



**Committee:** PHED  
**Committee Review:** Completed  
**Staff:** Naeem M. Mia, Legislative Analyst  
**Purpose:** To make preliminary decisions – straw vote expected  
**Keywords:** Economic Development, East County

AGENDA ITEM #9  
May 9, 2023  
**Worksession**

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## **SUBJECT**

Amendment to the FY23-28 Capital Improvements Program: **White Oak Science Gateway Redevelopment CIP**

## **EXPECTED ATTENDEES**

David Dise, Director, Department of General Services (DGS)  
Greg Ossont, Deputy Director, Department of General Services (DGS)  
Mary Beck, Capital Budget Coordinator, Office of Management and Budget (OMB)

## **COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION.**

- On February 16, 2023, the Economic Development (ECON) Committee previously reviewed the January 2023 amendment and recommended (4-0) approval.
- A public hearing was scheduled on April 11 and April 13, 2023.
- On April 28, 2023, the ECON Committee reviewed the March 2023 amendment and recommended (4-0) to defer a decision on this amendment to the full Council.

## **DESCRIPTION/ISSUE**

This project provides for the planning and development coordination activities by the County necessary to implement redevelopment of the 110-acre previously County-owned parcel on Industrial Parkway ("Site II"). The recommended PDF transmitted by the County Executive on March 15, 2023 retains a total of \$40 million for road construction (as in the previously approved CIP) but the CE is now recommending deferring funds, including \$18.5 million to the Beyond 6-Years, for fiscal capacity. A previous amendment transmitted in January 2023, deferred \$11.5 million to the Beyond 6-Years.

Private development on this site has been limited since this project was funded in 2018. Staff received recent reports that a development team has been formed recently; a full briefing to the ECON Committee by the development team is anticipated in summer 2023.

## **COUNCIL STAFF RECOMMENDATION**

Council staff recommends no action on this proposed amendment at this time; this project will be adjusted for fiscal capacity during reconciliation. Staff will ensure that funding levels for FY24 are sufficient to allow for any potential work to move forward; out-year funding will be re-evaluated during the next full (FY25-30) CIP cycle.

## **This report contains:**

1. Staff Memorandum for ECON Committee, April 28, 2023

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**MEMORANDUM**

April 25, 2023

TO: Economic Development (ECON) Committee

FROM: Naeem M. Mia, Legislative Analyst

SUBJECT: Amendment to the FY23-28 Capital Improvements Program (CIP): **White Oak Science Gateway Redevelopment CIP**

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

**Those expected for this worksession:**

Greg Ossont, Deputy Director, Department of General Services (DGS)  
Rachel Silberman, Capital Budget Manager, Office of Management and Budget (OMB)  
Julie Knight, Fiscal and Policy Analyst, OMB

This Committee session will review and make recommendations for the White Oak Science Gateway Redevelopment CIP. On March 15, 2023, the County Executive made a second amendment to this project for Council review and action.

**I. Discussion of March 2023 Amendment: 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 previously 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 a total of \$40 million for road construction (as in the previously approved CIP) but the CE is now recommending deferring funds, including \$11.5 million to the Beyond 6-Years, for fiscal capacity.**

The funding source for this project is general obligation bonds. No appropriation is necessary for this project in FY23 because the cumulative appropriation of \$47 million is sufficient to cover planned expenditures during the six-year and beyond 6-year period.

**Table 1: Recommended/Amended FY23-28 Expenditure Schedule (\$000s) for White Oak Science Gateway Redevelopment Project (March 2023 Amendment)**

Cost Elements	Total 6 Years	FY23	FY24	FY25	FY26	FY27	FY28	Beyond 6-Years
Planning, Design and Supervision	400	200	200	0	0	0	0	0
Construction	20,700	100	100	1,000	6,500	6,500	6,500	18,500
<b>Total</b>	<b>21,100</b>	<b>300</b>	<b>300</b>	<b>1,000</b>	<b>6,500</b>	<b>6,500</b>	<b>6,500</b>	<b>18,500</b>

**Table 2: Comparison of Funding (\$000s) between Recommended and Previously Approved PDFs**

	Total	Total 6-Years	FY23	FY24	FY25	FY26	FY27	FY28	Beyond 6-Years
Previously Approved	46,960	39,600	700	2,000	3,700	4,700	14,500	14,000	0
CE Recommended (January 2023)	46,960	28,100	300	300	2,000	8,500	8,500	8,500	11,500
CE Recommended (March 2023)	46,960	21,100	300	300	1,000	6,500	6,500	6,500	18,500
<b>Delta (March 2023 vs. Approved)</b>	<b>0</b>	<b>(18,500)</b>	<b>(400)</b>	<b>(1,700)</b>	<b>(2,700)</b>	<b>1,800</b>	<b>(8,000)</b>	<b>(7,500)</b>	<b>18,500</b>

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

Planning, Design and Supervision. The recommended CIP retains the FY23 and FY24 expenditures from the previously approved CIP. These expenditures provide ongoing staff 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 Amended CIP shifts the funding for this cost element when compared to the previously approved FY23-28 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.

The structure of the agreement is such that the private developer will construct the roads serving the development and the public and will then seek reimbursement (after review and approval by the County) for those costs. As such, the County has some flexibility in adjusting the funding schedule for this project, especially as the developer’s schedule is as-yet-undefined.

**Staff Recommendation:** Council staff concurs with the Executive recommendation for this project and notes that *further* adjustments between fiscal years may be considered during CIP reconciliation later in the budget development process.

As requested by the Committee at its February 16 worksession, Council staff will coordinate with the developer to schedule a briefing in the summer 2023 period to receive further updates.

This packet contains:

1. Approved FY23-28 CIP – White Oak Science Gateway Redevelopment
2. Recommended FY23-28 Amended CIP – White Oak (January 2023)
3. Recommended FY23-28 Amended CIP – White Oak (March 2023)

Circle #

- 1-2  
3-4  
5-6



# White Oak Science Gateway Redevelopment Project

(P361701)

Category	General Government	Date Last Modified	05/20/22
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	1,800	3,700	4,700	14,500	14,000	-
Other	160	11	149	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>46,960</b>	<b>5,320</b>	<b>2,040</b>	<b>39,600</b>	<b>700</b>	<b>2,000</b>	<b>3,700</b>	<b>4,700</b>	<b>14,500</b>	<b>14,000</b>	<b>-</b>

## 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	2,000	3,700	4,700	14,500	14,000	-
PAYGO	4,147	4,147	-	-	-	-	-	-	-	-	-
Recordation Tax Premium (MCG)	13	13	-	-	-	-	-	-	-	-	-
<b>TOTAL FUNDING SOURCES</b>	<b>46,960</b>	<b>5,320</b>	<b>2,040</b>	<b>39,600</b>	<b>700</b>	<b>2,000</b>	<b>3,700</b>	<b>4,700</b>	<b>14,500</b>	<b>14,000</b>	<b>-</b>

## 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

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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



# White Oak Science Gateway Redevelopment Project

(P361701)

Category	General Government	Date Last Modified	12/26/22
SubCategory	Economic Development	Administering Agency	General Services
Planning Area	Colesville-White Oak and Vicinity	Status	Ongoing

## EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY22	Rem 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	1,216	405	400	200	200	-	-	-	-	-
Site Improvements and Utilities	4,779	4,054	725	-	-	-	-	-	-	-	-
Construction	40,000	-	800	27,700	100	100	2,000	8,500	8,500	8,500	11,500
Other	160	11	149	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>46,960</b>	<b>5,281</b>	<b>2,079</b>	<b>28,100</b>	<b>300</b>	<b>300</b>	<b>2,000</b>	<b>8,500</b>	<b>8,500</b>	<b>8,500</b>	<b>11,500</b>

## FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY22	Rem 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	1,071	1,969	28,100	300	300	2,000	8,500	8,500	8,500	11,500
PAYGO	4,147	4,147	-	-	-	-	-	-	-	-	-
Recordation Tax Premium (MCG)	13	13	-	-	-	-	-	-	-	-	-
<b>TOTAL FUNDING SOURCES</b>	<b>46,960</b>	<b>5,281</b>	<b>2,079</b>	<b>28,100</b>	<b>300</b>	<b>300</b>	<b>2,000</b>	<b>8,500</b>	<b>8,500</b>	<b>8,500</b>	<b>11,500</b>

## APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 24 Request	-	Year First Appropriation	FY17
Cumulative Appropriation	46,960	Last FY's Cost Estimate	46,960
Expenditure / Encumbrances	5,324		
Unencumbered Balance	41,636		

## 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.



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## LOCATION

Silver Spring, Maryland

## ESTIMATED SCHEDULE

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## PROJECT JUSTIFICATION

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## 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



# White Oak Science Gateway Redevelopment Project

(P361701)

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