

Resolution No.: 16-900
Introduced: March 24, 2009
Adopted: March 31, 2009

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council at the Request of the County Executive

SUBJECT: Approval of a Right of Recovery on Behalf of the State of Maryland for State Grant Funds to be Expended at the CHI Centers, Inc. Facility in the Former Hillandale Elementary School

Background

1. The County Executive and the Council of Montgomery County, Maryland recognize that there is a need to support the private agencies the County contracts with to perform public services.
2. CHI Centers, Inc. is a private corporation, operating in a County-owned facility in the former Hillandale Elementary School, performing a public service for the citizens of Montgomery County through a contract with the County.
3. On October 18, 2006, the State Board of Public Works approved a grant of State funds totaling \$1,600,000 to assist CHI Centers, Inc. in the cost of renovating the above owned County facility. The Board had previously approved a grant of \$70,915 for this project on June 23, 2004, bringing the total State grant to \$1,670,915.
4. The State of Maryland will release the funds granted to CHI Centers, Inc. only after a Right of Recovery in favor of the State is recorded among the land records of Montgomery County pursuant to Subtitle 6 of Title 24 of the Health-General Article of the Annotated Code of Maryland.
5. In the event, within 30 years, the property is sold or transferred to any person, agency or organization that would not qualify as an applicant under said Subtitle, or that is not approved as a transferee by the Board of Public Works, or if, within the same period, the improvements cease to be a "facility" as defined in Subtitle 6 of Title 24 of the Health-General Article of the Annotated Code of Maryland the Right of Recovery would allow the State of Maryland to recover the grants to CHI Centers, Inc. from Montgomery County.


6. CHI Centers, Inc. has agreed to indemnify the County from payment of the right of recovery costs by procuring a performance bond or letter of credit guaranteeing payment by its bond company.
7. Section 20-38A of the Montgomery County Code states that the Director of Finance may consent to recording in the County land records of a notice of the State's right of recovery, subject to the approval of the County Council, when required as a condition of a capital grant by the State to the County, or to a lessee or sublessee of the County, to improve property owned by the County.
8. The Director of Finance recommends that the County Council approve the recording of a right of recovery in favor of the State for the two grants to be expended at the CHI Centers, Inc. facility in the former Hillandale Elementary School.

Action

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

1. The County Council of Montgomery County approves the recording of a notice the State's right of recovery for the following grant funds approved by the State Board of Public Works for CHI Centers, Inc. projects at the former Hillandale Elementary School in Montgomery County, Maryland.
 - a. A grant of \$1,600,000 approved on October 18, 2006; and
 - b. A grant of \$70,915 approved on June 23, 2004.
2. The Director of Finance must record the notice of the State's right of recovery among the land records of Montgomery County, Maryland if: 1) the County Attorney determines that State law requires the County as landlord of Hillandale Elementary School to consent to a right of recovery; and 2) the County receives security satisfactory to the County Attorney indemnifying the County for payment of any right of recovery costs payable to the State.

This is a correct copy of Council actions:



Linda M. Lauer, Clerk of the Council