



Committee: GO
Committee Review: Completed
Staff: Nicole Rodriguez-Hernandez, Legislative Analyst;
Naeem Mia, Legislative Analyst
Purpose: To receive testimony – no vote expected
Keywords: #CIPFY21-26 #Council Office Building

AGENDA ITEM #8
December 7, 2021
Public Hearing

SUBJECT

Special Appropriation to the FY22 Capital Budget and Amendment to the FY21-26 Capital Improvements Program, Department of General Services, Council Office Building Renovations (No. P010100), \$3,600,000 (Source of Funds: General Obligation Bonds)

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

None

DESCRIPTION/ISSUE

The Council will receive testimony on a special appropriation and CIP amendment for the Council Office Building (COB) Renovations project.

SUMMARY OF KEY DISCUSSION POINTS

- On March 16, 2021, the Council approved a \$92,000 appropriation of new funding and reappropriated \$408,000 from within the COB renovation project to fund the planning and design and initial construction costs for the required two new Councilmember suites and relocated Legislative Information Services (LIS) office suite. These subprojects were the immediate priorities to be addressed as a result of the November 2020 voter-approved County Charter amendment that added two new districts/Councilmembers, creating an 11-member Council. When the Council approved this appropriation, they were aware additional funding would be needed to complete related renovations.
- This COB renovation project special appropriation of \$3.6 million is needed as it includes funding for the remaining construction cost needs for the two new Councilmember suites and relocated LIS suite as well as furniture & equipment and IT infrastructure needs. In addition, this appropriation funds several key subprojects also related to the transition from 9 to 11 Councilmembers and the future return to in-person Council/Committee sessions:
 - New Clerk's Table: The existing Council Hearing Room dais will accommodate the 11-Councilmembers and two Council staff leaders. A new addition will be added to the dais for the Clerk's staff who require proximity to the Council during sessions.
 - Staircase Remediation: Existing stairways within the COB are in violation of several code compliance issues. This appropriation will fund the increase in costs for this subproject.

- Digital Signage: The original project scope for the COB renovation included updated signage, however, funding was not specifically allocated for it due to unexpected funding needs for higher priority renovation subprojects. This appropriation funds the updated signage to the benefit of visitors and new staff.
 - Remediation and Reuse of Former Cafeteria Space: In order for the space that is currently known as the 2nd floor cafeteria/seating lounge to be used for any future purpose, significant remediation of existing health code violations and replacement of outdated necessary high-cost systems (e.g. HVAC system) will need to be funded and addressed. Current tentative designs convert a majority of the existing cafeteria space to new conference and meeting rooms accessible to the public and staff, to replace the loss of the 6th floor Patuxent Conference room (new LIS suite) and generally increase public meeting spaces. These tentative designs also include variations of food provision formats for future use from visitors and staff. The Council will have the opportunity to review the design options provided by DGS.
- A GO Committee was held on December 6. Council action is tentatively scheduled for December 14.

This report contains:

Draft Resolution	©1
Draft Amended PDF	©3

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Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: County Council

SUBJECT: Amendment to the FY21-26 Capital Improvements Program and
Special Appropriation to the FY21 Capital Budget
Montgomery County Government
Department of General Services
Council Office Building Renovation (No. 010100), \$3,600,000

Background

1. Section 308 of the County Charter provides that a special appropriation is an appropriation which states that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest. Each special appropriation must be approved by not less than six Councilmembers. The Council may approve a special appropriation at any time after public notice by news release. Each special appropriation must specify the source of funds to finance it.
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 Council recommends the following capital project appropriation increase and a corresponding amendment to the FY21-26 Capital Improvements Program to add \$3.6 million to Council Office Building Renovations:

Project Name	Project Number	Cost Element	Amount	Source of Funds
Council Office Building Renovations	010100	Design	\$655,000	
		Construction	<u>\$2,945,000</u>	
TOTAL			\$3,600,000	G.O. Bonds

4. This increase is needed in order to act without delay to complete the construction of key items related to the transition from 9 to 11 Councilmembers (as approved by the voters in November 2020) prior to their term starting in December 2022 and to address ADA violations as well as severe code, safety, and system equipment issues in various subprojects within the COB renovation: two new Councilmember suites, new (relocated) LIS suite, new Clerk's table (extension of hearing room dais), staircase code compliance remediation, code violation remediation and reuse of the former cafeteria space, and digital signage needs for visitors.

5. The County Council recommends an amendment to the FY21-26 Capital Improvements program and a special appropriation in the amount of \$3,600,000 for the Council Office Building Renovation (No. 010100) and specifies 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 special appropriation is approved as follows:

Project Name	Project Number	Cost Element	Amount	Source of Funds
Council Office Building Renovation	010100	Design	\$655,000	
		Construction	<u>\$2,945,000</u>	
TOTAL			\$3,600,000	G.O. Bonds

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council



Council Office Building Renovations

(P010100)

Category	General Government	Date Last Modified	04/23/21
SubCategory	County Offices and Other Improvements	Administering Agency	General Services
Planning Area	Rockville	Status	Under Construction

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY20	Rem FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Planning, Design and Supervision	3,412	1,885	672	855	200	-	505	150	-	-	-
Land	4	4	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	88	88	-	-	-	-	-	-	-	-	-
Construction	44,973	40,275	-	4,698	1,753	447	82	2,416	-	-	-
Other	1,267	911	356	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	49,744	43,163	1,028	5,553	1,953	447	587	2,566	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY20	Rem FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Current Revenue: Cable TV	1,052	900	152	-	-	-	-	-	-	-	-
G.O. Bonds	44,528	38,099	876	5,553	1,953	447	587	2,566	-	-	-
Long-Term Financing	4,000	4,000	-	-	-	-	-	-	-	-	-
PAYGO	164	164	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	49,744	43,163	1,028	5,553	1,953	447	587	2,566	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 22 Request	3,600	Year First Appropriation	FY05
Cumulative Appropriation	49,744	Last FY's Cost Estimate	45,644
Expenditure / Encumbrances	44,392		
Unencumbered Balance	1,752		

PROJECT DESCRIPTION

This project is in four phases. The first phase, completed in 2009, renovated the hearing room, conference room, and anteroom on the third floor of the Council Office Building (COB) which had not been renovated in at least twenty-five years. Phase II replaces the HVAC system, the lighting systems, windows in the rest of the COB, upgrades restrooms to ADA standards, renovates the auditorium on the first floor, provides improved signage inside and outside the buildings, refreshes common areas, and reconfigures space on the fourth, fifth, and sixth floors for the Council Office and the Office of Legislative Oversight (OLO) staff. Phase III provides code compliance renovations and building envelope corrections. Phase IV will include limited interior modifications to provide two new councilmember suites and ancillary spaces (e.g. hearing/conference rooms). Phase IV - Part B includes a reevaluation and assessment of

the cafeteria/kitchen and potential renovations.

ESTIMATED SCHEDULE

The project is expected to be finished in **Fall 2025**.

COST CHANGE

Increase due to change in project scope to add Phase IV in response to recent changes in the County Charter.

PROJECT JUSTIFICATION

Heating, ventilation, and air conditioning in the COB function poorly and most of the restrooms are not compliant with updated ADA standards or high performance building standards. The Council Office and OLO have far outgrown their space since it was last reconfigured more than 25 years ago. The 1st Floor Auditorium, which is used regularly for County Government staff training and as a meeting place by civic organizations, is extremely substandard.

FISCAL NOTE

The second phase of the project is partially funded with a \$184,000 unencumbered balance from the first phase and a FY15 transfer of \$2,993,000 in G.O. Bonds from the Montgomery County Government Complex (360901). A FY15 supplemental of \$296,000 in G.O. Bonds was approved. An audit by Energy Service Company (ESCO) has been conducted, and it has determined that \$4 million in savings can be anticipated from this project. An Energy Savings Performance Contract (ESPC) will allow for third-party funding to cover this portion of the contract, so that G.O. Bonds are not required for funding. A financing mechanism is in place to cover the cost of the contract and the repayment of debt is guaranteed through the energy savings. A FY17 transfer of \$700,000 in long-term financing from Energy Systems Modernization was approved. A FY21 supplemental in G.O. Bonds for the amount of \$92,000 was approved. **A FY22 supplemental in G.O. Bonds for the amount of \$3,600,000 was approved.**

DISCLOSURE

A pedestrian impact analysis has been completed for this project.

COORDINATION

County Council, Department of General Services, Department of Technology Services, Legislative Branch Office, Office of Consumer Protection, and Department of Housing and Community Affairs. Special Capital Projects Legislation was enacted on June 23, 2015 and signed into law on July 6, 2015 (Bill No. 27-15).