

**Public Hearing**

**MEMORANDUM**

April 17, 2009

TO: County Council

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Public Hearing:** Supplemental appropriation and amendment to the FY09-14 Capital Improvements Program of the Montgomery County Government  
Property Use Study/ Smart Growth Initiative  
GE Tech Park Building/Public Safety Headquarters  
\$12,893,000 (Source of Funds: GO Bonds and Interim Financing)

**Public Hearing:** Bill 14-09, Special Capital Improvement Project – Public Safety Headquarters

This proposed supplemental appropriation and amendment to the FY09-14 Capital Improvements Program will provide funds to enter into a lease purchase agreement for the GE Tech Park Building which will be renovated to become the Public Safety Headquarters. The total estimated cost of the project is \$107,440,000. The FY09 supplemental appropriation of \$12,893,000 will allow the county to begin renovation of the building. A FY10 appropriation of \$18,207,000 is also requested. The Public Safety Headquarters will be the site of the Montgomery County Police Department Headquarters and 1<sup>st</sup> District Police Station, Fire and Rescue Headquarters, and other county functions such as the Department of General Services.

Bill 14-09, Special Capital Improvement Project – Public Safety Headquarters, sponsored by the Council President at the request of the County Executive, was introduced on March 31, 2009. A joint Public Safety and Transportation, Infrastructure, Energy, and Environment Committee worksession on the supplemental and Bill 14-09 is tentatively scheduled for May 8 at 9:30 a.m.

Bill 14-09 authorizes the acquisition, planning, design, and construction of the Public Safety Headquarters in the North Central Transit Corridor Policy area.

**This packet contains:**            **Circle**

Supplemental and amendment - Public Safety Headquarters	1-7
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OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

MEMORANDUM

March 30, 2009

TO: Phil Andrews, President, County Council

FROM: Isiah Leggett, County Executive *Isiah Leggett*

SUBJECT: #31-S09-CMCG-6 Amendment to the FY09-14 Capital Improvements Program (\$107,440,000) and Supplemental Appropriation to the FY09 Capital Budget (\$12,893,000)  
Department of Police,  
Montgomery County Fire and Rescue Service,  
Department of General Services,  
Department of Transportation,  
Office of Emergency Management and Homeland Security  
Smart Growth Initiative - Public Safety Headquarters, PDF #470906

Last November 17, 2008, I submitted for the County Council's consideration a series of supplemental appropriation requests for the Smart Growth Initiative. One of those requests was for planning and design relating to the acquisition of a 52-acre site at 100 Edison Park Drive, known as the GE Building/GE Technology Park. The GE Building and surrounding lands will serve as a Public Safety Headquarters and provide a home for the public safety memorial.

When I initially sent my request, only preliminary design costs were included because the County had not reached agreement on the terms of purchase for the GE Building. We have now reached agreement on the substantive terms of a lease and purchase contract. Under this arrangement, the County will initially lease the GE Tech Building from GXS for two to five years. We will purchase the building from the owner within the two to five year window, at a time that is suitable to the County.

This structure offers a number of benefits to the County. GXS, the long-term tenant of the building, will sublet the building to us on very favorable terms and move out to enable us to expeditiously create our Public Safety Administrative headquarters, including a new crime lab on the top floor of the new building. We will move out of several leased spaces into the consolidated space. The purchase price is based upon the County's appraised value for the building, and the owner of the building has agreed to hold that price firm, without escalation, until May 2014.

Once we have possession of the site, we will also move forward with the creation of the long-awaited public safety memorial. A further benefit of this deal is that it enables the County to get out of Orchard Ridge Drive to enable MedImmune to expand its operations.

Phil Andrews, President, County Council  
March 30, 2009  
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In order to complete the required building system replacements and upgrades (tenant improvements) and planning and design for build out, a FY09 supplemental of \$12,893,000 is requested. The purchase price for the building and land is \$76,340,000. There is an additional \$18,207,000 to construct specialized tenant improvements, including a new crime lab with expansion capabilities. The entire cost of the proposal including land, build out, and acquisition is estimated at \$107.4 million. Of this amount, we estimate that approximately \$5,000,000 will go to local area businesses under the County's Local Small Business Reserve Program.

The FY09 supplemental appropriation is required to enable us to move forward with a lease with GXS. Timing is significant both to GXS's commitment to beneficial lease terms and to our ability to satisfy the needs of MedImmune, an important economic asset, for expanded space. MedImmune recently purchased the Orchard Ridge building and would like us to vacate before our August 2013 lease termination. It is offering the County \$300,000 in relocation assistance, but only if we can vacate by July 2009.

I am recommending an amendment to the FY09-14 Capital Improvements Program (\$107,440,000) and supplemental appropriation to the FY09 Capital Budget (\$12,893,000) for the Public Safety Headquarters (Project #470906). This recommendation replaces my previous request on November 17, 2008 for preliminary project funding of \$1,674,000.

As described above, the supplemental appropriation will provide for land and building acquisition, planning, design, and construction for the relocation of public safety facilities (along with other miscellaneous lease consolidation opportunities) to 100 Edison Park Drive in Gaithersburg, known as the GE Building/GE Technology Park. Specifically, facilities and programs to be relocated from their current location as part of this project include: the Montgomery County Police Headquarters from Research Boulevard; the Montgomery County Fire and Rescue Service from the Executive Office Building; the Office of Emergency Management and Homeland Security; some divisions of the Department of Transportation and the Department of General Services; and the 1st District Police Station.

The recommended amendment is consistent with the criteria for amending the CIP because the project supports significant economic development initiatives which strengthen the fiscal capacity of the County government, and offers a significant opportunity which will be lost if not taken at this time.

I recommend that the County Council approve this supplemental appropriation and amendment to the FY09-14 Capital Improvements Program. I am also forwarding Special Capital Improvements Project Legislation under separate cover.

I appreciate your prompt consideration of this action.

IL: aa

c: Joseph F. Beach, Director, Office of Management and Budget  
Jennifer Barrett, Director, Finance  
David Dise, Director, Department of General Services  
Arthur Holmes, Director, Department of Transportation  
Thomas Manger, Chief, Department of Police  
Richard Bowers, Interim Chief, Montgomery County Fire and Rescue Service  
Diane Jones, Assistant Chief Administrative Officer  
Kathleen Boucher, Assistant Chief Administrative Officer

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

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: #31-S09-CMCG-6 - Amendment to the FY09-14 Capital Improvements Program (\$107,440,000) and Supplemental Appropriation to the FY09 Capital Budget (\$12,893,000)  
Department of Police,  
Montgomery County Fire and Rescue Service,  
Department of General Services,  
Department of Transportation,  
Office of Emergency Management and Homeland Security  
Smart Growth Initiative - Public Safety Headquarters, PDF #470906

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>
Public Safety Headquarters	470906	Planning, Design Supervision and Construction	\$2,017,000 \$10,876,000	GO Bonds Interim Financing

4. The supplemental appropriation will provide for building and land acquisition, planning, design and construction for the relocation of public safety facilities (along with other miscellaneous lease consolidation opportunities) to 100 Edison Park Drive in Gaithersburg, known as the GE Building/GE Technology Park. Specifically, facilities and programs to be relocated from their current location as part of this project include: the Montgomery County Police Headquarters from Research Boulevard; the Montgomery County Fire and Rescue Service from the Executive Office Building; the Office of Emergency Management and Homeland Security; some divisions of the Department of Transportation and the Department of General Services; and the 1st District Police Station.
5. The recommended amendment is consistent with the criteria for amending the CIP because the project supports significant economic development initiatives which strengthen the fiscal capacity of the County government, and offers a significant opportunity which will be lost if not taken at this time.
6. The County Executive recommends an amendment to the FY09-14 Capital Improvements Program and a supplemental appropriation in the amount of \$12,893,000 and specifies the source of funds as G.O. Bonds and Interim Financing.
7. 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 FY09-14 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description forms 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>
Public Safety Headquarters	470906	Planning, Design Supervision and Construction	\$2,017,000 \$10,876,000	GO Bonds Interim Financing

This is a correct copy of Council action.

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Linda M. Lauer, Clerk of the Council

**SUPPLEMENTAL OR SPECIAL APPROPRIATION REQUEST SUMMARY****1. Please fill in the following table:**

Agency	Various
Department	Various
Fund (County Government only)	CIP
Fiscal year	FY09
Supplemental or Special	Supplemental

**2. What is the amount and source of funding?**

Source of funding (Please list sources)	Amount
G.O. Bonds	\$2,017,000
Interim Financing	\$10,876,000
Total request	\$12,893,000

**3. Please explain why you did not request this during the annual budget process.**

The Smart Growth Initiative program was not ready for inclusion in the Capital Improvement Program at the start of the budget process as planning was still in process.

# Public Safety Headquarters -- No. 470906

Category  
Subcategory  
Administering Agency  
Planning Area

Public Safety  
Other Public Safety  
General Services  
North Central Transit Corridor

Date Last Modified  
Required Adequate Public Facility  
Relocation Impact  
Status

March 26, 2009  
No  
None.  
Planning Stage

### EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY07	Est. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	2,413	0	0	2,413	919	1,107	387	0	0	0	0
Land	76,340	0	0	76,340	0	0	0	0	0	76,340	0
Site Improvements and Utilities	234	0	0	234	0	88	146	0	0	0	0
Construction	24,630	0	0	24,630	0	15,442	9,188	0	0	0	0
Other	3,823	0	0	3,823	55	316	3,452	0	0	0	0
<b>Total</b>	<b>107,440</b>	<b>0</b>	<b>0</b>	<b>107,440</b>	<b>974</b>	<b>16,953</b>	<b>13,173</b>	<b>0</b>	<b>0</b>	<b>76,340</b>	<b>0</b>

### FUNDING SCHEDULE (\$000)

G.O. Bonds	78,357	0	0	78,357	974	1,043	0	0	0	76,340	0
Short-Term Financing	29,083	0	0	29,083	0	15,910	13,173	0	0	0	0
<b>Total</b>	<b>107,440</b>	<b>0</b>	<b>0</b>	<b>107,440</b>	<b>974</b>	<b>16,953</b>	<b>13,173</b>	<b>0</b>	<b>0</b>	<b>76,340</b>	<b>0</b>

#### DESCRIPTION

This project is part of the Smart Growth Initiative Program and provides for acquisition, planning, design and construction for the relocation of a number of County facilities to 100 Edison Park Drive in Gaithersburg known as the GE Building/GE Technology Park. Facilities and programs to be relocated from their current location as part of this project include: the Montgomery County Police Headquarters from Research Blvd., the Montgomery County Fire and Rescue Service from the Executive Office Building; the Office of Emergency Management and Homeland Security; some divisions of the Department of Transportation and the Department of General Services; and the 1st District Police Station. The project will also provide for the relocation of other County functions currently in leased facilities. A public safety memorial will be constructed in coordination with the Public Arts Trust.

The property will be acquired under the lease purchase agreement described in the Fiscal Note below.

#### JUSTIFICATION

##### Montgomery County Police Headquarters

The Montgomery County Police Headquarters located at 2350 Research Boulevard is crowded and in need of major physical plant repairs and improvements. The building is in generally poor condition. The facility houses a mix of sworn and civilian units, but lacks the separation of law enforcement functions. The building also houses the Forensic unit and the crime laboratories. Because of the lack of space at the current site the Police Department has many of its functions dispersed to other locations in rented space.

##### Montgomery County Fire and Rescue Service Headquarters

The Montgomery County Fire and Rescue Service Headquarters is located at 101 Monroe Street on the 12th floor of the Executive Office Building (EOB). The space currently houses the Fire Chief, all five department division chiefs, and other key uniformed and administrative staff. However, due to facility and space limitations, other operational and administrative staff are located off-site. This creates inefficiencies for the day-to-day operations of the department. Also the EOB does not provide for needed 24/7 emergency response requirements and adequate parking accommodation.

##### 1st District Police Station

The 1st District Police Station was constructed in 1963 and is about 15,752 square feet while the current needs are about 32,000 square feet. To help with the need for office space, the Police Department has placed a trailer on the site behind the main building. Twenty staff members use this trailer for office space. Based on a recent County study (Facility Condition Assessment, January 2005), the building is in need of major maintenance including new windows and a new roof. The planning and design for a new 1st District Station was approved under Project No. 470703 with the location and schedule to be determined. The GE Technology Park Site is a prime location for this facility.

These public safety facilities are in aging undersized buildings that are in need of extensive rehabilitation. Due to significant ongoing interaction between the Police Department, Fire and Rescue Service, and Homeland Security, these agencies would benefit from co-locating their administrative functions to facilitate their ongoing interaction and to enable the sharing of resources and support services. This co-location will be efficient operationally and will eliminate regular travel between agencies.

##### Other leased facilities

There are number of County operations that are currently located in various leased facilities. This project will also provide for the relocation of a number of leased facilities which will reduce the County's long term lease costs.

APPROPRIATION AND EXPENDITURE DATA	COORDINATION	MAP
Date First Appropriation      FY09      (\$000)	Department of General Services	
First Cost Estimate	Department of Transportation	
Current Scope                      FY09      107,440	Department of Police	
Last FY's Cost Estimate              0	Montgomery County Fire and Rescue Service	
Appropriation Request              FY09      12,893	Department of Permitting Services	
Appropriation Request Est.        FY10      18,207	Department of Finance	
Supplemental Appropriation Request      0	Department of Technology Services	
Transfer                                      0	Office of Management and Budget	
Cumulative Appropriation              0	Washington Suburban Sanitary Commission	
Expenditures / Encumbrances        0	Special Capital Projects Legislation will be proposed by the County Executive	
Unencumbered Balance                0		
Partial Closeout Thru                  FY06      0		
New Partial Closeout                  FY07      0		
Total Partial Closeout                0		

## Public Safety Headquarters -- No. 470906 (continued)

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Plans and studies for this project include: "Program of Requirements for The Police-Fire-Rescue Service-Homeland Security Department's Headquarters Facility and Police First District Station", September 2006; M-NCPPC Shady Grove Sector Plan, approved by the Montgomery County Council, January 2006, adopted by the M-NCPPC, March 15, 2006; "Montgomery County Property Use Study Updated Briefing to County Council", April 29, 2008 (based on Staubach Reports); "Montgomery County Smart Growth Initiative Update to County Council", September 23, 2008.

### OTHER

The FY09 appropriation includes \$2.4 million for Planning and Design and \$10.5 million for building system replacements and upgrades.

-A pedestrian impact analysis will be completed for this project during the design phase.

### FISCAL NOTE

The County intends to enter into a triple net sublease-purchase agreement which will allow it to exercise its' purchase option at any time before April 30, 2014. Ongoing financial analysis will determine when it is in the best interest of the County to acquire the property.

Interim financing will be used for land acquisition in the short term, with permanent funding sources to include G.O. Bonds and Land Sale Proceeds.

The approved 1st District Police Station project (No. 470703) will be closed out.

Bill No. 14-09  
Concerning: Special Capital  
Improvement Project – Public Safety  
Headquarters  
Revised: 3-30-09 Draft No. 1  
Introduced: March 31, 2009  
Expires: October 1, 2010  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: \_\_\_\_\_  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Council President at the Request of the County Executive

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**AN ACT** to: authorize the acquisition, planning, design, and construction of the Public Safety Headquarters in the North Central Transit Corridor Policy area.

By adding to the laws of Montgomery County 2009

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

1           **Sec. 1. The laws of Montgomery County, 2009, are amended to read as follows:**

2           Montgomery County is authorized to plan, design, acquire building and land, and construct  
3 the Public Safety Headquarters in the North Central Transit Corridor area. This authorization  
4 includes all necessary planning, design, land and building acquisition, site improvements, and  
5 utilities.

6           *Approved:*

7

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Philip M. Andrews, President, County Council

Date

8           *Approved:*

9

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Isiah Leggett, County Executive

Date

10           *This is a correct copy of Council action.*

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Linda M. Lauer, Clerk of the Council

Date

## LEGISLATIVE REQUEST REPORT

14-09

### *Special Capital Improvements Project – Public Safety Headquarters*

<b>DESCRIPTION:</b>	The County Executive requests that capital project No. 470906, Public Safety Headquarters, be authorized as a “Special Capital Improvements Project” under §302 of the County Charter and §20-1 of the County Code.
<b>PROBLEM:</b>	§302 of the County Charter and §20-1 of the County Code require certain capital improvement projects to be individually authorized by law if the locally-funded cost is projected to exceed \$13,761,390 in FY09 dollars. The estimated locally-funded cost of this project in the County Executive’s Recommended FY09 Capital Budget and FY09-14 Capital Improvements Program (CIP) is \$107,440,000 for planning, design, land and building acquisition, site improvement and utilities, and construction.
<b>GOALS AND OBJECTIVES:</b>	This project covers the land and building acquisition, planning, design and construction of the Public Safety Headquarters.
<b>COORDINATION:</b>	Department of General Services, Department of Transportation, Department of Police, Fire and Rescue Service, Department of Permitting Services, Department of Finance, Department of Technology Services, Office of Management and Budget, and Washington Suburban Sanitary Commission.
<b>FISCAL IMPACT:</b>	The total estimated cost for this project is \$107,440,000. Of this, \$2,413,000 is for planning, design, and supervision; \$76,340,000 is for building and land acquisition; \$234,000 is for site improvements and utilities; \$24,630,000 is for construction; and \$3,823,000 is for other activities. The estimated locally-funded cost is \$107,440,000. The funding sources for this project are \$78,357,000 of General Obligation Bonds and \$29,083,000 of Interim Financing.
<b>ECONOMIC IMPACT:</b>	The project will relocate the following facilities and programs from their current location to 100 Edison Park Drive in Gaithersburg, known as the GE Building/GE Technology Park: the Police Headquarters from Research Boulevard; the Fire and Rescue Service from the Executive Office Building; the Office of Emergency Management and Homeland Security; some divisions of the Department of Transportation and the Department of General Services; and the 1st District Police Station.
<b>EVALUATION:</b>	Capital projects are evaluated biennially by the County Executive and County Council as part of the Capital Improvements Program review.
<b>EXPERIENCE ELSEWHERE:</b>	Not Applicable.
<b>SOURCE OF INFORMATION:</b>	Department of General Services.
<b>APPLICATION WITHIN MUNICIPALITIES:</b>	Not Applicable.
<b>PENALTIES:</b>	None Required.



OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

MEMORANDUM

March 30, 2009

TO: Phil Andrews, President, County Council  
FROM: Isiah Leggett, County Executive *Isiah Leggett*  
SUBJECT: Special Capital Improvements Project Legislation

2009 MAR 27 PM 4:23  
MONTGOMERY COUNTY  
COMMUNICATIONS

In accordance with Section 302 of the County Charter and Section 20-1 of the Montgomery County Code, I am forwarding the attached Special Capital Improvements Project Legislation Authorization and Legislative Request Report for the following project:

Public Safety Headquarters (No. 470906).

This request is necessary because the local cost of the project exceeds the FY09 Special Capital Improvements Project Legislation threshold of \$13,761,390 as set by Executive Order 2-08. The purpose of the project is set forth below.

The Public Safety Headquarters project provides for land and building acquisition, planning, design, and construction for the relocation of a number of County facilities to 100 Edison Park Drive in Gaithersburg, known as the GE Building/GE Technology Park.

I recommend prompt passage of this legislation so as to advance these projects.

IL:aaa

Attachments