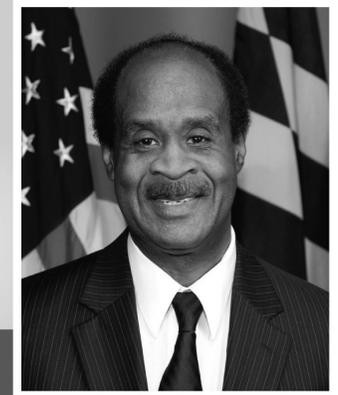


Mission Statement



Isiah Leggett
ISIAH LEGGETT

MONTGOMERY COUNTY GOVERNMENT

WE pursue the common good by working for and with Montgomery County's diverse community members to provide:

- A Responsive and Accountable County Government
- Affordable Housing in an Inclusive Community
- An Effective and Efficient Transportation Network
- Children Prepared to Live and Learn
- Healthy and Sustainable Communities
- Safe Streets and Secure Neighborhoods
- A Strong and Vibrant Economy
- Vital Living for All of Our Residents

AS dedicated public servants, the employees of the Montgomery County government strive to embody in our work these essential values:

- Collaboration
- Inclusiveness
- Knowledge
- Competence
- Innovation
- Respect for the Individual
- Fiscal Prudence
- Integrity
- Transparency

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OFFICE OF MANAGEMENT AND BUDGET

Isiah Leggett
County Executive

MEMORANDUM

January 17, 2012

TO: Roger Berliner, President, Montgomery County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Recommended FY13 Capital Budget and FY13-18 Capital Improvement Program

In accordance with the County Charter, I am pleased to transmit my Recommended FY 2013 Capital Budget and Fiscal Year 2013-2018 Capital Improvements Program (CIP). I believe this Capital Budget and CIP strikes a careful balance between meeting our capital construction needs and the continued need to put our fiscal house in order. My recommended CIP reflects our shared priorities of education, public safety, support for affordable housing, transportation, and preserving our existing infrastructure. In addition, this CIP continues the implementation of four land use initiatives that are critical to another of our shared priorities – the long-term economic health of our community. Funds are included to ensure the implementation of approved plans for Great Seneca Science Corridor, the Smart Growth Initiative, Wheaton Redevelopment, and the White Flint Sector Plan. Together, these four transit-oriented developments will help provide much of the economic growth that will support this County and the State through the next few decades.

In the Spring of 2010, we worked together to strengthen our fiscal and reserve policies to protect our AAA credit rating and enhance the County's flexibility to respond to economic and fiscal crises. These new policies included increasing reserve levels, funding long-term liabilities including retiree health benefits, maintaining debt at prudent levels, and funding the CIP with a responsible level of pay-as-you-go (PAYGO). My recommended CIP is consistent with our fiscal and reserve policies. It also helps to address our shared capital priorities, and accomplishes an equally important goal – returning our capital budget to a more sustainable level of funding.

Together, we have made significant progress in bringing our operating budget spending more in line with our anticipated financial resources and needs. Our CIP has increased significantly over the last ten years. For example, the County's total debt service payments have risen from \$192.3 million to \$296.7 million annually. Last year alone, they increased by 11.7 percent. As the level of debt service grows, it has begun to crowd out spending in the operating budget for many critical services. If debt service were a department today, it would be the second largest County department - behind only Montgomery County Public Schools.

There were many worthy and legitimate requests for new and modernized facilities. Unfortunately, we simply cannot afford to include all of them in this CIP. In order to maintain our commitment to our fiscal and reserve policies and maintain debt payments at sustainable levels, I recommended, and the Council approved, Spending Affordability Guidelines that reduce the level of new general obligation debt by \$25 million annually from \$320 million to a level amount of \$295 million annually. My recommended CIP is consistent with the Council's adopted spending affordability guidelines (SAG). I urge the Council to maintain the SAG recommendation for level, reduced debt in all six years and maintain this approach to CIP debt.

This CIP is also influenced by the reality of lower revenues from impact tax collections due to the Council's passage of Bill 26-11, allowing builders to postpone payment of their impact taxes until later in the development process. The Council's action defers \$20 million in revenues from FY12 and the FY 2013-18 CIP.

Fortunately, construction prices continue to be relatively flat. In the last couple of years, when projects funded in our CIP went to construction, bids came in significantly below the budgeted amount – sometimes from 15 to 30 percent below budget. While no agency is projecting actual decreases in project construction costs for the six year period, the base costs used to construct this CIP are lower. Therefore, we are able to, “buy more with less” and fund more projects with the same or less funds. This trend provides an additional reason to stay within the \$295 million Spending Affordability Guideline. Rather than seeing this cost trend as an opportunity to spend more, we should now take the opportunity to lower our capital construction costs.

A number of overarching principles are reflected in my capital budget recommendations. In light of the need to scale back the CIP, I have reduced funding for new facility planning. As our facilities are aging, I have prioritized funding for ongoing level of effort infrastructure maintenance projects. I have prioritized new facilities where viable alternatives do not exist, and I have prioritized partnership opportunities where we could leverage non-County funding. While project costs received a high degree of scrutiny, our shared priorities - education, public safety, economic development, and environmental protection – are clearly represented in the budget before you.

Children Prepared to Live and Learn

This recommended capital budget maintains our commitment to education at all levels and seeks to leverage significant State aid to support these efforts.

My CIP recommendations support critical public school capacity, modernization, and infrastructure maintenance projects. The funding for Montgomery County Public Schools (MCPS) represents 34.9 percent of the total tax-supported budget – the same percentage funded in the FY11-16 CIP.

These recommendations include funding for two new elementary schools, one new middle school, and seven additions to address capacity issues. Under this proposal, only one capacity project, Richard Montgomery Elementary School, will be delayed, so that costs to relocate the Children's Resource Center currently housed on the Richard Montgomery Elementary School site, can be minimized, saving \$3.45 million. As a demonstration of my commitment to meeting the facility needs of our students, my recommendations also maintain the previously approved modernization schedule for all elementary schools and Farquar Middle School.

Due to affordability considerations, I recommend one-year delays to the MCPS future middle school modernizations and all high school modernizations. Secondary school modernizations have been very expensive – making it challenging to meet other critical schools capital needs. As a result, I would like to

reiterate my past recommendation to comprehensively revisit the costly practice of “tear down and rebuild” modernizations. In a similar vein, I do not recommend funding for the MCPS Transportation Depots project. Rather, I believe that we must first study alternative options for bus depot operations to ensure that expensive investments in stand alone depots are warranted.

My recommended budget gives high priority to maintaining critical school infrastructure - fully funding the Board of Education’s requested HVAC (Mechanical Systems) Replacement, ADA Compliance, Asbestos Abatement, Energy Conservation, Fire Safety Code Upgrades, Food Services Equipment Replacement, Improved (Safe) Access to Schools, Indoor Air Quality Improvements, Planned Life Cycle Asset Replacement, Restroom Renovations, Roof Replacement, School Security Systems, Stormwater Discharge & Water Quality Management, and WSSC Compliance projects.

This budget also supports new and expanded Montgomery College initiatives in a manner that leverages significant state aid. The recommended budget includes funding for the College’s new Germantown Science & Applied Studies building and maintains the requested schedule for the Rockville Student Services building and Science West project. The Bioscience Education Center, Germantown Science & Technology Park Infrastructure, Germantown Child Care Center, Germantown Observation Drive Reconstruction, Health Sciences Expansion, Macklin Tower Alterations, Rockville Parking Lot and Tennis Court Relocation, Rockville Science Center, and Science East Building Renovation projects are all expected to be completed in either FY13 or FY14. Total estimated state aid for the college projects is approximately \$93.1 million.

My recommended budget also includes funding for a garage and related site modifications at the Universities at Shady Grove Campus of the University of Maryland system. The County’s commitment to fund the garage is intended to leverage the State’s construction of a new Biomedical Sciences/Engineering Education academic building. In conjunction with the nearby Institute for Bioscience and Biotechnology Research, the new academic building is expected to expand capacity at the campus – particularly in the high growth fields of biotechnology and engineering. This initiative will support the County’s education, employment, and economic development goals. This expansion also furthers the underlying goals of the Great Seneca Science Corridor plan which the Council recently approved.

Safe Streets and Secure Neighborhoods

My recommended capital budget places a continued high priority on public safety initiatives. In particular, these recommendations will support the replacement of critical public safety radio infrastructure, the fire station alerting system, the development of a new Computer-Aided Dispatch (CAD) system, and implementation of a Law Enforcement Records Management System. The improvements will ensure our continued ability to respond to calls for emergency assistance, meet emergency response times, ensure interoperability with other local jurisdictions, and meet federal communications requirements. The investment in our public safety information systems will also allow us to take advantage of new technologies – for example, allowing citizens to share images from their cell phones to our emergency responders to assist in solving crimes, assessing emergency situations, and improving overall public safety service to the community. The proposed project schedule will allow the County to meet the Federal Communication Commission’s FY17 deadline to expand public safety channels and maintain interoperability with other local public safety providers.

Police facilities will also be upgraded in this recommended CIP. In particular, the 2nd District Police Station will be replaced with a new station at Cordell Avenue between Wisconsin Avenue and Woodmont Avenue under a general development agreement cost sharing arrangement between the County and a private developer. In addition, the new 3rd District station at the intersection of New Hampshire Avenue and U.S. Route 29 will also be completed by winter 2013. The long-awaited replacement for the current inadequate Animal Shelter will be completed by summer 2013. The new Animal Services and Adoption Center will provide humane and healthy quarters for the County's many homeless animals. Comprehensive improvements to the Outdoor Firing Range have been deferred to beyond the six-year period, but immediate improvements, including perimeter fencing, ammunition bunkers, and enhanced security will be completed while a long-range plan is developed for affordable, necessary modifications.

Progress is also being made on the Criminal Justice Center (CJC) project, the future home of the centralized Intake unit, District Court Commissioners, mental health assessment services, public defenders unit, and the Police Warrants and Fugitives Unit. Funding has been programmed for detailed facility planning. These facility planning activities, in conjunction with the State-required Master Confinement Study, will allow the County to pursue state funding for the project. Existing FY12 funding will also be used to stabilize the current facility while the CJC is under development. Funding has also been programmed to replace kitchen equipment and upgrade the kitchen's electrical and ventilation systems at the Pre-Release Center.

Other public safety projects include major court and shared public safety facilities projects. The Judicial Center Annex project is on schedule to be completed by summer 2013. This project will add ten new courtrooms, and renovations of the current Judicial Center will be completed by fall 2014. As part of the Smart Growth Initiative, the completion of the Public Safety Headquarters, a project co-locating Police, Fire and Rescue Service, and Emergency Management and Homeland Security functions, as well as the 1st District Police Station and the Public Safety Training Academy are also included in my recommended CIP.

In addition, my recommended CIP fully funds completion of the new Travilah Fire Station, new Glenmont and Wheaton Rescue Squad replacement stations, and renovation and expansion of the Kensington (Aspen Hill) Fire Station 25. Female facilities will be added at the Cabin John Fire Station 30, planning funds have been programmed for the Glen Echo station renovation, and necessary sewer work in support of a future new Clarksburg station will be funded. Ongoing investments in fire station life safety systems, emergency power system upgrades, HVAC and electrical systems, roof replacement, and resurfacing are also funded.

An Effective and Efficient Transportation Network

This recommended budget takes an integrated approach to developing an effective and efficient transportation network. The Department of Transportation and the Department of Environmental Protection have forged a close alliance to ensure that transportation projects are conducted and coordinated in a way that reasonably maximizes their ability to contribute to meeting State stormwater management requirements. Similarly, all roads projects include multi-modal components to supplement the separate projects focused on bikeways and pedestrian facilities.

I also continue to support mass transit as a critical element in keeping the County moving. While there are a number of critical projects included in this CIP, just as important is a critical initiative that is not yet ready for inclusion. Without a comprehensive transit system, we will not be able to achieve our economic objectives or fully realize our potential for creating a "world class" biohealth industry in the county. Last year, I appointed a Transit Task Force to study and recommend to me at the earliest practicable time an innovatively designed rapid transit system that provides rapid access to major activity centers within the

County and regional transit connectivity, as well as extending the geographic reach of the current Metro subway system, featuring sleek and stylish Rapid Transit Vehicles (RTVs) that travel within dedicated on-grade/above-grade guided and unguided ways. The Task Force's work is not yet completed, but I expect a report to be transmitted to me within the next two months. Once I have received and reviewed the recommendations, I will amend my proposed CIP as necessary in order to begin work on a comprehensive rapid transit system for the County.

Mass Transit projects currently included in the proposed CIP are the Silver Spring Transit Center project which will be completed in 2012 and a new Montgomery Mall Transit Center. I have included funds to add technology enhancements to the Ride On system, including the display of actual bus arrival times on dedicated electronic signs (Signs of the Times) in the Advanced Transportation Management Systems project. Through a combination of federal and local funds, 39 Ride On buses will also be replaced through the CIP. Planning funding has been included for the Bethesda South Metro Station project to accommodate the future Purple Line, as well as funding for bus stop improvements and transit parking lot renovations.

While Mass Transit is critical to the County's economic and environmental health, we must also plan, construct, and maintain an adequate road system. My transportation recommendations focus on safety and capacity projects within affordability constraints. New bridge projects will be funded to replace the Gold Mine Road Bridge over the Hawlings River and two of the existing Whites Ferry Road Bridges. These projects are needed to address structural deficiencies in the bridges, weight restrictions, and problems with flooding. Design work is also funded for the Garrett Park Road Bridge and the Beach Drive Bridge.

Three new road projects are included in my recommended capital budget. East Gude Drive Roadway Improvements will increase roadway capacity and enhance vehicular and pedestrian safety from Crabbs Branch Way to Southlawn Lane. Planning funds have also been included for Seminary Road intersection and roadway improvements that will enhance traffic flow and improve safety for drivers, bikers, and pedestrians. I have recommended the Clarksburg Transportation Connections project to help fund roadway and intersection improvements to increase capacity and reduce traffic congestion in this fast growing area of the County. Agreements have been reached to implement this public-private partnership.

Travilah Road, Thompson Road Connection, and Redland Road from Crabbs Branch Way to Baederwood Lane construction will be completed. Progress will also continue on the Century Boulevard, Chapman Avenue Extended, Goshen Road South, Platt Ridge Drive Extended, Montrose Parkway East, Snouffer School Road, Snouffer School North, and Wapakoneta Road Improvement projects. Improvements on roads in the White Flint area will continue to progress as part of larger redevelopment efforts. Funding has also been included for Bethesda CBD Streetscape, Dedicated but Unmaintained Roads, and Transportation Improvements for Schools projects.

The County must also continue to increase opportunities for safe and convenient travel for bikers and walkers. New project funding has been recommended to design a shared-use path along the south side of Needwood Road between Equestrian Lane and Muncaster Mill Road, and construction funding has been added for the MD355 Sidewalks project in Hyattstown. Funding has been continued to complete the Bethesda Bikeway and Pedestrian Facilities Improvements, Dale Drive Sidewalk, Frederick Road Bike Path, MacArthur Boulevard Bikeway Improvements, and the Greentree Road Sidewalk projects, as well as a grant to Takoma Park for Flower Avenue Sidewalks. And federal funding will be used to improve MD355 vehicular and pedestrian traffic around the Walter Reed National Medical Center, the National Institutes for Health, and the National Medical Center Metro Rail station.

A number of parking projects are moving forward through partnerships with private developers. For example, the Bethesda Lot 31 Parking Garage will begin construction in FY12 and be completed in FY15, providing 940 County-owned spaces and 295 spaces owned by the developer. Garage 16 in South Silver Spring is under construction and will open in the spring of 2012. The public garage will be part of a private residential development, partially funded through the Department of Housing and Community Affairs with a significant percent of affordable housing units. Also in Silver Spring, the Lot 3 Parking Garage will be completed in the spring of 2016 and will provide 152 County owned and operated underground parking spaces.

Funding for core transportation infrastructure, such as ADA compliance, Advanced Transportation Management System, bridge preservation and renovation, road rehabilitation and resurfacing, guardrails, intersection improvements, neighborhood traffic calming, sidewalks, streetlights, and pedestrian safety, sidewalk and infrastructure improvements, streetlighting, street tree preservation, traffic signals and the related traffic signal system, and Colesville depot improvements, has also been maintained or increased in my recommended budget. The old and problematic traffic signal system will be retired in FY12, and ongoing funding has been included to provide additional capabilities and tools to optimize traffic flow – a critical variable in capacity and traffic's environmental impacts.

Storm drain projects in the Town of Chevy Chase and on Maple Avenue will be completed by FY13 and FY14, respectively. Funding for general storm drain activity, facility planning, and outfall repairs has also been maintained with modest increases planned in the outyears. As previously noted, the Department of Transportation and Department of Environmental Protection are working collaboratively to ensure maximum effectiveness in achieving our stormwater management goals in a cost effective manner.

A Strong and Vibrant Economy

Despite the sluggish economic recovery, Montgomery County's fundamental economic strengths remain. My capital budget recommendations support initiatives to leverage those strengths and the investment of outside partners for even greater long-term economic gains. These projects are critical to the long-term economic health of the County. The County's investment in Wheaton, White Flint, and the Great Seneca Science Corridor, including the previously mentioned parking garage for the Universities at Shady Grove, will help ensure that our economic growth is transit-oriented, sustainable, and consistent with the vision we have mutually articulated. Just as the previous County investments in Silver Spring generated significant returns, these investments will position us for a healthy economic future.

The recommended capital budget maintains support for the Smart Growth Initiative to facilitate the private development of mixed-use, high density development near the Shady Grove metro station. A new, LEED Gold certified Equipment and Maintenance Operations Center (EMOC) is currently under construction and is expected to be completed by early 2013; the Department of Liquor Control's operations will be relocated to a new facility by the end of 2012, and I have included funding for the construction of a larger MCPS Food Distribution Facility to be completed by the end of FY14, which will allow the County to clear the west side of the County Service Park. I have also included full funding for the construction and relocation of the Public Safety Training Academy to facilitate implementation of the Gaithersburg West Master Plan. These projects will allow private tax revenue generating development to move ahead at this location.

Similarly, planning work has progressed for redevelopment in the White Flint area. The Department of Transportation continues to make progress on necessary transportation improvements such as developing a plan for a new street grid system known as the Western Workaround. This workaround will provide relief from existing Rockville Pike traffic and help accommodate additional congestion caused by construction

of new White Flint development. The Department of Transportation is also working with the Maryland Department of Transportation to obtain a Transit-Oriented Development (TOD) designation for the White Flint Sector Plan area. This designation will facilitate economical land purchases from the State Highway Administration as well as State project approvals. My recommended budget maintains funding for planning, design, land acquisition and construction of roadway improvements in the White Flint District.

Significant progress has also been made in the efforts to bring more high-density, transit-oriented, development to Wheaton. Plans have been developed to build several high rise office buildings over the Wheaton bus bay facilities adjacent to the Wheaton metro station, as well as a town square. Negotiations with a private developer and the Washington Metropolitan Area Transit Authority (WMATA) are underway regarding the first phase of the project – the building of a platform for staging the high rise structures. Outreach to nearby businesses has also begun to ensure adequate time for them to plan for any construction impacts and to determine how the County can best support them during the redevelopment period. Funding included in my recommended budget represents a down payment on the rebirth of a vibrant, urban, and transit-oriented Wheaton.

Additional funds have also been included to facilitate land purchases for future projects – particularly in the areas planned for redevelopment. These purchases are intended to minimize disruption to affected businesses and reduce our acquisition costs.

A number of smaller scale revitalization initiatives are also included in my budget. Department of Housing and Community Affairs projects support continued revitalization initiatives in Burtonsville and Silver Spring's Fenton Street Village. The Focused Neighborhood Assistance project will continue to address community needs for neighborhood preservation and enhancement, particularly in residential areas, in a comprehensive and coordinated manner. And, sewer work planned as part of the Clarksburg Fire Station project has been expedited in order to benefit 38 surrounding properties, promoting rehabilitation of existing structures and allowing limited development consistent with the master plan.

Affordable Housing in an Inclusive Community

Preserving and increasing the affordable housing supply in the County – particularly in partnership with private entities - remains one of my top priorities. As a result, I am recommending \$23.4 million in additional planned appropriation for the Affordable Housing Acquisition and Preservation project. Through these additional funds, the County will be able to purchase affordable housing properties or assist non-profit tenant, for profit entities, or HOC with bridge financing to purchase and renovate properties.

In addition, I have increased funding for the Sprinkler Systems for Housing Opportunities Commission (HOC) Elderly Properties to make fire safety system improvements at the Town Center Apartments. I have continued funding for HOC's Supplemental Funds for Public Housing Improvements and added funding for a new project to provide necessary major system improvements at HOC-managed properties for elderly and disabled residents financed through the U.S. Housing and Urban Development Section 236 Federal Housing Program.

Healthy and Sustainable Communities

The recommended budget includes funding for construction of a new Dennis Avenue Health Center in Silver Spring to improve clinical services to residents. The current Center handles one out of every 150 cases of tuberculosis in the entire United States with 74,700 patient visits per year and 115 employees. This compares to the 7,000 patients and 35 employees the center originally accommodated when first put into service. In addition, the Public Health Emergency Preparedness and Response, Immunization, Disease Control, Sexually Transmitted Diseases, Communicable Disease and Epidemiology, and HIV Services will also be located at the new facility.

My recommendations also support a number of joint projects between the Department of Health and Human Services and the Montgomery County Public Schools. Funding has been recommended to build a new Children's Resource Center (CRC) on the Broome School site since the current CRC site is needed to build the future Richard Montgomery Elementary School. My budget assumes that the construction schedules of both facilities will be coordinated so that no temporary relocation costs are needed. Funds have also been included to support Child Care in Schools projects at Wheaton Woods, Brown Station, Bel Pre Center, and Weller Road Center Elementary Schools; High School Wellness Centers at Gaithersburg, Watkins Mill, and Wheaton High Schools; Linkages to Learning Centers at Georgian Forest, Maryvale, Viers Mill, Weller Road, and Wheaton Woods Elementary; and School Based Health Centers at Weller Road Center and Viers Mill Elementary Schools.

This capital budget continues the County's commitment to environmentally sustainable development. In particular, the Recommended FY13-18 Stormwater Management Program will significantly increase to comply with the County's Five Year Municipal Separate Storm Sewer System (MS4) permit. Capital budget projects will also support expanded construction of stormwater management facilities, retrofits of old stormwater management facilities, repairs to damaged stream channels and tributaries in stream valley parks and priority watersheds, and structural repairs to County-maintained stormwater management facilities. The Department of Environmental Protection will also expand the design and construction of environmental site design/low impact development (ESD/LID) stormwater management devices at County facilities, roads, and schools. In short, Montgomery County remains a leader in this arena.

This increase in stormwater management activity will be financed primarily through Water Quality Protection Bonds. The debt service for these bonds will be supported by the Water Quality Protection Charge. I have also included an assumption of \$60 million in state aid based on the State's expressed interest in enacting legislation to support stormwater management efforts in the state.

The recommended FY13-18 capital budget for the Washington Suburban Sanitation Commission (WSSC) is identical to WSSC's proposed CIP except for the six Blue Plains Advanced Wastewater Treatment Plant projects, which have been adjusted to reflect the cost estimates included in the Proposed FY11-20 CIP for the District of Columbia Water and Sewer Authority. The revised amounts were not incorporated into WSSC's Proposed FY13-18 CIP because DC Water's Proposed CIP was received after WSSC's CIP was published.

My recommended capital budget will increase the miles of large cast iron and pre-stressed concrete cylinder pipe (PCCP) water mains repaired, replaced, and protected and will prepare to extend these efforts to 42-inch and 36-inch diameter PCCP mains. Replacement of small water mains will be increased from 41 miles in FY12 to 46 miles in FY13, and the rehabilitation of small sewer lines will increase from 22 miles to 55 miles. Also included in these recommendations for WSSC is funding for enhanced wastewater treatment and solids handling facilities at the regional Blue Plains Advanced Wastewater Treatment Plant; a new Potomac WFP Main Zone Pipeline Project which will provide greater redundancy to improve reliability at

the plant; funding for the Bi-County Water Tunnel, scheduled for completion in December 2013; and support for enhanced nutrient removal at the Blue Plains, Seneca, and Damascus wastewater treatment plants to meet environmental goals in the Chesapeake 2000 plan. Planning funds have also been included for system-wide implementation of automated meter reading technology by 2017.

A Responsive and Accountable County Government

The recommended capital budget also maintains a commitment to our vital infrastructure. Continued investments will be made to replace roofs, parking lots, HVAC and electrical systems, and elevators. Phase II project funding has been added to repair the Executive Office Building and Judicial Center traffic circle. Funding to ensure County buildings and facilities are in compliance with Title II of the Americans with Disability Act (ADA) has been included. And, the Executive Office Building will use an energy performance contract to provide an economical way to replace the building's aged and inefficient HVAC systems.

Capital investments in major County information technology systems are also reflected in my budget. In addition to the Public Safety System modernization mentioned above and information technology projects funded in the Montgomery County Public Schools and Montgomery College capital budgets, I have included ongoing funding for the County's Technology Modernization, Fibernet, and Integrated Justice Information Systems (IJIS) project.

The Technology Modernization project includes funding to implement and stabilize the remaining project modules for the Enterprise Resource Planning (Financial, Human Resource, and Budgeting), MC311/ Constituent Relationship Management (CRM), and Electronic Time reporting (MCTime) systems, as well as planning funds for more integrated Health and Human Services data systems. Productivity improvements achieved through this project include absorbing staffing reductions in Information Technology, Fiscal, Budget, Administration, Clerical, Human Resource, and Financial Occupational job classifications. To date, the project has allowed the County to save more than \$36 million.

The Fibernet project, using Cable Funds to leverage federal grant funding, is expanding to 194 new sites over six years, providing a more economical solution to bandwidth requirements for all County agencies, including Montgomery County Public Schools and the Housing Opportunities Commission.

My budget's support for the Integrated Justice Information System (IJIS) will facilitate the exchange of data regarding criminal activities between Montgomery County agencies, the State of Maryland, and the Federal Government. The program will automatically exchange data between agencies and systems, as well as simplify the steps needed to access warrant, criminal background check, and other pertinent data while maintaining security.

Vital Living for All of Our Residents

Significant enhancements to library facilities are included in my recommended budget. The Olney and Gaithersburg Library renovations and additions will be completed by spring 2013, and the new Silver Spring Library will be completed in the fall of 2014. Funds have also been included to plan, design, and construct a joint Wheaton Library and Community Recreation Center. Funding has also been included for planning for renovating the Davis and Potomac Libraries.

Funding has also been included to complete the White Oak Community Recreation Center and to modernize the Plum Gar, Scotland, Ross Boddy and Good Hope Neighborhood Recreation Centers. The Plum Gar Neighborhood Recreation Center will open in spring 2013.

My recommended budget for the Maryland National Capital Park and Planning Commission (M-NCPPC) includes support for six new projects. These include: design only for Little Bennett Regional Park Day-Use Area, a new Seneca Crossing Local Park, and renovations of the Kemp Mill, Woodside, and Elm Street Urban Parks, and planning funding for a new M-NCPPC Headquarters project. In addition, the budget will support requested Ballfield Initiatives, Battery Lane, Brookside Gardens Master Plan Implementation, East Norbeck Local Park Expansion, Enterprise Facilities Improvements, Evans Parkway Neighborhood Park, Falls Road Local Park, Germantown Town Center Urban Park, Greenbriar Local Park, Laytonia Recreational Park, Magruder Branch Trail Extension, North Four Corners Local Park, Northwest Branch Recreational Park-Athletic Area, Warner Circle Special Park, and Woodlawn Barn Visitors Center projects. Investments in important land acquisition and maintenance of historic structures, parking lots, trails, energy conservation, ADA compliance, planned life cycle asset management, pollution prevention, stream protection, and the Rock Creek Maintenance Facility have all been funded as requested.

This recommended capital budget supports the Revenue Authority's requested budget. This includes modifications to the clubhouse food service areas, irrigation, and clubhouse seating improvements for the Falls Road, Little Bennett, Needwood, Northwest, and Poolesville golf courses, as well as Montgomery County Airpark improvements consistent with the Federal Aviation Administration's capital improvements plan.

Funding has also been maintained for the Blair Auditorium Reuse project.

Fiscal Summary

The fiscal plan underlying my recommended CIP assumes general obligation borrowing for the six-year period at \$295 million per year, consistent with the Council's Spending Affordability Guidelines (SAG) decision this past fall. I do not recommend increasing SAG in February, and urge the Council to resist pressure to do so. This CIP allocates pay-as-you-go (PAYGO) funding at ten percent of the amount of general obligation bonds to be issued each year, or \$29.5 million per year. Not only is this PAYGO funding level consistent with approved County policy, but it is also consistent with information we have shared with the bond rating agencies. I am recommending a CIP which is consistent with responsible debt capacity levels necessary to ensure continuation of Montgomery County's AAA credit rating. This high credit rating allows us to borrow funds for our CIP at a low rate, thereby increasing our ability to meet the needs of our residents.

Consistent with our past practice, I am recommending prudent bond-funded set-asides for upcoming projects that are known, but for which planning is not complete. I am also recommending \$835.5 million in PAYGO, current revenue, recordation tax, and impact tax funding across the six years to complement the use of bonds. Impact taxes are recommended at estimated levels and reflect the Council-approved deferral of impact tax collections.

As noted above, this CIP is consistent with the Council's adopted Spending Affordability Guidelines. I have significantly reduced the amount of new bonds to be issued in the CIP. However, the budget includes a shift and reallocation of \$125.9 million in bonds programmed in prior years to the FY13-18 CIP. With the shift and reallocation of bonds programmed in prior years, the tax supported portion of the FY13-18 Recommended CIP, totals \$3.88 billion, a decrease of \$10.1 million or 0.3 percent from the FY11-16

Amended CIP. Including all sources of revenue for all agencies, excluding WSSC, this Recommended CIP totals \$4.21 billion for six years, an increase of \$168.1 million, or 4.2 percent. This total increase is due primarily to an increase in the separate non-tax supported stormwater management costs and an \$8.0 million increase in Montgomery College support due to the availability of State aid, offset by reductions in other agencies.

My proposals, highlighted in the pages immediately following and detailed in my specific FY13-18 recommendations for projects of County Government, MCPS, Montgomery College, M-NCPPC, WSSC, the Housing Opportunities Commission, and the Revenue Authority, capture the priorities of my administration. Many people have helped to shape the recommendations I bring to you in this budget. I appreciate their efforts and commend their contributions to you. As always, Executive Branch staff is available to assist you in your deliberations on the Capital Budget and CIP.

I wish to thank the members of the regional Citizens' Advisory Boards (CABs), the Board of Education, the College Trustees, the WSSC Commissioners, and the Planning Board for their work. I look forward to discussing with you any policy matters or major resource allocation issues that arise this spring.



Children Prepared to Live and Learn...

Montgomery County Public Schools (MCPS)

- Allocate \$1,355.1 million for school construction.
- Provide Board of Education (BOE) requested modernization schedule for all elementary schools.
- Address capacity needs from higher enrollment by opening two new elementary schools and one new middle school, constructing six elementary school additions, and one middle school addition.
- Provide BOE requested funding to critical MCPS countywide infrastructure projects including heating, ventilation and air-conditioning, restroom renovations and life-cycle asset replacement.
- As part of the Smart Growth Initiative, fund design and construction of a new, larger MCPS Food Distribution Facility.

Montgomery College (College)

- Address growing enrollment on the College's Rockville campus by maintaining construction funding for the Science East Building Renovation and programming construction funds for the Science West Building Renovation project to provide up-to-date facilities for the Science Department and leverage significant State funding.
- Provide funding for design and construction of the Rockville Student Services Center.
- Complete the Germantown Bioscience Education Center and fund design of the Germantown Student Services Center.
- Provide funding for design and construction of the Germantown Science & Applied Studies Phase 1 Renovation project.
- Sustain College infrastructure projects, such as Elevator Modernization, Planned Lifecycle Asset Replacement, Roof Replacement, and Site Improvements to improve facilities and safety on all three College campuses.
- Assume \$93.1 million in State aid, with \$17.3 million in FY13 for Montgomery College.

Universities at Shady Grove/ University of Maryland System

- Provide funding for the design and construction of a parking garage and related site modifications at the Universities at Shady Grove (USG) Campus. The County's commitment to fund the garage and ground modifications is intended to leverage state aid to build a new Biomedical Sciences/Engineering Education (BMSE) academic building.

Safe Streets and Secure Neighborhoods...

Fire and Rescue Service

- Add funding for construction of the Kensington (Aspen Hill) Fire Station.
- Continue to fund level-of-effort/ongoing projects that support our Fire and Rescue Service operations including Life Safety Systems, Emergency Power System Upgrades, Heating, Ventilation, and Air Conditioning/Electrical Replacement, Resurfacing, and Roof Replacement.
- Fund the new Travilah Fire Station and two new replacement fire stations - Glenmont and Wheaton Rescue Squad.
- Add funding for design and construction of a female facility for the Cabin John (Potomac) Fire Station.
- Add construction funds for a sewer hookup to the Clarksburg Fire Station. This connection will benefit 38 surrounding properties, promoting rehabilitation and limited development of existing structures, which is consistent with the master plan.

Police

- Replace the existing 2nd District Police Station with a new station at Cordell Avenue between Wisconsin Avenue and Woodmont Avenue under a general development agreement cost sharing arrangement between the County and a private developer.
- Provide full funding for the 3rd District (Silver Spring area) Police Station at the intersection of New Hampshire Avenue and U.S. Route 29.
- Complete construction of the County's new Animal Services and Adoption Center.
- Enhance facility security measures at the Outdoor Firearms Training Center, including perimeter fencing and installation of a security system.

Correction and Rehabilitation

- Design the Criminal Justice Complex (CJC) on the site of the existing District One Police Station.
- Replace kitchen equipment and upgrade the kitchen's electrical and ventilation system at the County's Pre-Release Center.

Other Public Safety Initiatives

- Include funds for design and construction of a new Public Safety Training Academy.
- Fund upgrades to the Police, Fire, and Sheriff information technology systems including the Computer Aided Dispatch (CAD), Law Enforcement Records Management System (LE RMS), Voice Radio Systems and Fire Station Alerting systems to enhance the County's public safety first responder capabilities.
- Complete the Judicial Center Annex by Summer 2013.

An Effective and Efficient Transportation Network...

Roads, Highway Maintenance and Traffic Improvements

- Include non-vehicular transportation elements whenever feasible in road improvements and new roads.
- Significantly enhance the various primary/arterial, residential and rural roads resurfacing and permanent patching programs to address the repair backlog.
- Completed construction of Woodfield Road Extended, which alleviates traffic congestion in the Damascus Business Area.
- Fund roadway improvements along East Gude Drive from Crabbs Branch Way to Southlawn Lane to increase roadway capacity and enhance vehicular and pedestrian safety.
- Recommend the Clarksburg Transportation Connections project, which funds roadway and intersection improvements for Clarksburg area roads to increase capacity and reduce traffic congestion in this growing area of the County. This project is to be funded through a public-private partnership.
- Fund planning for intersection and roadway improvements on Seminary Road to enhance traffic flow and improve vehicular and pedestrian safety.
- In support of the White Flint Sector Plan, continue funding for planning and design, land acquisition and construction of roadway improvements in the White Flint District.
- Continue to fund Century Boulevard, Chapman Avenue Extended, Goshen Road South, Platt Ridge Drive Extended, Montrose Parkway East, Snouffer School Road and Snouffer School Road North, and Wapakoneta Road Improvements.

- Complete the construction of Travilah Road and Thompson Road connection.
- Construct Garage 31 in Bethesda, which is scheduled to be completed in FY15.
- Continue to fund construction of Garage 16 in Silver Spring, to open this winter, which is part of a private residential development partially funded through DHCA with significant affordable housing units.
- Continue to modernize the central traffic signal control system to provide additional capabilities and tools to optimize traffic flow.
- Continue to provide funds for guardrails, streetlights, and pedestrian and traffic safety improvements.

Mass Transit

- Fund a new Transit Center at Montgomery Mall.
- Increase funding for bus stop improvements to encourage more transit use.
- Enhance Ride On system technology, including the display of actual bus arrival times on dedicated electronic signs (“Signs of the Times”) in the Advanced Transportation Management Systems project.
- Complete the Silver Spring Transit Center in 2012.
- Replace 39 Ride On buses in Fiscal Year 2013.

Bikeway, Sidewalk and Pedestrian Facilities

- Design a shared use path along the south side of Needwood Road between Equestrian Lane and Muncaster Mill Road.
- Continue funding to complete Frederick Road Bike Path, MacArthur Boulevard Bikeway Improvements, and the Greentree Road and MD 355 Sidewalks.
- With Federal Aid, design and construct a multimodal grade separated connection between the Walter Reed National Military Medical Center and the National Medical Center Metro Rail station.
- Fund the completion of Dale Drive Sidewalk.

Bridges and Storm Drains

- Replace the existing Gold Mine Road Bridge over the Hawlings River.
- Replace two of the existing Whites Ferry Road Bridges.
- Add Garrett Park Road Bridge and Beach Drive Bridge to the Bridge Design project.
- Complete phase three of the Town of Chevy Chase Storm Drain Improvement project to provide improved drainage in the area.

A Strong and Vibrant Economy...

Economic Development and Redevelopment

- Continue funding for the Smart Growth Initiative to move County facilities so that private, transit-oriented mixed use can occur near the Shady Grove Metro Station.
- As part of the Smart Growth Initiative, complete co-locating management and certain operational functions for Police, Fire and Rescue Services, as well as other County departments in a new Public Safety Headquarters.
- Begin site improvement work for the new Multi-Agency Service Park to serve MCPS, M-NCPPC, Fire and Rescue Service and Police.
- Allocate Community Development Block Grant (CDBG) funding to commercial revitalization efforts.
- Add funding to the Wheaton Redevelopment program for planning, design and construction of the bus bay platform and the town center.
- Enhance the Focused Neighborhood Assistance project which will comprehensively address community needs for neighborhood preservation and enhancement.
- Continue streetscaping, façade easements, and other redevelopment efforts in Fenton Street Village, and Burtonsville.
- Provide transportation improvements to support White Flint Development.

Affordable Housing in an Inclusive Community...

Housing and Community Development

- Provide additional funds for the Affordable Housing Acquisition and Preservation project for public/private partnerships to maintain and grow the stock of affordable housing.
- Add funding for capital improvements of 236 Funded Elderly properties.
- Continue and increase funding for the completion of sprinkler systems for Housing Opportunities Commission Elderly Properties.
- Maintain support to improve public housing units.

Healthy and Sustainable Neighborhoods...

Environmental Protection

- Increase the Stormwater Management Program to improve water quality and comply with the County's Municipal Separate Storm Sewer System (MS4) permit issued by the Maryland Department of the Environment.
- Plan and implement stormwater management projects and other stormwater control measures to comply with the County's National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer permit including construction of new stormwater management facilities and retrofitting of existing stormwater controls facilities.
- Continue to repair damaged stream channels and tributaries in stream valley parks and priority watersheds to improve water quality and protect habitat.
- Perform structural repairs on public and private stormwater facilities accepted into the County's maintenance program and funded by the Water Quality Protection Charge.
- Expand the design and construction of environmental site design/low impact development (ESD/LID) stormwater management devices at County facilities.

Health and Human Services

- Add funds to construct a new Dennis Avenue Health Center in Silver Spring to improve clinical services to residents.
- Provide planning and design funds for a new Children's Resource Center located at the site of the Broome School in Rockville.
- Provide funds for School Based Health Centers at Weller Road and Viers Mill Elementary Schools.
- Provide funding to support Linkages to Learning Centers at Georgian Forest, Maryvale, Viers Mill, Weller Road, and Wheaton Woods Elementary Schools.
- Provide support to construct Bel Pre, Brown Station, Weller Road, and Wheaton Woods Elementary School Child Care Centers.
- Provide construction funds for High School Wellness Centers at Gaithersburg, Watkins Mill, and Wheaton High Schools.

Maryland-National Capital Park and Planning Commission (M-NCPPC)

- Support request for two new parks: Little Bennett Regional Park Day-Use Area and Seneca Crossing Local Park.
- Add funding for three park renovations: Kemp Mill Urban Park, Woodside Urban Park, and Elm Street Urban Park.
- Provide additional funds for M-NCPPC's Trails: Hard Surface Renovation project to improve conditions of existing trails.
- Enhance the M-NCPPC's ADA Compliance Non-Local Parks project to provide for a transition plan and ADA retrofits.
- Add planning funding for the M-NCPPC Headquarters.
- Continue funding of various projects to maintain and upgrade park infrastructure.

Washington Suburban Sanitary Commission

- Fund the new Potomac Water Filtration Plant Main Zone Pipeline project to improve reliability at the Potomac Plant by providing redundancy.
- Fund the Advanced Metering Infrastructure project to begin planning for the system-wide implementation of automated meter reading technology.
- Construct the Bi-County Water Tunnel, which is scheduled for completion in December 2013.
- Continue to enhance wastewater treatment and solids handling facilities at the regional Blue Plains Advanced Wastewater Treatment Plant in order to achieve environmental goals and greater efficiency.
- Increase funding to provide for replacement of deteriorating trunk sewers and large water mains that will enhance water and sewer system reliability and safety.
- Increase replacement of small water mains from 41 to 46 miles in FY13 and the rehabilitation of small sewer lines from 22 to 55 miles.
- Continue to upgrade the Blue Plains, Seneca, and Damascus wastewater treatment plants.

Responsive and Accountable County Government...

Other General Government Initiatives

- Expand FiberNet to 194 new sites over six years, which will provide a more economical solution to bandwidth requirements for all County agencies, including MCPS.
- Complete implementation of the Technology Modernization project to upgrade and integrate the County's Core Business Systems.
- Add funding for Phase II of the EOB & Judicial Center Traffic Circle Repair project.
- Continue to replace aging County building roof systems, parking lots, HVAC and electrical systems, and elevator systems.
- Continue to provide funding to ensure County buildings and facilities are in compliance with Title II of the Americans with Disabilities Act (ADA).
- Complete relocation of facilities from the County Service Park West in order to implement the Shady Grove Sector Plan.
- Fund construction of a new Equipment Maintenance and Operations Center.
- Implement a new Fuel Management system, enabling county vehicles to fuel at any county fuel site, regardless of agency, by Winter 2014.
- Complete the relocation of the Department of Liquor to a larger, more efficient warehouse and administrative space.



Vital Living for All of Our Residents...

Libraries

- Add funds for planning, design and construction of the Wheaton Library and Community Recreation Center.
- Complete Olney Library renovation and addition by Spring 2013.
- Complete Gaithersburg Library renovation and addition by Spring 2013.
- Complete new Silver Spring Library by Fall 2014.

Recreation

- Complete the White Oak Community Recreation Center by Spring 2012.
- Fund construction for the modernization of all four Neighborhood Recreation Centers:
 - Plum Gar
 - Scotland
 - Ross Boddy
 - Good Hope

Revenue Authority

- Support the Revenue Authority's request to fund modifications to the clubhouse food service areas, irrigation, and clubhouse seating improvements to Falls Road, Little Bennett, Needwood, Northwest, and Poolesville.
- Continue to implement the Federal Aviation Administration's capital improvement plan for the Montgomery County Airpark.

Funding The Budget...

- Recommend a total of \$4.21 billion for the FY13-18 CIP for all agencies excluding WSSC, an increase of \$168.1 million or 4.2 percent from the previous CIP.
- When Stormwater Management costs are excluded, the recommended budget for all agencies decreased by \$20.6 million, a 0.5 percent decrease.
- Recommend \$3.88 billion for the tax-supported portion of the CIP, a decrease of \$10.1 million or 0.3 percent from the previous CIP.
- Recommend \$1,245.8 million for WSSC, a decrease of \$92.1 million or 6.9 percent from the FY12-17 Approved CIP.
- Increase water and sewer rates by a maximum of 8.5 percent.
- Use all taxes levied on developers for projects that address needs generated by development.
- Keep tax-supported borrowing within the prudent limits approved by the County Council.
- Decrease general obligation borrowing by \$140 million or 7.3 percent from the approved CIP, consistent with Spending Affordability Guidelines.
- Issue debt at levels necessary to ensure continuation of Montgomery County's AAA credit rating.
- Program Park and Planning bonds within the Spending Affordability Guidelines.
- Retain "set asides" of bond-funded fiscal capacity for future requirements.
- Assume State and Federal aid as follows:
 - \$40 million in FY13 for public school construction (State)
 - \$17.3 million in FY13 (or \$93.1 million 6 Year Total) for Montgomery College (State)
 - \$60 million to support the County's efforts to meet its Municipal Separate Storm Sewer System (MS4) permit (State)
 - MD 355 Crossing (BRAC) (Federal)
 - Montgomery County Airpark (State and Federal)

New Projects FY13-18 Full CIP

Conservation of Natural Resources

SM Retrofit - Roads SM
Retrofit -Schools

Health and Human Services

Children’s Resource Center

Housing Opportunities Commission

Capital Needs for 236 Funded Elderly Properties

M-NCPPC

Elm Street Urban Park
Kemp Mill Urban Park
Little Bennett Regional Park Day Use Area
M-NCPPC Headquarters Project
Seneca Crossing Local Park
Woodside Urban Park

Montgomery College

Germantown Science & Applied Studies Phase 1-Renovation

Montgomery County Public Schools

Belmont ES Future Modernization
Cold Spring ES Future Modernization
Damascus ES Future Modernization
Dufief ES Future Modernization
Food Services Equipment Replacement
Modifications to Holding, Special Education & Alternative Schools
Poolesville HS Future Modernization
Richard Montgomery ES #5 (Hungerford Park)
Rosemary Hills ES Future Modernization
Stonegate ES Future Modernization
Summit Hall ES Future Modernization
Twinbrook ES Future Modernization

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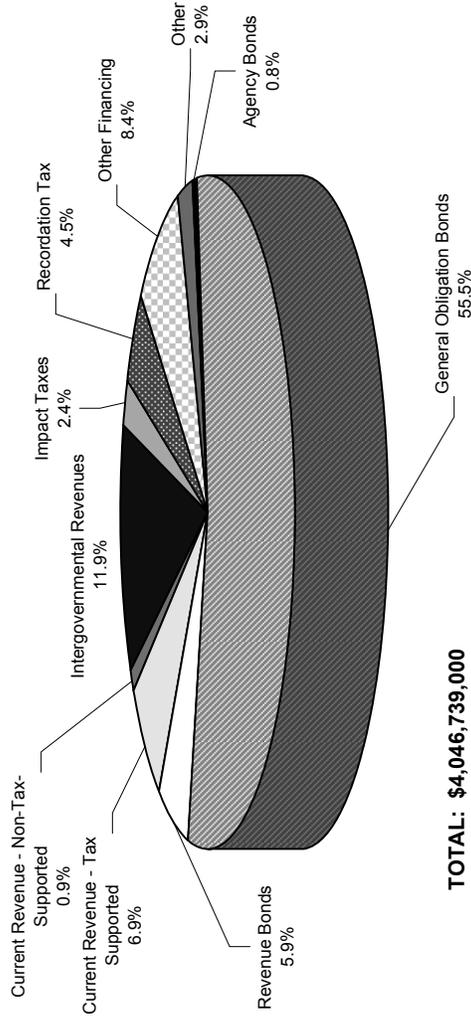
Arcola ES Addition
Bethesda ES Addition
Bethesda-Chevy Chase MS #2
Highland View ES Addition
Julius West MS Addition
North Chevy Chase ES Addition
Northwest ES #8 (New)
Rosemary Hills ES Addition
Wood Acres ES Addition

Transportation

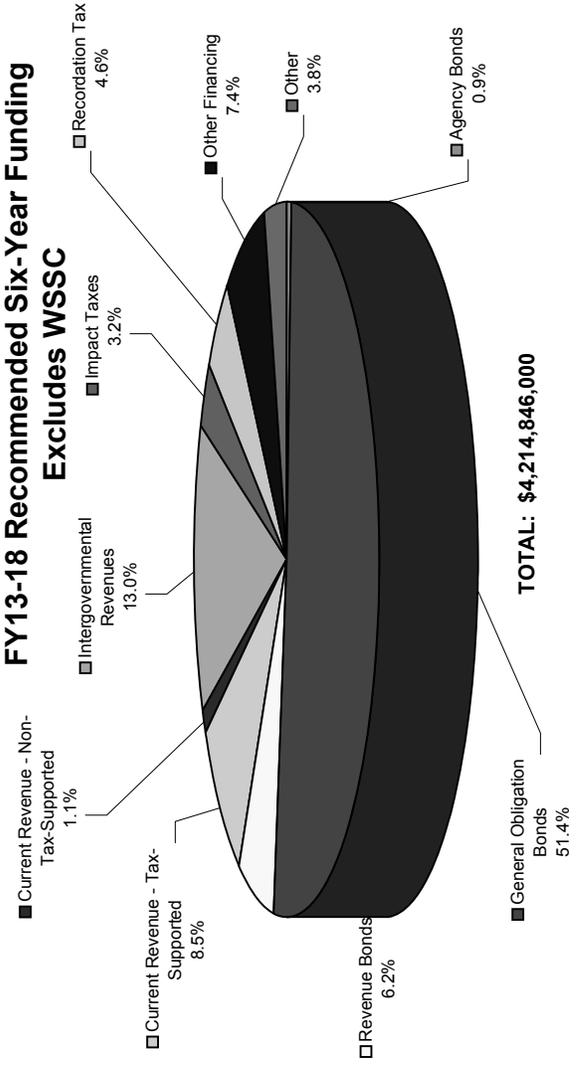
Gold Mine Road Bridge M-0096
Whites Ferry Road Bridges No.M-0187B and M-0189B
Needwood Road Bikepath
Clarksburg Transportation Connections
East Gude Drive Roadway Improvements
Seminary Road Intersection Improvement

FY13-18 CIP

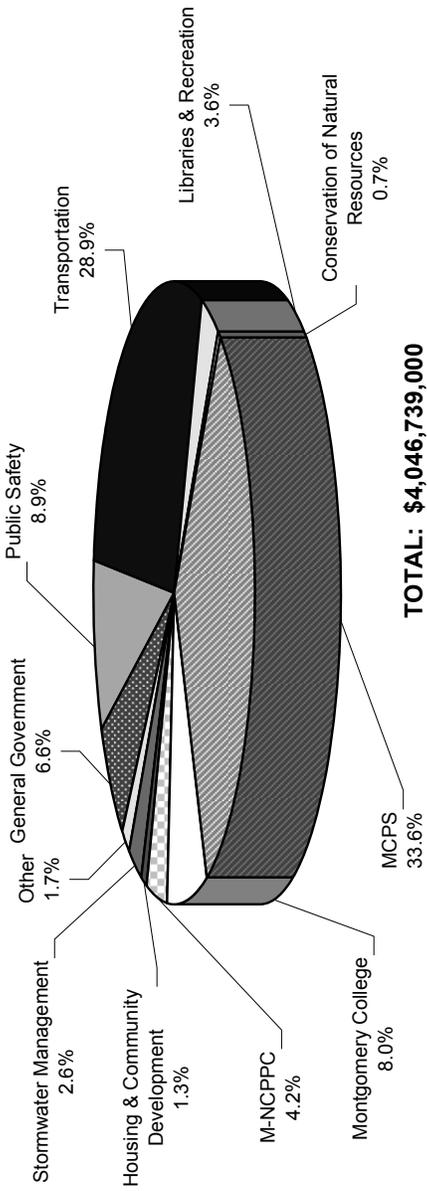
FY11-16 Amended Six-Year Funding Excludes WSSC



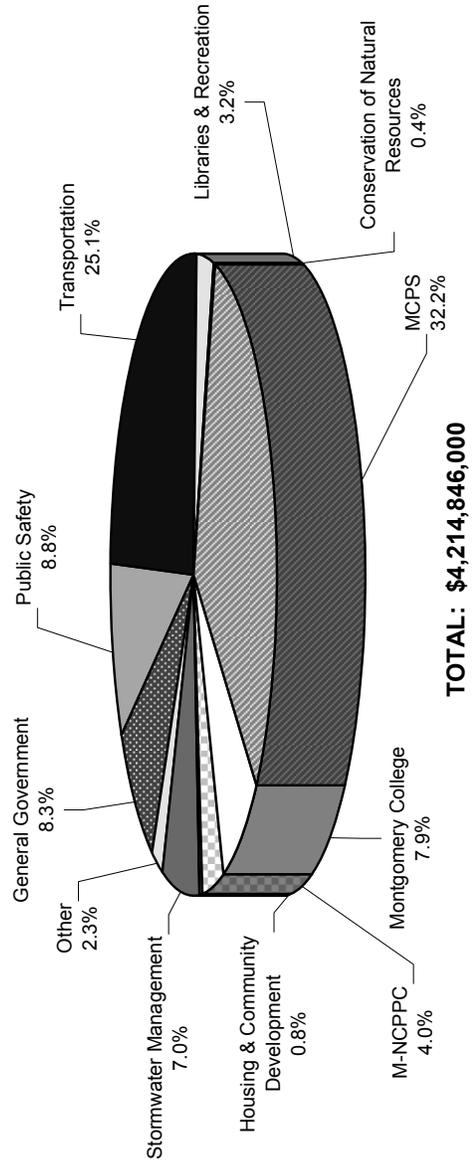
FY13-18 Recommended Six-Year Funding Excludes WSSC



FY11-16 Amended Six-Year Expenditures Excludes WSSC



FY13-18 Recommended Six-Year Expenditures Excludes WSSC



**FY13-18 Executive Approved Capital Improvements Program
All Agency Expenditures (\$000s)**

Agency	6 Year Total	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
County Government	2,321,460	483,190	549,981	395,067	296,384	275,971	320,867	247,701
HOC	12,337	5,687	1,650	1,250	1,250	1,250	1,250	0
MCPS	1,355,121	267,266	253,684	186,962	235,298	211,105	200,806	448,473
M-NCPPC	166,795	23,937	32,487	26,787	28,161	30,131	25,292	27,014
Montgomery College	332,472	57,198	56,720	61,779	71,700	55,525	29,550	70,651
Revenue Authority	26,661	1,291	2,550	3,550	7,570	11,700	0	0
WSSC	1,245,812	432,328	270,333	160,806	149,170	142,432	90,743	21,548
Total	5,460,658	1,270,897	1,167,405	836,201	789,533	728,114	668,508	815,387

* County Government includes Transportation, Public Safety, Libraries, Recreation, and Health.