



Committee: PHED
Committee Review: At a future date
Staff: Gene Smith, Legislative Analyst
Purpose: To receive testimony – no vote expected
Keywords: CIP, Incubators

AGENDA ITEM #7
February 8, 2022
Public Hearing

SUBJECT

Amendment to the FY21-26 Capital Improvements Program and Supplemental Appropriation to the FY22 Capital Budget, Montgomery County Government, Office of the County Executive, Life Sciences and Technology Centers (P788911), \$400,000

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

DESCRIPTION/ISSUE

The Executive requests the subject appropriation and Capital Improvements Program (CIP) amendment to fund the conversion of ten offices to four small, wet labs at the Germantown Innovation Center. The recommended funding will supplement the existing funding in the project, about \$600,000, to complete this project.

SUMMARY OF KEY DISCUSSION POINTS

- A Planning, Housing, and Economic Development Committee is tentatively scheduled on February 10, 2022 to review this item.

This report contains:

Executive memorandum	©1
Proposed resolution	©2
Proposed project description form	©4

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

January 18, 2022

TO: Gabe Alborno, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Amendment to the FY21-26 Capital Improvements Program and Supplemental Appropriation #22-59 to the FY22 Capital Budget
Montgomery County Government
Office of the County Executive, Business Advancement Team
Life Sciences and Technology Centers (P789057), \$400,000

I am recommending a supplemental appropriation to the FY22 Capital Budget and amendment to the FY21-26 Capital Improvement Budget for the Life Sciences & Technology Centers (P789057) in the amount of \$400,000 to support the renovation of ten offices in the Germantown Innovation Center into four additional, small wet labs.

The increase is needed to provide for the planning, design and construction of four new small wet labs in the Germantown Innovation Center. The project will convert ten existing offices into four wet labs and leverage the existing infrastructure including the back-up generator, deionized water system, and air handling equipment. The recommended amendment is consistent with the criteria for amending the Capital Improvement Program because the project supports significant economic development initiatives which in turn will strengthen the fiscal capacity of County government.

I recommend that the County Council approve this supplemental appropriation and amendment to the FY21-26 Capital Improvements Program in the amount of \$400,000 and specify the source of funds as Current Revenue: General.

I appreciate your prompt consideration of this action.

ME:rs

Enclosure: Amendment to the FY21-26 Capital Improvement Program
Supplemental Appropriation #22-59

cc: Jennifer Bryant, Director, Office of Management and Budget
Ruth Semple, Incubator Program Manager, Office of the County Executive

Resolution No.: _____
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 to the FY22 Capital Budget, Montgomery County Government, Office of the County Executive, Life Sciences & Technology Centers (P789057), \$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 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 increase:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Life Science & Tech. Centers	P789057	Construction	\$400,000	Current Revenue: General

4. This increase is needed to provide for the planning, design and construction of four new small wet labs in the Germantown Innovation Center. The project will convert ten existing offices into four wet labs and leverage the existing infrastructure including the back-up generator, deionized water system, and air handling equipment. The recommended amendment is consistent with the criteria for amending the Capital Improvement Program because the

project supports significant economic development initiatives which in turn will strengthen the fiscal capacity of County government.

5. The County Executive recommends an amendment to the FY21-26 Capital Improvements Program and a supplemental appropriation in the amount of \$400,000 for the Life Sciences and Technology Centers (No. P789057) and specifies that the source of funds will be Current Revenue: General.
6. Notice of public hearing was given and a public hearing was held.

Action

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

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>
Life Science & Tech. Centers	P789057	Construction	\$400,000	Current Revenue: General

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council



Life Sciences and Technology Centers (P789057)

Category	General Government	Date Last Modified	01/15/22
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	Countywide	Status	Ongoing

Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Planning, Design and Supervision	2,065	1,965	100	-	-	-	-	-	-	-	-
Land	39	39	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	73	73	-	-	-	-	-	-	-	-	-
Construction	1,081	175	906	-	-	-	-	-	-	-	-
Other	12	12	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	3,270	2,264	1,006	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Current Revenue: General	2,000	1,594	406	-	-	-	-	-	-	-	-
G.O. Bonds	410	410	-	-	-	-	-	-	-	-	-
PAYGO	260	260	-	-	-	-	-	-	-	-	-
Recordation Tax Premium (MCG)	600	-	600	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	3,270	2,264	1,006	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	-	Year First Appropriation	FY90
Appropriation FY 24 Request	-	Last FY's Cost Estimate	2,870
Cumulative Appropriation	3,270		
Expenditure / Encumbrances	2,264		
Unencumbered Balance	1,006		

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 will provide funds for the conversion of excess office space into wet labs in the lab corridor of the Germantown Innovation Center.

ESTIMATED SCHEDULE

Due to COVID the project has been delayed. The project is now estimated to begin in FY22.

COST CHANGE

Reflects FY22 supplemental appropriation to cover increased costs to 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.

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.