

MEMORANDUM

March 2, 2018

TO: County Council

FROM: Gene Smith, Legislative Analyst *GS*

SUBJECT: **CIP Worksession** – FY19-24 Capital Improvements Program (CIP): General Government – Economic Development Projects

Expected Attendees:

Tina Benjamin, Special Projects Manager, Office of the County Executive
Dee Metz, White Flint Implementation Coordinator
Ruth Semple, Finance Specialist, Department of Finance (Finance)
Pofen Salem, Office of Management and Budget (OMB)
Alison Dollar, OMB
Greg Ossont, Deputy Director, Department of General Services (DGS)

Planning, Housing, and Economic Development (PHED) Committee recommendations

- **Conference Center Garage: Approve (2-0)**
- **Life Sciences and Technology Center: Approve (2-0)**
- **Marriott International Headquarters and Hotel Project: Approve (2-0)**
- **White Flint Redevelopment Program: Approve (2-0)**
- **White Oak Science Gateway Redevelopment Project: Approve with amendments (2-0); see note below**
- **Wheaton Redevelopment Program (GO and PHED): Approve with minor text amendment (5-0)**
- **Universities at Shady Grove Expansion Project: Recommend close out (2-0)**

The PHED Committee recommended an amendment to the White Oak Science Gateway Redevelopment Project to better reflect the actual expenditures for the road construction projects (see ©15). The current schedule is a place holder. During the PHED Committee's worksession DGS shared that settlement with the County's development partner will likely occur in late-2019. This amendment reflects that anticipated closing date and previous expenditure schedules for similar road construction projects through a participation agreement.¹

Overview

There are seven ongoing projects and one project scheduled for close out in the Executive's recommended FY19-24 CIP for General Government - Economic Development projects (see ©1-13). The Long Branch Town Center Redevelopment project will be discussed at a later date.²

A. Conference Center Garage

Project Description

This project provides for the design and construction of a structured parking garage to accommodate the current and future parking needs of the North Bethesda Conference Center.

Use of Funds

See ©10-11 for the current Project Description Form (PDF) of this project. No expenditures are scheduled for FY19-24.

Highlights

Construction of the garage was completed in 2017, and the garage officially opened in December 2017. There is one outstanding item for this project. A pedestrian walkway connecting the third level of the garage to the second level of the Conference Center must be permitted and constructed. **Executive staff believes this item should be completed in summer of 2018, and once completed, the project will be closed out.**

B. Life Sciences and Technology Centers

Project Description

This project provides funds for the development and land use plans for the Germantown Life Sciences Park and the Site II development. Over the years, the project's scope has been expanded to include support for the County's Business Innovation Network (BIN).

¹ The County will execute a participation agreement with the Master Developer of Site II, meaning that the Master Developer will design and construct the roads and the County will reimburse it for those costs.

² The PHED Committee postponed the proposed FY17-22 amendment until the Maryland General Assembly adjourns on April 9 to better coordinate the County's efforts with the proposed State funding and programs related to businesses impacted by the Purple Line construction.

Use of Funds

See ©12-13 for the current PDF of this project. No expenditures are scheduled for FY19-24.

Highlights

The Council approved an amendment to this project in December 2016.³ The amendment repurposed the remaining funds so that the County could renovate the Silver Spring Innovation Center. The renovations are part of the contractual obligations expected as a new third-party operator assumes a management role for the incubator.⁴ The Council is planning to amend Section G of Resolution 18-823 so that the County could fund a contract with Launch Workplace, LL for this purpose.⁵ **This project will be scheduled for close out once construction is complete.**

C. Marriott International Headquarters and Hotel Project

Project Description

This grant provides for the retention of Marriott International, Inc.'s new \$500 million headquarters facility in the County.

Use of Funds

See ©5 for the recommended PDF of this project. The proposed expenditure schedule is below.

FY19-24 Expenditure Schedule (\$000s)

Cost Elements	Total 6 Years	FY19	FY20	FY21	FY22	FY23	FY24
Other	22,000	5,500	5,500	5,500	5,500	-	-
Total	22,000	5,500	5,500	5,500	5,500	-	-

Recommended funding sources: \$11.0 million in Recordation Tax Premium (MCG) and \$11.0 million from Current Revenue: Economic Development Fund.

Highlights

The funding for this project is a grant to Marriott to retain its headquarters in the County as negotiated by the County and the State. The Planning Board approved the development application for the construction of the headquarters and hotel in December 2017. Construction is anticipated to begin in 2018 with substantial completion by 2022.

Changes FY17-22

The recommended FY19-24 CIP expenditure schedule is unchanged compared to the FY17-22.

³ http://montgomerycountymd.granicus.com/Viewer.php?view_id=169&clip_id=14156&meta_id=146757

⁴ The County's current model for the BIN is that third-party operators will oversee management and operations of the three remaining incubators.

⁵ March 6, 2018 Agenda Item #3G

D. White Flint Redevelopment Program

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.

Use of Funds

See ©8 for the recommended PDF for this project. The proposed expenditure schedule is below.

FY19-24 Expenditure Schedule (\$000s)

Cost Elements	Total 6 Years	FY19	FY20	FY21	FY22	FY23	FY24
Planning, Design and Supervision	3,256	696	576	496	496	496	496
Total	3,256	696	576	496	496	496	496

Recommended funding source: \$3.256 million from the White Flint Special Tax District.

Highlights

This project only includes planning, design and supervision (“PDS”) expenditures. Funding for individual infrastructure projects that support redevelopment in White Flint are included in separate projects (e.g., White Flint District East: Transportation). See ©14 for a breakdown of the PDS expenditures by fiscal year. The program includes 2.2 FTEs: 1.0 FTE is the District Coordinator and 1.2 FTEs are in Finance.

Changes FY17-22

The recommended FY19-24 CIP modestly reduces the programmed expenditures compared to the FY17-22 CIP to reflect updated staffing charges.

E. White Oak Science Gateway Redevelopment Project

Project Description

This project provides for the planning and development coordination activities by the County necessary to implement redevelopment of the 110-acre County-owned parcel on Industrial Parkway (“Site II”).

Use of Funds

See ©9 for the recommended PDF for this project. The proposed expenditure schedule is below.

FY19-24 Expenditure Schedule (\$000s)

Cost Elements	Total 6 Years	FY19	FY20	FY21	FY22	FY23	FY24
Planning, Design and Supervision	800	200	200	200	200	-	-
Site Improvements	5,000	5,000	-	-	-	-	-
Construction	40,000	10,000	10,000	10,000	10,000	-	-
Other	320	160	160	-	-	-	-
Total	46,120	15,360	10,360	10,200	10,200	-	-

Recommended funding sources: \$45.8 million from General Obligation bonds and \$0.32 million from current revenue.

Highlights

This project includes funding for the demolition and preparation of Site II. DGS is currently working through the permit and procurement process to complete this work. DGS anticipates that this work will be ongoing throughout FY19.

In addition, this project includes \$40.0 million for the master plan roads as stipulated in the General Development Agreement between the County and Global LifeSci Development Corporation (GLDC). Timing of these expenditures are dependent on settlement with GLDC. GLDC must receive approval from the Planning Board for the Preliminary Plan. Given GLDC's current progress with the Planning Board, DGS anticipates that settlement will occur late-2019.

The PHED Committee recommends to amending the expenditure schedule to reflect the current progress of GLDC and similar road construction projects with a participation agreement.

Changes FY17-22

The recommended FY19-24 CIP expenditure schedule is unchanged compared to the FY17-22.

F. Wheaton Redevelopment Program

Project Description

The Wheaton Redevelopment Program was established in 2000 with the goal of encouraging private reinvestment in Wheaton 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.

Use of Funds

Total uses of funds are unchanged from last year, though the construction schedule has slipped. The changes to the schedule are reflected in lower actual expenditures in FY17, lower estimated expenditures in FY18, and higher expenditures in FY19, FY20, and FY21. The Department of Transportation provided an updated schedule with key milestones, which is attached at ©16.

Changes - Expenditure Schedule									
Cost Element	Total	Thru FY17	FY18	FY19	FY20	FY21	FY22	FY23	Beyond 6 Years
Planning, Design and Supervision	0	(108)	108	0	0	0	0	0	0
Land	1	1	0	0	0	0	0	0	0
Site Improvement and Utilities	0	(722)	722	0	0	0	0	0	0
Construction	0	(8,940)	(19,727)	876	26,912	879	0	0	0
Other	(1)	(1,264)	1,263	0	0	0	0	0	0
Total	0	(11,033)	(17,634)	876	26,912	879	0	0	0

Source of Funds

Total sources of funds are unchanged from last year. The PDF reflects a G.O. Bond/PAYGO funding switch in FY17; a shift of Permitting Services Fund revenue from FY17 to FY18, and reduced bond funding in FY18 (reflecting the delays to the construction schedule), and increased bond funding in FY20.

Changes - Funding Schedule									
	Total	Thru FY17	FY18	FY19	FY20	FY21	FY22	FY23	Beyond 6 Years
Contribution	0	0	0	0	0	0	0	0	0
Current Revenue, General	0	(190)	190	0	0	0	0	0	0
Current Revenue, Permitting Services	0	(6,591)	6,591	0	0	0	0	0	0
Federal Aid	0	(1)	1	0	0	0	0	0	0
G.O. Bond	(1,156)	(5,407)	(24,416)	876	26,912	879	0	0	0
PAYGO	1,156	1,156	0	0	0	0	0	0	0
Long-term Financing	0	0	0	0	0	0	0	0	0
State Aid	0	0	0	0	0	0	0	0	0
Solid Waste Disposal Fund	0	0	0	0	0	0	0	0	0
Land Sale Proceeds	0	0	0	0	0	0	0	0	0
Total	0	(11,033)	(17,634)	876	26,912	879	0	0	0

Highlights

The Estimated Schedule narrative in the PDF indicates that demolition of the RSC site began in November 2017. The GO/PHED Committees recommend changing the PDF to reflect that the demolition of the site began in February 2018 – see handwritten note on ©7.

G. Projects recommended for close out

The Executive recommends closing out one project under Economic Development, the Universities at Shady Grove Expansion Project (P151201). Construction is complete and there are no outstanding expenditures.

This packet contains:

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Economic Development

PROGRAM DESCRIPTION AND OBJECTIVES

The objectives of this program are to:

- Develop the necessary infrastructure and amenities to facilitate expansion of the County's technology and other business sectors with high growth potential;
- Develop business incubators to foster the growth of start-up technology companies in the County; and
- Facilitate public-private partnerships to maintain and attract major County employers and to revitalize targeted central business districts and other strategic locations in the County.

HIGHLIGHTS

- Complete construction of a parking garage and related site modifications at the Universities at Shady Grove (USG)/University of Maryland System Campus. The County's commitment to fund the garage and grounds modifications leverages state aid for the construction of a new Biomedical Sciences/Engineering Education (BSE) academic building.
- Construction of the Wheaton Redevelopment office building and town square started in June 2017. The project remains on-schedule with a scheduled completion date of April 2020. Excavation for the office building and garage foundations is scheduled to be completed in January 2018.
- Provide funding to leverage State resources for the retention and expansion of the global headquarters of Marriott International Inc. in Montgomery County.
- Complete construction of the Conference Center Garage by Summer 2018.
- Provide marketing and technical assistance to local businesses impacted by construction of the Purple Line in the Long Branch Sector Plan Area.
- Continue funding for planning, design and public infrastructure associated with the redevelopment of the White Oak Science Gateway Master Plan.
- Continue funding for plans, studies, analysis, and development coordination activities by the County necessary to implement redevelopment in the White Flint Sector Plan Area.

WHEATON REDEVELOPMENT

The Wheaton Redevelopment Program capital investment objectives are to aid in the redevelopment and revitalization of the downtown Central Business District by providing, in partnership with private development interests: infrastructure improvements designed to support private development; strategic acquisition of local properties to provide better linkages; public amenities and facilities at redevelopment sites; green space/public activity and/or entertainment space; public parking to support increased development activity; infrastructure improvements, such as unified public streetscape; and facade and other enhancements to deteriorating building structures.

The County Executive is committed to ensuring that the local community is fully involved and that private development plans are fully coordinated with all pertinent governmental functions. Thus, the County Executive has tasked the Department of Transportation (DOT), through its Division of Parking Management, with administering the Wheaton Redevelopment Program. Through DOT, the Executive-appointed Wheaton Redevelopment Advisory Committee, and the Mid-County Regional Services Center, the Executive ensures that citizens and businesses have an active voice in a well-coordinated review of new projects and in making recommendations to the County Executive.

Program Contacts

Contact Jose Thommana of the Department of Transportation at 240.777.8732 or Pofen Salem of the Office of Management and Budget at 240.777.2773 for more information regarding this capital budget project.

Capital Program Review

One ongoing project is recommended for FY19-24: Wheaton Redevelopment Program which provides funding to support public/private development projects, including private residential and/or commercial development, a new headquarters for the Maryland-National Capital Park and Planning Commission (M-NCPPC), offices for the Wheaton Regional Services Center and other County agencies, a town square, and public parking. The building will have a geothermal heating and cooling system which is likely to result in LEED Platinum certification for the office building. The FY19-24 total for the Wheaton Redevelopment Program is \$179.42 million.

Construction started in June 2017 with a scheduled completion date of April 2020. The project is on-schedule with excavation scheduled to finish in January 2018. This project is critical to the County's economic development goals and the long-term economic vitality of Wheaton.

WHITE FLINT REDEVELOPMENT

In 2010, the Montgomery County Council approved the new White Flint Sector Plan. The Plan establishes a vision for transforming what has been an auto-oriented suburban development pattern into a denser, mixed-use "urban" center in which people can walk to work, shops, and transit. 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 establishes a White Flint Special Taxing District.

In addition to the financing implementation, specialized services are required for the complex land assemblage and disposition actions associated with implementation of Stage I. 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.

Program Contacts

Contact Dee Metz of the Office of the County Executive at 240.777.2510, or Alison Dollar of the Office of Management and Budget at 240.777.2769 for more information regarding this capital budget project.

Capital Program Review

One ongoing project is recommended for FY19-24: White Flint Redevelopment Program which provides for the plans, studies, analysis, and development coordination activities by the County necessary to implement redevelopment in the White Flint Sector Plan Area. The total FY19-24 funding for this project is \$3.26 million.

Related and complementary projects, White Flint District East: Transportation, White Flint District West: Transportation, and White Flint West Workaround, are described in the Transportation section. The Conference Center Garage is slated for completion of construction in FY18.

WHITE OAK SCIENCE GATEWAY REDEVELOPMENT

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 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 development requirements. Staff time and services are required to manage and coordinate efforts to develop detailed plans, manage demolition and clean-up activities, design infrastructure, and to negotiate transactions with the development partner. This project includes funds to assist with the construction of master-planned roads (A-105, B-5, and improvements to FDA Boulevard), the demolition of existing structures and site clearing activities, and the staff time to coordinate all these activities.

Program Contacts

Contact Pete Fosselman of the Office of County Executive at 240.777.8416, Greg Ossont of the Department of General Services at 240.777.6192, or Alison Dollar of the Office of Management and Budget at 240.777.2769, for more information regarding this capital budget project.

Capital Program Review

One ongoing project is recommended for FY19-24: White Oak Science Gateway Redevelopment Project which provides for public infrastructure as well as the plans, studies, analysis, and development coordination activities by the County necessary to implement redevelopment in the White Oak Science Gateway Master Plan Area. The FY19-24 total for this project is \$46.12 million.

A related and complementary ongoing project, White Oak Science Gateway Infrastructure Development is described in the Transportation section on the Office Of Management and Budget's website <https://apps.montgomerycountymd.gov/BASISCAPITAL/Common/Project.aspx?ID=P501540&CID=3&SCID=9>

BUSINESS DEVELOPMENT

The Business Development Capital Program, formerly administered by the Montgomery County Department of Economic Development, is administered by the Office of the County Executive. The objectives of this program are to:

- Provide attractive, well-coordinated improvements for key industry sectors; and
- Expand the educational and research resources available for Montgomery County residents, employers, and workforce.

Program Contacts

Contact Tina Benjamin of the Office of the County Executive at 240.777.2006 or Pofen Salem of the Office of Management and Budget at 240.777.2773 for more information regarding this capital budget project.

Capital Program Review

One ongoing project is recommended for FY19-24: Marriott International Headquarters and Hotel Project which provides funding for the retention of Marriott International Inc.'s new \$500 million headquarters facility in Montgomery County. The County's commitment leverages State funding to retain and expand the global headquarters of Marriott International Inc. in the County to construct a new 700,000 square feet Class A office building and a new hotel in the downtown Bethesda area. The County's investment will not only be recouped directly from the incremental real and personal property tax generated from the project, but also above and beyond direct and indirect economic impacts that Marriott International Inc. creates in the State of Maryland.

In FY19, the first \$5.5 million payment will be disbursed for this \$22 million project.

LONG BRANCH REDEVELOPMENT

The Long Branch Redevelopment Program is an initiative to aid in the revitalization of the Long Branch community of Silver Spring through planning and infrastructure assistance. 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. 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.

Program Contacts

Contact Judith Stephenson of the Office of County Executive at 240.777.2012 or Pofen Salem of the Office of Management and Budget at 240.777.2773 for more information regarding this capital budget project.

Capital Program Review

The total FY19-24 funding for this project is \$300,000, which is the same amount approved in the FY17-22 CIP.



Long Branch Town Center Redevelopment (P150700)

Category
SubCategory
Planning Area

General Government
Economic Development
Silver Spring and Vicinity

Date Last Modified
Administering Agency
Status

01/04/18
County Executive
Planning Stage

Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	300	-	75	225	225	-	-	-	-	-
TOTAL EXPENDITURES	300	-	75	225	225	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Current Revenue: General	300	-	75	225	225	-	-	-	-	-
TOTAL FUNDING SOURCES	300	-	75	225	225	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	-	Year First Appropriation	FY15
Appropriation FY 20 Request	-	Last FY's Cost Estimate	300
Cumulative Appropriation	300		
Expenditure / Encumbrances	-		
Unencumbered Balance	300		

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

Long Branch Sector Plan area, Silver Spring, Maryland.

Estimated Schedule

The provision of marketing and technical assistance to local businesses impacted by construction of the Purple Line will be undertaken in FY18 and FY19.

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 are realigned to support the County Executive's initiative to aid in the revitalization of the Long Branch community now that the Purple Line project is 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	01/04/18
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	Bethesda-Chevy Chase and Vicinity	Status	Planning Stage

Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Other	22,000	-	-	22,000	5,500	5,500	5,500	5,500	-	-	-
TOTAL EXPENDITURES	22,000	-	-	22,000	5,500	5,500	5,500	5,500	-	-	-

FUNDING SCHEDULE (\$000s)

Current Revenue: Economic Development Fund	11,000	-	-	11,000	-	-	5,500	5,500	-	-	-
Recordation Tax Premium (MCG)	11,000	-	-	11,000	5,500	5,500	-	-	-	-	-
TOTAL FUNDING SOURCES	22,000	-	-	22,000	5,500	5,500	5,500	5,500	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	-	Year First Appropriation	
Appropriation FY 20 Request	-	Last FY's Cost Estimate	22,000
Cumulative Appropriation	11,000		
Expenditure / Encumbrances	-		
Unencumbered Balance	11,000		

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.

Estimated Schedule

Facility to be delivered in late 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 require appropriation of \$11 million in FY17 but annual payments will not begin until FY19. The source of funds may be revised in the future. Currently, the funding sources are assumed to be Recordation Tax Premium and the Economic Development Fund.

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	12/21/17
SubCategory	Economic Development	Administering Agency	Transportation
Planning Area	Kensington-Wheaton	Status	Under Construction

	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	16,048	10,653	3,003	2,392	1,736	666	-	-	-	-	-
Land	1,011	1,011	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	10,559	1,361	3,578	5,620	4,238	1,382	-	-	-	-	-
Construction	136,455	4,306	33,792	98,357	50,204	47,274	879	-	-	-	-
Other	15,343	290	5,623	9,430	6,531	2,899	-	-	-	-	-
TOTAL EXPENDITURES	179,416	17,621	45,996	115,799	62,709	52,211	879	-	-	-	-

FUNDING SCHEDULE (\$000s)

Federal Aid	418	417	1	-	-	-	-	-	-	-	-
G.O. Bonds	77,266	4,087	24,694	48,485	20,989	26,617	879	-	-	-	-
Land Sale	15,000	-	-	15,000	-	15,000	-	-	-	-	-
Contributions	862	-	-	862	862	-	-	-	-	-	-
Current Revenue: General	1,300	750	310	240	120	120	-	-	-	-	-
Current Revenue: Permitting Services	25,000	-	20,991	4,009	4,009	-	-	-	-	-	-
Current Revenue: Solid Waste Disposal	8,876	-	-	8,876	8,287	589	-	-	-	-	-
Long-Term Financing	38,327	-	-	38,327	28,442	9,885	-	-	-	-	-
PAYGO	11,617	11,617	-	-	-	-	-	-	-	-	-
State Aid	750	750	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	179,416	17,621	45,996	115,799	62,709	52,211	879	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	120	Year First Appropriation	FY04
Appropriation FY 20 Request	120	Last FY's Cost Estimate	179,416
Cumulative Appropriation	179,176		
Expenditure / Encumbrances	137,542		
Unencumbered Balance	41,634		

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, and Environmental Health Regulatory Services in the Department of Health and Human Services 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,

■ Estimated Schedule

The project design started in July 2014 and construction began in June 2017. Demolition of the RSC site began in ~~November 2017~~ ^{February 2018}. The Town Square is planned to be completed in Fall 2019 and the substantial completion of the office building is scheduled by Spring 2020. Close-out activities are expected to be completed in the beginning of FY21.

■ 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 has been adjusted to reflect 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. \$15M of the land sale proceeds from the M-NCPPC Headquarters in Silver Spring is programmed in FY20 to help finance the project costs. Total project cost includes \$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.

■ 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.

■ Coordination

Washington Metropolitan Area Transit Authority, Office of the County Attorney, Maryland-National Capital Park and Planning Commission, Westfield Mall, Community Associations and Residents, private developers, Department of General Services, Department of Transportation, Department of Environmental Protection, Department of Permitting Services, Department of Housing and Community Affairs, Mid-County Regional Service Center, and State of Maryland. Special Projects Legislation [Bill No. 33-14] was adopted by Council June 17, 2014.



White Flint Redevelopment Program (P151200)

Category	General Government	Date Last Modified	01/11/18
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	North Bethesda-Garrett Park	Status	Planning Stage

	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	6,113	2,057	800	3,256	696	576	496	496	496	496	-
Land	117	117	-	-	-	-	-	-	-	-	-
Other	69	69	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	6,299	2,243	800	3,256	696	576	496	496	496	496	-

FUNDING SCHEDULE (\$000s)											
White Flint Special Tax District	6,299	2,243	800	3,256	696	576	496	496	496	496	-
TOTAL FUNDING SOURCES	6,299	2,243	800	3,256	696	576	496	496	496	496	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)											
Appropriation FY 19 Request			(424)		Year First Appropriation					FY09	
Appropriation FY 20 Request			576		Last FY's Cost Estimate					6,003	
Cumulative Appropriation			4,163								
Expenditure / Encumbrances			2,244								
Unencumbered Balance			1,919								

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 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

Cost increase reflects the net of a decrease in anticipated programmed expenditures prior to FY19, updated staffing charges, and the addition of FY23 and FY24 to this ongoing project.

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, shops and 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.

Coordination

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



White Oak Science Gateway Redevelopment Project (P361701)

Category	General Government	Date Last Modified	12/22/17
SubCategory	Economic Development	Administering Agency	General Services
Planning Area	Colesville-White Oak and Vicinity	Status	Ongoing

Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	1,200	221	179	800	200	200	200	-	-	-
Site Improvements and Utilities	7,100	5	2,095	5,000	5,000	-	-	-	-	-
Construction	40,000	-	-	40,000	10,000	10,000	10,000	10,000	-	-
Other	740	9	411	320	160	160	-	-	-	-
TOTAL EXPENDITURES	49,040	235	2,685	46,120	15,360	10,360	10,200	10,200	-	-

FUNDING SCHEDULE (\$000s)

G.O. Bonds	48,400	235	2,365	45,800	15,200	10,200	10,200	10,200	-	-
Current Revenue: General	640	-	320	320	160	160	-	-	-	-
TOTAL FUNDING SOURCES	49,040	235	2,685	46,120	15,360	10,360	10,200	10,200	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	360	Year First Appropriation	FY17
Appropriation FY 20 Request	360	Last FY's Cost Estimate	49,040
Cumulative Appropriation	47,920		
Expenditure / Encumbrances	238		
Unencumbered Balance	47,682		

Project Description

This program provides for the planning and development coordination activities by the County necessary to implement the redevelopment of the 110-acre 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's development partner has commenced development entitlements for the entire 280-acre project.

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 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.

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, M-NCPPC



Conference Center Garage (P781401)

Category	General Government	Date Last Modified	12/19/17
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	North Bethesda-Garrett Park	Status	Under Construction

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Land	44	44	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	2,763	-	2,763	-	-	-	-	-	-	-	-
Construction	5,359	-	5,359	-	-	-	-	-	-	-	-
Other	12,834	12,834	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	21,000	12,878	8,122	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
State Aid	21,000	12,878	8,122	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	21,000	12,878	8,122	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	-	Year First Appropriation	FY16
Appropriation FY 20 Request	-	Last FY's Cost Estimate	21,000
Cumulative Appropriation	21,000		
Expenditure / Encumbrances	12,878		
Unencumbered Balance	8,122		

Project Description

This project provides for the design and construction of a structured parking garage to accommodate the current and future parking needs of the North Bethesda Conference Center, which is jointly owned by Montgomery County and the State of Maryland. The garage is needed in order to replace the parking spaces that are being lost due to the construction and realignment of roads in the White Flint area (see CIP #501506). The garage will consist of approximately 650 spaces and will be operated by the management company of the Conference Center, Marriott International, in accordance with the County's existing agreement with Marriott. Groundbreaking for the garage took place in November, 2017 and is being followed by a twelve to fifteen month construction period.

Location

Bethesda North Marriott Hotel & Conference Center at 5701 Marinelli Rd, Bethesda, MD 20852

Estimated Schedule

Design was completed in FY16. Construction began in FY17 and will be completed by FY18.

Project Justification

Significant changes and development activity will occur around the Conference Center property in accordance with the 2010 White Flint Sector Plan (WFSP), which will require the conversion of the conference center's parking from a surface lot to a structured garage. Per the Sector Plan, Executive Boulevard will be realigned to allow for a standard four-way intersection. The addition of several smaller streets will break up block sizes into more pedestrian scale blocks, contributing to the goal of the WFSP to create a pedestrian friendly environment. These roadway modifications will significantly impact the size of the Conference Center property. The realignment of Executive Boulevard will cut across the northwest corner of the site, while the addition of the new Market Street will eliminate a 70-foot strip along the northern edge of the property. In addition, the new Woodglen Drive to the east will bisect the site into east and west parcels. These changes will significantly reduce the current number of available surface parking space. Therefore, a parking garage must be constructed to accommodate the parking needs of the conference center. Operating profits from the garage will accrue to the County's General Fund through its management agreement with Marriott and will be accounted for in the Conference Center NDA.

Fiscal Note

As the result of a joint agreement between Montgomery County, the Maryland Department of Transportation, and Federal Realty Investment Trust (FRIT), the County received the proceeds of \$21 million from a transaction involving State Highway Administration surplus land in White Flint. The surplus property was sold to an adjacent developer (FRIT) at full market value, resulting in a net gain of \$21 million dollars for the County. As part of the agreement with the State, these land sale proceeds are designated to fund the design and construction of a multi-level parking garage at the site of the County/State owned Bethesda North Conference Center. The funds are being held in an escrow account that is jointly controlled by the County and the State. An FY14 supplemental appropriation request was approved for this project for the amount of \$1,500,000; an FY16 supplemental appropriation request was approved for this project for the amount of \$19,500,000.

Disclosures

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.

Coordination

Department of Transportation, Office of the County Executive, Department of Finance, Office of the County Attorney, Maryland Stadium Authority, Maryland Department of Transportation, Maryland State Highway Administration



Life Sciences and Technology Centers (P789057)

Category	General Government	Date Last Modified	11/30/17
SubCategory	Economic Development	Administering Agency	General Services
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Planning, Design and Supervision	1,663	1,663	-	-	-	-	-	-	-	-	-
Land	39	39	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	73	73	-	-	-	-	-	-	-	-	-
Construction	467	159	308	-	-	-	-	-	-	-	-
Other	28	28	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,270	1,962	308	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
G.O. Bonds	670	406	264	-	-	-	-	-	-	-	-
Current Revenue: General	1,600	1,556	44	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	2,270	1,962	308	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	-	Year First Appropriation	FY90
Appropriation FY 20 Request	-	Last FY's Cost Estimate	2,270
Cumulative Appropriation	2,270		
Expenditure / Encumbrances	1,962		
Unencumbered Balance	308		

Project Description

This project provides funds for the development and land use plans for the Germantown Life Sciences Park (GLSP) and the Site II development, also referred to as LifeSci Village. The project has also supported the development of the Germantown, East County, and Rockville business incubators. Specific tasks include feasibility studies, due diligence, refining Programs of Requirements (PORs), design and construction. All incubators are modeled after the County's William E. Hanna Innovation Center at the Shady Grove Life Sciences Center (SGLSC). This project originally provided funds to design and construct the public amenities at the SGLSC. Additions to the original project scope included: revised development and subdivision plans to increase site density (FY00); sub-division plans for prospective Life Sciences and Technology Centers (FY03); and planning for the Rockville incubator (FY07). More recently funds were used to carry out all needed steps for Site II to be accepted into the Maryland Voluntary Clean-Up Program. 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.

Project Justification

Montgomery County developed the original SGLSC as a research and development park for prospective biotechnology companies. All the available parcels in the SGLSC have been leased, purchased, or otherwise committed. The County's four business incubators, the Silver Spring Innovation Center, the Rockville Innovation Center, the Wheaton Innovation Center, and the Germantown Innovation Center currently support over 80 companies. Given the success of the SGLSC and the incubators' graduation rates, it is in the County's interest to continue to invest in and develop projects to attract and provide growth and expansion opportunities for life science and advanced technology companies. Funds are also used to leverage private monies to renovate the Silver Spring Innovation Center and transition it to private sector management.

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 are open for business. Planning for the Site II development is continuing, as the County has an executed Interim Development Agreement with its private sector partner, Percontee; was actively engaged in the development of the White Oak Science Gateway Master Plan; and has pursued all necessary steps for Site II to be accepted into the MD Clean-Up Program.

Fiscal Note

The original component of the CIP project, the construction of all required amenities and improvements to meet M-NCPPC's subdivision requirements of the SGLSC property, is complete. The Rockville and Germantown Innovation Centers are up and operational. The Germantown Life Sciences Center and LifeSci Village are in the preliminary design and planning stages.

Coordination

State of Maryland, MEDAAF, TEDCO, MEDCO, City of Rockville, DPWT - Division of Capital Development, Maryland-National Capital Park and Planning Commission, Tenants of the SGLSC, Facility Planning: MCG, Montgomery College, WSSC, Johns Hopkins University, private developers.

White Flint Planning, Design and Supervision expenditure breakdown

FY18

\$25,000	DOT Attorney
\$100,000	Reforestation Fees
\$100,000	Misc. Park and Planning Requirements
\$10,000	Engineering Services
\$55,000	Plans/Studies/Coordination
\$221,074	County Executive (CE) Charges, includes consultant, and misc. operating expenses
\$222,569	Finance Staff Charges
\$75,000	Financial Advisor (FA)
\$808,643	

FY19

\$25,000	DOT Attorney
\$55,000	Plans/Studies/Coordination
\$235,000	CE Charges
\$232,000	Finance Staff Charges
\$150,000	FA charges - anticipated debt issue FY19
\$697,000	

FY20

\$25,000	DOT Attorney
\$55,000	Plans/Studies/Coordination
\$235,000	CE Charges
\$232,000	Finance Staff Charges
\$30,000	FA charges - ongoing review
\$577,000	

FY21 & Beyond

\$235,000	CE Charges
\$232,000	Finance Staff Charges
\$30,000	FA charges - ongoing review
\$497,000	



White Oak Science Gateway Redevelopment Project (P361701)

Category General Government
SubCategory Economic Development
Planning Area Colesville-White Oak and Vicinity

Date Last Modified 12/22/17
Administering Agency General Services
Status Ongoing

Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	1,200	221	179	800	200	200	200	-	-	-
Site Improvements and Utilities	7,100	5	2,095	5,000	5,000	-	-	-	-	-
Construction	40,000	-	-	40,000	10,000	5,000	15,000	15,000	-	-
Other	740	9	411	320	160	160	-	-	-	-
TOTAL EXPENDITURES	49,040	235	2,685	46,120	15,360	10,360	40,200	40,200	-	-

FUNDING SCHEDULE (\$000s)

G.O. Bonds	48,400	235	2,365	45,800	15,200	10,200	10,200	10,200	-	-
Current Revenue: General	640	-	320	320	160	160	-	-	-	-
TOTAL FUNDING SOURCES	49,040	235	2,685	46,120	15,360	10,360	10,200	10,200	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	360	Year First Appropriation	FY17
Appropriation FY 20 Request	360	Last FY's Cost Estimate	49,040
Cumulative Appropriation	47,920		
Expenditure / Encumbrances	238		
Unencumbered Balance	47,682		

Project Description

This program provides for the planning and development coordination activities by the County necessary to implement the redevelopment of the 110-acre 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's development partner has commenced development entitlements for the entire 280-acre project.

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 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.

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, M-NCPPC

Wheaton Revitalization
Current Schedule of Major Milestone Activities

February 5, 2018

Below are the current completion dates for major Milestone Activities based upon the active project (CPM) schedule.

Background

Design of the project completed in summer 2016. The Turnkey GMP process commenced immediately thereafter.

The GMP process is an open-book iterative process wherein the contractor solicits cost estimates (quotes) from 3-subcontractors for all major work packages in the project. This includes major items such as excavation, foundation construction, concrete, MEP, building skin, interior finishes, etc. In all, more than 50-subcontracts are required to complete the project, many of which are major items of work.

The GMP pricing process is iterative in nature wherein the developer and DOT review the contractor's initial construction cost estimate based upon final design in comparison to the established budget. The initial construction cost estimate is reconciled against the established budget through a Value Engineering (VE) process. Value Engineering (VE) requires a careful examination of the design seeking to reduce construction cost while maintaining or exceeding the "value" of the project. This process inherently results in modifications to the project design and addresses the delta between estimated cost and budgeted cost. Three (3) due-diligent VE efforts were conducted between Oct 2016 and March 2017 resulting in the final design and the GMP for the project.

- | | |
|-----------------------------|-------------|
| • Design Complete | Summer 2016 |
| • GMP Pricing #1 | Oct 2016 |
| • Value Engineering #1 | Oct 2016 |
| • GMP Pricing #2 | Dec 2016 |
| • Value Engineering #2 | Dec 2016 |
| • GMP Pricing #3 | March 2017 |
| • Value Engineering #3 | March 2017 |
| • Final GMP Pricing | May 2017 |
| • Limited Notice to Proceed | June 2017 |
| • Full Notice to Proceed | July 2017 |

Current Milestone Activities

- | | |
|-----------------------------|---------------|
| • Building Excavation | January 2018 |
| • Demolition of RSC | February 2018 |
| • Building tie-down anchors | March 2018 |
| • Foundation Construction | Summer 2018 |
| • Utility Installation | August 2018 |

- Town Square Fall 2019
- Complete TI Design March 2018
- Advertise for TI May 2018
- Building top-out August 2019
- Building Close-in October 2019
- Interior build-out Spring 2020
- Substantial Completion May 2020
- Move-in (occupancy) Summer 2020

It is important to note that demolition of the RSC is not on the critical path of the project. This means that several months' variation in the RSC demo schedule will not affect the final project completion date. The RSC is currently scheduled to be demolished February 15, 2018.