

**MEMORANDUM**

April 25, 2023

TO: Economic Development (ECON) Committee

FROM: Naeem M. Mia, Legislative Analyst

SUBJECT: Amendment to the FY23-28 Capital Improvements Program (CIP) and Supplemental Appropriation to the FY23 Capital Budget: **Burtonsville Crossing Shopping Center**

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

**Those expected for this worksession:**

Greg Ossont, Deputy Director, Department of General Services (DGS)  
Rachel Silberman, Capital Budget Manager, Office of Management and Budget (OMB)

This Committee session will review and make recommendations for a new project: **Burtonsville Crossing Shopping Center**.

**I. Discussion of New Project: Burtonsville Crossing Shopping Center**

This project provides for the supplemental appropriation of \$5,000,000 of State Aid in FY23 and programs an additional \$2,000,000 in FY24. Senate Bill 291 approved grants totaling \$7,000,000 by the State of Maryland for the acquisition, design, planning, engineering, construction, repair, renovation, reconstruction, and site improvement at the Burtonsville Crossing Shopping Center, located at 15179 Old Columbia Pike in Burtonsville.

The funding for this project will be administered by DGS, which will receive requests for reimbursements from the developer (EDENS) for improvements made at the shopping center. DGS is developing internal processes and controls to monitor the administration of this funding.

Table 1 below details the recommended FY23-28 CIP expenditure schedule for this project.

**Table 1: Recommended/Amended FY23-28 Expenditure Schedule (\$000s) for White Oak Science Gateway Redevelopment Project (March 2023 Amendment)**

Cost Elements	Total 6 Years	FY23	FY24	FY25	FY26	FY27	FY28	Beyond 6-Years
Construction	7,000	5,000	2,000	0	0	0	0	0
<b>Total</b>	<b>7,000</b>	<b>5,000</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

More specifically, legislative language contained in SB 291 provides for the following uses in FY23:

- \$3,500,000 for the acquisition, design, planning, engineering, construction, repair, renovation, reconstruction, site improvement, and any costs associated with extinguishing a lease restriction at the Burtonsville Crossing Shopping Center; and
- \$1,500,000 for acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of the Burtonsville Crossing Shopping Center.

Construction is currently underway with the opening of a farmers’ market on the site expected in late 2023; see here for more details: <https://edens.com/property/burtonsville-crossing/>.

**Staff Recommendation: Council staff concurs with the Executive recommendation for this project.**

This packet contains:

1. Transmittal Memo dated April 20, 2023
2. Draft Resolution
3. Recommended FY23-28 Amended CIP

Circle #

- 1-4  
5-6  
7-8




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
County Executive

MEMORANDUM

April 20, 2023

TO: Evan Glass, President  
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Amendment to the FY23-28 Capital Improvements Program and Supplemental Appropriation #23-99 to the FY23 Capital Budget Montgomery County Government, Department of General Services Burtonsville Crossing Shopping Center (No. 362311), \$5,000,000

I am recommending a supplemental appropriation to the FY23 Capital Budget and an amendment to the FY23-28 Capital Improvements Program (CIP) in the amount of \$5,000,000 for Burtonsville Crossing Shopping Center (No. 362311). Appropriation for this project will fund capital improvements to support redevelopment in the Burtonsville area.

This increase is needed because Senate Bill 291 approved grants totaling \$5,000,000 by the State of Maryland for the acquisition, design, planning, engineering, construction, repair, renovation, reconstruction, and site improvement at the Burtonsville Crossing Shopping Center, located at 15179 Old Columbia Pike in Burtonsville.

The recommended amendment is consistent with the criteria for amending the CIP because it leverages significant State aid and supports economic development. The project supports the redevelopment of retail properties to contribute to the tax base and employment in Montgomery County.

I recommend that the County Council approve this supplemental appropriation and an amendment to the FY23-28 Capital Improvements Program in the amount of \$5,000,000 and specify the source of funds as State aid.

I appreciate your prompt consideration of this action.

Amendment to the FY23-28 Capital Improvements Program and Supplemental Appropriation  
#23-99 to the FY23 Capital Budget, Burtonsville Crossing Shopping Center (No. 362311),  
\$5,000,000  
April 20, 2023  
Page 2 of 2

ME: ad

Enclosure: Amendment and Supplemental Appropriation #23-99

cc: Marlene Michaelson, Executive Director, Montgomery County Council  
David Dise, Director, Department of General Services

Resolution: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

---

By: Council President at the Request of the County Executive

---

SUBJECT: Amendment to the FY23-28 Capital Improvements Program and Supplemental Appropriation #23-99 to the FY23 Capital Budget  
Montgomery County Government  
Department of General Services  
Burtonsville Crossing Shopping Center (No. 362311), \$5,000,000

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 six Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of seven 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>
Burtonsville Crossing Shopping Center	362311	Construction	\$5,000,000	State aid

4. This increase is needed because Senate Bill 291 approved grants totaling \$5,000,000 by the State of Maryland for the acquisition, design, planning, engineering, construction, repair, renovation, reconstruction, and site improvement at 15179 Old Columbia Pike in Burtonsville. The recommended amendment is consistent with the criteria for amending the CIP because it leverages significant State aid and supports economic development. The project supports the redevelopment of retail properties to contribute to the tax base and employment in Montgomery County.
5. The County Executive recommends an amendment to the FY23-28 Capital Improvements Program and a supplemental appropriation in the amount of \$5,000,000 for Burtonsville Crossing Shopping Center (No. 362311) and specifies that the source of funds will be State aid.
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 FY23-28 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>
Burtonsville Crossing Shopping Center	362311	Construction	\$5,000,000	State aid

This is a correct copy of Council action.

\_\_\_\_\_  
Judy Rupp, Clerk of the Council

Resolution: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

---

By: Council President at the Request of the County Executive

---

SUBJECT: Amendment to the FY23-28 Capital Improvements Program and Supplemental Appropriation #23-99 to the FY23 Capital Budget  
Montgomery County Government  
Department of General Services  
Burtonsville Crossing Shopping Center (No. 362311), \$5,000,000

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 six Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of seven 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>
Burtonsville Crossing Shopping Center	362311	Construction	\$5,000,000	State aid

4. This increase is needed because Senate Bill 291 approved grants totaling \$5,000,000 by the State of Maryland for the acquisition, design, planning, engineering, construction, repair, renovation, reconstruction, and site improvement at 15179 Old Columbia Pike in Burtonsville. The recommended amendment is consistent with the criteria for amending the CIP because it leverages significant State aid and supports economic development. The project supports the redevelopment of retail properties to contribute to the tax base and employment in Montgomery County.
5. The County Executive recommends an amendment to the FY23-28 Capital Improvements Program and a supplemental appropriation in the amount of \$5,000,000 for Burtonsville Crossing Shopping Center (No. 362311) and specifies that the source of funds will be State aid.
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 FY23-28 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>
Burtonsville Crossing Shopping Center	362311	Construction	\$5,000,000	State aid

This is a correct copy of Council action.

---

Judy Rupp, Clerk of the Council





# Burtonsville Crossing Shopping Center

(P362311)

Category	General Government	Date Last Modified	04/17/23
SubCategory	Economic Development	Administering Agency	General Services
Planning Area	Fairland-Beltsville and Vicinity	Status	Planning Stage

## EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY22	Rem FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Construction	7,000	-	-	7,000	5,000	2,000	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>7,000</b>	<b>-</b>	<b>-</b>	<b>7,000</b>	<b>5,000</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY22	Rem FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
State Aid	7,000	-	-	7,000	5,000	2,000	-	-	-	-	-
<b>TOTAL FUNDING SOURCES</b>	<b>7,000</b>	<b>-</b>	<b>-</b>	<b>7,000</b>	<b>5,000</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Appropriation FY 24 Approp. Request	2,000	Year First Appropriation	FY23
Cumulative Appropriation	5,000	Last FY's Cost Estimate	-
Expenditure / Encumbrances	-		
Unencumbered Balance	5,000		

## PROJECT DESCRIPTION

Maryland Senate Bill 291 approved grants totaling \$5,000,000 by the State of Maryland to support the acquisition, design, planning, engineering, construction, repair, renovation, reconstruction, and site improvement of the property at the Burtonsville Crossing Shopping Center. Burtonsville Crossing is an existing, largely vacant shopping center constructed circa 1988 and consists of approximately 130,000 SF of commercial space on approximately 12 acres. The project aims to revitalize the property through its renovation and re-tenanting.

The overall project scope to be undertaken by the shopping center owners, includes the following: architecturally renovated building facades and breezeways; the interior fitout and exterior facade of a new grocery store anchor; structural repairs and upgrades to the existing buildings; replacement of HVAC equipment; new roof; refurbished parking lot; refreshed and enhanced landscaping and additional trees; improved site and common area lighting and LED retrofit; demolition of approximately 7,000 square feet of the building at the center of the property; construction of a new community space and green with pedestrian connectivity to the park-and-ride and Bus Rapid Transit station at the rear of the property; and sitework to create two pads for future new buildings.

## LOCATION

---

15179 Old Columbia Pike, Burtonsville

## ESTIMATED SCHEDULE

Project implementation to begin in FY23.

## COST CHANGE

Scope increased to recognize additional state support for project implementation awarded during the 2023 Maryland General Assembly session.

## PROJECT JUSTIFICATION

The project leverages significant State aid and supports economic development of the Burtonsville area. The project supports the redevelopment of retail properties to contribute to the tax base and to employment in Montgomery County.

## FISCAL NOTE

FY23 supplemental in State Aid for the amount of \$5,000,000.

## 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 General Services