



Committee: GO
Committee Review: N/A
Staff: Naeem Mia, Legislative Analyst
Purpose: To receive testimony/final action - vote expected
Keywords: Property Disposition

AGENDA ITEM #9
July 13, 2021
Public Hearing/Action

SUBJECT

Declaration of No Further Need - Disposition of 5830 and 5834 Riggs Road, Gaithersburg

EXPECTED ATTENDEES

Greg Ossont, Deputy Director, Department of General Services

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Introduction on June 29, 2021.
- No Committee recommendation. A motion is required.

DESCRIPTION/ISSUE

The County Executive requests Council approval of a Declaration of No Further Need (DNFN) to dispose of County-owned properties (totaling 6.3 acres) located at 5830 and 5834 Riggs Road in Gaithersburg. Each parcel contains one (1) single-family home.

The disposition is in the form of a long-term lease to the Montgomery County Coalition for the Homeless (MCCH); MCCH has currently leased both sites since September 2019 and operates an office and homeless shelter. MCCH now seeks to continue its current operations through a long-term lease with an initial term of five (5) years, renewable for an additional five years.

The annual rent is \$4,000 per year, which is below fair market value in consideration of the social services MCCH provides to the County.

The property transfer of this property complies with the requirements established under County Code 11B-45.01 Disposition of Real Property, including:

- This transaction is subject to the Property Disposition process as the lease of County-owned properties is in excess of two (2) years.
- In March 2021, a reuse analysis was conducted and determined the County (including outside agencies) had no further need for the property.
- On May 4, 2021 Executive Order 041-21 (see ©7-8) was published in the County Register to give notice of the County's intent to proceed with disposition to MCCH and that there was no further need for public use.
- The Executive transmitted to the Council the material terms on May 19, 2021 (see ©3-4).

- The Executive transmitted to the Council the Declaration of No Further Need on June 22, 2021 (see ©5-6).
- The Council may approve a disposition that occurs at less than fair market value, in consideration of the social services provided by MCCH.

SUMMARY OF KEY DISCUSSION POINTS

- Does the Council agree to the long-term lease of this property to MCCH for the provision of social services to the County?
- Does the Council identify alternative uses for this property?
- Does the Council concur with the material terms of this lease?

This report contains:

1. Resolution Approving Transfer	©
2. May 19, 2021 memo from County Executive	© 1-2
3. June 22, 2021 memo from County Executive	© 3-4
4. Executive Order 041-21	© 5-6
	© 7-8

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Resolution No: _____
Introduced: June 29, 2021
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: County Council

SUBJECT: Approval of Disposition of County Property for Lease in
Excess of two (2) Years, located at 5830 and 5834 Riggs Road, Gaithersburg

Background

1. Montgomery County Code §11B-45 requires the Council to approve a Declaration of No Further Need before the Executive can dispose of real property that has more than nominal value. Prior to seeking Council approval of a Declaration of No Further Need, the Executive must:
 - (a) submit all material terms of the proposed disposition and any appraisal the Executive relied on in setting the property's market value to the Council; and
 - (b) publish a declaration in the County Register and post a notice on the County website that the County has no further need for the property.If the Council, by resolution, approves the Executive's Declaration of No Further Need, the Executive may dispose of the property for fair market value.
2. Montgomery County Code §11B-45 defines a disposition as "a sale, a lease or license for a term of 2 years or longer, or a lease or other document which includes an option to buy. If a license or lease for an initial term of less than 2 years is extended or renewed beyond 2 years, that extension or renewal is a disposition."
3. On May 19, 2021, the Executive transmitted the material terms of the proposed disposition. The Executive recommended renewing the current lease of County-owned parcels, located at 5830 and 5834 Riggs Road in Gaithersburg, to the Montgomery County Coalition for the Homeless (MCCH) for an initial term of five (5) years at below fair market value.
4. MCCH has used the leased space as an office and homeless shelter since September 2019 and desires to renew its current lease upon termination in September 2021.

5. On May 4, 2021 Executive Order 041-21 was published in the County Register to give notice of the County's intent to proceed with disposition to MCCH and that there was no further need for public use.
6. The Council is scheduled for a virtual public hearing and action on this recommended disposition on July 13, 2021.

Action

The County Council for Montgomery County, Maryland, approves the following action:

The Declaration of No Further Need for the Lease Renewal in Excess of two (2) Years of 5830 and 5834 Riggs Road, Gaithersburg, Maryland is approved and the property may be disposed of as described in the material terms provided to the Council on May 19, 2021, the memorandum dated June 22, 2021, and in Executive Order 041-21 as published in the County Register on May 4, 2021. The County Council waives the requirement that the disposition be a fair market value transaction.

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

May 19, 2021

TO: Tom Hucker, President
Montgomery County Council

FROM: Marc Elrich
Montgomery County Executive

SUBJECT: Material Terms – Disposition of 5830 and 5834 Riggs Road

The purpose of this memorandum is to provide the material terms of the disposition of approximately 6.3 acres of County-owned property at 5830 and 5834 Riggs Road, Gaithersburg. The two adjacent parcels are each improved with with a single family detached home. In September 2019, the County and Montgomery County Coalition for the Homeless (MCCH) entered into a License Agreement for twelve months, which was extended for another twelve-month term in January 2021. MCCH operates a homeless shelter and has an office on the property. I am recommending that the County dispose of the property via long-term license agreement to MCCH for continued use as a homeless shelter. Attached you will find Executive Order No. 041-21 which was advertised in the County Register starting May 4, 2021.

The properties are bordered by a five-acre lot improved with a single family detached home to the north, a 63-acre Transfer of Development Rights (TDR) property to the east, and the County-owned former Oaks Landfill to the south and west.

In March 2021 OMB determined that the County Property was no longer needed for public use and a reuse analysis notice was sent to all County departments and outside agencies. No proposals were received from County departments or outside agencies.

I am proposing an initial lease term of five years with a renewal option for an additional five years. MCCH will pay the County rent of \$4,000 per year for the property, which is less than full market value; however, MCCH is providing social services to vulnerable residents. Under Section 11B-45 of the County Code, the County may waive the requirement that the County Property be disposed of at less than full market value. In consideration of the services provided by MCCH, I am recommending that the transaction be at less than 'full market value'.

I hope this information is helpful. If you have any questions, please contact Greg Ossont, Deputy Director, Department of General Services, at greg.ossont@montgomerycountymd.gov.

Attachment: Executive Order No. 041-21

CC: David Dise, Director, Department of General Services
Greg Ossont, Deputy Director, Department of General Services
Ronnie Warner, Division Chief, Department of General Services
Cynthia Brenneman, Division Chief, Department of General Services
Jennifer Bryant, Director, Office of Management and Budget
Michael Coveyou, Director, Department of Finance
Kimberly Williams, Controller, Department of Finance
Luisa Montero, Director, Mid-County Regional Services Center




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

June 22, 2021

TO: Tom Hucker, President
Montgomery County Council

FROM: Marc Elrich
Montgomery County Executive 

SUBJECT: Declaration of No Further Need – Disposition of 5830 and 5834 Riggs Road

On May 19, 2021, I transmitted material terms to Council and provided notice that I intend to dispose of approximately 6.3 acres of County-owned property at 5830 and 5834 Riggs Road to Montgomery County Coalition for the Homeless (MCCH) through a long-term lease.

As required under Section 11B-45 of the Montgomery County Code, an Executive Order declaring that the County-owned site is no longer needed for public use must be issued. Attached please find Executive Order 041-21 which was published in the *County Register* on May 4, 2021 to give notice of my intent to proceed with the long-term lease to MCCH.

I am proposing an initial lease term of five years with a renewal option for an additional five years. MCCH will pay the County rent of \$4,000 per year for the property, which is less than full market value; however, MCCH is providing social services to vulnerable residents through a contract with HHS. Under Section 11B-45 of the County Code, the County may waive the requirement that the County Property be disposed of at less than full market value. In consideration of the services provided by MCCH, I am recommending that the transaction be at less than 'full market value'.

I hope this information is helpful. If you have any questions, please contact Greg Ossont, Deputy Director, Department of General Services, at 240.777.6192 or greg.ossont@montgomerycountymd.gov.

Attachment: Executive Order No 041-21
Material Terms Memo dated May 19, 2021

CC: David Dise, Director, Department of General Services

Greg Ossont, Deputy Director, Department of General Services
Ronnie Warner, Division Chief, Department of General Services
Cynthia Brenneman, Division Chief, Department of General Services
Jennifer Bryant, Director, Office of Management and Budget
Michael Coveyou, Director, Department of Finance
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MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Disposition of County Property: 5830 and 5834 Riggs Road	Executive Order No. 041-21	Subject Suffix
Montgomery County Department of General Services	Department No.	Effective Date 5/4/21

BACKGROUND

WHEREAS, the County is the owner of certain parcel(s) of property located at 5830 Riggs Road and 5834 Riggs Road, Gaithersburg, Maryland 20882, containing approximately 6.3 acres of land total (the "Property"); and

WHEREAS, the two adjacent parcels are each improved with with a single family detached home; and

WHEREAS, In September 2019, the County and Montgomery County Coalition for the Homeless ("MCCH") entered into a License Agreement for twelve months, which was extended for another twelve-month term in January 2021; and

WHEREAS, MCCH operates a homeless shelter and has an office on the property; and

WHEREAS, the County and MCCH desire to extend the term of the License Agreement; and

WHEREAS, the License Extension shall commence with an initial term of five years with a renewal option for an additional five years; and

WHEREAS, MCCH will pay the the County rent of \$4,000 per year for the Property; and

WHEREAS, the material terms of the license agreement are as stated above; and

WHEREAS, under Section 11B-45 of the County Code, the County may waive the requirement that the County Parcel be disposed of at less than full market value; and

WHEREAS, the rent payment of \$4,000 per year is less than full market value; however, MCCH is providing social services to vulnerable residents; and

WHEREAS, in accordance with the provisions of Montgomery County Code Section 11B-45, Disposition of Real Property, the County Executive must issue an Executive Order declaring that County owned or controlled land is no longer needed for County use.



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Disposition of County Property: 5830 and 5834 Riggs Road	Executive Order No. 041-21	Subject Suffix
Montgomery County Department of General Services	Department No.	Effective Date 5/4/21

ACTION

In consideration of the above recitals, the County Executive hereby declares that the Property is no longer needed for County use and is available for disposition through a five-year license agreement with optional renewals to MCCH in the manner described in this Executive Order.

Approved as to Form and Legality
Office of the County Attorney

By: Neal Anker
Date: 5/3/2021

APPROVED

A handwritten signature in cursive script, appearing to read "A. Jerome Fletcher", written over a horizontal line.

A. Jerome Fletcher, Assistant Chief Administrative Officer
Date: 5/4/21