

AGENDA ITEM #6
April 28, 2015
Action

MEMORANDUM

April 24, 2015

TO: County Council
FROM: ^{GO} Glenn Orlin, Deputy Council Administrator
SUBJECT: **Action**

- A. Special appropriation to the County Government's FY15 Capital Budget and amendment to the FY15-20 Capital Improvements Program, Department of General Services - \$296,000 for Council Office Building Renovations project (Source: General Obligation bonds)
- B. Special appropriation to the County Government's FY15 Capital Budget and amendment to the FY15-20 Capital Improvements Program, Department of General Services - \$750,000 for Grey Courthouse and Red Brick Courthouse Renovations project. (Source: General Obligation bonds)
- C. Amendment to the County Government's FY15-20 Capital Improvements Program, and transfer to Council Office Building Renovations project - Department of General Services - Montgomery County Government Complex project

Councilmembers: Please bring to the meeting the packet for April 22 GO Committee Item #6.

Government Operations & Fiscal Policy (GO) Committee recommendation (3-0): Approve the proposed amendment to Council Office Building Renovations on ©A with these additions to the project:

- **Creating a furnished lobby at the 3rd Floor entrance, including removal of the former reception counter: \$40,000.**
- **Repainting 2nd and 3rd Floor public area hallways: \$35,000.**
- **Removing wallpaper and painting cafeteria: \$35,000.**
- **Replacing signs on the first, second and third floors with 4 digital signboards, located at the 3rd Floor front entrance, the 2nd Floor cafeteria entrance, the 2nd Floor entrance by the guard desk, and the 1st floor entrance by the auditorium: \$80,000.**
- **Improving directional signage from the parking garage to the 1st and 2nd Floor entrances: \$25,000.**

The cost of the project has been updated, including the moving and related costs for the Department of Housing and Community Affairs. **Approve an amendment to the Montgomery County Government Complex project and a transfer of \$2,993,000 appropriation authority to the Council Office Building Renovations project (©B).**

The total cost of this action is \$31,968,000, of which \$6,000,000 will be funded with energy savings under an energy savings performance contract (ESPC). Furthermore, the project will utilize \$184,000 in unencumbered funds from the 3rd Floor Hearing Room renovations completed in 2009 and the transfer of \$2,993,000 in unencumbered funds from the Montgomery County Government Complex project. Therefore, the draw on the FY15-20 spending affordability guidelines and targets is \$22,791,000. The project will be completed in the late spring/early summer of 2017.

A full description and analysis of the two projects is included in the packet for the GO Committee meeting of April 22, and can be viewed here:

http://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2015/150422/20150422_GO6.pdf.

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Council Office Building Renovations (P010100)

Category
Subcategory
Administering Agency
Planning Area

General Government
County Offices and Other Improvements
General Services
Rockville

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

April 22, 2015
No
None
Preliminary Design Stage

Expenditure Schedule (\$000)

Cost Element	Total	Thru FY13	Est. FY14	Total 6 Years	FY15	FY16	FY17	FY18	FY19	FY20	Beyond 6 Years
Planning, Design, and Supervision	6,509	669	0	5,840	1,473	2,420	1,947	0	0	0	0
Land	4	4	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	2	2	0	0	0	0	0	0	0	0	0
Construction	27,398	3,270	0	24,128	0	13,431	10,697	0	0	0	0
Other	2,003	3	0	2,000	0	0	2,000	0	0	0	0
Total	35,916	3,948	0	31,968	1,473	15,851	14,644	0	0	0	0

Funding Schedule (\$000)

GO Bonds	28,964	3,048	0	25,916	1,473	15,851	8,592	0	0	0	0
Long Term Financing	6,000	0	0	6,000	0	0	6,000	0	0	0	0
Cable TV	952	900	0	52	0	0	52	0	0	0	0
Total	35,916	3,948	0	31,968	1,473	15,851	14,644	0	0	0	0

DESCRIPTION

The project is in two phases. The first phase renovated the hearing room, conference room, and anteroom on the third floor of the Council Office Building (COB), which had not been renovated in more than 30 years. The first phase was completed in 2009. The second phase replaces the HVAC, lighting, and windows in the rest of the COB, upgrades restrooms to ADA standards, renovates the auditorium on the first floor, provides improved signage inside and outside the building, refreshes common areas, and reconfigures space on the fourth, fifth, and sixth floors for the Council Office and the Office of Legislative Oversight.

ESTIMATED SCHEDULE

Preliminary Design is complete. Design will begin in May 2015, construction will begin in December 2015, and the project is scheduled for completion in June 2017.

COST CHANGE: New second phase.

JUSTIFICATION

Heating, ventilation, and air conditioning in the COB function poorly, and most of the restrooms are not compliant with updated ADA standards or high performance building standards. The Council Office and OLO have far outgrown their space since it was last reconfigured more than 25 years ago. The 1st Floor Auditorium, which is used regularly for County Government staff training and as a meeting place by civic organizations, is extremely substandard.

FISCAL NOTE: The second phase of the project is partially funded with a \$184,000 unencumbered balance from the first phase and a transfer of \$2,993,000 from the Montgomery County Government Complex project. An audit by an Energy Service Company (ESCO) has been conducted, and it has determined that \$6,000,000 in savings can be anticipated from this project. An Energy Savings Performance Contract (ESPC) will allow for third-party funding to cover this portion of the contract, so that no General Obligation bonds are required for it. A financing mechanism is initiated to cover the cost of the contract and the repayment of debt is guaranteed through the energy savings.

Appropriation and Expenditure Data			Coordination	Map
Date First Appropriation	FY15	(\$000)	Legislative Branch Offices	
First Cost Estimate Current Scope (FY15)		35,916	Department of Technology Services	
Last FY's Cost Estimate			Office of Consumer Protection	
Appropriation Request	FY15	0	Department of Housing and Community Affairs	
Appropriation Request	FY16	28,495	Ethics Commission	
Supplemental Approp. Request	FY15	296		
Transfer		2,993		
Cumulative Appropriation		4,132		
Expenditures/Encumbrances		3,948		
Unencumbered Balance		184		
Partial	FY13	0		
New Partial Closeout	FY14	0		
Total Partial Closeout		0		

(A)

Montgomery County Government Complex (P360901)

Category	General Government	Date Last Modified	11/20/12
Sub Category	County Offices and Other Improvements	Required Adequate Public Facility	No
Administering Agency	General Services (AAGE29)	Relocation Impact	None
Planning Area	Rockville	Status	Preliminary Design Stage

	Total	Thru FY14	Rem FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	4,113	852	3,194	3,261	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	1	1	0	0	0	0	0	0	0	0	0
Total	4,114	853	3,194	3,261	0	0	0	0	0	0	0

	Total	Thru FY14	Rem FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
FUNDING SCHEDULE (\$000s)											
G.O. Bonds	4,047	853	3,194	3,261	0	0	0	0	0	0	0
Total	4,047	853	3,194	3,261	0	0	0	0	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 16	0
Supplemental Appropriation Request		0
Transfer	FY 15 -2993	0
Cumulative Appropriation		4,047
Expenditure / Encumbrances		1,054
Unencumbered Balance		2,993

Date First Appropriation	FY 09
First Cost Estimate	
Current Scope	FY 13 4,114
Last FY's Cost Estimate	4,114

Description

This project provides for the planning and design of the three components identified in the Government Core Facilities Optimization Master Plan Study: the new Council Office Building (COB), the COB garage addition, and a new pedestrian bridge. The Judicial Center Annex and Judicial Center renovation included in the Government Core Plan are being provided through CIP Project No. 100300, Judicial Center Annex. Other components of the Government Core Facilities Optimization Master Plan Study include the Executive Office Building, Red Brick Courthouse, Grey Courthouse, Grey Courthouse Annex, and Jury Parking Lot may be added to this project in future years. The existing COB will be replaced by a new building that will be located adjacent to the Executive Office Building. The new COB will accommodate the existing COB occupants, projected COB occupant growth to year 2025, and approximately 77,000 gross square feet of additional space. The additional space will be used for consolidation of County departments currently located in leased facilities, or the feasibility of relocating other County agencies may also be considered. The existing COB garage will be expanded by three floors to accommodate the parking requirements for the Judicial Center Annex and the new COB. The pedestrian bridge will cross Jefferson Street to connect the COB garage and the new COB, increasing pedestrian safety.

Cost Change

Project deferred due to fiscal affordability.

Justification

The Government Core Facilities Optimization Master Plan Study (funded under CIP Project No. 500721) analyzed short and long-term growth needs, speed and ease of implementation, cost effectiveness, creation of a suitable government complex, as well as improvement of government services and accessibility. The Government Core Facilities Optimization Master Plan Study recommended construction of a new COB, COB garage addition, and a Judicial Center Annex to meet the year 2025 growth requirements. The Executive Office Building, COB, and COB garage are aged and in need of either renovation or major system replacement. There is also a need for space to consolidate government functions and provide future growth. Replacement and renovation of these facilities requires comprehensive planning and phasing. Plans and Studies: Government Core Optimization Master Plan Study (February 2008, Matrix Settles/Staubach). The new Council Office Building Program of Requirements was completed in January 2009.

Disclosures

A pedestrian impact analysis has been completed for this project.

Coordination

County Council, Office of Legislative Oversight, Office of the People's Counsel, Merit System Protection Board, Office of Zoning and Administrative Hearings, Board of Appeals, Department of Technology Services, Department of Housing and Community Affairs, Office of Consumer Protection, Ethics Commission, Department of Police, Department of General Services, City of Rockville, Maryland State Highway Administration

Fiscal Note

The remaining unencumbered balance of \$2,993,000 is transferred to the Council Office Building Renovations project (P010100) in FY15.