yet been approved by the Council, this involves simply informing the County Council and the County Executive of the change.

In addition to amending Acquisition:NL to accommodate the additional POS funds, the Parks Department recently received developer contributions for a portion of the Chanchien Acquisition of 2014 (for a right-of-way that extends the master planned Snowden Farm Parkway west of Clarksburg Road). Currently, the capital budget and CIP have no appropriation for developer contributions. To spend this revenue, the capital budget and CIP need to be amended by way of a supplemental appropriation. The Planning Board requests the supplemental appropriation for Acquisition:NL be amended to accommodate developer contributions.

If approved, these budget actions will also amend the FY19-24 CIP accordingly and will provide the appropriation necessary to address the needs of the Acquisition: Non-local Parks capital project.

**Council Staff supports the following amendments to the FY19 Capital Budget and FY19-24 CIP:**

<b>Project</b>	<b>\$ Increase</b>	<b>Funding Source</b>
Acquisition: Non-Local Parks (P998798)	\$2,500,000	Program Open Space
	\$353,000	Contributions
<b>Total</b>	<b>\$2,853,000</b>	

**Council Staff also supports the Planning Board’s request to amend the FY20 Capital Budget and FY19-24 CIP for project Acquisition: Local Parks (No. 767828) by reducing Program Open Space funds by \$2,500,000, to facilitate the development of Westbard Urban Recreational Park.**

Resolution No.: \_\_\_\_\_  
 Introduced: \_\_\_\_\_  
 Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
 FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the County Executive

SUBJECT: Amendment to the FY19-24 Capital Improvements Program and Supplemental Appropriation #9-S19-MNCPPC-9 to the FY19 Capital Budget Maryland-National Capital Park and Planning Commission Department of Parks Acquisition: Non-Local Parks (No. 998798), \$2,853,000

**Background**

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive, who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
3. The County Executive recommends the following capital project appropriation increases:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Acquisition:	(No.998798)	Land	\$2,500,000	Program Open Space
Non- Local Parks				
		Land	\$353,000	Contributions
<b>TOTAL</b>			<b>\$2,853,000</b>	

4. This increase is needed because the current appropriation is insufficient. The recommended amendment is consistent with the criteria for amending the CIP because it leverages non-County sources of funds and offers a significant opportunity that will be lost if not taken at this time.
5. The County Executive recommends an amendment to the FY19-24 Capital Improvements Program and a supplemental appropriation in the amount of \$2,853,000 for Acquisition: Non-Local Parks (No. 998798) and specifies that the source of funds will be Program Open Space and Contributions.
6. Notice of public hearing was given and a public hearing was held.

**Action**

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

The FY19-24 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Acquisition: Non- Local Parks	(No.998798)	Land	\$2,500,000	Program Open Space
		Land	<u>\$353,000</u>	Contributions
<b>TOTAL</b>			<b>\$2,853,000</b>	

This is a correct copy of Council action.

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Megan Davey Limarzi, Esq.  
Clerk of the Council



# Acquisition: Non-Local Parks (P998798)

<b>Category</b>	M-NCPPC	<b>Date Last Modified</b>	06/02/18
<b>SubCategory</b>	Acquisition	<b>Administering Agency</b>	M-NCPPC
<b>Planning Area</b>	Countywide	<b>Status</b>	Ongoing

Total	FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
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### EXPENDITURE SCHEDULE (\$000s)

	Total	FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Planning, Design and Supervision	1,822	157	565	1,200	200	200	200	200	200	200	-
Land	16,170	894	3,206	12,070	1,835	1,835	2,050	2,050	2,050	2,050	-
<b>TOTAL EXPENDITURES</b>	<b>18,092</b>	<b>1,051</b>	<b>3,771</b>	<b>13,270</b>	<b>2,135</b>	<b>2,135</b>	<b>2,250</b>	<b>2,250</b>	<b>2,250</b>	<b>2,250</b>	-

### FUNDING SCHEDULE (\$000s)

	Total	FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
<i>Contributions</i>	<i>353</i>			<i>353</i>	<i>353</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Current Revenue: General	1,818	213	135	1,270	135	135	250	250	250	250	-
Program Open Space	<i>18,974</i>	<i>7624</i>	<i>838</i>	<i>14,500</i>	<i>2,000</i>	<i>2,000</i>	<i>2,000</i>	<i>2,000</i>	<i>2,000</i>	<i>2,000</i>	-
<b>TOTAL FUNDING SOURCES</b>	<b>20,945</b>	<b>1,051</b>	<b>3,771</b>	<b>16,123</b>	<b>2,135</b>	<b>2,135</b>	<b>2,250</b>	<b>2,250</b>	<b>2,250</b>	<b>2,250</b>	-

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

Appropriation FY 19 Approp. Request	2,135	Year First Appropriation	FY99
Appropriation FY 20 Approp. Request	2,135	Last FY's Cost Estimate	9,362
Cumulative Appropriation	4,822	<i>FY19 Supplemental Appropriation</i>	<i>2,853</i>
Expenditure / Encumbrances	35		
Unencumbered Balance	4,787		

### PROJECT DESCRIPTION

This project identifies capital expenditures and appropriations for non-local parkland acquisitions, including related costs for land surveys, appraisals, settlement expenses and other related acquisition costs. Non-local parks include Regional, Recreational, Conservation, Stream Valley, Special, and Historic Parks, including Urban Parks of county-wide significance. Acquisitions can include new parkland or additions to existing parks, and are pursued when they become available if sufficient funds exist. To the extent possible, the commission acquires parkland through dedication at the time of subdivision; however, to meet all parkland needs, this method must be supplemented by a direct land purchase program.

### COST CHANGE

Additional funding, including anticipated increases in Program Open Space, added to cover administration and one-time costs and the addition of FY23 and FY24 to this ongoing LOE. *FY19 Supplemental appropriation of 2.85M for acquisition of two properties along Willet Branch greenway. Concurrent FY19 amendment to shift \$2.5M in Program Open Space funding from Acquisition: Local Parks project to Acquisition: Non-Local Parks project*

### PROJECT JUSTIFICATION

2017 Park, Recreation and Open Space (PROS) Plan, approved by the Montgomery County Planning Board, area master plans, and functional master plans guide the non-local park acquisition program. This PDF provides latitude to acquire properties consistent with master plans and Commission policies.

### OTHER

\$50,000 is budgeted annually to cover onetime costs to secure properties, e.g. removing attractive nuisances, posting properties, site clean-up, etc.

### FISCAL NOTE

Prior year partial capitalization of expenditures through FY16 totaled \$40,009,000. FY13 supplemental appropriation of \$320K, Program Open Space. FY14 supplemental appropriation of \$1.706M, Program Open Space

### DISCLOSURES

Expenditures will continue indefinitely. M-NCPPC asserts that this project conforms to the requirement of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

### COORDINATION

Acquisition: Local PDF 767828, Legacy Open Space PDF 018710, ALARF PDF 727007

Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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By: Council President at the Request of the County Executive

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**SUBJECT:** Amendment to the FY19-24 Capital Improvements Program #10-A19-MNCPPC-1 Maryland-National Park and Planning Commission Department of Parks Acquisition: Local Parks (No. 767828)

**Background**

1. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
2. The County Executive recommends this amendment to the FY19-24 Capital Improvements Program as shown on the attached project description form.
3. This amendment is needed to provide adequate appropriation to fund the acquisition of two properties along the Willett Branch greenway to become part of the Westbard Urban Recreational Park by shifting \$2,500,000 in Program Open Space appropriation from the Acquisition: Local Parks project to the Acquisition: Non-Local Parks project. The recommended amendment is consistent with the criteria for amending the CIP because it offers a significant opportunity that will be lost if not taken at this time.
4. The County Executive recommends an amendment to Acquisition: Local Parks (No. 767828).

**Action**

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

The FY19-24 Capital Improvements Program of the Montgomery County Government is amended as described above and as reflected on the attached project description form.

This is a correct copy of Council action.

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Megan Davey Limarzi, Esq.  
Clerk of the Council

## Acquisition: Local Parks (P767828)

Category	M-NCPPC	Date Last Modified	05/02/18
SubCategory	Acquisition	Administering Agency	M-NCPPC
Planning Area	Countywide	Status	Ongoing

Total	Thru FY17	Est FY18	Total 4 Yrs	FY19	FY20	FY21	FY22	FY23	FY24	Beyond 6 Yrs
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### EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	611	138	73	600	100	100	100	100	100	100
Land	18,303	2,572	90	15,641	100	100	100	100	100	100
Other	228	63	25	150	25	25	25	25	25	25
<b>TOTAL EXPENDITURES</b>	<b>21,842</b>	<b>2,763</b>	<b>188</b>	<b>17,800</b>	<b>2,800</b>	<b>2,330</b>	<b>3,385</b>	<b>2,750</b>	<b>4,300</b>	<b>1,945</b>
	19,342			16,341	1,671					

### FUNDING SCHEDULE (\$000s)

Land Sale (M-NCPPC Only)	513	379	134	600	150	150	150	150	150	150
M-NCPPC Bonds	1,028	75	54	1,541	100	100	100	100	100	100
Program Open Space	17,800	2,309	0	15,491	100	100	100	100	100	100
<b>TOTAL FUNDING SOURCES</b>	<b>21,842</b>	<b>2,763</b>	<b>188</b>	<b>17,800</b>	<b>2,800</b>	<b>2,330</b>	<b>3,385</b>	<b>2,750</b>	<b>4,300</b>	<b>1,945</b>
	19,342			16,341	1,671					

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

Appropriation FY 19 Approp. Request	2,880	Year First Appropriation	
Appropriation FY 20 Approp. Request	(170)	Last FY's Cost Estimate	8,382
Cumulative Appropriation	4,242		
Expenditure / Encumbrances	730		
Unencumbered Balance	3,512		

### PROJECT DESCRIPTION

This project identifies capital expenditures and appropriations for parkland acquisitions that serve county residents on a neighborhood or community basis. The parks funded under this project include local, urban, neighborhood, and neighborhood conservation area parks. This project also includes funds for land surveys, appraisals, settlement expenses and other related acquisition costs. Acquisitions can include new parkland or additions to existing parks, and are pursued when they become available, if sufficient funds exist. To the extent possible, the Commission acquires parkland through dedication at the time of subdivision; however, to meet all parkland needs, this method must be supplemented by a direct land purchase program.

### COST CHANGE

Additional funding, including anticipated increases in Program Open Space, added to cover administration and one-time costs and the addition of FY23 and FY24 to this ongoing LOE. **FY19 amendment to shift \$2.5M in Program Open Space funding to Acquisition!**

### PROJECT JUSTIFICATION

**Non-Local Parks project**  
2017 Park, Recreation, and Open Space (PROS) Plan, approved by the Montgomery County Planning Board, other adopted area master plans, and functional master plans guide the local parkland acquisition program. This PDF provides latitude to acquire properties consistent with master plans and Commission policies.

### OTHER

\$25,000 is budgeted annually to cover one-time costs to secure properties, e.g. removing attractive nuisances, posting properties, cleaning up sites, etc.

### FISCAL NOTE

Prior year partial capitalization of expenditures through FY16 totaled \$25,963,000. FY12 Supplemental Appropriation added \$1,059,000 from land sale proceeds. FY13 Supplemental Appropriation added \$600,000 in Program Open Space grant funding.

### DISCLOSURES

Expenditures will continue indefinitely. M-NCPPC asserts that this project conforms to the requirement of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

### COORDINATION

Acquisition: Non-Local PDF 998798, Legacy Open Space PDF 018710, ALARP: M-NCPPC PDF 727007





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

MCPB Item#4  
March 7, 2019

**MEMORANDUM**

**DATE:** February 28, 2019

**TO:** Montgomery County Planning Board

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

**FROM:** Carl Morgan, CIP Manager, Park Development Division *CM*  
Brenda Sandberg, Real Estate Management Supervisor, Park Development Division

**SUBJECT:** Amendment to the to the FY19 Capital Budget, FY20 Capital Budget, and FY19-24 Capital Improvements Program, Acquisition: NL Parks (P998798) and Acquisition: Local Parks (P767828)

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**Staff Recommendation**

Transmit the attached materials to the Montgomery County Executive and the Montgomery County Council to amend as follows:

- Approved FY19 Capital Budget to include an additional \$2,853,000 in appropriation in the Acquisition: Non-local Parks (P998798) capital project
- Recommended FY20 Capital Budget to include a reduction of \$2,500,000 in appropriation in the Acquisition: Local Parks (P767828) capital project
- FY19-24 Capital Improvements Program (CIP)

**Background**

In the item preceding this one on the Planning Board's agenda, the Board will discuss the possible acquisition of two properties that will become part of the Westbard Urban Recreational Park along the Willett Branch greenway envisioned by the Westbard Sector Plan. This report focuses on the capital budget and Capital Improvement Program (CIP) amendments that would make this acquisition possible as well as the need for a minor budget and CIP amendment to receive developer contributions related to the Chanchien Acquisition of 2014.

*Program Open Space (POS) and Contributions in the Acquisition Program*

The acquisition program includes two significant capital projects.

Acquisition Local Parks (P767828, "Acquisition LP") - This capital project allows the Parks Department to acquire land that serves county residents on a neighborhood or community basis.

Acquisition: Non-local Parks (P998798, "Acquisition NL") – This capital project allows the Parks Department to acquire land for non-local parks that include Regional, Recreational, Conservation, Stream Valley, Special, Historic, and Urban Parks of county-wide significance.

Both projects are primarily funded with Program Open Space (POS), a significant funding source from the State of Maryland's transfer tax dedicated to the planning, acquisition, and/or development of recreation land or open space areas. Occasionally, acquisitions are partially funded by developer contributions.

Revenues from POS and Contributions fluctuate and are often unpredictable. As such, the amount of appropriation (authority by resolution from the Council to spend revenues) rarely matches actual revenues. When programming these funds in the six-year CIP, the Department can only estimate the amount of appropriation based on revenue forecasts. After adoption of the capital budget and CIP, if actual revenues do not exceed appropriation, the Commission can spend or encumber the revenues in their entirety. However, there are times when appropriation is insufficient to allow spending or encumbering some revenue and it becomes necessary to amend the capital budget and CIP.

*Program Open Space for Westbard Urban Recreational Park*

The Department has sufficient POS revenue to acquire the two parcels for the Westbard Urban Recreational Park, but the appropriation for those revenues is split between the two acquisition capital projects, Acquisition LP and Acquisition NL. In order to make the purchase, the Acquisition NL project needs an additional \$2.5 million of POS appropriation that is either transferred from the Acquisition LP project or is simply increased by way of a Supplemental Appropriation to the Acquisition NL project.

Staff at the County Council and the Office of Management and Budget (OMB) have requested that the Department pursue the transfer option. However, there is some disagreement among County staff regarding the ability of the Council to dis-appropriate funds of a current budget year. As an alternative, OMB recommends that the Department reduce the appropriation request for FY20 that the Department transmitted to the County in November 2018 (currently under review by the Council). Parks staff agrees with this approach. However, it means splitting the transfer into two procedural actions:

- Amending the existing FY19 Capital Budget to increase the appropriation for POS in Acquisition: NL Parks by \$2.5M. This involves a "Supplemental Appropriation" resolution that modifies the existing FY19 Capital Budget and CIP.
- Amending the FY20 Capital Budget Request to decrease the appropriation request for POS in Acquisition LP by \$2.5 M. Because the FY20 Capital Budget has not yet been

approved by the Council, this involves simply informing the County Council and the County Executive of the change.

### *Contributions for the Chanchien Acquisition*

The Department recently received developer contributions for a portion of the Chanchien Acquisition of 2014 for a right-of-way that extends the master planned Snowden Farm Parkway west of Clarksburg Road. Currently, the capital budget and CIP have no appropriation for developer contributions. In order to spend this revenue, the capital budget and CIP need also to be amended by way of a supplemental appropriation. This has been added to the FY19 Supplemental Appropriation action discussed earlier.

### Conclusion

Attached you will find documents for the two capital budget actions discussed above:

- FY19 Capital Budget Amendment
  - Draft Council resolution for a Supplemental Appropriation that Amends the FY19 Capital Budget and CIP to include additional appropriation of \$2,853,000 in the Acquisition NL capital project (\$2,500,000 Program Open Space, \$353,000 Contributions)
  - Revised Project Description Form for the Acquisition NL capital project that increases the appropriations in FY19 referenced above
- FY20 Capital Budget Amendment
  - Revised Project Description Form for the Acquisition LP capital project that reduces \$2,500,000 of expenditure of POS in FY18 and FY19 and modifies the FY20 appropriation request as per the reduced expenditures

If approved, these budget actions will also amend the FY19-24 CIP accordingly and will provide the appropriation necessary to address the needs of the Acquisition: Non-local Parks capital project. Upon approval, the attached materials will be forwarded to the County Executive and County Council.