

MEMORANDUM

February 22, 2023

TO: Planning, Housing, and Parks (PHP) Committee

FROM: Pamela Dunn, Senior Legislative Analyst

SUBJECT: **Amendments to the M-NCPPC FY23-28 Capital Improvements Program**

PURPOSE: Discuss Proposed Amendments to M-NCPPC's FY23-28 CIP

M-NCPPC Participants

Jeffrey Zyontz, Chair, Montgomery Planning Board
Mike Riley, Director, Montgomery Parks
Miti Figueredo, Deputy Director, Montgomery Parks
Ron Peele, CIP Manager, Park Development Division
Katy Bryant-Higgins, Office of Management and Budget

Last May, the Council approved a Capital Improvements Program (CIP) for FY23-28 of more than \$276 million for the Maryland-National Capital Park and Planning Commission (M-NCPPC)¹. In November, the Council approved a Supplemental Appropriation of \$8.932 million for the creation of two public parks as part of the overall Farm Women's Market, Lot 24, and Lot 10 redevelopment. The new Bethesda Lots 10-24 Parks project has a total 6-year budget of \$9.432 million funded with a combination of State aid, intergovernmental contributions, and Bethesda Park Impact Payments.

In this off-year of the CIP, the Commission has not requested any further amendments to the FY23-28 CIP. The Executive, however, has included in his Recommended CIP an Affordability Reconciliation Project Description Form (PDF) that reduces Government Obligation (GO) Bond expenditures by \$500k each year between FY26 and FY28, for a total reduction of \$1.5 million. The PDF does not indicate where the reductions should be made.

Currently, there are eight non-local projects with enough GO Bond funding in FY26-28 to accommodate an annual reduction of \$500k. They are listed below.

¹ Per Resolution 19-1279

| Projects | Current FY23-28 CIP (in thousands) | | |
|--|------------------------------------|-------|-------|
| | FY26 | FY27 | FY28 |
| ADA Compliance: Non-Local Parks (P128702) | 950 | 950 | 950 |
| Ballfield Initiatives (P008720) | 2,300 | 2,300 | 2,300 |
| Legacy Open Space (P018710) | 1,600 | 1,600 | 1,600 |
| Minor New Construction: Non-Local Parks (P998763) | 900 | 900 | 900 |
| PLAR ² : Non-Local Parks (P968755) | 2,730 | 2,530 | 2,530 |
| Trails: Hard Surface Design and Construction (P768673) | 600 | 650 | 650 |
| Trails: Hard Surface Renovation (P888754) | 1,050 | 1,100 | 1,100 |
| Wheaton Regional Park Improvements (P871904) | 1,966 | 2,015 | 1,926 |

In response, the Planning Board recommends that the Council reject the CE’s recommended \$1.5 million cut in GO Bond funding.

However, if fiscal constraints require such a reduction, the Board has identified a non-recommended reduction in Legacy Open Space (P018710) that would satisfy the Affordability Reconciliation PDF. The Board notes that this reduction constrains the amount of funding available for land acquisition and may reduce the ability to execute acquisition transactions in the future; however, the Board has long held the view that maintaining what is in the park system is a higher priority than new park development. When faced with 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 and trails.

The reduction to Legacy Open Space (P018710) may require the Parks Department to request a future Supplemental Appropriation if an important timely acquisition occurs and available funds are not sufficient.

Recognizing that there are many competing priorities, and that the County is facing fluctuating economic conditions, reducing County expenditures is a prudent course to take; however, the past few years have demonstrated the importance of parks to the mental, physical, and emotional well-being of County residents. Parks provide a safe and healthy escape during difficult times, and our County has relied on them more than ever recently. It is more important than ever that the Parks Department has resources to support its mission.

That said, a reduction to Legacy Open Space, while not without impact, does not reduce funding to level-of-effort capital projects. As the proposed reduction occurs in the out years of the CIP and future appropriations can be requested on a case-by-case basis, **Council Staff recommends that the Committee agree with the Planning Board’s non-recommended reduction to Legacy Open Space in order to satisfy the Executive’s Affordability Reconciliation PDF, and note its preference that this change be reconsidered during the reconciliation process in April.**

Attached on ©1-5 is the Planning Board transmittal to the County Council regarding the CE’s Recommended CIP.

² PLAR: Planned Lifecycle Asset Replacement



February 15, 2023

Council President Evan Glass

Montgomery County Council
100 Maryland Avenue
Stella B. Werner Council Office Building, 5th Floor
Rockville, Maryland 20850

Dear Council President Glass:

On January 17, 2023, the County Executive released the recommended Biennial FY23-28 Capital Improvements Program (CIP) and FY24 Capital Budget. I have had the opportunity to work with the Planning Board and staff in the Parks Department to review his recommendations, which includes an Affordability PDF that decreased GO Bonds by \$500K each year between FY26 and FY28, for a total reduction of \$1.5M.

The Department's current proposal for the Biennial FY23-28 CIP represents what we feel is the minimum required to adequately support the park system. However, we understand the importance of working with the County Executive and Council to manage a difficult budget. To be responsive to the County Executive's request, we have identified a non-recommended reduction in Legacy Open Space (PDF P018710) of \$500k per year of County GO Bonds in FY26, FY27, and FY28, and shifted that funding into the Beyond Six Years (BSY) to balance the FY23-28 CIP with the Affordability PDF.

The impact of this reduction constrains the amount of funding we will have for this land acquisition program and reduces our ability to execute acquisition transactions as opportunities arise. The Legacy Open Space Functional Master Plan was approved and adopted in 2001 to help preserve the best remaining open spaces in the County to serve our growing population. Since its start, the Legacy Open Space program has protected over 3,850 acres through acquisition into parkland to preserve watersheds, significant ecosystems, heritage resources, trail and wildlife corridors, rural lands, and important urban open spaces.

If the Executive's budget is enacted, this may require Parks to request a future Supplemental Appropriation if an important timely acquisition occurs, and available funds are not sufficient.

Recommendation

The Planning Board recommends that the Council reject the County Executive's recommendation to reduce GO bonds by \$1.5M.

Restoration

The Planning Board recommends that the Council restore \$1.5M in GO Bonds in the Legacy Open Space PDF over FY26-28.

Should the Council consider other approaches within the CIP, priorities that we want to protect include:

- Annual funding for lifecycle replacement and repair of park infrastructure and amenities including playgrounds, trails, tennis courts and basketball courts.
- Annual funding to support trail construction and maintenance and our Vision Zero initiative to ensure the safety of road crossings for trail and park users.
- Annual funding to improve the quality of park athletic fields.
- Annual funding to provide activating amenities in urban parks.
- Annual funding to meet mandates including the Americans with Disabilities Act and the Clean Water Act.
- Implementing the second Cricket Field at South Germantown Recreational Park, starting design for Phase 2 of Northwest Branch Recreation Park, and implementing the recently approved Wheaton Regional Park Master Plan.

Attached you will find a copy of the County Executive's M-NCPPC Affordability Reconciliation PDF (P871747) and a marked up (redlined) PDF for the capital project that would be affected should the Council require the full reductions recommended by the County Executive. The Department's position and that of the Planning Board is that the Council should fully fund the Department's request, because:

- Our parks are a primary reason that residents choose to live, work, and play in Montgomery County.
- Our award-winning parks provide essential public services that sustain livable and healthy communities.
- Many of the projects funded in our CIP include long-deferred upgrades to infrastructure that address critical shortcomings in services or require higher levels of maintenance spending.
- Our parks play an important role in building strong communities, protecting our environment, and providing venues for physical activity & social gathering.
- Our parks play a key role in promoting our county's social and racial equity goals, and our capital budget has been designed to improve the equitable distribution of resources.

Thank you for your consideration. Should you have questions or need additional information, please do not hesitate to reach out to me or staff in the Parks Department.

Sincerely,



Jeffrey Zyontz

Chair

Attachments

PDFs

cc: Montgomery County Councilmembers
Marc Elrich, Montgomery County Executive

M-NCPPC Affordability Reconciliation (P871747)

| | | | |
|----------------------|-------------|-----------------------------|----------|
| Category | M-NCPPC | Date Last Modified | 12/22/22 |
| SubCategory | Development | Administering Agency | M-NCPPC |
| Planning Area | Countywide | Status | Ongoing |

| | Total | Thru FY22 | Rem FY22 | Total 6 Years | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 | Beyond 6 Years |
|--------------------------------------|----------------|-----------|----------|------------------|----------|----------|----------|--------------|--------------|--------------|-------------------|
| EXPENDITURE SCHEDULE (\$000s) | | | | | | | | | | | |
| Construction | (1,500) | - | - | (1,500) | - | - | - | (500) | (500) | (500) | - |
| TOTAL EXPENDITURES | (1,500) | - | - | (1,500) | - | - | - | (500) | (500) | (500) | - |

| FUNDING SCHEDULE (\$000s) | | | | | | | | | | | |
|----------------------------------|----------------|----------|----------|----------------|----------|----------|----------|--------------|--------------|--------------|----------|
| G.O. Bonds | (1,500) | - | - | (1,500) | - | - | - | (500) | (500) | (500) | - |
| TOTAL FUNDING SOURCES | (1,500) | - | - | (1,500) | - | - | - | (500) | (500) | (500) | - |

| APPROPRIATION AND EXPENDITURE DATA (\$000s) | | | |
|--|---|--------------------------|------|
| Appropriation FY 24 Request | - | Year First Appropriation | FY16 |
| Cumulative Appropriation | - | Last FY's Cost Estimate | - |
| Expenditure / Encumbrances | - | | |
| Unencumbered Balance | - | | |

PROJECT DESCRIPTION

This project reconciles the Maryland National-Capital Park and Planning Commission's CIP request with the County Executive's recommendation based on affordability considerations.



Legacy Open Space (P018710)

| | | | |
|----------------------|-------------|-----------------------------|--------------------------------|
| Category | M-NCPPC | Date Last Modified | 10/25/22 Redlined on 2/3/23 |
| SubCategory | Acquisition | Administering Agency | M-NCPPC |
| Planning Area | Countywide | Status | Ongoing |

| | Total | Thru FY22 | Rem FY22 | Total 6 Years | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 | Beyond 6 Years |
|--------------------------------------|----------------|---------------|--------------|----------------------------------|------------|------------|------------|----------------------------------|----------------------------------|----------------------------------|-----------------------------------|
| EXPENDITURE SCHEDULE (\$000s) | | | | | | | | | | | |
| Land | 91,491 | 72,118 | 2,851 | 5,344 6,655 | 570 | 700 | 724 | 1,313 1,750 | 1,124 1,564 | 913 1,350 | 11,367 9,867 |
| Other | 8,509 | 6,399 | 610 | 1,311 1,500 | 250 | 250 | 250 | 187,250 | 187,250 | 187,250 | - |
| TOTAL EXPENDITURES | 100,000 | 78,517 | 3,461 | 6,655 8,155 | 820 | 950 | 974 | 1,500 2,000 | 1,311 1,811 | 1,100 1,600 | 11,367 9,867 |

| FUNDING SCHEDULE (\$000s) | | | | | | | | | | | |
|----------------------------------|----------------|---------------|--------------|----------------------------------|------------|------------|------------|----------------------------------|----------------------------------|----------------------------------|-----------------------------------|
| Contributions | 938 | 938 | - | - | - | - | - | - | - | - | - |
| Current Revenue: General | 11,934 | 10,494 | 610 | 530 | 50 | 150 | 115 | 115 | 100 | - | 300 |
| G.O. Bonds | 54,274 | 36,076 | 2,502 | 4,859 6,359 | 500 | 500 | 559 | 1,100 1,600 | 1,100 1,600 | 1,100 1,600 | 10,837 9,337 |
| M-NCPPC Bonds | 10,796 | 8,951 | 349 | 1,266 | 270 | 300 | 300 | 285 | 111 | - | 230 |
| PAYGO | 17,855 | 17,855 | - | - | - | - | - | - | - | - | - |
| POS-Stateside (M-NCPPC Only) | 200 | 200 | - | - | - | - | - | - | - | - | - |
| Program Open Space | 4,003 | 4,003 | - | - | - | - | - | - | - | - | - |
| TOTAL FUNDING SOURCES | 100,000 | 78,517 | 3,461 | 6,655 8,155 | 820 | 950 | 974 | 1,500 2,000 | 1,311 1,811 | 1,100 1,600 | 11,367 9,867 |

| APPROPRIATION AND EXPENDITURE DATA (\$000s) | | | |
|--|--------|--------------------------|---------|
| Appropriation FY 24 Request | 950 | Year First Appropriation | FY01 |
| Cumulative Appropriation | 82,798 | Last FY's Cost Estimate | 100,000 |
| Expenditure / Encumbrances | 78,517 | | |
| Unencumbered Balance | 4,281 | | |

PROJECT DESCRIPTION

The Legacy Open Space initiative identifies open space lands that should be acquired and interpreted because of exceptional natural or cultural value to current and future generations of Montgomery County residents. The project funds acquisition (in-fee and easement) of open-space lands of countywide significance. Priorities are updated during each CIP cycle but remain flexible to allow the Montgomery County Planning Board to address development threats, opportunity acquisitions, and joint funding opportunities. The County Council encourages the Commission to seek supplemental appropriations if approved CIP funding is insufficient. Non-County funding sources are expected to contribute significantly to the Legacy Open Space program. Contributions will appear in the PDF Expenditure and Funding Schedules only if the contribution is spent by the County or M-NCPPC. Donations of land or non-County funded payments that go directly to property owners are not included. The combination of these non-County and County funds have resulted in the successful protection of over 5,400 acres of open space in the County, including over 3,850 acres of new parkland.

COST CHANGE

Addition of FY27-28, and Beyond Six Year costs adjusted to maintain the historical project balance of \$100 million.

PROJECT JUSTIFICATION

The Vision 2030 Strategic Plan for Parks and Recreation in Montgomery County (2010) and the 2017 Park, Recreation and Open Space (PROS) Plan recommend placing priority on conservation of natural open spaces, protection of heritage resources, providing critical urban open spaces, and expanded interpretive activities in parks. Legacy Open Space: Open Space Conservation in the 21st Century, approved by the Montgomery County Planning Board in October 1999. Legacy Open Space Functional Master Plan adopted by the County Council in July 2001.

FISCAL NOTE

Reduction in FY22 Current Revenue: General from non-recommended reductions, and G.O. Bonds were reduced in FY23-25 and slipped to FY26 for fiscal capacity. FY18 reduction of \$100k in Current Revenue to reflect the FY18 Savings Plan. Modifications reflect Resolution 19-322 that was approved December 10, 2019 after the Department's CIP submission in November, 2019. The resolution provided a transfer of funds to the Acquisition: Non-Local Parks CIP project related to the acquisition of park land in Wheaton.

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

Park Acquisitions 872301, Acquisition: Local Parks 767828, Acquisition: Non-Local Parks 998798, ALARF: M-NCPPC 727007, Bethesda Park Impact Payment PDF 872002, Restoration of Historic Structures 808494, State of Maryland.