

MEMORANDUM

April 19, 2021

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

FROM: Gene Smith, Legislative Analyst

SUBJECT: Recommended FY21-26 Capital Improvements Program (CIP) – White Oak Science Gateway Project

PURPOSE: Make recommendation to the Council

Those expected for this worksession:
 Pofen Salem, Office of Management and Budget

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 ©1-2 for the recommended project description form (PDF) for this project in the amended FY21-26 CIP.

Table 1 below details the recommended expenditure schedule for this project. The recommended PDF reduces total expenditures by \$1.0 million due to savings based on actual costs to clean up the site. The funding source for this project in FY21-FY26 includes \$40.8 million in General Obligation (G.O.) bonds.

Table 1: Recommended Amended 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
Total	40,800	1,000	2,700	8,200	10,200	6,200	12,500

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

Planning, Design and Supervision. The recommended PDF eliminates these expenditures in FY25 and FY26. These expenditures previously were the personnel costs and operating expenses associated with the demolition and site cleanup. For the amended 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 PDF shifts the funding for this cost element when compared to the approved FY21-FY26 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. Table 2 below details the shifts in this cost element. The Executive recommends this shift based on anticipated timing of development.

Table 2: Recommended Shift in Construction Cost Element (\$ 000)

Cost Element	Total 6 Years	FY21	FY22	FY23	FY24	FY25	FY26
Construction	0	0	(2,000)	(3,000)	(5,000)	5,000	5,000

Council staff concurs with the Executive recommendation.

This packet contains:
Recommended PDF

Circle #
1



White Oak Science Gateway Redevelopment Project (P361701)

Category	General Government	Date Last Modified	01/04/21
SubCategory	Economic Development	Administering Agency	General Services
Planning Area	Colesville-White Oak and Vicinity	Status	Ongoing

	Total	Thru FY20	Rem 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	2,021	1,092	129	800	200	200	200	200	-	-	-
Site Improvements and Utilities	4,779	4,042	737	-	-	-	-	-	-	-	-
Construction	40,000	-	-	40,000	800	500	5,000	5,000	11,200	17,500	-
Other	160	11	149	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	46,960	5,145	1,015	40,800	1,000	700	5,200	5,200	11,200	17,500	-

FUNDING SCHEDULE (\$000s)

Current Revenue: General	160	-	160	-	-	-	-	-	-	-	-
G.O. Bonds	42,653	998	855	40,800	1,000	700	5,200	5,200	11,200	17,500	-
PAYGO	4,147	4,147	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	46,960	5,145	1,015	40,800	1,000	700	5,200	5,200	11,200	17,500	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 22 Request	(1,000)	Year First Appropriation	FY17
Cumulative Appropriation	47,960	Last FY's Cost Estimate	47,960
Expenditure / Encumbrances	5,341		
Unencumbered Balance	42,619		

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. Construction schedule is delayed based on project progress to date.

COST CHANGE

Cost decrease due to savings as recognized in the FY21 savings plan. Delay some funding to FY25 and FY26 to align with the actual implementation schedule.

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