



Committee: Directly to Council
Committee Review: N/A
Staff: Naeem Mia, Legislative Analyst
Purpose: To receive testimony/final action - vote expected
Keywords: #LandAcquisition #CIP #Larchmont #GEDS

AGENDA ITEM #14
June 15, 2021
Public Hearing/Action

SUBJECT

Amendment to the FY21-26 Capital Improvements Program (CIP) and Supplemental Appropriation #26-S21-CMCG-13 to the FY21 Capital Budget Montgomery County Government (\$7,600,000)

EXPECTED ATTENDEES

None.

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- This supplemental appropriation was introduced on May 27, 2021.
- No Committee recommendation. A motion is required.

DESCRIPTION/ISSUES

The County Executive proposes an amendment and supplemental appropriation to the FY21-26 CIP and FY21 Capital Budget in the amount of \$7,600,000 (source of funds: GO Bonds) to fund the reacquisition of the Larchmont Elementary School property in the Kensington/Wheaton area.

The property is currently a closed school site and the home of the Grace Episcopal Day School (GEDS), a private educational facility. The property was transferred to GEDS but the County retained a Right of First Refusal (ROFR) in order to exercise its ability to reacquire the property for a future public use. The County intends to lease the property back to GEDS for an initial 10-year term. The Council's approval of this reacquisition includes approval of the lease of the property to GEDS.

This report contains:

1. May 18, 2021 memo from County Executive © 1
2. Project Description Form (PDF) – Reacquisition of Larchmont Elementary School Property (No. P362201) © 2
3. Resolution Approving Transfer © 3-4

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

May 18, 2021

TO: Tom Hucker, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Amendment to the FY21-26 Capital Improvements Program and Supplemental Appropriation #26-S21-CMCG-13 to the FY21 Capital Budget Montgomery County Government
Department of General Services
Reacquisition of Larchmont Elementary School Property (No. P362201), \$7,600,000

I am recommending a supplemental appropriation to the FY21 Capital Budget and amendment to the FY21-26 Capital Improvements Program in the amount of \$7,600,000 for the Reacquisition of Larchmont Elementary School Property (No. P362201). Appropriation for this project will fund the reacquisition of this closed school site in the Kensington-Wheaton area.

This increase is needed to avoid delay in the County's position to exercise its right of first refusal to purchase this property. This is a significant opportunity for the County to acquire property with considerable potential for public benefit. Immediately following the purchase of this property, the County will lease the school building back to the current owner for continued use as a private school.

I recommend that the County Council approve this supplemental appropriation and amendment to the FY21-26 Capital Improvements Program in the amount of \$7,600,000 and specify the source of funds as GO Bonds.

I appreciate your prompt consideration of this action.

Attachment: Amendment to the FY21-26 Capital Improvements Program and Supplemental Appropriation #26-S21-CMCG-13

c: David Dise, Director, Department of General Services
Jennifer Bryant, Director, Office of Management and Budget
Marc Hansen, Director, County Attorney's Office
Greg Ossont, Deputy Director, Department of General Services
Mary Beck, Capital Budget Manger
Claire Iseli, Special Assistant to the County Executive
Debbie Spielberg, Special Assistant to the County Executive

Reacquisition of Larchmont Elementary School Property (P362107)

Category	General Government	Date Last Modified	05/13/21
SubCategory	Other General Government	Administering Agency	General Services
Planning Area	Kensington-Wheaton	Status	Planning Stage

	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Land	7,600	-	-	7,600	350	7,250	-	-	-	-	-
TOTAL EXPENDITURES	7,600	-	-	7,600	350	7,250	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

G.O. Bonds	7,600	-	-	7,600	350	7,250	-	-	-	-	-
TOTAL FUNDING SOURCES	7,600	-	-	7,600	350	7,250	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request	-	-	-	-	-	-	-	-	-	-
Appropriation FY 22 Request	-	-	-	-	-	-	-	-	-	-
Supplemental Appropriation Request	7,600	-	-	-	-	-	-	-	-	-
Cumulative Appropriation	-	-	-	-	-	-	-	-	-	-
Expenditure / Encumbrances	-	-	-	-	-	-	-	-	-	-
Unencumbered Balance	-	-	-	-	-	-	-	-	-	-

PROJECT DESCRIPTION

This project funds the reacquisition of the Larchmont Elementary School property, which was previously sold by the County to Grace Episcopal Church. The County will exercise its right of first refusal to purchase the property. The County will lease the school building, currently operated as a private school, back to the current owner until the property is needed for public use. The current owner will fund any necessary capital improvements to the school building.

LOCATION

9411 Connecticut Avenue, Kensington, MD 20895

ESTIMATED SCHEDULE

Closing on this purchase is expected in August 2021.

PROJECT JUSTIFICATION

This property is an ideal candidate for future public purpose. The intended arrangement will allow for continued operation as a private school while funding necessary capital improvements at no cost to the County.

FISCAL NOTE

FY21 supplemental in G.O. Bonds for the amount of \$7,600,000.

COORDINATION

Department of General Services, Office of the County Attorney, Office of Management and Budget

Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Amendment to the FY21-26 Capital Improvements Program and Supplemental Appropriation #26-S21-CMCG-13 to the FY21 Capital Budget
Montgomery County Government
Department of General Services
Reacquisition of Larchmont Elementary School Property (No. P362201),
\$7,600,000

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 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.
2. 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.
3. 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>
Reacquisition of Larchmont Elementary School Property	P362201	Land	\$7,600,000	GO Bonds

4. This increase is needed to avoid delay in the County’s position to exercise its right of first refusal to purchase this property. This is a significant opportunity for the County to acquire property with considerable potential for public benefit. Immediately following the purchase of this property, the County will lease the school building back to the current owner for continued use as a private school.
5. The County Executive recommends an amendment to the FY21-26 Capital Improvements Program and a supplemental appropriation in the amount of \$7,600,000 for Reacquisition of Larchmont Elementary School Property (No. P362201), and specifies that the source of funds will be GO Bonds.
6. 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 FY21-26 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>
Reacquisition of Larchmont Elementary School Property	P362201	Land	\$7,600,000	GO Bonds

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council