

Resolution: 20-349
Introduced: December 12, 2023
Adopted: December 12, 2023

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

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

SUBJECT: Supplemental Appropriation #24-36 to the FY24 Capital Budget Montgomery County Government Office of the County Executive, Business Center Life Sciences and Technology Centers (No. 789057), \$400,000

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>
Life Sciences and Technology Centers	789057	Construction	\$400,000	Current Revenue: General

- 3. This increase is needed due to cost adjustments from delays to prevent disruption of the tenants in 2022 and utility assessment delays in 2023.
- 4. The County Executive recommends a supplemental appropriation in the amount of \$400,000 for the Life Sciences and Technology Centers (No. 789057) and specifies that the source of funds will be Current Revenue: General.
- 5. Notice of public hearing was given and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action: A supplemental appropriation to the FY24 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>
Life Sciences and Technology Centers	789057	Construction	\$400,000	Current Revenue: General

This is a correct copy of Council action.



Sara R. Tenenbaum
Clerk of the Council

Life Sciences and Technology Centers (P789057)

Category	General Government	Date Last Modified	11/02/22
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	Countywide	Status	Ongoing

	Total	Thru FY22	Rem FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	2,065	1,965	100	-	-	-	-	-	-	-	-
Land	39	39	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	73	73	-	-	-	-	-	-	-	-	-
Construction	1,481	175	906	400	-	400	-	-	-	-	-
Other	12	12	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	3,670	2,264	1,006	400	-	400	-	-	-	-	-

FUNDING SCHEDULE (\$000s)											
Current Revenue: General	2,400	1,594	406	400	-	400	-	-	-	-	-
G.O. Bonds	410	410	-	-	-	-	-	-	-	-	-
PAYGO	260	260	-	-	-	-	-	-	-	-	-
Recordation Tax Premium (MCG)	600	-	600	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	3,670	2,264	1,006	400	-	400	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)					
Appropriation FY 24 Request			-	Year First Appropriation	FY90
Supplemental Appropriation Request			400	Last FY's Cost Estimate	3,270
Cumulative Appropriation			3,270		
Expenditure / Encumbrances			2,265		
Unencumbered Balance			1,005		

PROJECT DESCRIPTION

This project has supported a myriad of enhancements related to the County's life sciences and entrepreneurial climate. This project originally provided funds to design and construct the public amenities at the Shady Grove Life Sciences Center. The project has supported the development and land use plans for the Germantown Life Sciences Park (GLSP) and the Site II development. Additionally, the project has supported the development of the Germantown and Rockville business incubators and upgrades to the Silver Spring incubator. Specific tasks included feasibility studies, due diligence, refining Programs of Requirements (PORs), design and construction. Additions to the original project scope included: revised development and subdivision plans to increase site density (FY00); subdivision plans for prospective Life Sciences and Technology Centers (FY03); planning for the Rockville incubator (FY07); and the pursuit of all needed steps for Site II to be accepted into the Maryland Voluntary Clean-Up Program (FY11). 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. In FY22, this project provided funds for the conversion of excess office space into wet labs in the lab corridor of the Germantown Innovation Center.

ESTIMATED SCHEDULE

The project is expected to complete by the end of FY24.

COST CHANGE

Reflects cost increase complete conversion of office space to additional wet labs space at the Germantown Innovation Center.

PROJECT JUSTIFICATION

For the past two years the Germantown Innovation Center has had excess office space and insufficient lab space to meet the demand of small life science companies. The labs are routinely at 100 percent occupancy while the office space is routinely 28-44 percent vacant. Generally each lab company also occupies office space. By increasing the number of available wet labs the incubator can serve more emerging life science companies by providing both lab and office space, thereby reducing the current office space vacancy.

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 have been open for business. Site II was accepted into the Maryland Voluntary Clean-Up Program and has been conveyed to Percontee. The Silver Spring Innovation Center has been renovated.

FISCAL NOTE

FY22 supplemental for \$400,000 in Current Revenue: General. FY24 supplemental in Current Revenue: General for the amount of \$400,000.

COORDINATION

State of Maryland, TEDCO, Maryland Department of Public Works and Transportation - Division of Capital Development, the Maryland-National Capital Park and Planning Commission, Montgomery County Economic Development Corporation, and tenants of the Germantown Innovation Center. Facility Planning: Montgomery County Government, Montgomery College, the Washington Suburban Sanitary Commission (WSSC), and private developers.