



Committee: Joint
Committee Review: Completed
Staff: Gene Smith, Legislative Analyst
Purpose: Make preliminary decisions – straw vote expected
Keywords: Economic Development

AGENDA ITEM #12
 March 29, 2022
Worksession

SUBJECT

FY23-28 Capital Improvements Program: General Government – Economic Development

EXPECTED ATTENDEES

Judy Costello, Special Projects Manager, Office of the County Executive
 Cicero Salles, White Oak Coordinator, Office of the County Executive
 Mary Beck, Capital Budget Manager, Office of Management and Budget
 Estela Boronat de Gomes, Fiscal and Policy Analyst, Office of Management and Budget

FISCAL SUMMARY

	Six-Year Total	FY23	FY24	FY25	FY26	FY27	FY28	Beyond 6-Years
FY21-26 Latest Approved	56,156	847	5,347	5,147	11,347			17500
FY23-28 CE Rec	39,600	700	3,700	2,000	12,700	10,500	10,000	
change from approved (\$,%)	(16,556) -29.5%	(147)	(1,647)	(3,147)	1,353			
Committee Rec	39,600	700	3,700	2,000	12,700	10,500	10,000	
change from approved (\$,%)	(16,556) -29.5%	(147)	(1,647)	(3,147)	1,353			
change from CE Rec (\$,%)	- 0.0%	-	-	-	-	-	-	

- The differences between the FY21-26 Amended CIP and the Recommended FY23-28 CIP are due to several projects closing out (e.g., Wheaton Redevelopment Program) and shifting of the \$40 million in road construction expenditures for the White Oak Science Gateway Project to align with updated expectations.

COMMITTEE RECOMMENDATIONS (BY PROJECT)

- The Government Operations and Fiscal Policy (GO) Committee and the Planning, Housing, and Economic Development (PHED) Committee reviewed and recommended approval of these projects as recommended by the Executive.
- The committees requested an update on the progress of development in White Oak, including the developer for the formerly owned County Site II and a “360 review” of the County’s efforts in White Oak generally.

This report contains:

Staff Report
 Executive recommended FY23-28 PDFs

Pages 1-4
 © #1-13

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MEMORANDUM

March 7, 2022

TO: Government Operations and Fiscal Policy (GO) Committee
Planning, Housing, and Economic Development (PHED) Committee

FROM: Gene Smith, Legislative Analyst

SUBJECT: Recommended FY23-28 Capital Improvements Program (CIP) for General Government
– Economic Development Projects

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

Those expected for this worksession:

Greg Ossont, Department of General Services
Estela Boronat de Gomes, Office of Management and Budget
Laurie Boyer, Office of the County Executive (CEX)
Ruth Semple, CEX
Daniel Koroma, CEX
Judy Costello, CEX

See the Executive’s recommended FY23-28 CIP for General Government – Economic Development projects on ©1-13. Only one project has recommended funding in FY23-28. Five projects do not have recommended funding in FY23-28 and are planned to be closed out in the coming year.

I. Recommended FY23-28 CIP

White Oak Science Gateway Redevelopment Project

This project provides for the planning and development coordination activities by the County necessary to implement redevelopment of the 110-acre formerly County-owned parcel on Industrial Parkway (“Site II”). See ©1-2 for the recommended project description form (PDF) for this project in the FY23-28 CIP.

Table 1 below details the recommended FY23-28 CIP expenditure schedule for this project. **The recommended PDF retains the \$40 million for road construction as prior years.** The funding source for this project is general obligation bonds. No appropriation is necessary for this project in FY23 because the cumulative appropriation is sufficient.

Table 1: Recommended FY23-28 Expenditure Schedule (\$000s) for White Oak Science Gateway Redevelopment Project

Cost Elements	Total 6 Years	FY23	FY24	FY25	FY26	FY27	FY28
Planning, Design and Supervision	400	200	200	0	0	0	0
Construction	39,200	500	3,500	2,000	12,700	10,500	10,000
Total	39,600	700	3,700	2,000	12,700	10,500	10,000

Below are the descriptions and highlights for each of these cost elements for this project.

Planning, Design and Supervision. The recommended FY23-28 CIP retains the FY23 and FY24 approved expenditures from the FY21-26 CIP. These expenditures provide ongoing support for the County’s efforts as it relates to the General Development Agreement with Global LifeSci Development Corporation (GLDC).

Construction. The recommended FY23-28 CIP shifts the funding for this cost element when compared to the approved FY21-26 CIP based on the anticipated construction schedule. This funding supports the County’s portion of the master plan roads which is governed by the County’s road participation agreement with GLDC. Executive staff notes that the \$800,000 estimated FY22 is based on potential eligible expenditures by GLDC.

Council staff concurs with the Executive recommendation for this project.

II. Closeout Projects

The Executive did not recommend funding in the FY23-28 CIP for the projects below. These projects have expenditures in FY22; therefore, Council staff provides a brief update for each. **The committees do not need to make any recommendations for the Council since these projects do not include funding in the FY23-28 CIP.**

A. Life Sciences and Technology Centers

This project originally provided funds for the development and land use plans for the Germantown Life Sciences Park and the Site II development, also referred to as LifeSci Village. The project’s first appropriation was in FY90, and during the years, the scope was changed to include the County’s Business Innovation Network.

See ©3-4 for the current PDF of this project. The Council approved the project to utilize the remaining funds to renovate the Silver Spring Innovation Center (SSIC) in December 2016. The SSIC project was completed in 2020, but the project was not closed out because of potential need for a renovation project at the Germantown Innovation Center (GIC). The Council did approve an amendment

and supplemental appropriation to support the conversion of offices to wet lab space at the Germantown Innovation Center in March 2022.

The GIC project is expected to finish in 2022. This project will close out upon completion of that project.

B. Long Branch Town Center Redevelopment

This project originally was created to provide for planning needed to support redevelopment in the Long Branch Sector Plan area. As the Purple Line project progressed, the project was amended.¹ The approved FY21-26 CIP assumed this project would close out in FY20 or FY21.

The current project was adopted in the FY19-24 CIP and focused on implementing four program areas – 1) marketing; 2) training; 3) signage; and 4) technical assistance. See ©5-6 for the current PDF. Due to the pandemic and expenditure timing, approximately \$56,000 in expenditures are encumbered for FY22. Executive staff notes that approximately \$5,000 will be used on a mural on Bonifant Street to help with marketing and community development. The remaining funds will be used consistent with the Council’s prior approval in the Long Branch community.

C. Marriott International Headquarters and Hotel Project

This project administers the grant for the retention of Marriott International, Inc.’s new headquarters in the County. See ©7-8 for the PDF. The construction project is managed by Marriott. Completion and opening are anticipated in 2022.

Marriott signed an Economic Development Fund Agreement (EDFA) based on its capital investment and retention of a certain number of employees. The business has met the agreement’s criteria as of December 31, 2020. The reports required for 2021 are due March 31, 2022. This PDF will close out after FY22 upon the final payment. The reporting requirements and employment criteria will continue for Marriott through the EDFA’s term of July 31, 2028.

D. Wheaton Redevelopment Program

This program provides for the planning, studies, design, and construction of an office building, public parking garage, and a town square on the site of Parking Long 13 and the Mid-County Regional Services Center in Wheaton. The project was substantially completed in 2020. See ©9-11 for the updated PDF of this project. A few minor close-out activities continue for the project.

E. White Flint Redevelopment Program

This program provides for the plans, studies, analysis, and development coordination activities by the County necessary to implement redevelopment in the White Flint Sector Plan Area. See ©12-13

¹ The Council staff report on May 1, 2018 has a more complete history of the project and revisions considered and approved by the Council - https://montgomerycountymd.granicus.com/Viewer.php?view_id=169&clip_id=14979&meta_id=155698.

for the updated PDF of this project. The project previously included expenditures related to the County’s administration of the White Flint Special Taxing District, including County staff and operating expenses for certain contracts.

The Executive did not recommend funding for this project in FY23-28. Any ongoing expenditures will be migrated to the operating budget in FY23. This recommendation allows more of the special taxing district funds to be used for transportation improvement projects in the district. The project will close out after FY22.

<u>This packet contains:</u>	<u>Circle #</u>
Recommended FY23-28 CIP	1
Recommended FY23-28CIP close out projects	3



White Oak Science Gateway Redevelopment Project

(P361701)

Category	General Government	Date Last Modified	12/16/21
SubCategory	Economic Development	Administering Agency	General Services
Planning Area	Colesville-White Oak and Vicinity	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Planning, Design and Supervision	2,021	1,255	366	400	200	200	-	-	-	-	-
Site Improvements and Utilities	4,779	4,054	725	-	-	-	-	-	-	-	-
Construction	40,000	-	800	39,200	500	3,500	2,000	12,700	10,500	10,000	-
Other	160	11	149	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	46,960	5,320	2,040	39,600	700	3,700	2,000	12,700	10,500	10,000	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Current Revenue: General	160	50	110	-	-	-	-	-	-	-	-
G.O. Bonds	42,640	1,110	1,930	39,600	700	3,700	2,000	12,700	10,500	10,000	-
PAYGO	4,147	4,147	-	-	-	-	-	-	-	-	-
Recordation Tax Premium (MCG)	13	13	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	46,960	5,320	2,040	39,600	700	3,700	2,000	12,700	10,500	10,000	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	-	Year First Appropriation	FY17
Appropriation FY 24 Request	-	Last FY's Cost Estimate	46,960
Cumulative Appropriation	46,960		
Expenditure / Encumbrances	5,370		
Unencumbered Balance	41,590		

PROJECT DESCRIPTION

This program provides for the planning and development coordination activities by the County necessary to implement the redevelopment of the 110-acre previously County-owned parcel on Industrial Parkway in White Oak (Site II). The site will be redeveloped in conjunction with the adjacent 170-acre parcel in a public-private partnership as one, comprehensive and coordinated 280-acre bioscience-focused mixed-use community per the approved White Oak Science Gateway (WOSG) Master Plan. The project includes \$40 million to assist with the funding needed to construct master-planned roads A-106, B-5 and improvements to FDA Boulevard. Additionally, funds for demolition of existing structures and site clearing activities, as well as costs for County staff to

coordinate multiple activities, are included in the project.

LOCATION

Silver Spring, Maryland

ESTIMATED SCHEDULE

The County completed demolition of the existing structures and site clearing activities. The County's development partner presented a development schedule to Council in July 2019. Construction schedule is delayed based on project progress to date.

PROJECT JUSTIFICATION

In 2014, the Montgomery County Council approved the new White Oak Science Gateway Master Plan. The Plan establishes a vision for transforming what has been an industrial area into a denser, mixed-use commercial and residential center in which people can walk to work, shops, and transit. The County's initiative includes using both previously County-owned property (Site II) and privately-owned property as a public-private partnership and leveraging existing relationships with the adjacent Food and Drug Administration (FDA) campus to advance development activities in the Master Plan. Specialized services are required for the complex land assemblage and disposition actions associated with implementation of Stage I development requirements. Staff time and services are required to manage and coordinate efforts to develop detailed staging plans, manage demolition and clean-up activities, design infrastructure, and to negotiate transactions with development partners. The proposed 280-acre development is large-scale, long-term and transformational. It will be a catalyst for desired revitalization and redevelopment in the White Oak sector area and elsewhere in the Eastern portion of Montgomery County. The project will create job opportunities throughout White Oak and the Eastern portion of Montgomery County and will expand the tax base.

FISCAL NOTE

In FY17, a supplemental appropriation for \$47.2M in G.O. Bonds was approved for this project. Project schedule has been adjusted to reflect implementation schedule.

COORDINATION

Department of Transportation, Department of Finance, Office of Management and Budget, Department of Housing and Community Affairs, Department of Permitting Services, Maryland Department of the Environment, and M-NCPPC



Life Sciences and Technology Centers (P789057)

Category	General Government	Date Last Modified	01/15/22
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Planning, Design and Supervision	2,065	1,965	100	-	-	-	-	-	-	-	-
Land	39	39	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	73	73	-	-	-	-	-	-	-	-	-
Construction	1,081	175	906	-	-	-	-	-	-	-	-
Other	12	12	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	3,270	2,264	1,006	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Current Revenue: General	2,000	1,594	406	-	-	-	-	-	-	-	-
G.O. Bonds	410	410	-	-	-	-	-	-	-	-	-
PAYGO	260	260	-	-	-	-	-	-	-	-	-
Recordation Tax Premium (MCG)	600	-	600	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	3,270	2,264	1,006	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	-	Year First Appropriation	FY90
Appropriation FY 24 Request	-	Last FY's Cost Estimate	2,870
Cumulative Appropriation	3,270		
Expenditure / Encumbrances	2,264		
Unencumbered Balance	1,006		

PROJECT DESCRIPTION

This project has supported a myriad of enhancements related to the County's life sciences and entrepreneurial climate. This project originally provided funds to design and construct the public amenities at the Shady Grove Life Sciences Center. The project has supported the development and land use plans for the Germantown Life Sciences Park (GLSP) and the Site II development. Additionally, the project has supported the development of the Germantown and Rockville business incubators and upgrades to the Silver Spring incubator. Specific tasks included feasibility studies, due diligence, refining Programs of Requirements (PORs), design and construction. Additions to the original project scope included: revised development and subdivision plans to increase site density (FY00); subdivision plans for prospective Life Sciences and Technology Centers (FY03); planning for the Rockville incubator (FY07);

and the pursuit of all needed steps for Site II to be accepted into the Maryland Voluntary Clean-Up Program (FY11). This project may also be used for incubator renovations, the preliminary development of other incubators, tech parks, or other economic development capital projects should future new opportunities become available. In FY22, this project will provide funds for the conversion of excess office space into wet labs in the lab corridor of the Germantown Innovation Center.

ESTIMATED SCHEDULE

Due to COVID the project has been delayed. The project is now estimated to begin in FY22.

COST CHANGE

Reflects FY22 supplemental appropriation to cover increased costs to complete conversion of office space to additional wet labs space at the Germantown Innovation Center.

PROJECT JUSTIFICATION

For the past two years the Germantown Innovation Center has had excess office space and insufficient lab space to meet the demand of small life science companies. The labs are routinely at 100 percent occupancy while the office space is routinely 28-44 percent vacant. Generally each lab company also occupies office space. By increasing the number of available wet labs the incubator can serve more emerging life science companies by providing both lab and office space, thereby reducing the current office space vacancy.

OTHER

The original component of the CIP project, the construction of all required amenities and improvements to meet M-NCPPC's subdivision requirement for the SGLSC property, is complete. The Rockville Innovation Center and the Germantown Innovation Center have been open for business. Site II was accepted into the Maryland Voluntary Clean-Up Program and has been conveyed to Percontee. The Silver Spring Innovation Center has been renovated.

COORDINATION

State of Maryland, TEDCO, Maryland Department of Public Works and Transportation - Division of Capital Development, the Maryland-National Capital Park and Planning Commission, Montgomery County Economic Development Corporation, and tenants of the Germantown Innovation Center. Facility Planning: Montgomery County Government, Montgomery College, the Washington Suburban Sanitary Commission (WSSC), and private developers.



Long Branch Town Center Redevelopment (P150700)

Category	General Government	Date Last Modified	12/15/21
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	Silver Spring and Vicinity	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Planning, Design and Supervision	300	244	56	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	300	244	56	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Current Revenue: General	300	244	56	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	300	244	56	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	-	Year First Appropriation	FY15
Appropriation FY 24 Request	-	Last FY's Cost Estimate	300
Cumulative Appropriation	300		
Expenditure / Encumbrances	258		
Unencumbered Balance	42		

PROJECT DESCRIPTION

This project provides for planning needed to support redevelopment in the Long Branch Sector Plan area. The construction of the Purple Line will influence the development potential of the sector plan area on both a short- and long-term basis. Two Purple Line stations are planned in Long Branch - one on Arliss Street, just to the north of Piney Branch Road, and the other on University Boulevard, just south of its intersection with Piney Branch Road. The County will coordinate through a multi-departmental approach that will include the Office of County Executive, Department of Transportation, Department of Housing and Community Affairs and the Silver Spring Regional Service Center. Activities will also be planned in partnership with the Maryland Transit Administration (MTA), property owners and businesses in this sector plan area with input from the surrounding community. The State will have the primary responsibility for coordinating efforts to mitigate impacts of the Purple Line in Long Branch. As such, efforts are needed to help ensure that the multitude of businesses in Long Branch can prosper during the construction of the Purple Line, and just as importantly, after it is operational. In order to minimize any disruption that may affect the Long Branch business community, a multi-prong approach will be implemented through: 1) marketing assistance that highlights the availability and presence of existing businesses during construction; 2) training, available to all businesses along the Purple Line, that will focus on adjusting to a new marketplace and developing business opportunities during construction; 3) signage that will direct patrons to shops, restaurants and available parking; and 4) technical assistance designed to strengthen existing companies. This strategy is consistent with the Purple Line

Corridor Community Development Agreement's goal to help locally established businesses prosper both during and after the construction period and to minimize disruptions during construction.

LOCATION

In the vicinity of the Long Branch Sector Plan area, including Bonifant Street, Silver Spring, Maryland.

ESTIMATED SCHEDULE

The implementation of marketing, training and technical assistance to local businesses impacted by the construction of the Purple Line is expected to be completed by the end of 2022.

PROJECT JUSTIFICATION

The Long Branch community is a very diverse, high density multi-ethnic community. It has been designated as a revitalization area by the County and as an Enterprise Zone by the State of Maryland. The project objective would be to minimize any disruption that may affect the Long Branch business community during construction of the Purple Line, as well as help locally established businesses prosper during and after the construction period.

FISCAL NOTE

Expenditures were realigned to support the County's initiative to aid in the revitalization of the Long Branch community once the Purple Line project was proceeding.

COORDINATION

The Office of the County Executive, Department of Housing and Community Affairs, Department of Transportation, Maryland Transit Administration, Maryland State Highway Administration, Purple Line Transit Partners, Long Branch Advisory Committee, Long Branch Business League, and Montgomery Housing Partnership.



Marriott International Headquarters and Hotel Project

(P361703)

Category	General Government	Date Last Modified	12/16/21
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	Bethesda-Chevy Chase and Vicinity	Status	Planning Stage

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Other	22,000	16,500	5,500	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	22,000	16,500	5,500	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Current Revenue: Economic Development Fund	11,000	5,500	5,500	-	-	-	-	-	-	-	-
Recordation Tax Premium (MCG)	11,000	11,000	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	22,000	16,500	5,500	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	-	Year First Appropriation	FY21
Appropriation FY 24 Request	-	Last FY's Cost Estimate	22,000
Cumulative Appropriation	22,000		
Expenditure / Encumbrances	16,500		
Unencumbered Balance	5,500		

PROJECT DESCRIPTION

This grant provides for the retention of Marriott International, Inc.'s new \$500 million headquarters facility in Montgomery County. The facility will be approximately 700,000 square feet in size and include an adjacent Marriott brand hotel. The headquarters building will house upwards of 3,250 permanent full-time employees and equivalent contract workers, as well as 250 part-time workers and equivalent contract workers.

LOCATION

7730 Wisconsin Avenue, Bethesda, Maryland

ESTIMATED SCHEDULE

The new Marriott headquarters building is estimated to be completed in the Third Quarter of 2022.

PROJECT JUSTIFICATION

The County and the State have a unique economic development opportunity to retain the global headquarters of Marriott International, Inc. (currently ranked 221 on the Fortune 500 Company list) and its 3,500 employees in the County, and to also induce approximately \$500 million in capital investment from the project to construct a new 700,000 square feet Class A office building and a new hotel in the downtown Bethesda area. The grant made to Marriott International, Inc., will be recouped directly from the incremental real and personal property tax generated from the project in less than seven years, above and beyond the \$1.2 billion in direct and indirect economic impacts that Marriott International, Inc. creates in the State of Maryland.

FISCAL NOTE

The State of Maryland will contribute \$22 million towards this project. The State's contribution will be made directly to Marriott International, Inc. The terms of the Marriott agreement required appropriation of \$11 million in FY17. Annual payments began in FY19. Currently, the funding sources are assumed to be Recordation Tax Premium and the Economic Development Fund. The source of funds may be revised in the future.

COORDINATION

Department of Transportation, Department of Permitting Services, Department of Finance, Maryland Department of Commerce, and Maryland State Highway Administration



Wheaton Redevelopment Program

(P150401)

Category	General Government	Date Last Modified	12/16/21
SubCategory	Economic Development	Administering Agency	Transportation
Planning Area	Kensington-Wheaton	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Planning, Design and Supervision	32,903	29,272	3,631	-	-	-	-	-	-	-	-
Land	1,011	1,011	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	1,478	1,477	1	-	-	-	-	-	-	-	-
Construction	138,113	137,417	696	-	-	-	-	-	-	-	-
Other	5,823	5,334	489	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	179,328	174,511	4,817	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Contributions	862	862	-	-	-	-	-	-	-	-	-
Current Revenue: General	1,212	750	462	-	-	-	-	-	-	-	-
Current Revenue: Permitting Services	20,991	20,991	-	-	-	-	-	-	-	-	-
Current Revenue: Solid Waste Disposal	8,876	8,876	-	-	-	-	-	-	-	-	-
Federal Aid	418	418	-	-	-	-	-	-	-	-	-
G.O. Bonds	60,585	56,230	4,355	-	-	-	-	-	-	-	-
Land Sale	12,650	12,650	-	-	-	-	-	-	-	-	-
Long-Term Financing	39,818	39,818	-	-	-	-	-	-	-	-	-
PAYGO	30,166	30,166	-	-	-	-	-	-	-	-	-
Recordation Tax Premium (MCG)	3,000	3,000	-	-	-	-	-	-	-	-	-
State Aid	750	750	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	179,328	174,511	4,817	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	-	Year First Appropriation	FY04
Appropriation FY 24 Request	-	Last FY's Cost Estimate	179,328
Cumulative Appropriation	179,328		
Expenditure / Encumbrances	178,427		
Unencumbered Balance	901		

PROJECT DESCRIPTION

This project provides for the planning, studies, design, and construction of an office building, public parking garage, and a town square on the site of Parking Lot 13 and the Mid-County Regional Services Center (RSC) in Wheaton. The project components include 1) an approximately 308,100 square feet (s.f.) office building to be owned by the Maryland-National Capital Park and Planning Commission (M-NCPPC); 2) an approximately 400 space underground public parking garage to be delivered to the Wheaton Parking Lot District (PLD); and 3) a town square located on Lot 13 and the current RSC site. The new headquarters for M-NCPPC will occupy approximately 132,000 s.f. of the building, including space for a child care facility. The remainder of the building space will be used by the County for office and retail under a long-term lease agreement. The County intends to use its space for nearly 12,000 s.f. of street front retail space and move offices of the RSC, Wheaton Urban District, Department of Environmental Protection (DEP), Department of Permitting Services (DPS), Department of Recreation, the Community Use of Public Facilities (CUPF), and Environmental Health Regulatory Services in the Department of Health and Human Services (DHHS) to this building. The building will have a geothermal heating and cooling system which is likely to result in LEED Platinum certification for the office building. After the building is delivered to M-NCPPC, the Commission will transfer the ownership of the parcels at 8787 Georgia Avenue in Silver Spring and 11200 Amherst Avenue in Wheaton to the County. The County will then transfer 8787 Georgia Avenue to the developer who will develop a privately financed mixed-use project on the site. The delivery will include air rights above the land over the parking garage for the space comprising the office building and over that portion of the land located between the building and Reddie Drive. The Town Square will be maintained and programmed by the RSC for community benefit. Publicly available WiFi will be among those community benefits. The obligations and relationship between County Government and M-NCPPC for the project are reflected in a Memorandum of Understanding dated May 31, 2013 and will be explicitly set forth in the Binding Agreements between the parties. This PDF also includes \$650,000 for consulting services to provide 1) a comprehensive parking study to identify potential redevelopment disruptions to the public parking supply and any related impacts of existing businesses and to identify potential mitigation options; 2) planning studies to review potential models and approaches to creating local jobs and job training opportunities prior to and during redevelopment, including relevant case examples in Montgomery County as well as innovative models from other local and national jurisdictions; and 3) a business assessment study to determine the number of businesses and the magnitude of the impact. The business assessment study is needed to support Council Bill 6-12 for the establishment of service provision and technical assistance to those small businesses adversely impacted by a County redevelopment project.

LOCATION

Montgomery County Public Parking Lot 13, between Grandview Avenue and Triangle Lane; the RSC site on Reddie Drive, Wheaton; 8787 Georgia Avenue, Silver Spring, Maryland; and Veterans Urban Park at 11200 Amherst Avenue, Wheaton, Maryland

ESTIMATED SCHEDULE

The project design started in July 2014 and construction began in June 2017. The demolition of the RSC site began in February 2018. The Town Square and the substantial completion of the office building were completed in August 2020. We continue to work on the Close-out activities of the project.

PROJECT JUSTIFICATION

The Wheaton Redevelopment Program was established in 2000 with the goal of encouraging private reinvestment through targeted, complementary public investment. The complementary public investment that Wheaton most needs is investment in creating a centrally located public space and a daytime population that together will contribute to an 18-hour economy in downtown Wheaton. It is expected that this public investment will leverage private investment, some of which is already occurring in Wheaton. Plans & Studies: Wheaton CBD and Vicinity Sector Plan (2011), State of Maryland designation as a Smart Growth and TOD site (2010), Urban Land Institute Technical Assistance Panel (2009), the International Downtown Association Advisory report (2008), Wheaton's

Public Safety Audit (2004), the Wheaton Redevelopment Advisory Committee visioning process for the Wheaton core; National Mainstreet Center Planning Study (2000), and WRAC activities since established in 2000.

FISCAL NOTE

Minor project funding includes: 1) \$418,000 FY09 Federal grant, funded through the SAFETEA-LU transportation act; 2) A developer contribution of \$861,940 from M-NCPPC Public Use Space and Amenity Fund (November 5, 2010 Planning Board Resolution, 10-149, Site Plan 820110010); and 3) \$350,000 FY14 and FY15 State aid to support facade improvements and a pilot solar-powered trash compactor program. State aid reflects actual spending and reimbursements. Non-tax supported long-term financing and PAYGO will be used to finance the costs for DEP, DPS and CUPF facility space. Per County Code §11B-45(f), \$4.25 million, or 25 percent, of the land sale proceeds from the sale of the M-NCPPC Headquarters property in Silver Spring must be transferred to the Housing Initiative Fund. The remaining proceeds after taxes are used to finance the project costs. Total project costs include \$8,930,000 for streetscape and facade work funded through FY12. The residential development on Lot 13 will not be funded in this PDF. Expenditure and funding schedules are adjusted to align with construction of the office building and to reflect updated space allocations. The original terms of the development agreement with the private development partner assumed the private developer would build a residential development in Lot 13. The developer subsequently notified the County that they do not intend to move forward with the Lot 13 project.

DISCLOSURES

A pedestrian impact analysis has been completed for this project. 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.



White Flint Redevelopment Program

(P151200)

Category	General Government	Date Last Modified	01/14/22
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	North Bethesda-Garrett Park	Status	Planning Stage

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Planning, Design and Supervision	3,788	3,206	582	-	-	-	-	-	-	-	-
Land	204	204	-	-	-	-	-	-	-	-	-
Other	78	78	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	4,070	3,488	582	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
White Flint Special Tax District	4,070	3,488	582	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	4,070	3,488	582	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	-	Year First Appropriation	FY09
Appropriation FY 24 Request	-	Last FY's Cost Estimate	4,658
Cumulative Appropriation	4,070		
Expenditure / Encumbrances	3,526		
Unencumbered Balance	544		

PROJECT DESCRIPTION

This program provides for the plans, studies, analysis, and development coordination activities by the County necessary to implement redevelopment in the White Flint Sector Plan Area. Specialized services as detailed in the "Project Justification" section below are required to implement the extensive public infrastructure requirements called for in the Sector Plan, and for the implementation of the specified public financing mechanism and related requirements for infrastructure funding. This program also provides for certain land acquisitions necessary to support Transit-Oriented Development (TOD) activities in the White Flint Sector Plan Area.

COST CHANGE

Costs to coordinate the redevelopment efforts led by the Development Ombudsman will be charged to the Operating budget in the future.

PROJECT JUSTIFICATION

In the spring of 2010, the Montgomery County Council approved the new White Flint Sector Plan, which covers a 430 acre area. The Plan establishes a vision for transforming what has long been an auto-oriented suburban development pattern into a denser, mixed-used 'urban' center in which people can walk to work, and includes shops as well as transit. An expanded street grid and other infrastructure improvements will create walkable blocks containing residences, retail, offices and local services. The Plan also calls for a financing mechanism that would generate significant revenues from properties and developments within the Sector Plan Area. The County Council further defined this financing mechanism in Bill 50-10, which established a White Flint Special Taxing District, authorized the levy of a property tax and the issuance of bonds to finance transportation infrastructure improvements, and stated conditions for the loaning or advancing of County funds to the District. In Resolution No. 16-1570, the Council adopted an implementation strategy which required the Executive to carry out a feasibility or other study to assess whether debt repayment will require a district tax rate that exceeds certain policy goals, and called for the forward funding or advance funding of specified items in order to promptly implement the Sector Plan. In addition to the financing implementation, specialized services are required related to the complex land assemblage and disposition actions necessary to implement the new street grid and for the reconfiguration of Executive Boulevard/Old Georgetown Road associated with implementation of Stage 1. Staff time and services are required to manage and coordinate efforts to develop detailed staging plans, to assess opportunities to maximize property dedications, and to negotiate property dedications to avoid or minimize acquisition costs. Necessary services will include appraisals, legal services, title services and consultants versed in land assemblage. The County is also currently implementing roadway improvements through the Conference Center site, which is a County asset. Special requirements related to the Conference Center include negotiations with the private hotel owner as well as the Hotel and Conference Center management firm, and the provision of interim and permanent parking related to the impacts of road rights of way that traverse the site and will reduce the number of parking spaces available to patrons.

FISCAL NOTE

The funding source for this project is White Flint Special Taxing District tax revenues. The County is consulting with the District stakeholders as we develop a long-term financing plan for the District's costs.

COORDINATION

Office of the County Executive, Department of Finance, Department of Transportation, Revenue Authority, Maryland Department of Transportation (MDOT), Maryland State Highway Administration (SHA), and Developers