


M E M O R A N D U M

February 19, 2020

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

FROM: Gene Smith, Legislative Analyst 

SUBJECT: Recommended FY21-26 Capital Improvements Program (CIP) for General Government
– Economic Development Projects

PURPOSE: Review Executive's recommendation and make recommendation to the Council

Those expected for this worksession:

Tina Benjamin, Office of the County Executive
Pofen Salem, Office of Management and Budget (OMB)
Alison Dollar, OMB

See the Executive's recommended FY21-26 CIP for General Government – Economic Development projects on ©1-7. The PHED Committee will review six projects today. The PHED Committee and the Government Operations and Fiscal Policy (GO) Committee are tentatively scheduled to review the final project, Wheaton Redevelopment Program, on February 27, 2020.

I. Recommended FY21-26 CIP

A. Marriott International Headquarters and Hotel Project

This project administers the grant for the retention of Marriott International, Inc.'s new headquarters in the County. See ©4 for the recommended project description form (PDF) for the FY21-26 CIP. The construction project is managed by Marriott; substantial completion is anticipated in 2022.

The recommended PDF maintains the same funding as the approved FY19-24 CIP, \$5.5 million in FY21 and FY22. The funding source for FY21 and FY22 is the Economic Development Fund (EDF). The Council must appropriate funding in the EDF to implement this project in FY21 and FY22.

Council staff concurs with the Executive recommendation.

B. White Flint Redevelopment Program

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. See ©5 for the recommended PDF for the FY21-26 CIP.

Below is the recommended FY21-26 CIP expenditure schedule for this project. The recommended PDF reduces the six-year funding by approximately \$2.3 million compared to the approved FY19-24 CIP. The funding source for this project is revenue from the White Flint Special Taxing District; therefore, the recommended reductions will free resources from the special taxing district revenues to issue future bonds in the area (i.e., more capital projects are possible).

Recommended FY21-26 Expenditure Schedule (\$000s)

Cost Elements	Total 6 Years	FY21	FY22	FY23	FY24	FY25	FY26
Planning, Design and Supervision	1,159	342	229	147	147	147	147
Total	1,159	342	229	147	147	147	147

This project's expenditures include a mixture of personnel costs and operating expenses. See a breakdown of these expenditures in the table below. The recommendation reduces the amount of personnel and operating expenditures from the project to reflect better the staff time and expenditures required to manage the special taxing district. The District Coordinator will be the only position that remains, and the full-time equivalent (FTE) is split time between White Flint and White Oak. See a description of the work performed by that position on ©8.

Planning, Design, and Supervision Breakdown FY21-26 (\$000s)

Expenditure item	Total 6 Years	FY21	FY22	FY23	FY24	FY25	FY26
Finance staff (0.25 FTE)	102	50	52	0	0	0	0
Financial Advisors	180	150	30	0	0	0	0
District Coordinator (0.5 FTE)	877	142	147	147	147	147	147
Total	1,159	342	229	147	147	147	147

Council staff concurs with the Executive's recommendation.

C. White Oak Redevelopment Program

This project provides for the planning and development coordination activities by the County necessary to implement redevelopment of the 110-acre County-owned parcel on Industrial Parkway ("Site II"). See ©6-7 for the recommended PDF for this project in the FY21-26 CIP.

Below is the recommended FY21-26 CIP expenditure schedule for this project. The recommended PDF reduces total funding by \$4.5 million due to the completion of clean up at the site. The funding source for this project includes \$40.8 million in General Obligation Bonds and \$0.776 million in current revenue.

Recommended FY21-26 Expenditure Schedule (\$000s)

Cost Elements	Total 6 Years	FY21	FY22	FY23	FY24	FY25	FY26
Planning, Design and Supervision	800	200	200	200	200	0	0
Construction	40,000	800	2,500	8,000	10,000	6,200	12,500
Other	776	122	126	132	132	132	132
Total	41,576	1,122	2,826	8,332	10,332	6,332	12,632

Below are the descriptions and highlights for each of these cost elements for this project.

Planning, Design and Supervision. The recommended FY21-26 CIP increases these expenditures by \$400,000 by adding expenditures in FY23 and FY24. These expenditures previously were the personnel costs and operating expenses associated with the demolition and site cleanup. For the FY21-26 CIP, these expenditures will provide ongoing support for the County's efforts as it relates to the General Development Agreement (GDA) with Global LifeSci Development Corporation (GLDC).

Construction. The recommended FY21-26 CIP shifts the funding for this cost element when compared to the approved FY19-24 CIP, but it retains the full \$40,000,000 required by the GDA with GLDC for the master plan roads in the six-year CIP.

Other. The recommended FY21-26 CIP increases these expenditures by \$512,000 by adding expenditures to FY21-26. The approved FY19-24 CIP eliminated this funding in FY20. The funding supports a 0.5 FTE, which is the Coordinator position that is split between White Flint and White Oak.

Based on the Coordinator description on ©8, the position appears to focus on efforts that are mostly unrelated to the GDA and this CIP project. Council staff believes the accounting for this position should be included in a different budget to appropriately reflect this reality. The position is funded with General Fund revenues; therefore, reallocating this position in a different budget, like the Community Engagement Cluster, is easily done. **Council staff recommends a follow up during the operating budget deliberation to determine the best budget for this 0.5 FTE.**

Council staff concurs with the Executive recommendation.

II. Closeout Projects

The projects listed below are not included with the FY21-26 CIP and are all scheduled for closeout in FY20. PDFs exist to report expenditures in FY20 and beyond, if necessary, but the Council will not include a new PDF with its approval of the FY21-26 CIP.

A. Conference Center Garage

This project provides for the design and construction of a structured parking garage to accommodate the current and future parking needs of the North Bethesda Conference Center. See ©9-10 for the existing PDF of this project. This project is labeled pending closeout in FY20 with \$1.4 million in unencumbered funds; there are no funds programed in the FY21-26 CIP for this project.

Construction of the garage was completed in 2017, and it officially opened in December 2017. In February 2018, a pedestrian walkway was the only outstanding item that remained for the project. The walkway was completed December 2019. Executive staff anticipates that the contractor will complete all punch list items by February 2020. Upon completion, this project will be closed.

B. Life Sciences and Technology Centers

This project originally provided funds for the development and land use plans for the Germantown Life Sciences Park and the Site II development, also referred to as LifeSci Village. The project's first appropriation was in FY90, and during the years, the scope was changed to include the County's Business Innovation Network. In December 2016, the Council approved the current version of the project to utilize the remaining funds to renovate the Silver Spring Innovation Center (SSIC).

See ©11-12 for the existing PDF of this project. This project is labeled pending closeout in FY20 with \$250,000 in unencumbered funds in FY20; there are no funds programmed in the FY21-26 CIP for this project.

The SSIC project is complete, and the center is anticipated to reopen in February 2020. There are no outstanding items, and the project will close in FY20.

C. Long Branch Town Center Redevelopment

This project originally was created to provide for planning needed to support redevelopment in the Long Branch Sector Plan area. As the Purple Line project progressed, the project was amended.¹ The approved FY19-24 CIP assumed this project would close out in FY20. The recommended FY21-26 CIP assumes this project will close out in FY20 or FY21.

See ©13-14 for the approved FY19-24 PDF. Approximately \$13,000 remains unencumbered. The project focused on implementing four programs. Below is an update for each program area.

Marketing. The FY19-24 CIP included approximately \$50,000 for the Office of the County Executive (CEX) to coordinate with the Montgomery Housing Partnership (MHP) and the Long Branch Business League (LBBL) to engage a marketing consultant. Executive staff notes that expenditures for this item through November 2019 totaled approximately \$10,000.

Executive staff notes that marketing is focused on promoting commercial areas and helping customers get from parking to businesses. See ©15 for an example of the work completed to date.

Training. The FY19-24 CIP included approximately \$30,000 to leverage existing contracts with the Latino Economic Development Center and the Maryland Small Business Development Center to train businesses along the Purple Line corridor. Unlike the other programs in this

¹ The Council staff report on May 1, 2018 has a more complete history of the project and recent revisions considered and approved by the Council - https://montgomerycountymd.granicus.com/Viewer.php?view_id=169&clip_id=14979&meta_id=155698.

project, training was going to be available for any business impacted by construction of the Purple Line. Executive staff notes that no funding for this program has been disbursed because an invoice has not been received.

Executive staff notes that in two years this program offered two instructor-led classes for eleven businesses and service providers. In addition, six instructor-led classes are scheduled, and two webinars are in production.

Signage. The FY19-24 CIP included approximately \$70,000 for the Department of Transportation and LBBL to produce additional signage for customers during the construction project. Executive staff note that expenditures for this item total approximately \$37,000.

Wayfinding signs were installed throughout Long Branch and the area near Bonifant Street in Silver Spring. See ©15 for examples.

Technical Assistance. The FY19-24 CIP included approximately \$150,000 for this program, which was based on the Small Business Assistance Program implemented in Wheaton. Executive staff note that expenditures for this item totaled approximately \$86,000.

Executive staff notes that 19 businesses have received in-depth engagements through this program.

This packet contains:

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FY20 close out projects	9
Examples for Long Branch project	15

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Economic Development

PROGRAM DESCRIPTION AND OBJECTIVES

The objectives of this program are to:

- Develop the necessary infrastructure and amenities to facilitate expansion of the County's technology and other business sectors with high growth potential;
- Develop business incubators to foster the growth of start-up technology companies in the County; and
- Facilitate public-private partnerships to maintain and attract major County employers and to revitalize targeted central business districts and other strategic locations in the County.

HIGHLIGHTS

- Complete renovation of the Silver Spring Innovation Center by January 2020 to foster private sector involvement and support the growth of entrepreneurs and start-up companies in the County.
- Complete construction of the pedestrian walkway connecting the County's Conference Center and its parking garage by December 2019 to provide a well-functioning facility to meet the needs of County businesses and residents.
- Complete implementation of training, marketing, technical assistance and signage funded in the Long Branch Town Center Redevelopment project by the end of 2020 to help businesses adversely impacted by construction of the Purple Line in the Long Branch and Bonifant Street, Silver Spring area.
- Maintain the approved funding for construction of the Wheaton Redevelopment project. The project remains on schedule for substantial completion by May 2020. Relocation of the M-NCPPC Headquarters and relevant County agencies is expected to be completed by fall 2020.
- Continue funding to leverage State resources for the retention and expansion of the global headquarters of Marriott International Inc. in Montgomery County.
- Continue funding for planning, design and public infrastructure associated with the redevelopment of the White Oak Science Gateway Master Plan.
- Continue funding for plans, studies, analysis, and development coordination activities by the County necessary to implement redevelopment in the White Flint Sector Plan Area.

WHEATON REDEVELOPMENT

The Wheaton Redevelopment Program capital investment objectives are to aid in the redevelopment and revitalization of the downtown Central Business District by providing, in partnership with private development interests: infrastructure improvements designed to support private development; strategic acquisition of local properties to provide better linkages; public amenities and facilities at redevelopment sites; green space/public activity and/or entertainment space; public parking to support increased development activity; infrastructure improvements, such as unified public streetscape; and facade and other enhancements to deteriorating building structures.

Program Contacts

Contact Jose Thommana of the Department of Transportation at 240.777.8732 or Pofen Salem of the Office of Management and Budget at 240.777.2773 for more information regarding this capital budget project.

CAPITAL PROGRAM REVIEW

One ongoing project recommended for FY21-26 is the Wheaton Redevelopment Program, which provides funding to support public/private development projects, including private commercial development, a new headquarters for the Maryland-National Capital Park and Planning Commission (M-NCPPC), offices for the Wheaton Regional Services Center and other County agencies, a town square, and public parking. The building will have a geothermal heating and cooling system which is likely to result in LEED Platinum certification for the office building. The FY21-26 total cost of funding for the Wheaton Redevelopment Program remains at \$179.32 million.

Construction started in June 2017. The project is on-schedule and expects a substantial completion date of May 2020. This project is critical to the County's economic development goals and the long-term economic vitality of Wheaton.

WHITE FLINT REDEVELOPMENT

In 2010, the Montgomery County Council approved the new White Flint Sector Plan. The Plan establishes a vision for transforming what has been an auto-oriented suburban development pattern into a denser, mixed-use "urban" center in which people can walk to work, shops, and transit. 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 establishes a White Flint Special Taxing District.

In addition to the financing implementation, specialized services are required for the complex land assemblage and disposition actions associated with the implementation of Stage I. 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.

Program Contacts

Contact Pete Fosselman of the Office of the County Executive at 240.777.8416, or Alison Dollar of the Office of Management and Budget at 240.777.2769 for more information regarding this capital budget project.

Capital Program Review

One ongoing project recommended for FY21-26 is the White Flint Redevelopment Program, which provides for the plans, studies, analysis, and development coordination activities by the County necessary to implement redevelopment in the White Flint Sector Plan Area. The total FY21-26 funding for this project is \$1.16 million.

Related and complementary projects, White Flint District East: Transportation, White Flint District West: Transportation, and White Flint West Workaround, are described in the Transportation section.

WHITE OAK SCIENCE GATEWAY REDEVELOPMENT

In 2014, the Montgomery County Council approved the new White Oak Science Gateway Master Plan. The Plan establishes a vision for transforming what has been an industrial area into a denser, mixed-use commercial and residential center in which people can walk to work, shops, and transit. The County's initiative includes using both County-owned property (Site II) and privately-owned property as a public-private partnership, and leveraging existing relationships with the adjacent Food and Drug Administration (FDA) campus to advance development activities in the Master Plan.

Specialized services are required for the complex land assemblage and disposition actions associated with implementation of development requirements. Staff time and services are required to manage and coordinate efforts to develop detailed plans, manage demolition and clean-up activities, design infrastructure, and to negotiate transactions with the development partner. This project includes funds to assist with the construction of master-planned roads (A-105, B-5, and improvements to FDA Boulevard), the demolition of existing structures and site clearing activities, and the staff time to coordinate all these activities.

Program Contacts

Contact Pete Fosselman of the Office of County Executive at 240.777.8416, Greg Ossont of the Department of General Services at 240.777.6192, or Alison Dollar of the Office of Management and Budget at 240.777.2769, for more information regarding this capital budget project.

CAPITAL PROGRAM REVIEW

One ongoing project recommended for FY21-26 is the White Oak Science Gateway Redevelopment Project, which provides for public infrastructure as well as the plans, studies, analysis, and development coordination activities by the County necessary to implement redevelopment in the White Oak Science Gateway Master Plan Area. The FY21-26 total cost of funding for this project is \$41.6 million.

A related and complementary ongoing project, the White Oak Local Area Transportation Improvement Program is described in the Transportation section on the Office of Management and Budget's website <https://apps.montgomerycountymd.gov/BASISCAPITAL/Common/Project.aspx?ID=P501540&CID=3&SCID=9>

BUSINESS DEVELOPMENT

The Business Development Capital Program is administered by the Office of the County Executive. The objectives of this program are to:

- Provide attractive, well-coordinated improvements for key industry sectors; and
- Expand the educational and research resources available for Montgomery County residents, employers, and workforce.

Program Contacts

Contact Tina Benjamin of the Office of the County Executive at 240.777.2006 or Pofen Salem of the Office of Management and Budget at 240.777.2773 for more information regarding this capital budget project.

Capital Program Review

One ongoing project recommended for FY21-26 is the Marriott International Headquarters and Hotel Project, which provides funding for the retention of Marriott International, Inc.'s new \$500 million headquarters facility in Montgomery County. The County's commitment leverages State funding to retain and expand the global headquarters of Marriott International, Inc. in the County to construct a new 700,000 square feet Class A office building and a new hotel in the downtown Bethesda area. The County's investment will not only be recouped directly from the incremental real and personal property tax generated from the project, but also above and beyond direct and indirect economic impacts that Marriott International, Inc. creates in the State of Maryland.

In FY21, a \$5.5 million payment will be disbursed to continue support local business growth.



Marriott International Headquarters and Hotel Project (P361703)

Category
SubCategory
Planning Area

General Government
Economic Development
Bethesda-Chevy Chase and Vicinity

Date Last Modified
Administering Agency
Status

01/07/20
County Executive
Planning Stage

Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Other	22,000	5,500	5,500	11,000	5,500	5,500	-	-	-	-
TOTAL EXPENDITURES	22,000	5,500	5,500	11,000	5,500	5,500	-	-	-	-

FUNDING SCHEDULE (\$000s)

Current Revenue: Economic Development Fund	11,000	-	-	11,000	5,500	5,500	-	-	-	-
Recordation Tax Premium (MCG)	11,000	5,500	5,500	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	22,000	5,500	5,500	11,000	5,500	5,500	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request	5,500	Year First Appropriation	
Appropriation FY 22 Request	5,500	Last FY's Cost Estimate	22,000
Cumulative Appropriation	11,000		
Expenditure / Encumbrances	5,500		
Unencumbered Balance	5,500		

PROJECT DESCRIPTION

This grant provides for the retention of Marriott International, Inc.'s new \$500 million headquarters facility in Montgomery County. The facility will be approximately 700,000 square feet in size and include an adjacent Marriott brand hotel. The headquarters building will house upwards of 3,250 permanent full-time employees and equivalent contract workers, as well as 250 part-time workers and equivalent contract workers.

LOCATION

7730 Wisconsin Avenue, Bethesda, Maryland

ESTIMATED SCHEDULE

Facility to be delivered in late 2022.

PROJECT JUSTIFICATION

The County and the State have a unique economic development opportunity to retain the global headquarters of Marriott International, Inc. (currently ranked 221 on the Fortune 500 Company list) and its 3,500 employees in the County, and to also induce approximately \$500 million in capital investment from the project to construct a new 700,000 square feet Class A office building and a new hotel in the downtown Bethesda area. The grant made to Marriott International, Inc., will be recouped directly from the incremental real and personal property tax generated from the project in less than seven years, above and beyond the \$1.2 billion in direct and indirect economic impacts that Marriott International, Inc. creates in the State of Maryland.

FISCAL NOTE

The State of Maryland will contribute \$22 million towards this project. The State's contribution will be made directly to Marriott International, Inc. The terms of the Marriott agreement required appropriation of \$11 million in FY17. Annual payments began in FY19. Currently, the funding sources are assumed to be Recordation Tax Premium and the Economic Development Fund. The source of funds may be revised in the future.

COORDINATION

Department of Transportation, Department of Permitting Services, Department of Finance, Maryland Department of Commerce, and Maryland State Highway Administration



White Flint Redevelopment Program (P151200)

Category	General Government	Date Last Modified	01/07/20
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	North Bethesda-Garrett Park	Status	Planning Stage

Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	4,376	2,767	450	1,159	342	229	147	147	147	147	-
Land	204	204	-	-	-	-	-	-	-	-	-
Other	78	78	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	4,658	3,049	450	1,159	342	229	147	147	147	147	-

FUNDING SCHEDULE (\$000s)

White Flint Special Tax District	4,658	3,049	450	1,159	342	229	147	147	147	147	-
TOTAL FUNDING SOURCES	4,658	3,049	450	1,159	342	229	147	147	147	147	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request	(474)	Year First Appropriation	FY09
Appropriation FY 22 Request	229	Last FY's Cost Estimate	6,459
Cumulative Appropriation	4,315		
Expenditure / Encumbrances	3,075		
Unencumbered Balance	1,240		

PROJECT 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 "Project 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 change reflects updated staff charges and the addition of FY25 and FY26 to this project.

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 implementing 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.

FISCAL NOTE

The funding source for this project is White Flint Special Taxing District tax revenues.

COORDINATION

Office of the County Executive, Department of Finance, Department of Transportation, Revenue Authority, Maryland Department of Transportation (MDOT), Maryland State Highway Administration (SHA), and Developers



White Oak Science Gateway Redevelopment Project (P361701)

Category
SubCategory
Planning Area

General Government
Economic Development
Colesville-White Oak and Vicinity

Date Last Modified
Administering Agency
Status

01/07/20
General Services
Ongoing

Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	1,921	921	200	800	200	200	200	200	-	-	-
Site Improvements and Utilities	5,779	3,089	2,680	-	-	-	-	-	-	-	-
Construction	40,000	-	-	40,000	800	2,500	8,000	10,000	6,200	12,500	-
Other	1,436	12	648	776	122	126	132	132	132	132	-
TOTAL EXPENDITURES	49,136	4,022	3,538	41,576	1,122	2,826	8,332	10,332	6,332	12,632	-

FUNDING SCHEDULE (\$000s)

Current Revenue: General	1,336	-	560	776	122	126	132	132	132	132	-
G.O. Bonds	44,610	832	2,978	40,800	1,000	2,700	8,200	10,200	6,200	12,500	-
PAYGO	3,190	3,190	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	49,136	4,022	3,538	41,576	1,122	2,826	8,332	10,332	6,332	12,632	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request	-	Year First Appropriation	FY17
Appropriation FY 22 Request	-	Last FY's Cost Estimate	48,980
Cumulative Appropriation	48,560		
Expenditure / Encumbrances	5,429		
Unencumbered Balance	43,131		

PROJECT DESCRIPTION

This program provides for the planning and development coordination activities by the County necessary to implement the redevelopment of the 110-acre previously County-owned parcel on Industrial Parkway in White Oak (Site II). The site will be redeveloped in conjunction with the adjacent 170-acre parcel in a public-private partnership as one, comprehensive and coordinated 280-acre bioscience-focused mixed-use community per the approved White Oak Science Gateway (WOSG) Master Plan. The project includes \$40 million to assist with the funding needed to construct master-planned roads A-106, B-5 and improvements to FDA Boulevard. Additionally, funds for demolition of existing structures and site clearing activities, as well as costs for County staff to coordinate multiple activities, are included in the project.

LOCATION

Silver Spring, Maryland

ESTIMATED SCHEDULE

The County completed demolition of the existing structures and site clearing activities. The County's development partner presented a development schedule to Council in July 2019.

COST CHANGE

Cost increase due the continuation of County staff costs for coordination activities in FY21 through FY26 partially offset by demolition cost savings.

PROJECT JUSTIFICATION

In 2014, the Montgomery County Council approved the new White Oak Science Gateway Master Plan. The Plan establishes a vision for transforming what has been an industrial area into a denser, mixed-use commercial and residential center in which people can walk to work, shops, and transit. The County's initiative includes using both previously County-owned property (Site II) and privately-owned property as a public-private partnership and leveraging existing relationships with the adjacent Food and Drug Administration (FDA) campus to advance development activities in the Master Plan. Specialized services are required for the complex land assemblage and disposition actions associated with implementation of Stage I development requirements. Staff time and services are required to manage and coordinate efforts to develop detailed staging plans, manage demolition and clean-up activities, design infrastructure, and to negotiate transactions with development partners. The proposed 280-acre development is large-scale, long-term and transformational. It will be a catalyst for desired revitalization and redevelopment in the White Oak sector area and elsewhere in the Eastern portion of Montgomery County. The project will create job opportunities throughout White Oak and the Eastern portion of Montgomery County and will expand the tax base.

FISCAL NOTE

In FY17, a supplemental appropriation for \$47.2M in G.O. Bonds was approved for this project. Project schedule has been adjusted to reflect implementation

schedule.

COORDINATION

Department of Transportation, Department of Finance, Office of Management and Budget, Department of Housing and Community Affairs, Department of Permitting Services, Maryland Department of the Environment, and M-NCPPC

Master Plan Coordinator/Ombudsman

When the County Council approved the White Flint Sector Plan (2010) and the White Oak Science Gateway Master Plan (2014); they also supported creating the position(s) of Coordinator. This person(s) would facilitate the redevelopment of the plan boundaries and chaperone a successful outcome for the projects. The Coordinator has an office at the White Oak Recreation Center and on the second floor at the Executive Office Building. The primary responsibilities and goals of the Coordinator are to:

- White Oak
 - Implement and monitor the progress of the White Oak Science Gateway Master Plan
 - Local Area Transportation Improvement Program (LATIP), Vision Zero, and all approved plans by the Planning Board
 - Liaison between the government, private sector and community stakeholders
 - Community events, meetings, permitting issues, complaints
 - Work closely with County and State Departments (SHA, DOT, DGS, County Council Staff, Planning Staff, WorkSource Montgomery, MCEDC, Regional Service Director) on financing and development of County infrastructure
 - Oversee marketing the region to local and audiences abroad
 - Newsletter, website, Facebook, and work with professional firm to implement the 2019 marketing and placemaking plan
 - Support and staff the Friends of White Oak
- White Flint
 - Implement and monitor the progress of the White Flint Sector Plan
 - Western Workaround, Wall Park, Vision Zero, and all approved plans by the Planning Board
 - Liaison between the government, private sector and community stakeholders
 - Community events, meetings, permitting issues, complaints
 - Work closely with County and State Departments (SHA, DOT, DGS, County Council Staff, Planning Staff, WorkSource Montgomery, MCEDC, Regional Service Director) on financing and development of County infrastructure
 - Support and staff the Downtown Advisory and White Flint Implementation Committees



Conference Center Garage (P781401)

Category	General Government	Date Last Modified	12/29/19
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	North Bethesda-Garrett Park	Status	Under Construction

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Land	44	44	-	-	-	-	-	-	-	-	-
Construction	3,150	1,750	1,400	-	-	-	-	-	-	-	-
Other	17,806	17,806	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	21,000	19,600	1,400	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
State Aid	21,000	19,600	1,400	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	21,000	19,600	1,400	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request	-	Year First Appropriation	FY16
Appropriation FY 22 Request	-	Last FY's Cost Estimate	21,000
Cumulative Appropriation	21,000		
Expenditure / Encumbrances	19,600		
Unencumbered Balance	1,400		

PROJECT DESCRIPTION

This project provides for the design and construction of a structured parking garage to accommodate the current and future parking needs of the North Bethesda Conference Center, which is jointly owned by Montgomery County and the State of Maryland. The garage is needed in order to replace the parking spaces that are being lost due to the construction and realignment of roads in the White Flint area (see CIP #501506). The garage will consist of approximately 650 spaces and will be operated by the management company of the Conference Center, Marriott International, in accordance with the County's existing agreement with Marriott. Groundbreaking for the garage took place in November, 2017 and is being followed by a twelve to fifteen month construction period.

LOCATION

Bethesda North Marriott Hotel & Conference Center at 5701 Marinelli Rd, Bethesda, MD 20852

ESTIMATED SCHEDULE

Design was completed in FY16. Construction began in FY17 and will be completed by FY18.

PROJECT JUSTIFICATION

Significant changes and development activity will occur around the Conference Center property in accordance with the 2010 White Flint Sector Plan (WFSP), which will require the conversion of the conference center's parking from a surface lot to a structured garage. Per the Sector Plan, Executive Boulevard will be realigned to allow for a standard four-way intersection. The addition of several smaller streets will break up block sizes into more pedestrian scale blocks, contributing to the goal of the WFSP to create a pedestrian friendly environment. These roadway modifications will significantly impact the size of the Conference Center property. The realignment of Executive Boulevard will cut across the northwest corner of the site, while the addition of the new Market Street will eliminate a 70-foot strip along the northern edge of the property. In addition, the new Woodglen Drive to the east will bisect the site into east and west parcels. These changes will significantly reduce the current number of available surface parking space. Therefore, a parking garage must be constructed to accommodate the parking needs of the conference center. Operating profits from the garage will accrue to the County's General Fund through its management agreement with Marriott and will be accounted for in the Conference Center NDA.

FISCAL NOTE

As the result of a joint agreement between Montgomery County, the Maryland Department of Transportation, and Federal Realty Investment Trust (FRIT), the County received the proceeds of \$21 million from a transaction involving State Highway Administration surplus land in White Flint. The surplus property was sold to an adjacent developer (FRIT) at full market value, resulting in a net gain of \$21 million dollars for the County. As part of the agreement with the State, these land sale proceeds are designated to fund the design and construction of a multi-level parking garage at the site of the County/State owned Bethesda North Conference Center. The funds are being held in an escrow account that is jointly controlled by the County and the State. An FY14 supplemental appropriation request was approved for this project for the amount of \$1,500,000; an FY16 supplemental appropriation request was approved for this project for the amount of \$19,500,000.

DISCLOSURES

The County Executive 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

Department of Transportation, Office of the County Executive, Department of Finance, Office of the County Attorney, Maryland Stadium Authority, Maryland Department of Transportation, Maryland State Highway Administration



Life Sciences and Technology Centers (P789057)

Category	General Government	Date Last Modified	12/19/19
SubCategory	Economic Development	Administering Agency	General Services
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Planning, Design and Supervision	1,721	1,721	-	-	-	-	-	-	-	-	-
Land	39	39	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	73	73	-	-	-	-	-	-	-	-	-
Construction	409	175	234	-	-	-	-	-	-	-	-
Other	28	12	16	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,270	2,020	250	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Current Revenue: General	1,600	1,556	44	-	-	-	-	-	-	-	-
G.O. Bonds	616	410	206	-	-	-	-	-	-	-	-
PAYGO	54	54	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	2,270	2,020	250	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request	-	Year First Appropriation	FY90
Appropriation FY 22 Request	-	Last FY's Cost Estimate	2,270
Cumulative Appropriation	2,270		
Expenditure / Encumbrances	2,270		
Unencumbered Balance	-		

PROJECT DESCRIPTION

This project provides funds for the development and land use plans for the Germantown Life Sciences Park (GLSP) and the Site II development, also referred to as LifeSci Village. The project has also supported the development of the Germantown, East County, and Rockville business incubators. Specific tasks include feasibility studies, due diligence, refining Programs of Requirements (PORs), design and construction. All incubators are modeled after the County's William E. Hanna Innovation Center at the Shady Grove Life Sciences Center (SGLSC). This project originally provided funds to design and construct the public amenities at the SGLSC. Additions to the original project scope included: revised development and subdivision plans to increase site density (FY00); sub-division plans for prospective Life Sciences and Technology Centers (FY03); and planning for the Rockville incubator (FY07). More recently funds were used to carry out all needed steps for Site II to be accepted into the Maryland Voluntary Clean-Up Program. This project may also be

used for incubator renovations, the preliminary development of other incubators, tech parks, or other economic development capital projects should future new opportunities become available.

ESTIMATED SCHEDULE

Renovation of the Silver Spring Innovation Center is expected to be completed by December 2019.

PROJECT JUSTIFICATION

Montgomery County developed the original SGLSC as a research and development park for prospective biotechnology companies. All the available parcels in the SGLSC have been leased, purchased, or otherwise committed. The County's four business incubators, the Silver Spring Innovation Center, the Rockville Innovation Center, the Wheaton Innovation Center, and the Germantown Innovation Center currently support over 80 companies. Given the success of the SGLSC and the incubators' graduation rates, it is in the County's interest to continue to invest in and develop projects to attract and provide growth and expansion opportunities for life science and advanced technology companies. Funds are also used to leverage private monies to renovate the Silver Spring Innovation Center and transition it to private sector management.

OTHER

The original component of the CIP project, the construction of all required amenities and improvements to meet M-NCPPC's subdivision requirement for the SGLSC property, is complete. The Rockville Innovation Center and the Germantown Innovation Center are open for business. Planning for the Site II development is continuing, as the County has an executed Interim Development Agreement with its private sector partner, Percontee; was actively engaged in the development of the White Oak Science Gateway Master Plan; and has pursued all necessary steps for Site II to be accepted into the MD Clean-Up Program.

FISCAL NOTE

The original component of the CIP project, the construction of all required amenities and improvements to meet M-NCPPC's subdivision requirements of the SGLSC property, is complete. The Rockville and Germantown Innovation Centers are up and operational. The Germantown Life Sciences Center and LifeSci Village are in the preliminary design and planning stages.

COORDINATION

State of Maryland, MEDAAF, TEDCO, MEDCO, City of Rockville, DPWT - Division of Capital Development, Maryland-National Capital Park and Planning Commission, Tenants of the SGLSC, Facility Planning: MCG, Montgomery College, WSSC, Johns Hopkins University, private developers.



Long Branch Town Center Redevelopment (P150700)

Category	General Government	Date Last Modified	12/29/19
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	Silver Spring and Vicinity	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Planning, Design and Supervision	300	31	269	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	300	31	269	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Current Revenue: General	300	31	269	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	300	31	269	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request	-	Year First Appropriation	FY15
Appropriation FY 22 Request	-	Last FY's Cost Estimate	300
Cumulative Appropriation	300		
Expenditure / Encumbrances	287		
Unencumbered Balance	13		

PROJECT DESCRIPTION

This project provides for planning needed to support redevelopment in the Long Branch Sector Plan area. The construction of the Purple Line will influence the development potential of the sector plan area on both a short- and long-term basis. Two Purple Line stations are planned in Long Branch - one on Arliss Street, just to the north of Piney Branch Road, and the other on University Boulevard, just south of its intersection with Piney Branch Road. The County will coordinate through a multi-departmental approach that will include the Office of County Executive, Department of Transportation, Department of Housing and Community Affairs and the Silver Spring Regional Service Center. Activities will also be planned in partnership with the Maryland Transit Administration (MTA), property owners and businesses in this sector plan area with input from the surrounding community. The State will have the primary responsibility for coordinating efforts to mitigate impacts of the Purple Line in Long Branch. As such, efforts are needed to help ensure that the multitude of businesses in Long Branch can prosper during the construction of the Purple Line, and just as importantly, after it is operational. In order to minimize any disruption that may affect the Long Branch business community, a multi-prong approach will be implemented through: 1) marketing assistance that highlights the availability and presence of existing businesses during construction; 2) training, available to all businesses along the Purple Line, that will focus on adjusting to a new marketplace and developing business opportunities during construction; 3) signage that will direct patrons to shops, restaurants and available parking; and 4) technical assistance designed to strengthen existing companies. This strategy is consistent with the Purple Line

Corridor Community Development Agreement's goal to help locally established businesses prosper both during and after the construction period and to minimize disruptions during construction.

LOCATION

In the vicinity of the Long Branch Sector Plan area, including Bonifant Street, Silver Spring, Maryland.

ESTIMATED SCHEDULE

The implementation of marketing, training, and technical assistance to local businesses impacted by construction of the Purple Line is expected to be completed by FY20.

PROJECT JUSTIFICATION

The Long Branch community is a very diverse, high density multi-ethnic community. It has been designated as a revitalization area by the County and as an Enterprise Zone by the State of Maryland. The project objective would be to minimize any disruption that may affect the Long Branch business community during construction of the Purple Line, as well as help locally established businesses prosper during and after the construction period.

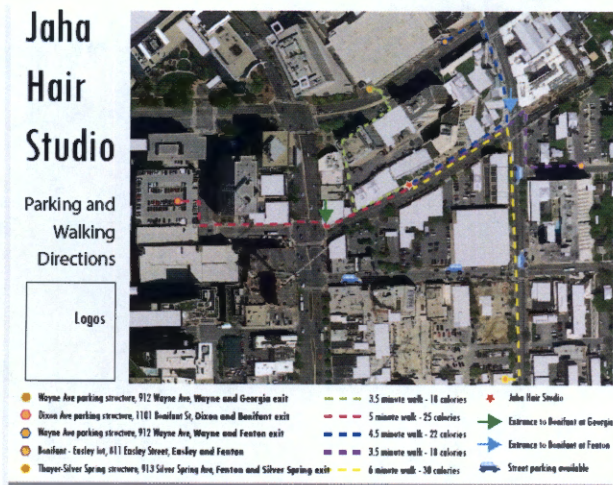
FISCAL NOTE

Expenditures were realigned to support the County's initiative to aid in the revitalization of the Long Branch community once the Purple Line project was proceeding.

COORDINATION

The Office of the County Executive, Department of Housing and Community Affairs, Department of Transportation, Maryland Transit Administration, Maryland State Highway Administration, Purple Line Transit Partners, Long Branch Advisory Committee, Long Branch Business League, and Montgomery Housing Partnership.

Example of marketing effort



Example of signs

