

Resolution No: 16-865
Introduced: February 3, 2009
Adopted: February 24, 2009

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the County Executive

SUBJECT: Amendment to the FY09-14 Capital Improvements Program and Supplemental Appropriation #25-S09-CMC-3 to the FY09 Capital Budget Montgomery College Goldenrod Building Renovation (No. 076624), \$507,143

Background

1. Section 16-301(d) of the Education Article of the Code of Maryland states that the capital and operating budgets of community colleges shall be prepared and considered in accordance with County fiscal procedures not inconsistent with State law. Section 16-304(a) and (b) state that each County governing body may appropriate money by major function to pay the cost of establishing and operating a community college.
2. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
3. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.

4. The County Executive recommends the following capital project appropriation increases:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Goldenrod Building Renovation	076624	Construction	\$507,143	Contributions
TOTAL			\$507,143	

5. This increase is needed to provide expenditure authority for funds that Montgomery College received from the owner of the Goldenrod Building (Royco, Inc.) to pay the owners share of the College's first floor building renovation and final project costs. A total of \$1,014,285 was received from Royco. Half of these funds have been paid to the Department of Economic Development for their second floor building improvements. Project timing was such that the lease/purchase agreement between the College and Royco, the sublease with the County, and tenant improvement payment negotiations had not been completed when the project was initially funded. Accordingly, Contributions were not included as a funding source. The recommended amendment is consistent with the criteria for amending the CIP as the project leverages significant non-County sources of funds.
6. The County Executive recommends an amendment to the FY09-14 Capital Improvements Program and a supplemental appropriation in the amount of \$507,143 for the Goldenrod Building Renovation (No. 076624) project, and specifies Contributions as the non-tax source of funds.
7. Notice of public hearing was given and a public hearing was held.

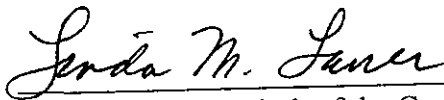
Action

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

The FY09-14 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Goldenrod Building Renovation	076624	Construction	\$507,143	Contributions
TOTAL			\$507,143	

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council

Goldenrod Building Renovation -- No. 076624

Category
Subcategory
Administering Agency
Planning Area

Montgomery College
Higher Education
Montgomery College
Germantown

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

January 23, 2009
No
None.
On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY07	Est FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	575	526	49	0	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	3,082	1,400	1,175	507	507	0	0	0	0	0	0
Other	1,450	0	1,450	0	0	0	0	0	0	0	0
Total	5,107	1,926	2,674	507	507	0	0	0	0	0	0

FUNDING SCHEDULE (\$000)

Current Revenue: General	4,000	1,926	2,074	0	0	0	0	0	0	0	0
Contributions	507	0	0	507	507	0	0	0	0	0	0
Major Facilities Capital Projects Fund (MC only)	600	0	600	0	0	0	0	0	0	0	0
Total	5,107	1,926	2,674	507	507	0	0	0	0	0	0

OPERATING BUDGET IMPACT (\$000)

Maintenance				2,006	0	142	334	440	545	545
Energy				1,050	0	210	210	210	210	210
Program-Staff				1,255	0	139	279	279	279	279
Net Impact				4,311	0	491	823	929	1,034	1,034
WorkYears					0.0	8.5	17.0	17.0	17.0	17.0

DESCRIPTION

This project provides funding for the renovation and lease-related costs for approximately half of a 67,000 square foot building located at 20271 Goldenrod Lane, Germantown, Maryland. The College portion of the building will be used for classroom and office space for the Germantown Campus. Montgomery College will share this building with Montgomery County, which will use approximately 33,500 square feet for the Germantown Incubator. This high-tech incubator will feature laboratory and office space. The building will be leased by either Montgomery College or the Montgomery College Foundation and then subleased to the County.

This project is part of the Germantown Biotechnology Project which encompasses three interrelated initiatives: the Bioscience Education Center, the Germantown Incubator, and the Life Sciences and Technology Park. Together, these projects will address the educational, training and related business needs of the Germantown Campus for the next several years. The Goldenrod Building can meet campus education/training needs for the short-term pending the availability of the Bioscience Education Center in five years, as well as those for the incubator. It is also understood that leasing this space for the College and the Germantown Technology Incubator will add to the marketability of the pending Science and Technology Park.

COST CHANGE

Increase due to additional interior build-out costs financed by contributions.

JUSTIFICATION

The Germantown Campus has reached capacity for office and instructional space. The current State space eligibility calculations show that for fall 2006 enrollments, the Germantown Campus had an overall space deficit of nearly 134,827 square feet. For the fall and spring semesters of the 2005-6 academic year, many Montgomery College students were unable to enroll in selected courses due to a shortage of available sections. Approximately 1,000 students who attempted to register for one or more classes that were filled ultimately did not enroll in any courses at the College that semester. A large number of these unsuccessful registration attempts were for science courses whose availability is limited because of space constraints. This coming fall, temporary office trailers will be set up to accommodate some of the overflow. That, however, is only a temporary stop gap solution because of anticipated space needs pending the availability of the Bioscience Education Center in five years. A longer term solution is an available mixed use office/technology building adjacent to the Germantown Campus with 67,619 square feet of rentable space. The College has negotiated a lease contingent upon funding availability. The College will share the building with Montgomery County who will lease about half of the building for the Germantown Technology Incubator.

OTHER

Funding Source: Current Revenue: General, the Major Facilities Capital Projects Fund, and Private Contributions.

An MOU for the lease has been prepared. Fund transfers and supplemental appropriations: \$600,000 transfer from the Cafritz Foundation Arts Center project (No. 056604) (BOT Resolution #08-04-032, 04/28/08); FY09 supplemental appropriation (\$507,143) (Council Supplemental #25-S09-CMC-3) and (BOT Resolution #08-12-141, 12/15/08).

APPROPRIATION AND EXPENDITURE DATA	COORDINATION	MAP
Date First Appropriation	Montgomery County Department of Economic Development and the Montgomery College Foundation.	See Map on Next Page
First Cost Estimate	Bioscience Education Center (CIP#056603)	
Current Scope		
Last FY's Cost Estimate		
Appropriation Request		
Appropriation Request Est.		
Supplemental Appropriation Request		
Transfer		
Cumulative Appropriation		
Expenditures / Encumbrances		
Unencumbered Balance		
Partial Closeout Thru		
New Partial Closeout		
Total Partial Closeout		

County Council