

Worksession

MEMORANDUM

May 7, 2009

TO: County Council *PJB*  
FROM: Peggy Fitzgerald-Bare, Council Grants Manager  
SUBJECT: **CIP Amendment: Cost Sharing: Montgomery County Government  
Community Grant State Match Projects**

Those expected to attend this worksession include:

Beryl L. Feinberg and Pooja Bharadwaja , Office of Management and Budget

**The committee recommended approval (3-0)\* of three projects listed below:**

Aunt Hattie's Place, Inc.**	To provide matching funds to complete the construction of a group home for boys in foster care in Sandy Spring	\$100,000
CASA de Maryland, Inc.	To provide renovation of Multicultural Center (former McCormick-Goodhart Mansion)	\$100,000
Jewish Council for the Aging of Greater Washington, Inc.	To provide for capital renovations of a new elevator shaft and the purchase and installation of an ADA approved elevator cab in recently purchased building.	\$50,000

(\* See page two of this memo for Councilmember Berliner's current position.)

**\*\* The Committee also recommended:**

1. **Delete the following PDF language from the approved FY09 funds for Aunt Hattie's Place:**

*“For FY09 this project includes \$250,000 for Aunt Hattie’s Place, Inc. FY09 funds for this item must only be spent on construction. Also, the organization must demonstrate to the County’s satisfaction that it has commitments for the entire funding needed to construct the project before the \$250,000 in County funds can be spent.”*

**The applicant stated that if this restriction is lifted, along with approval of the additional recommended funds for FY10, the applicant will be able to construct the shell of the home. The applicant believes that with construction of the shell the organization will be in a strong position to secure the additional funds from private and other sources that are needed to complete the construction of the project.**

**2. The Committee recommended retaining the following PDF language from the approved FY09 funds for Aunt Hattie’s Place and to add it as a condition for the FY10 funds as well.**

*“Disbursement of FY09 County funds is conditioned on the owner of the property giving the County an appropriate covenant restricting the use of the leased property to a foster home for boys for a period of ten years from the time the facility commences to operate as a foster home.”*

**\*Subsequent to the Committee meeting Councilmember Berliner indicated that he wishes to change his position. Councilmember Berliner supports approving the \$100,000 for FY10 for Aunt Hattie’s Place but to retain all of the conditions for use of the funds imposed by the Council last year and to include all of them as conditions for use of the FY10 funds (items #1 and #2 above). This would mean that the organization would need to demonstrate that it had commitments for the entire funding needed to construct the project, but after having demonstrated this commitment, \$350,000 in FY09/ FY10 County funds would be available for the project.**

**Items not reviewed by the Committee**

**Councilmember Knapp is requesting Council approval of an additional \$38,000 in FY10 for the Boys and Girls Club gymnasium project in Germantown. This project is in the Cost Sharing: MCG CIP amendment that is under consideration today and may be further revised by the Council. The Council approved \$250,000 for this project in FY09. A memorandum from Councilmember Knapp on ©3 provides further information. The Health and Human Services Committee did not review Councilmember Knapp’s request.**

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**Further information on each of the three projects reviewed by the Committee is contained below. The Project Description Form is on ©1-2.**

**CASA OF MARYLAND**

**CE Recommendation: \$100,000**

**Project Description:** CASA of Maryland requests funds to assist with the **renovation of the historic McCormick-Goodhart Home in Langley Park**, in Prince Georges County, just across the Montgomery County line. In the renovated building CASA will create a Multicultural Center, a 21,000 square foot community center, which will also house several nonprofits, provide ESOL, educational, workforce and economic development programs to low income and immigrant residents, as well as serve as CASA's headquarters. CASA anticipates serving 6000 individuals through the new Center, 3000 of whom will be new clients to CASA. CASA anticipates obtaining LEED gold certification for this project. The organization has also succeeded in having the McCormick-Goodhart home included in the National Register of Historic Places.

CASA states that the Center will open in February 2010, a somewhat later opening date than was projected last spring. Renovations began in December 2008. **The organization states that it has raised \$12.8 million of the projected total cost of \$13.8 million, in staff's view, a considerable achievement. The estimated total cost of the project is \$1 million higher than estimated last year. Last year, for FY09, the Council approved \$150,000 for this project; the Council also approved \$100,000 for the project in FY07.**

**Committee recommendation: Approve (3-0)**

*(Staff recommendation: For fiscal reasons, do not approve County Executive's recommendation of \$100,000. This is a very worthwhile project and the organization has raised almost all of the needed funds from a very diverse array of funding sources. The County has already provided \$250,000 towards this project, and staff believes the organization can raise the remaining \$1,000,000 needed from other sources.)*

**Jewish Council for the Aging**

**CE Recommendation: \$50,000**

**Project Description:** The Jewish Council for the Aging (JCA) requests County funds to **assist with the build-out of a new elevator shaft and purchase and installation of an ADA-approved elevator cab in its newly purchased building in Rockville.** JCA indicates that its building does have elevator access to the entry level and upper floor but not to the terrace level of the building. They also note that the elevator cab is not ADA compliant, having been installed more than 25 years ago. Their proposal indicates that

the funds available to JCA initially allowed for the purchase of the building and renovations to the entry level and upper level but not the terrace level. The proposal also states that ADA compliant elevator access to the terrace level is needed to “maximize the potential for the expansion of key JCA programs critical to the needs of County Seniors.” They specifically mention four programs: a second site for a senior day center, a new employment training program for seniors, expansion of a senior tech computer training center, and a new publication center.

**Last year the Council approved \$250,000 (\$150,000 more than recommended by the Executive) to assist JCA with the purchase of a building.** JCA has purchased the building, undertaken certain renovations, and has already consolidated several of its services at the facility. The building will become a Center for Productive Aging, the headquarters of the organization and a permanent home for many of its programs, including extensive transportation services and a secured location for its ElderBus fleet. In the building JCA has also provided the Nonprofit Village with 12,000 square feet of below-market space. The Nonprofit Village in turn is developing this space as a multi-tenant nonprofit center similar to a business incubator and it will provide office space for 14-16 nonprofits.

**Last year, JCA estimated the total cost for the project as \$10 million, with approximately \$6 million for purchase, \$3 million for renovations, and \$1 million for equipment.** However, they also indicated that since they had not acquired a specific property at the time of their request, purchase price and renovation needs could only be general estimates at that time. They also stated that they were in the ‘silent stage’ of a capital campaign to raise the funds necessary for the building purchase, renovation, and equipment. The organization also planned to seek a short term mortgage/loan for a portion of the project. While the elevator project was included in the renovation plans, the cost of building the shaft, in particular to handle an ADA-approved elevator, turned out to be much more complicated than originally anticipated, as often happens in renovations of older buildings.

**JCA indicates that the FY10 approved State Capital budget provides an additional \$275,000 for the renovation of the terrace level but that these funds are not sufficient to cover the costs of the elevator project. The organization proposes to provide \$70,000 toward the total cost of the elevator project of \$120,000.**

**Committee Recommendation: Approve (3-0)**

*(Staff recommendation: For fiscal reasons, do not approve County Executive’s recommendation of \$50,000. While there will clearly be programmatic benefits to greater access to the terrace level, it is not clear when those program expansions will occur given the current state of the economy. The Council has already provided \$250,000 towards the overall facility project, and staff believes the organization can raise the remaining funds needed from other sources.)*

## Aunt Hattie's Place

### **CE Recommendation: \$100,000**

Aunt Hattie's Place, Inc. **requests \$200,000 in County funds to assist with the construction of a group home for 8 boys in foster care.** The organization also submitted a separate Council grant request for \$250,000 for start-up staff expenses for operation of the group home as State reimbursements lag needed start-up expenses. The home is in Sandy Spring and would serve youth ages 9-18. The organization notes that there are more foster children in need of placements in Montgomery County than there is bed capacity in the County. Some of these children have been placed out of County, making visits and relationships with family members and other supports very difficult. The proposal also states that it intends to incorporate 'green' building features and will seek LEED certification. This project was initiated in 2005, received County funding in FY 06 & 07, and has been delayed with lengthy land use approvals. As a result of delays construction costs have increased significantly.

**Last spring, the Committee and Council discussed this project at length. Ultimately, the Council approved \$250,000 for FY09 for this project but with the following language included in the Project Description Form:**

*“For FY09 this project includes \$250,000 for Aunt Hattie's Place, Inc. FY09 funds for this item must only be spent on construction. Also, the organization must demonstrate to the County's satisfaction that it has commitments for the entire funding needed to construct the project before the \$250,000 in County funds can be spent. Disbursement of FY09 County funds is conditioned on the owner of the property giving the County an appropriate covenant restricting the use of the leased property to a foster home for boys for a period of ten years from the time the facility commences to operate as a foster home.”*

**For FY10 a State Bond bill was submitted for the organization for \$450,000 but the General Assembly did not approve the funding.**

**Recent information provided by the organization states that it is undertaking an aggressive private building campaign with a goal of raising \$600,000. The organization reports having received substantial in-kind donations of \$680,000 applied toward design and regulatory approval costs. They also have utilized \$432,718, out of \$550,000 in County funds approved in FY06 and FY07, primarily for design and regulatory approval costs. They believe that they may be able to reduce their construction costs to \$1,890,000 through competitive bidding, scope changes and additional in-kind donations.**

**The organization still has a significant shortfall in needed funding for the construction of the home, currently estimated at \$1.89 million, despite \$800,000 in County funds approved to date.**

**Project Budget (Construction only):**

Prior State Bond Bill funding	\$550,000
Available FY06/07 County funding (unrestricted)	117,282
FY09 County Funds (restricted)	250,000
FY10 County Funds (rec.)	100,000

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**Funds to be raised (est.)** **872,718**

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Total Construction Project Budget \$1,890,000

**Committee Recommendation: Approve (3-0) and delete restrictions on use of FY09 funds with exception of language requiring a covenant restricting use of property to a foster home for boys for 10 years. The Committee recommends retaining this language in the PDF.**

*(Staff Recommendation: Staff does not recommend funding this request. There is a significant shortfall in needed funding for the project, as the State Bond Bill was not approved. Use of last year's Council-approved funding for this project was contingent upon the organization obtaining commitments for the entire amount needed for construction. That has not occurred so it does not seem consistent to approve additional funding at this time. Also, while staff understands the critical need for services and placements to foster care youth, the project is a significant expenditure to serve eight youth.)*

**Attachments:**

- ©1-2 CIP Amendment Cost-Sharing Project Description Form
- ©3 Councilmember Knapp Memorandum

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# Cost Sharing: MCG -- No. 720601

Category  
Subcategory  
Administering Agency  
Planning Area

Culture and Recreation  
Recreation  
Recreation  
Countywide

Date Last Modified  
Required Adequate Public Facility  
Relocation Impact  
Status

March 18, 2009  
No  
None.  
On-going

## EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY08	Rem. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	1,022	1,022	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	4	4	0	0	0	0	0	0	0	0	0
Construction	950	950	0	0	0	0	0	0	0	0	0
Other	7,729	0	454	7,275	5,475	400	1,400	0	0	0	0
<b>Total</b>	<b>9,705</b>	<b>1,976</b>	<b>454</b>	<b>7,275</b>	<b>5,475</b>	<b>400</b>	<b>1,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## FUNDING SCHEDULE (\$000)

Current Revenue: General	4,315	1,976	14	2,325	1,925	400	0	0	0	0	0
Economic Development Fund	1,400	0	0	1,400	0	0	1,400	0	0	0	0
G.O. Bonds	140	0	140	0	0	0	0	0	0	0	0
Long-Term Financing	3,850	0	300	3,550	3,550	0	0	0	0	0	0
<b>Total</b>	<b>9,705</b>	<b>1,976</b>	<b>454</b>	<b>7,275</b>	<b>5,475</b>	<b>400</b>	<b>1,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**DESCRIPTION**

This project provides funds for the development of non-government projects in conjunction with public agencies or the private sector. County participation leverages private and other public funds for these facilities. Prior to disbursing funds, the relevant County department or agency and the private organization will develop a Memorandum of Understanding which specifies the requirements and responsibilities of each.

**COST CHANGE**

Increase represents the County's contribution to Aunt Hattie's Place, CASA de Maryland, Inc., Jewish Council for the Aging of Greater Washington, Inc., and the Warren Historical Site Committee, Inc.

**JUSTIFICATION**

The County has entered into or considered many public-private partnerships, which contribute to the excellence and diversity of facilities serving County residents.

**OTHER**

\$3,550,000 was programmed in FY09 for the music venue in Silver Spring. \$150,000 was expended out of the Economic Development Fund in FY07 for a feasibility study for a music venue, and \$300,000 was programmed in FY08, bringing the total County match to the State to \$4,000,000. The remaining funds will not be expended until an agreement is reached between the development partners and the County, which includes Council review and approval of the general business terms. The County will own the facility and will fund its contribution with short-term financing proceeds consistent with the terms of the lease agreement with the operator of the music venue.

For FY10, County participation is anticipated for the following projects in these amounts:

- Aunt Hattie's Place: \$100,000
- CASA de Maryland, Inc: \$100,000
- Jewish Council for the Aging of Greater Washington, Inc: \$50,000, and
- Warren Historical Site Committee, inc: \$150,000.

For FY11, County participation is anticipated for the following projects in these amounts:

- Adventist HealthCare: \$1,400,000

The Adventist HealthCare Project provides incentive funding to assist with the rehabilitation and reuse of Columbia Union College's defunct sport facility building, in close proximity to the Washington Adventist Hospital, into a primary care clinic that will be approximately 5,180 square feet. The original project entailed construction of a medical office building at 8702 Flower Avenue in the Long Branch community, for which the County initially committed to fund the project with \$700,000 for each of the three years from FY07-FY09 for a total of \$2,100,000. During FY08, the project was substantially delayed due to legal proceedings. The previously programmed \$1,400,000 had been deferred to FY10 and the additional \$700,000 was to be programmed in later years. With no definite timeline on when the legal proceedings will conclude, and the concern of delivering the necessary bank financing to construct the original project in the current market conditions, the Washington Adventist Hospital has identified an alternative option of rehabilitating an existing facility to expedite the delivery of the clinic. Continued support of this clinic project underscores the County's commitment to place much needed health care facility in the Long Branch area. Based on the current project scope and time line, Adventist HealthCare Project will require a total of \$1.4 million from the County in FY11 to complete the clinic.

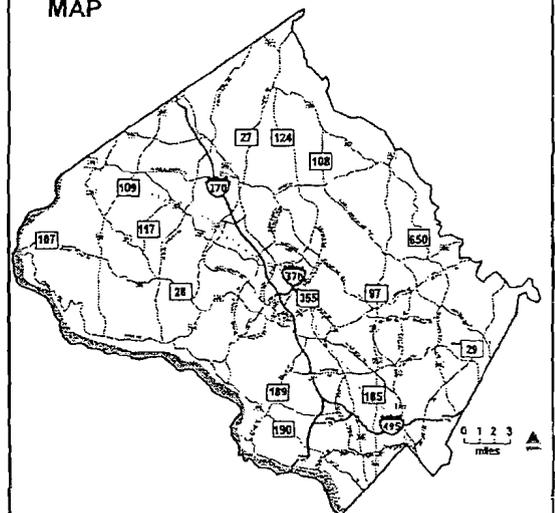
**APPROPRIATION AND EXPENDITURE DATA**

Date First Appropriation	FY06	(\$000)
First Cost Estimate	FY10	9,705
Current Scope		9,305
Last FY's Cost Estimate		9,305
Appropriation Request	FY10	400
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		7,765
Expenditures / Encumbrances		3,907
Unencumbered Balance		3,858
Partial Closeout Thru	FY07	0
New Partial Closeout	FY08	0
Total Partial Closeout		0

**COORDINATION**

- Private organizations
- State of Maryland
- Municipalities
- Montgomery County Public Schools
- Community Use of Public Facilities
- Department of General Services
- Department of Economic Development

**MAP**



## Cost Sharing: MCG -- No. 720601 (continued)

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EDF funds will not be expended until there is an agreement between Adventist HealthCare, the Columbia Union College, and the County specifying the project scope, timeline, cost, and the specific performance requirements including fiscal analysis and job generation.

The Old Blair Auditorium Project (a private, non-profit organization) received State bond bill funding of \$600,000 for the renovation of the Old Blair High School Auditorium. The County is providing \$190,000 as a partial match for the State funds with \$50,000 in current revenue in FY06-FY07 for DPWT to develop a Program of Requirements and cost estimate for the project, and a programmed FY06-FY07 bond funded expenditure of \$140,000 to pay for part of the construction. The Council will consider appropriating the \$140,000 after: a) facility planning is complete and the full cost of the renovation is known; b) the County, MCPS, and the Old Blair Auditorium Project resolve issues about management of the renovation project, operation of the facility, and parking for the facility; and c) the Old Blair High School Auditorium project raises the remaining \$410,000 required to match the State funding. MCPS has included funds for a feasibility study for the auditorium in its Facility Planning project (No. 966553). During the study, MCPS will work with the community to develop a new program of requirements for the auditorium.

### OTHER DISCLOSURES

- A pedestrian impact analysis will be performed during design or is in progress.

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MONTGOMERY COUNTY COUNCIL  
ROCKVILLE, MARYLAND

MICHAEL KNAPP

MEMORANDUM

May 6, 2009

TO: Councilmembers

FROM: Mike Knapp, Councilmember, District 2 

SUBJECT: MCG Cost Sharing Amendment

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I would like to recommend that the Council consider adding \$38,000 to the Cost Sharing pdf for the Boys and Girls Club of Greater Washington as continued support for their Germantown expansion project. This organization has filled a gap for youth services in our community and their need for additional space is reflective of their success.

Thank you for your consideration.