

Resolution No.: 20-991
Introduced: October 7, 2025
Adopted: December 2, 2025

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #26-13 to the FY26 Capital Budget
Montgomery County Government
Department of Transportation
Bus Rapid Transit: MD 355 Central (No. 502005), \$168,412,000

Background

1. 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 six Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of seven 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.

2. 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>
Bus Rapid Transit MD 355 Central	502005	Construction	\$168,412,000	Long-Term Financing

3. This is no change regarding the cost or scope of the project. By securitizing funds from the State Bus Rapid Transit Fund for use as Long-Term Financing, funding will be available earlier in the project lifecycle, enabling us to both deliver the project more quickly and reduce the risk of encountering inflationary costs.

- 4. The County Executive recommends a supplemental appropriation in the amount of \$168,412,000 for Bus Rapid Transit: MD 355 Central (No. 502005) and specifies that the source of funds will be Long-Term Financing.
- 5. Notice of public hearing was given and a public hearing was held.

Action

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

A supplemental appropriation to the FY26 Capital Budget is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Bus Rapid Transit MD 355 Central	502005	Construction	\$168,412,000	Long-Term Financing

This is a correct copy of Council action.



Sara R. Tenenbaum
Clerk of the Council



Bus Rapid Transit: MD 355 Central (P502005)

Category	Transportation	Date Last Modified	04/09/25
SubCategory	Mass Transit (MCG)	Administering Agency	Transportation
Planning Area	Countywide	Status	Final Design Stage

	Total	Thru FY24	Rem FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	67,611	14,506	-	51,000	4,000	16,000	14,000	8,000	4,500	4,500	2,105
Land	80,746	-	1,766	78,980	-	-	22,000	24,000	22,980	10,000	-
Site Improvements and Utilities	50,871	-	-	44,871	-	-	14,000	18,498	6,373	6,000	6,000
Construction	194,878	-	-	144,878	-	-	10,000	20,000	58,000	56,878	50,000
Other	57,894	-	-	57,894	-	-	-	28,947	28,947	-	-
TOTAL EXPENDITURES	452,000	14,506	1,766	377,623	4,000	16,000	60,000	99,445	120,800	77,378	58,105

FUNDING SCHEDULE (\$000s)											
Current Revenue: Mass Transit	2,550	313	437	1,800	-	-	-	-	1,800	-	-
FTA Capital Investment Grant	212,526	-	-	154,421	-	-	9,064	24,632	43,347	77,378	58,105
Impact Tax	4,370	4,370	-	-	-	-	-	-	-	-	-
Long-Term Financing	191,000	-	-	191,000	-	-	40,534	74,813	75,653	-	-
Recordation Tax Premium (MCG)	2,880	2,880	-	-	-	-	-	-	-	-	-
State Aid	38,674	6,943	1,329	30,402	4,000	16,000	10,402	-	-	-	-
TOTAL FUNDING SOURCES	452,000	14,506	1,766	377,623	4,000	16,000	60,000	99,445	120,800	77,378	58,105

APPROPRIATION AND EXPENDITURE DATA (\$000s)					
Appropriation FY 26 Request			13,588	Year First Appropriation	FY20
Supplemental Appropriation Request			168,412	Last FY's Cost Estimate	429,580
Cumulative Appropriation			55,674		
Expenditure / Encumbrances			21,884		
Unencumbered Balance			33,790		

PROJECT DESCRIPTION

This project will design and construct a new bus rapid transit (BRT) line on MD 355 between Rockville and Germantown. The project includes dedicated BRT lanes, new BRT stations with level boarding and off-board payment, Transit Signal Priority (TSP), purchase of new zero-emission BRT buses, and other associated pedestrian and bicycle improvements along the corridor. In addition, the project includes planning for a new transit center near the Montgomery College Rockville Campus and preliminary design for a relocated and expanded Lakeforest Transit Center to support the project. Planning conducted by the Maryland Department of Transportation Maryland Transit Administration (MDOT MTA) resulted in several alternatives retained for detailed study in 2017 for BRT along MD 355 from Bethesda to Clarksburg. Final design and construction of the North and South segments will occur as a separate project.

LOCATION

The MD 355 BRT corridor spans Clarksburg to Bethesda. The Central phase of this project will include the master plan areas of Shady Grove and Germantown, as well as the cities of Rockville and Gaithersburg. A subsequent phase will provide service to the master plan areas of Bethesda, North Bethesda, Garrett Park, White Flint and Clarksburg.

ESTIMATED SCHEDULE

Project planning was completed in FY19. Preliminary engineering of the busway was completed in FY24. Environmental documentation for the purposes of submitting for federal funding is underway and will be completed in FY26. Final design will be procured in FY25 and is estimated to last approximately two years. Construction activities, including right-of-way acquisition and utility relocations, may begin as early as FY27. Construction of the BRT is estimated to be completed in FY31, with operations beginning that year.

PROJECT JUSTIFICATION

MD 355 Flash will transform mobility options with the implementation of a 22-mile, premium, branded, limited-stop BRT service along MD 355 between Clarksburg and Bethesda. This new service will improve transit travel time and increase opportunity for a broad range of users along a highly congested corridor. MD 355 Flash will improve passenger transit mobility by connecting riders to high-density housing and employment centers. MD 355 Flash is being phased to accelerate delivery. This phase will implement BRT between Rockville and Germantown. Extensions to Bethesda and Clarksburg will follow. A new transit center near the Montgomery College Rockville Campus will provide increased space to accommodate both the MD 355 BRT and Veirs Mill Road BRT operations as well as improve overall transit access and operations at this location. The Lakeforest Transit Center is currently undersized for existing operations and a new transit center is being designed in coordination with the Lakeforest redevelopment.

FISCAL NOTE

The County intends to secure federal funding for this project through the Federal Transit Administration's (FTA) Capital Investment Grant (CIG) New Starts program. The project was granted entry into the New Starts Project Development process in Fall 2024. Programming of funds through final design and construction improves the project's eligibility for funding.

The amended FY21-26 CIP added \$6 M in State grants. Additional State aid in FY23-25 includes State grants for capital projects in Montgomery County programmed and/or preauthorized during the 2022 and 2023 Maryland General Assembly sessions, including \$150,000 in the 2023 session specifically identified to support planning and design of a new transit center near Montgomery College in Rockville. \$10.23 million of State Aid appropriated to the MD 355 South/North project (P502309) was moved to the this project in FY26.

This project previously assumed funding from Op Lanes Maryland revenue proceeds, which have been pledged by the Maryland Department of Transportation to fund high priority public transit projects in Montgomery County. However, given the uncertainty in timing for that funding source, it was replaced in FY26 with revenue from the State Bus Rapid Transit Fund.

The State Bus Rapid Transit Fund was created by the Maryland General Assembly to provide funding to Maryland jurisdictions for eligible BRT projects. Long-Term Financing in this project reflects the intention to issue debt backed by this funding source as authorized under State law.

FY24 funding switch from Recordation Tax Premium to Impact Tax to reflect prior year actuals and other adjustments.

FY26 funding switch of \$191,000,000 from State Aid and State BRT Fund to Long-Term Financing. FY26 supplemental for the amount of \$168,412,000 in Long-Term Financing.

DISCLOSURES

A pedestrian impact analysis will be performed during design or is in progress. 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

Maryland-National Capital Park and Planning Commission, Maryland Department of Transportation State Highway Administration & Maryland Transit Administration, Department of Environmental Protection, Department of Permitting Services, Washington Gas, Pepco, Verizon, Comcast, Maryland Department of Natural Resources, Federal Transit Administration, City of Gaithersburg, City of Rockville, Washington Metropolitan Area Transit Authority, Commission on People with Disabilities, Transit Advisory Group, Neighborhood and Civic Associations, MD 355 BRT Corridor Advisory Committee.

