



**OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850**

Marc Elrich
County Executive

MEMORANDUM

January 18, 2022

TO: Gabe Albornoz, President, Montgomery County Council

FROM: Marc Elrich, County Executive

SUBJECT: Recommended FY23 Capital Budget and
FY23-28 Capital Improvements Program (CIP)

In accordance with the County Charter, I am pleased to transmit my Recommended FY23 Capital Budget and FY23-28 Capital Improvements Program (CIP). As I release my second full CIP, I am proud of my administration's achievements that now allow us to leverage more State Aid for school construction, address climate change, and promote economic development through substantial transportation investments. With increased investments in our schools, affordable housing, early care centers for our youngest children, facilities to address barriers to residents' well-being, and maintenance of core infrastructure, this CIP strengthens the resiliency of County government, our local economy, and the residents we serve. Central to these efforts is our partnership to advance racial equity, social justice, and climate change in the County.

Incorporating racial equity and social justice into the CIP decision-making process has helped the County prioritize projects in new ways by:

- ***Using mapping and other tools to identify and address racial disparities***
- ***Considering the structural barriers that disproportionately impact communities of color and low-income communities***
- ***Examining the intersection of racial equity and climate change***

In this CIP, I am recommending a total six-year investment of \$5,057,244,000 - a \$740,582,000 increase over the previously approved CIP. This capital budget assumes my previously recommended Spending Affordability Guidelines (SAG) for General Obligation bonds (\$1,750,000,000 over six years), leverages significant funding from non-County sources, and recognizes current revenue constraints due to COVID and other FY23 demands for Operating Budget support.

Despite the 17.2 percent increase in the CIP, I was not able to fund all of the worthy projects proposed by Montgomery County Public Schools (MCPS), Montgomery College, Maryland National Capital Park and Planning Commission, and Montgomery County departments on the requested schedule. This was particularly true for MCPS that requested more than a \$385 million increase in funding in the first four years of the CIP when there is

little fiscal flexibility.

We will need to work together creatively to adequately preserve existing infrastructure and to build the kinds of transportation and other facilities needed to ensure our continued economic competitiveness and quality of life. The attached fiscal summary compares the Recommended

CIP agency budgets to the previously approved CIP and the agency request as well as indicating the agency percentage of the overall Recommended CIP.

OVERALL FISCAL CONTEXT

Across the board, agencies and departments reported construction cost increases related to a tight construction market and COVID-related supply chain disruptions. Skilled labor shortages that existed before COVID were exacerbated by the pandemic. Labor and material shortages in manufacturing and transportation also resulted in cost increases in lumber, electrical and plumbing supplies, steel, and gypsum products. County departments and agencies reported instances of bids exceeding budget estimates by more than 50 percent for individual projects as contractors priced in labor and materials availability risks. Given these economic forces, it is not surprising that Montgomery County Public Schools reported a 23 percent increase in construction costs or that many previously approved projects reflect cost increases.

Consistent with my SAG recommendation, the six-year General Obligation (G.O.) bonds planned for issuance (\$1.750 billion) are \$70 million larger than the limits approved by Council - a \$20 million reduction compared to the prior approved six-year CIP. I am recommending a \$10 million increase in the G.O. bond limits in FY25 and a \$20 million increase in FY26, FY27, and FY28 because I believe that they will be affordable as the economy continues to rebound and the charter limit revisions we worked together to achieve are implemented.

I am recommending that \$58,750,000, or 83.9 percent, of the additional \$70 million in G.O. bonds be invested in a Built to Learn Act State Aid Match project. The purpose of this project would be to hold fiscal capacity for MCPS future projects for the express purpose of supporting projects that are eligible for State Aid.

Six-year Pay-as-you-Go (PAYGO) funding is assumed to be \$181.1 million - \$6.1 million more than the 10 percent policy target. This additional cash investment reflects a partial repayment of the PAYGO reductions that were necessary in FY21 and FY22 when operating budget reductions were needed to address COVID related budget impacts.

Fortunately, staff have positioned the County to be able to leverage significant Federal and State funding for school construction, transportation, and other initiatives. Prior Council-funded work on County Bus Rapid Transit projects has progressed to the point where the projects can access approximately \$170 million in new Op Lanes Maryland State transit funding and seek Federal New Starts/Small Starts program funding (over \$200 million) as well. (The Op Lanes Maryland transit funding is the portion of the State's planned I-495 and I-270 Phase I toll lane proceeds which the Maryland Department of Transportation pledged to fund high priority public transit projects in Montgomery County.)

Similarly, County staff from the Office of Intergovernmental Relations, Office of Management and Budget, Council, the Office of Legislative Oversight, and Montgomery County Public Schools have worked collaboratively with our State delegation over the last few years to help the County realize the increased State Aid for school construction promised under the Built to Learn Act. Based on evolving feedback from the delegation, the Interagency Commission on School Construction (IAC), and the Maryland Stadium Authority, and in consultation with Montgomery County Public Schools and Council staff, my recommended CIP assumes \$530.6 million in six-year State Aid for school construction.

Six-year recordation tax (\$640.2 million) and impact tax (\$191.2 million) estimates are also expected to exceed the prior approved budget by \$195.8 million. The increase in recordation taxes is due to a combination of factors including FY21 and FY22 year to date increases in home prices and sales volume which were well above last year's COVID-19 influenced, more conservative estimates. Sales price and volume increases are expected to continue - but at more moderate rates during the six-year CIP. Impact tax estimates have been adjusted to reflect a more updated understanding of the likely annual impact of new Growth and Infrastructure Policy exemptions.

The most significant changes in funding sources are reflected in the chart below:
SIGNIFICANT FUNDING SOURCE CHANGES (\$000s)

Funding Source	CE Recommended FY23-28	Approved Biennial FY21-26	Difference	Percent Difference
Recordation Taxes	511,680	393,789	117,891	29.9%
Recordation Tax Premium	128,548	98,946	29,602	29.9%
Schools Impact Taxes	135,780	97,671	38,109	39.0%
Transportation Impact Taxes	55,440	45,209	10,231	22.6%
State Aid (incl Op Lanes Transit Funding)	936,402	624,634	311,768	49.9%
Federal Aid	259,051	39,785	219,266	551.1%

The Capital Budget includes six-year funding from PAYGO (\$181.1 million) and tax-supported current revenue (\$537.6 million). As a result, it is very important to consider the status of the operating budget when making CIP cash decisions. Possible cost increases for COVID-related expenses, agency and County government compensation and benefits, as well as other programmatic enhancements could occur. As a result, decisions on nearly all current revenue funding requests were postponed until the March Operating Budget.

Even with the projected CIP revenue increases, it was not possible to fund all of the agency and department requests - particularly on the requested schedule. Priority was given to projects that address MCPS overcrowding and facility maintenance, advance racial equity, social justice, and climate goals, support economic development and affordable housing, leverage non-County resources, and preserve core infrastructure.

EDUCATION AND EARLY CARE INITIATIVES

Montgomery County Public Schools

The Recommended MCPS CIP budget is more than \$1.822 billion which, if approved, will be the largest MCPS CIP ever. The recommended MCPS CIP is 103.1 percent of the Board of Education's original requested CIP due to the inclusion of prevailing wage construction costs needed to achieve maximum State Aid contributions. The MCPS CIP request was \$1.767 billion, \$148.3 million or 9.2 percent above the previously approved budget with a \$385 million increase in the first four years of the CIP. The request included significant cost increases in construction due to an unparalleled increase in material costs, disruptions in supply chain, and labor shortages due to the COVID-19 pandemic. This request proposed the construction or renovation of fifteen elementary schools, five middle schools, and eight high schools and included increased investments in HVAC and Roof Replacements while preserving substantial investment in the Planned Life Cycle Asset Replacement, ADA Compliance, and other existing facility infrastructure projects. Early Childhood Center, Emergency Replacement of Major Building Components, Materials Management Building Relocation, and Sustainability Initiative new projects were also included in the submission.

Developing the MCPS CIP recommendations this year took on added complexity because of the need to consider the evolving information regarding State Aid for school construction and the availability and requirements of other funding sources for MCPS CIP projects. For example, it was necessary to create a \$40.2 million Prevailing Wage project to allow the County to assume greater levels of State Aid, including funding from the Built to Learn Act. (An additional \$21.9 million in prevailing wage costs have already been reflected in two approved MCPS project supplementals.)

The State Aid funding assumption developed for this budget cycle is over \$530.6 million - a \$82.5 million increase over the previously approved CIP. This assumption was generated as a result of a productive team effort between MCPS and OMB with input from Council and Intergovernmental Relations staff. MCPS provided project-level State Aid and prevailing wage estimates under various scenarios which allowed OMB to select those scenarios that had the greatest net cost benefit. We are grateful for this partnership since it is imperative to maximize State Aid to advance school construction.

During this year, staff from OIR, OMB, the County Council, and MCPS worked together with the Office of Legislative Oversight to

identify changes in legislation and local practices that could yield greater levels of State Aid funding and to understand intricacies of State Aid procedures and policies - including those related to Built to Learn Act funds. This effort allowed the Office of Intergovernmental Relations to influence our State delegation's related legislative goals and the Interagency Commission on School Construction (IAC) and Maryland Stadium Authority Built to Learn Act implementation plans. The situation continues to be fluid, and we will need to work together with our State delegation to ensure that State Aid school construction policies and practices do not make it difficult to access Built to Learn and traditional State Aid funds.

To maximize future State Aid funding and improve transparency in our capital budgeting, I am recommending the creation of a new Built to Learn Act State Aid Match project with \$58,750,000 in FY25 to FY28 funding. The purpose of this project would be to hold fiscal capacity for MCPS future projects for the express purpose of supporting projects that are eligible for State Aid.

Historically, the MCPS CIP has been very front loaded with significant spending in the first four years of the CIP and very little programmed in the last few years. (See the chart below.) This pattern exists because MCPS does not include most construction costs until planning is done. In addition, MCPS prefers not to identify specific potential construction projects too early so they can more easily respond to the most current enrollment and facility condition data.

**COMPARISON OF MONTGOMERY COUNTY PUBLIC SCHOOLS FY23-28 CIP FUNDING:
FY23-28 REQUEST VS FY21-26 APPROVED (\$000s)**

	FY23- FY26 Total	FY23	FY24	FY25	FY26
FY23-FY28 Requested CIP	\$1,467,579	\$376,478	\$439,562	\$376,129	\$275,410
Approved Amended FY21-FY26 CIP	\$1,082,285	\$318,965	\$302,477	\$250,646	\$210,197
Difference	\$385,294	\$57,513	\$137,085	\$125,483	\$65,213

The problem with this practice is that when MCPS ultimately submits construction cost requests for planned projects, there is not enough money set aside for them. To adequately fund schools in those later years, the County Executive and the County Council must then delay other projects. This pattern is frustrating for our residents and for decisionmakers.

The Built to Learn Act resulted in approximately \$378 million being set aside for Montgomery County Public Schools construction projects to be spent within a 10-year period. In order to fully access these funds, the County will need to have sufficient matching local funds.

Despite increases in funding, MCPS' full CIP request was not affordable - particularly in the early years of the CIP when funds are already committed to other projects. Although it was not possible to fund \$65.5 million of the original submission costs in the six-year period, the Recommended CIP does reflect a \$203.6 million, or a 12.6 percent, increase in funding compared to the prior approved CIP. The Recommended CIP also includes sufficient funds to support the supplementals recently sent to the County Council by MCPS to cover prevailing wage costs needed to maximize State Aid support for projects at the Burnt Mills, Clarksburg Cluster #9, Stonegate, Southlake, and Woodlin Elementary Schools.

Montgomery College

Montgomery College requested a \$347.1 million six-year CIP - a \$63.0 million, or 22.2 percent, increase over the previously approved budget. The initial request was intended to:

- Expedite library improvements that are critical to low-income students who need the college's facilities to study effectively. This project also reflected increased, updated cost estimates;
- Increase State and County funding for the Germantown Student Services Center on a slightly delayed schedule;
- Increase funding for Planned Lifecycle Asset Replacement; and
- Provide flat-lined FY27 and FY28 funding for ongoing planning, maintenance, and information technology projects.

The Recommended Montgomery College budget is \$327.1 million - a \$42.9 million, or a 15.1 percent, increase over the previous CIP. Included in the Recommended CIP is \$500,000 to support development of a new East County College Campus. Initial funding will cover facility planning, site evaluation, and other preliminary costs needed to ultimately establish a fourth campus. The East County is home to a very diverse population with significant concentrations of low-income residents. Eastern Montgomery County is a region with 73 percent of the population identifying as a person of color, and the population is projected to continue to diversify in the future. The area is home to many immigrants. Over 25 percent of new entrants into Montgomery County have immigrated from outside of the United States and are non-native English

speakers, necessitating a different model of student services than at the other three legacy campuses. Furthermore, East County residents without a car are effectively cut off from the other three campuses since one-way public transportation to the other three campuses takes on average more than 90 minutes.

Due to affordability constraints, my Recommended CIP assumes that approximately \$20 million in requested College funding will need to be delayed until FY29.

Early Care and Other Education Related Initiatives

Funding for a new Early Childhood Center (\$16 million) is included in the MCPS CIP request. This project will provide funding for a permanent home for pre-kindergarten literacy, mathematics, and social/emotional skill development services on the Watkins Mill High School campus for children and families affected by poverty. Planning funds to further expand early childhood centers throughout the County are also included in the project funding request.

Funding is also recommended to add both a School Based Health Center and a Linkages to Learning Center at the JoAnn Leleck Elementary School. This school has over 81 percent of its students participating in the Free and Reduced Price Meals program, and 97 percent of the students are African American or Hispanic. Funding for projects at the Odessa Shannon Middle School, Silver Spring International Middle School, Gaithersburg Elementary School #8, Neelsville Middle School, and South Lake Elementary School has also been adjusted to reflect the latest cost estimates. These schools are all located in Equity Emphasis Areas ¹, reflect high concentrations of African American and Hispanic children, and/or have high percentages of students participating in the Free and Reduced Price Meals program.

The Child Care Renovations project has been increased to reflect current childcare licensing requirements and other construction cost increases.

CLIMATE FRIENDLY TRANSPORTATION IMPROVEMENTS

Bus Rapid Transit and Other Mass Transit Investments

The Recommended CIP includes more than \$394 million in funding for Bus Rapid Transit (BRT) projects along Maryland Routes 355 and 586 (Veirs Mill Road) using identified state and federal aid opportunities to support final design, land acquisition, and construction. As part of this CIP, I am recommending that the MD355 BRT project be funded for construction between Rockville and Germantown, terminating at the Montgomery College campuses at either end and extending fast, high-capacity transit service to residents and businesses along this corridor that is not currently served by Metrorail. I am also recommending funding construction of the Veirs Mill Road BRT connecting to MD 355 at Montgomery College. These projects will achieve an unprecedented expansion of the County's transit network to provide rapid transit service from Wheaton to Germantown and are consistent with priority recommendations in the draft Corridor Forward plan for I-270.

I am also recommending that we accelerate and fund construction of the Bicycle-Pedestrian Priority Area Improvement Priority Project (BiPPA) improvements along Veirs Mill and Randolph roads in conjunction with the Veirs Mill BRT project. By linking these two projects, the County can submit both as part of our Federal Small Starts grant application, further leveraging the County and State funding commitments. These improvements support safe walking and biking, which is critical to accessing improved transit services.

BRT service on these corridors will alleviate traffic congestion, reduce carbon emissions, stimulate economic growth, and provide more frequent and reliable transit service to some of the County's most racially and economically diverse communities where structural barriers have created a heavy reliance on public transit to get to work, school, and important services. My intention is that we complete the entire MD355 corridor as soon as possible, so I am also including design funding for the MD355 BRT between Rockville and Bethesda and Germantown and Clarksburg so that the entire project is ready to proceed as soon as we have a viable funding strategy for the remaining portions of the corridor.

I intend to fund these projects using revenues from the State's Op Lanes Maryland project, which have been pledged by the Maryland Department of Transportation to support high-priority transit projects in Montgomery County, in combination with County and Federal funding to be sought through the recently expanded Federal Transit Administration (FTA) Capital Grants (CIG) program. It is my intention that in the coming year, we can work together to identify funding opportunities that will advance implementation of BRT on the entire MD 355

¹The Washington Council of Governments has identified census tracts as Equity Emphasis Areas due to their significant concentrations of low-income households and/or people of color.

corridor as one project, eventually providing high-quality transit service from Bethesda to Clarksburg, as well as accelerating the implementation of recommended BRT projects on other planned transit corridors.

In addition to continuing planning for New Hampshire Avenue BRT and the North Bethesda Transitway, my recommended capital budget expands funding for the Bus Priority Program. This program identifies and implements low-cost but high-impact initiatives, such as painted bus lanes and signal priority projects, to improve service on all bus routes in the County.

My budget also supports the transition to a zero emissions Ride On bus fleet, recommending over \$40 million across FY23-24 for the purchase of electric buses to fully utilize the power generation capacity of the Silver Spring bus depot solar microgrid. By 2025, Ride On will have 70 electric buses in service, positioning the County as both a regional and national leader on the path to zero emissions transit. Many challenges remain, including the high cost of zero emission technologies, development of support infrastructure, and the need to ensure continued service quality. The Departments of Transportation and General Services are identifying creative means to address these challenges. To that end, my budget also funds a study that will develop a transition plan to a full zero emissions fleet within fiscal and operational constraints.

OTHER INITIATIVES TO ADDRESS CLIMATE CHANGE & OTHER ENVIRONMENTAL GOALS

Montgomery County is taking action on the major contributors to greenhouse gas emissions:

- **Inefficient commercial buildings and;**
- **Transportation impacts.**

County CIP priorities have focused on:

- **Maximize energy efficiency of County buildings;**
- **Zero emission vehicles and related infrastructure;**
- **Enhanced public transportation; and**
- **Improving major storm resiliency through infrastructure improvements and nature-based solutions.**

equipment in County buildings.

These activities supplement DOT's work to issue a Request for Proposals for solar generation installations on the rooftops of several parking garages in the Silver Spring Parking Lot District with implementation within the next two years. Projects like Monitoring Based Commissioning have maximized Empower Maryland's energy efficiency incentive funds from prior CIP projects to fund ongoing investments in building automation systems. DGS will continue to pursue alternative capital investment through Power Purchase Agreements (PPA) to expand the deployment of renewable energy systems and microgrids to improve resilience and reduce the Greenhouse Gas Emissions of our facilities.

Stormwater Management

The Department of Environmental Protection and the Maryland-National Capital Park and Planning Commission have established a partnership to implement stream protection projects that help meet the State's MS-4 (Municipal Separate Storm Sewer System) permit requirements to improve water quality in the County. Due to the success of the initial projects M-NCPPC has implemented, the Department of Environmental Protection will be shifting approximately \$8.8 million more to M-NCPPC in the FY23-28 CIP for additional permit-related projects. The Maryland Department of the Environment issued the County a new MS4 permit in November 2021. In anticipation of that permit DEP continued to complete stormwater management projects and upgrades which position the County very well to meet the restoration requirements of the new permit. Using an enhanced contracting strategy that relies on a variety of approaches as well as the DEP-M-NCPPC partnership, the CIP budget request is consistent with impervious surface permit requirements.

The CIP stormwater management budget also includes a continued focus on replacing stormwater infrastructure such as failing culverts and addressing drainage assistance requests to improve preparedness for flooding events. These activities increase the County's resiliency and its

ability to manage the impacts of extreme weather due to climate change.

Recycling & Resource Management

My Recommended CIP continues funding for the Full Upgrade of the Recycling Center Complex project which will increase the County's processing capacity to handle 100 percent of the recyclable material residents and businesses generate with room for future growth. The County currently sends 40 to 45 percent of its recyclable material out of the State for processing which generates greenhouse gas emissions. Upon completion of the project, transporting recyclable materials will cease and the County will have the potential to increase the kinds of materials the County can recycle.

The Department of Environmental Protection will be receiving responses to a Request for Information (RFI) from commercial entities that may provide updated technologies that could enhance recycling and waste disposition. Upon review of the responses to the RFI, any appropriate modifications to the design of this upgrade will be made. The project is scheduled to start construction in the coming year and is an important component of our plans to eventually close the Dickerson incinerator.

SUMMARY OF KEY CLIMATE CHANGE INVESTMENTS

My Recommended CIP includes \$1.29 billion in spending on projects that help address climate change, adding \$653 million in funding for new projects or expansions of existing projects that reduce the County's greenhouse gas footprint, increase climate resilience, and/or make necessary adaptations to changing climate conditions. Climate-related spending in the CIP includes:

- \$655 million in mass transit improvements to reduce the climate impact of transportation in the County, including \$408 million for bus rapid transit planning and implementation and \$152 million to begin to transition Ride On to a zero-emission fleet;
- \$268 million for pedestrian and bicycle transportation facilities to encourage active modes of transportation and reduce short-distance car trips;
- \$176 million to fund maintenance projects that increase the energy efficiency of county government, MCPS, Montgomery College, and M-NCPPC facilities through building envelope repair and replacement of obsolete mechanical and electrical systems;
- \$12.5 million in added funding for projects to help achieve net zero energy use in new or renovated facilities, including Holiday Park Senior Center, the White Flint Fire Station, and the 6th District Police Station and \$4.4 million to help achieve near net zero energy use in the renovated Kennedy Shriver Aquatic Center;² and
- \$171 million for projects that maintain and improve the County's resilience to extreme weather through stormwater management and maintenance and rehabilitation of waterways.

The County continues its role as a leader in the fight to address climate change through environmentally friendly construction practices, progressing from past capital improvement programs that funded basic energy efficiency improvements, to achieving LEED Silver certification, to International Green Construction Code compliance for all new construction, to the current policy of net zero energy use where feasible for all new facilities and major renovations. In addition to our direct efforts to reduce the County's carbon footprint through new net zero facilities and the replacement of obsolete building systems, every county building construction or renovation project considers climate impact at all stages of planning, design, and construction, from locating buildings near public transit to efficient design standards to sourcing materials with the lowest possible environmental impacts.

Affordable Housing

The Recommended CIP will continue my practice of budgeting \$22 million a year, totaling \$132 million from FY23-28, for Affordable Housing Acquisition and Preservation investments. With a \$14.8 million FY22 supplemental, more than \$36 million will be available during the next 18 months to support affordable housing projects.

²The full costs to construct Net Zero buildings are much larger. These costs represent only the incremental cost needed to attain a Net Zero standard compared to energy efficiencies that had already been incorporated into the building plans.

Affordable Living Quarters

The Department of Housing and Community Affairs (DHCA) has been awarded \$7.3 million of Federal HOME funds. After DHCA submits a final allocation plan for HUD's approval, it is expected that the bulk of the funds will be available to address unmet housing needs. In the meantime, the Department of Health and Human Services, the Department of General Services, and DHCA will use \$100,000 to consider how acquisition and renovation of available buildings could best meet low-income households' needs for permanent Affordable Living Quarters. Once a suitable building has been found, additional appropriation will be requested to complete the project - moving us closer to our shared goal of increasing the supply of affordable housing to prevent homelessness and provide stable housing for our lowest income residents. An FY22 supplemental will be requested to fund initial planning and site selection work with additional funds requested once a site has been found.

Affordable Housing Opportunity Fund

Last May, Council approved funding for my new Affordable Housing Opportunity Fund project to provide short-term financing for affordable housing projects. By the end of March 2022, the Department of Housing and Community Affairs will complete the process of contracting with a Community Development Financial Institution to manage the offering of the initially appropriated \$14 million funding. My recommended CIP will increase the fund by \$6 million to \$20 million.

Housing Opportunities Commission (HOC)

Critical funding has also been included in my Recommended CIP for the Housing Opportunities Commission's WSSC Sewer and Storm Line Improvements at Elizabeth Square project. These unanticipated costs are required to increase water, sewer, and stormwater capacity based on updated assessments by WSSC Water and delays in the Purple Line project. The Recommended CIP also continues to provide \$7.5 million for needed HOC unit maintenance.

Expanding Broadband in Affordable Housing

The ultraMontgomery project uses capital technology funding to support the County's economic development and digital equity initiatives. In the FY23-28 CIP, the ultraMontgomery project assumes that the County will receive additional U.S. Treasury Infrastructure funding provided to the State of Maryland to support expanding broadband infrastructure to 8,000 units in affordable housing developments. Currently, grant programs tend to exclude urban areas where people are not subscribing to broadband due to income or other limitations. This effort not only addresses racial inequities related to digital connectivity, but it is also essential to accessing education, employment, medical, and other critical services, participation in the digital economy, and civic engagement for our low-income residents.

ADDRESSING FAILING FACILITIES AND INFRASTRUCTURE

Many of the new projects in my recommended CIP are designed to preserve prior infrastructure investments that support public safety, information technology, transportation, and general government operations.

Montgomery County Correctional Facilities Upgrades

New public safety investments are proposed to make safety upgrades and refresh the 20-year-old Montgomery County Correctional Facility and to provide Wi-Fi at correctional facilities to fully implement medical records software and support staff and client training.

County Radio System and Equipment Investments

Funding has also been included to fund County Radio Lifecycle Replacement. A new CIP project, funded through a transfer from the Public Safety System Modernization project, is also proposed to build a new Dickerson Radio Tower. The current location of the radio system equipment on the electric power plant's smokestack is planned for demolition in three years.

Other Public Safety Investments

The final completion of Heart Monitor/Defibrillator Replacement has been recommended for funding, as well as increases in funding for fire station HVAC and life safety systems.

Business Continuity Strategic Plan

Council recently approved a \$7.2 million supplemental for FiberNet to implement the first phase of the County's Business Continuity

Strategic Plan. In March, we will forward a plan for additional FY23-FY28 investments in the County's FiberNet critical infrastructure when Cable Fund revenues, a primary but declining project funding source, are estimated.

Transportation Infrastructure Investments

Additional recommended transportation infrastructure projects include Monocacy Road Bridge deck replacement, Road Resurfacing (Primary/Arterial and Residential/Rural), parking facility renovations, storm drains and culverts.

Executive Office Building Improvements

It is also necessary to invest in facilities where core County services are performed. Just as it was important to renovate the Council Office Building (COB), it will be necessary to overhaul the Executive Office Building to replace core mechanical equipment, achieve energy efficiencies, and refresh offices for current service delivery needs. We anticipate that this project will be similar to the COB and Judicial Center Annex projects which required renovations to go on while operations continued. Funds to provide detailed renovation and funding plans are included in FY23 and FY24 due to the age of the mechanical systems and the heavy usage of the building.

Revenue Authority Projects

The Revenue Authority has requested six new projects to renovate and upgrade the Northwest, Falls Road, Little Bennett, Needwood, Poolesville, and Rattlewood Golf Courses, two new projects to improve safety at the Montgomery County Airpark, and a new project to consolidate staff in one office at the Rattlewood Golf Course.

ECONOMIC DEVELOPMENT

In addition to investments in education and transportation - necessary features of economically competitive jurisdictions, my Recommended CIP also includes significant investments in public-private partnerships designed to spark redevelopment in the White Flint and White Oak portions of the County.

White Flint/North Bethesda Redevelopment

Jones Lang LaSalle (JLL) has recently completed a market and feasibility study that supports the concept of a life science anchored development as the most economically feasible use for the WMATA-owned property at the White Flint (soon to be North Bethesda) Metro station in the current economic environment. That property, at the heart of the White Flint/North Bethesda area, is a key to addressing the current demand for life science development in this region. The County is working with WMATA to determine what specific infrastructure and other support would provide the impetus to spur this near-term life science development which is expected to support other private development in the area.

The WMATA project builds upon and supports the following notable White Flint private development activities:

- Site plan review of a Pike & Rose Phase II development amendment to increase density and include research and development laboratory space began in July;
- In October, a plan to include a mixed-use commercial/retail building including the new headquarters for Choice Hotels International was approved and is under construction;
- A Northpark at Montrose site plan was submitted in February for 107 townhomes and thirty-four 2 over 2 housing units;
- A Rose Village concept plan was submitted in March to redevelop more than 2.5 million square feet of mixed-use development; and
- A Preliminary Plan amendment for the North Bethesda Market II (NOBE II) was approved.

Consistent with requests from the community and the County Council, I will be moving the costs of White Flint Redevelopment coordination out of the capital budget into the General Fund operating budget.

White Oak Redevelopment

Redevelopment of the East County is a goal that the Council and I share. The Route 29 FLASH BRT service has been operating since October 2020. Planning funding for an East County Montgomery County College campus has been recommended.

The County completed its demolition and environmental cleanup responsibilities for the Site II portion of the Viva White Oak joint development in June 2019. With master plan, sketch plan and preliminary plan approvals and designation as a tax-favored opportunity zone,

the private developer of Viva White Oak appears well positioned to begin implementing the plan's vision for approximately seven million square feet of commercial development as a life sciences hub with up to 5,000 residential units.

My Recommended CIP maintains the County's \$40 million commitment to fund a portion of the development's required road construction costs. I look forward to hearing more about our private partner's progress in securing required site plan approvals - the next step in the development process.

Crossvines

The Recommended CIP also maintains funding for the Crossvines wine-crush and event facility. Once completed, Crossvines will support the County's long-range plan for economic and agricultural development, agri-tourism, education, and workforce development.

Life Sciences Lab Space

A Life Sciences and Technology Centers supplemental will also be transmitted separately to convert excess Germantown Innovation Center office space to lab space to meet the demand of small life science companies because updated cost estimates exceed the previously approved budget.

ultraMontgomery Broadband Projects

The ultraMontgomery project has also completed a public private partnership to expand shortest route, lowest latency, ultra-high speed broadband routes under the Potomac River to connect the Great Seneca Science Corridor and Bethesda to data centers in Ashburn, Virginia. Ninety percent of East Coast internet traffic is eventually routed through Ashburn, Virginia data centers. This direct fiber route is vital to supporting work by high tech companies and research institutions in Montgomery County. Work is also underway to complete regional connections to Howard County and expand connections to Prince George's County.

CREATIVE REUSE OF COUNTY PROPERTY

My Recommended CIP also includes funding to redevelop the site of the current Montgomery County Detention Center (MCDC) and the former 1st District Police Station to provide a new Restoration Center, a new Criminal Justice Center (CJC), and to house a new Montgomery County Public Schools bus depot to replace the depot currently located on Crabbs Branch Way.

Restoration Center

Oftentimes, residents with mental illness or substance abuse problems are being inappropriately incarcerated or sent to emergency rooms when crisis stabilization and appropriate warm handoffs to community-based services would be more effective. This can be particularly critical for residents of color and low-income residents who face barriers in accessing care. To prevent inappropriate, unnecessary incarceration, the Restoration Center will operate 24/7/365 to provide alternative crisis stabilization services under the Crisis Now model while also serving other residents with mental health and substance abuse issues.

The Department of Health and Human Services will be aggressively pursuing State Aid for construction costs and Medicaid reimbursement and private partner participation to reduce the net operating budget impact of the Restoration Center.

Criminal Justice Complex

The new Criminal Justice Complex (CJC) will replace the sprawling, deteriorating MCDC complex which has outlived its useful life and is extremely expensive to maintain. The new CJC will house Central Processing/Detention, District Court Commissioners, Department of Health and Human Services Mental Health Assessment and Placement Unit; Pre-Trial Services Assessment Unit; Public Defenders Unit; and the Police Warrants and Fugitive Unit in a smaller, more efficient building.

MCPS Crabbs Branch Bus Depot Replacement

Finally, since at least 2012, the County has struggled to find an appropriate site to replace the MCPS Crabbs Branch Bus Depot to realize the Shady Grove Sector plan's transit-oriented development vision. This site is already owned by the County and is well-located and appropriate for MCPS' fleet operations. This project cannot proceed until the Restoration Center and CJC project are completed so funding for this project is not expected to occur until after FY28.

MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION (M-NCPPC)

My Recommended CIP includes \$254.5 million in six-year funding - a \$14.9 million, or 6.2 percent increase over the prior approved CIP. The success of M-NCPPC's partnership with the Department of Environmental Protection in implementing stream restoration projects in support of the County's MS-4 permit has led me to recommend increasing their Stream Protection: SVP project to \$14.5 million, an \$8.8 million increase, to improve water quality in the County. I also support M-NCPPC's plans to conduct facility planning for a new Long Branch Parks Initiative. I have recommended a two-year delay in funding for a dog park in Norwood Park until alternative locations and community concerns can be considered.

Affordability adjustments of \$14.4 million in General Obligation bonds are assumed in my Recommended CIP, and consideration of almost \$5 million in requested increases in tax-supported current revenue are postponed until the March operating budget. A minor shifting of M-NCPPC bonds from FY25 to FY26 and FY27 is also recommended to reflect the impact of updated inflation estimates.

While not included in this CIP submission, I remain committed to working closely with our partners at M-NCPPC to redevelop the historic Bethesda property known as the Farm Women's Market and to include the Bethesda Parking Lot District's Lot 24 and Lot 10 with this redevelopment. The existing Farm Women's Market will be renovated, and the redevelopment will include new housing, retail space, outdoor park space, and underground parking.

I expect that all project partners - public and private - will contribute to the cost of the park, and that final development and park plan approvals will result in public space that is an asset to the community, meets the intent of the Bethesda Downtown Plan, and is attainable within the available financial resources of all parties.

WASHINGTON SUBURBAN SANITARY COMMISSION (WSSC WATER)

My Recommended CIP fully funds the Washington Suburban Sanitary Commission's \$2.093 billion FY23-28 CIP request. This represents a \$347.7 million, or 19.9 percent, increase above the FY22-27 approved total of \$1.745 billion. The increase in six-year costs is the net result of project spending deferred from previous CIPs due to pandemic impacts, the addition of new projects focused on maintaining and upgrading WSSC Water's aging infrastructure, and the new State funded I-495/I-270 Traffic Relief Plan Pipeline Relocations project. The first year of the Commission's proposed CIP is consistent with the approved FY23 Council-approved spending control limits.

RACIAL EQUITY

This year, as County Government and its sister agencies worked to incorporate racial equity considerations into our budgeting processes, we carried out the following activities:

- Prioritized projects serving the Washington Council of Government's Equity Emphasis Areas. These areas have high concentrations of residents with low-incomes and/or high concentrations of residents of color;
- Sought to limit negative impacts of any fiscal delays or reductions on projects serving Equity Emphasis Areas;
- Considered how departments determine what subprojects are chosen for level of effort projects and how racial equity could be incorporated into those decision-making processes;
- Considered what population demographics tend to be served by different types of facilities when that data exists;
- Developed a CIP budget equity tool, manual, and training materials; and
- Used mapping tools to analyze some of the issues above.

Examples of recommended projects in Equity Emphasis Areas include:

- Public safety projects: 6th District Police Station, Rockville Fire Station 3 Renovation;
- Schools: South Lake Elementary, Gaithersburg Elementary #8, JoAnn Leleck Elementary, Highland View Elementary, Odessa Shannon Middle School Addition, and Kennedy High School Addition;
- Bridges: Garrett Park Road Bridge;
- Mass transit improvements: Bus Rapid Transit: Veirs Mill Road and portions of the MD: 355 route;

-
- Parking facilities: Silver Spring and Wheaton Parking Lot District improvements;
 - Pedestrian and bikeway facilities: Life Sciences Center Loop Trail, Bicycle-Pedestrian Priority Area Improvements for the Purple Line, Veirs Mill/Randolph Roads and Wheaton CBD, Metropolitan Branch Trail, and Silver Spring Green Trail;
 - Traffic improvements: White Oak Local Area Transportation Improvements;
 - General government facilities: COB Renovation, EOB Renovation, and Red Brick Courthouse;
 - Recreation facilities: South County Regional Recreation and Aquatic Center and Holiday Park; and
 - Parks: Brookside Gardens and Wheaton Regional Park.

Other initiatives with likely racial equity implications include: East County redevelopment activities; the East County Montgomery College Campus project; affordable housing projects; the Wi-Fi project for Corrections facilities, the Restoration Center project, and the ultraMontgomery low-income broadband expansion initiative.

While level of effort maintenance projects must be prioritized based on safety and the condition of the facility, there are opportunities to incorporate racial equity considerations for level of effort projects that add new improvements. As a result of our racial equity conversations this budget cycle, the Department of Transportation will be moving away from a first come, first served approach to determining what new sidewalk segments to build. Instead, potential projects will be evaluated based on several factors, including safety, equity, pedestrian trip generators (i.e., proximity to schools, transit stops, commercial areas, etc.), constructability, and cost.

Similarly, the Two-Year Vision Zero Action Plan emphasizes the need for equitable project intake, selection, and advancement into the CIP.

The Department of Environmental Protection includes income and demographic information to prioritize stormwater management subprojects. The Department uses detailed maps showing where improvements are needed and overlaps them with Equity Emphasis Area maps. This allows the Department to ensure that at least one-third of projects are located in Equity Emphasis Areas and allows them to tailor the messaging to affected communities in public outreach efforts. As the County moves forward, more analysis will be done to determine whether these percentage targets are the right targets.

Next steps for further enhancements include working with departments that have fewer data resources and in-house skills, analyzing where gaps in services are, and further embedding a racial equity focus into program and project identification, development, and implementation.

VISION ZERO

The Recommended CIP includes \$433.0 million to support the County's Vision Zero initiative with related projects included in the Transportation, Maryland National Capital Park and Planning Commission, and Montgomery County Public Schools portions of the CIP. Recommended enhancement funding will support:

- A new Sandy Spring Bikeway project;
- A new Tuckerman Lane Sidewalks project to improve safety around Herbert Hoover Middle School and Winston Churchill High School;
- A new US29 Pedestrian and Bicycle Improvements project to improve access to FLASH transit stations;
- The addition of the Central and Eastern sectors of the Bicycle-Pedestrian Priority Improvements subprojects for Veirs Mill Road and the Wheaton Central Business District;
- Increased funding for Safe Routes to School improvements and sidewalk and curb replacement;
- Community requested scope changes for the Dale Drive Shared Use Path and Fenton Street Cycletrack projects; and
- FY27 and FY28 funding for ADA, guardrail, traffic signals, neighborhood traffic calming, minor bikeway projects, intersection and spot improvements, street lighting, bus stop improvements, and improved access to schools, parks, and trails.

POOLESVILLE FACILITIES

The Recommended CIP includes facility planning funding to explore the best way to provide services to residents in the Poolesville area. In the coming months, County staff will be examining progress in addressing identified community needs and available space on the

Poolesville High School campus to develop a program of requirements.

OTHER PROJECT CHANGES

A number of projects experienced significant cost increases reflecting construction market cost pressures. The Bethesda Metro Station South Entrance project has the largest cost increase (\$20 million) where State cost projections were significantly underestimated. (No increases in other Purple Line related project costs are included in the Recommended CIP.) Examples of other projects with cost increases include: ABS Retail Store Refresh, Apparatus Replacement Program, White Flint Fire Station, 6th District Police Station, Outdoor Firearms Training Center, White Flint Metro Station Access Improvements, Bethesda Bikeway and Pedestrian Facilities, Good Hope Road Shared Use Path, MacArthur Blvd Bikeway Improvements, Child Care Renovations, Noyes Library for Young Children Rehabilitation and Renovation, Collegewide Library Renovations, Germantown Student Services Center, and numerous MCPS projects.

Schedule delays based on fiscal considerations are also reflected for the following projects: White Flint Fire Station, Capital Crescent Trail tunnel, and Observation Drive.

OTHER FISCAL CONSIDERATIONS

The Recommended CIP assumes a \$170.1 million General Obligation bond set-aside to cover unanticipated cost increases or revenue shortfalls. Due to construction market pressures, the FY23 and FY24 set asides are slightly larger than usual at approximately \$15 and \$20 million, respectively. New short- and long-term financing will average approximately \$39 million a year - representing a six-year increase of approximately \$29 million compared to the prior approved six-year period. This increase is primarily due to investments in County radio life-cycle replacement partially offset by reductions in other financing.

The proposals highlighted in the pages immediately following and detailed in the specific FY23-28 recommendations for County Government, Montgomery County Public Schools, Montgomery College, M-NCPPC, WSSC Water, the Housing Opportunities Commission, and the Revenue Authority, reflect the priorities of my administration. Companion supplemental appropriation requests and/or CIP amendments are being transmitted separately for the following projects: Dickerson Radio Tower, Public Safety System Modernization project, Life Sciences and Technology Centers, Affordable Living Quarters, Affordable Housing Acquisition and Preservation, Ag Land Preservation Easements, Storm Drains General, Storm Drain Culvert Replacement, Clarksburg Cluster ES #9 (New), and Major Capital Projects - Elementary projects.

Many people have helped to shape the recommendations I am submitting to you, and I am grateful for their efforts. I want to thank the members of the Board of Education, the College Trustees, the Planning Board, and WSSC Water and HOC Commissioners for their work.

As stated above, further recommendations relating to current revenue and other CIP initiatives will be provided once I have finalized my March 15th Operating Budget recommendations. I look forward to discussing with you any policy matters or major resource allocation issues that arise this spring. As always, Executive Branch staff will be available to assist in your deliberations on the Capital Budget and CIP.

ME:jb

c:

- Marlene Michaelson, Executive Director, County Council
- Brenda Wolff, President, Montgomery County Public Schools Board of Education
- Dr. Monifa B. McKnight, Acting Superintendent, Montgomery County Public Schools
- Dr. Charlene Mickens Dukes, Interim President, Montgomery College
- Casey Anderson, Chair, Montgomery County Planning Board
- Carla A. Reid, General Manager/CEO, Washington Suburban Sanitary Commission
- Kayrine Brown, Acting Secretary-Treasurer and Executive Director, Housing Opportunities Commission
- Keith Miller, Executive Director, Revenue Authority
- Executive Branch Department Heads and Office Directors

CAPITAL IMPROVEMENTS PLAN FISCAL COMPARISON SUMMARY: BY AGENCY

	Biennial FY21-26 Approved (\$000s)	FY23-28 Request (\$000s)	County Executive Recommended FY23-28 (\$000s)	Recommended Percent Change vs. Biennial Approved	Percent of Request Recommended	Percent of Total Recommended
Montgomery County Public Schools	1,618,915	1,767,241	1,822,504	12.6 %	103.1%	36.0%
Montgomery College	284,152	347,128	327,088	15.1 %	94.2%	6.5%
M-NCPPC	239,565	265,066	254,474	6.2 %	96.0%	5.0%
Transportation	1,078,988	1,745,321	1,497,976	38.8 %	85.8%	29.6%
Montgomery County Govt - Other	1,067,962	1,032,540	1,129,663	5.8 %	109.4%	22.3%
Revenue Authority	19,205	17,334	17,334	-9.7 %	100.0%	0.3%
Housing Opportunities Commission	7,875	8,205	8,205	4.2 %	100.0%	0.2%
TOTAL	4,316,662	5,182,835	5,057,244	17.2 %	97.6%	100.0%
	FY22-27 Approved (\$000s)	FY23-28 Request (\$000s)	County Executive Recommended FY23-28 (\$000s)	Recommended Percent Change vs. Approved	Percent of Request Recommended	Percent of Total Recommended
WSSC	1,745,286	2,092,992	2,092,992	19.9 %	100.0%	

Note: The large increases in funding for the Montgomery County Public Schools, Montgomery College, and Transportation categories is due in large part to increases in federal and State aid. For example, MCPS school construction State Aid increased by \$82.5 million; Montgomery College State Aid increased by \$17.2 million; and State Aid and federal aid for Transportation increased by \$147.7 million and \$199.3 million, respectively.

HIGHLIGHTS

Recommended FY23 Capital Budget & FY23-28 Capital Improvement Program (CIP)

CLIMATE CHANGE/A GREENER COUNTY

- Fund \$655 million in mass transit improvements to reduce the climate impact of transportation in the County, including \$408 million for bus rapid transit planning and implementation and \$152 million to begin to transition Ride On to a zero-emission fleet;
- Bus rapid transit service improvements on the MD355 and Veirs Mill corridors will alleviate traffic congestion, reduce carbon emissions, stimulate economic growth, and provide more frequent and reliable transit service to some of the County's most racially and economically diverse communities.
- Provide \$268 million for pedestrian and bicycle transportation facilities to encourage active modes of transportation and reduce short-distance car trips;
- Fund \$176 million for maintenance projects that increase the energy efficiency of county government, MCPS, Montgomery College, and M-NCPPC facilities through building envelope repair and replacement of obsolete mechanical and electrical systems;
- Add \$12.5 million to achieve net zero energy use in new or renovated facilities such as the Holiday Park Senior Center, the White Flint Fire Station, and the 6th District Police Station and \$4.4 million to achieve near net zero energy use at the Kennedy Shriver Aquatic Center;
- Include \$171 million for projects that maintain and improve the County's resilience to extreme weather through stormwater management and maintenance and rehabilitation of waterways.
- Continue feasibility studies for rooftop solar energy collection on parking facilities to promote climate action initiatives.
- Increase funding on Storm Drain projects by 66.9 percent over previously approved levels to improve resiliency, address flooding and erosion issues, and contribute to the reduction of greenhouse emissions.
- Provide funding for MCPS Sustainability Initiatives in alignment with the County's Climate Action Plan is supported in the recommended funding. This will contribute to the reduction of greenhouse gas emissions, improve resiliency, decrease the use of energy from non-renewable sources, and increase the efficiency of utilities.

Department of Environmental Protection (DEP) Recycling and Resource Management

- Begin construction of upgrades to the County's Recycling Center, which will allow the County to process 100 percent of the recyclable material generated by County residents and businesses, instead of sending up to 45 percent of it out of the State for processing.
- Improve the capture of methane, a powerful greenhouse gas, from the decommissioned Gude Landfill, and install a toupee cap on the site to prevent groundwater contamination.

THRIVING YOUTH AND FAMILIES

Montgomery County Public Schools (MCPS)

- Allocate \$1,822.5 million to support school construction - the County Executive's highest priority. If approved, this recommended CIP would provide the largest funding ever for MCPS. MCPS is the largest CIP budget category with 35.9 percent of all spending.
- Assume over \$530.6 million in State Aid for school construction including over \$301.5 million from the Built To Learn Act program. The State Aid funding assumption developed for this budget cycle is \$82.5 million larger than the previously approved CIP.
- Support prevailing wage construction costs by creating a new \$40.2 million prevailing wage project and funding \$21.9 million in supplemental appropriations for the Burnt Mills, Clarksburg Cluster #9, Stonegate, Southlake, and Woodlin Elementary Schools. These additional funds will allow MCPS to leverage significantly more State Aid for school construction.
- Funded a new \$58.8 million Built to Learn Act State Aid Match project to leverage more State Aid.
- Support the construction of a permanent Early Childhood Center at the Watkins Mill High School site to provide children living in poverty additional time to acquire skills for later school and life success.
- Support funding for the Emergency Replacement of Major Building Components project to allow other capital projects such as the Heating, Ventilation, and Air Conditioning (HVAC) to remain on schedule to leverage maximum State Aid.
- Support funding for the Sustainability Initiatives as it is in alignment with the County's Climate Action Plan to reduce greenhouse emissions, improve resiliency, and building energy and utility efficiency.

- Support funding for MCPS' Countywide infrastructure and systemic projects such as Heating, Ventilation and Air Conditioning (HVAC), Roof Replacement, School Security, and Planned Lifecycle Asset Replacement (PLAR).
- Other CIP projects which benefit MCPS' programs include: Pedestrian Safety Program, Transportation Improvements For Schools, Fibernet, Ballfields Initiatives, Kennedy Shriver Aquatic Center Building Envelope Improvement, Child Care Renovations, High School Wellness Centers, School Based Health & Linkages to Learning Centers, and the MCPS Bus Depot and Maintenance Relocation.

Montgomery College (MC)

- Provide \$347.1 million for Montgomery College capital and information technology projects – a \$63.0 million, or 22.2 percent increase in six-year funding.
- Assume \$80.2 million in State Aid over the six-year period, with \$13.0 million in FY23.
- Plan a fourth Montgomery College campus in East County beginning in FY24.
- Begin construction of the Germantown Student Services Center.
- Continue to improve the Rockville and Takoma Park/Silver Spring campus libraries.
- Complete construction of the Takoma Park/Silver Spring Math & Science Center.
- Increase Lifecycle Asset Replacement funding in FY23.
- Increase roof replacement resources in FY26 to catch up on critical maintenance.
- Improve campus athletic facilities through the Collegewide Physical Education Renovations project.
- Continue Level of Effort (LOE) projects such as Elevator Modernization and Site Improvements to improve facility infrastructure and safety on all three campuses.

Department of Public Libraries

- Fund the construction of a new library in Clarksburg.
- Complete six library refresh projects (Potomac, Damascus, Silver Spring, Rockville, Chevy Chase, Olney).
- Continue implementation of the 21st Century Library Enhancements project to allow Public Libraries to respond to customer demands and to enable participation in library trends that require changes in the equipment and related furnishings of library buildings.

Health and Human Services

- Add funds for a Restoration Center to provide Behavioral Health Services to those who are experiencing mental health and/or substance abuse disorders or who are in mental health crisis.
- Allocate funding for renovation and construction of childcare centers and playgrounds that meet Americans with Disabilities Act (ADA) requirements.
- Fund a new Linkages to Learning site and a new School Based Health Center at JoAnn Leleck Elementary School.

Department of Recreation

- Complete construction of the South County Regional Recreation and Aquatic Center in mid FY23.
- Fund the Recreation Facilities Refurbishment project to provide a structured process to ensure that all recreation center facilities are refurbished through repair or replacement of facility components.
- Allocate funds for a new Net Zero project for design and construction to improve the Holiday Park Senior Center building facade, including window replacement and a new building envelope for the center.
- Include construction funding for a Swimming Pools Slide Replacement project to ensure the safety of pool operations through the repair or replacement of slides.
- Complete reconstruction of the Martin Luther King, Jr. Indoor Swim Center pool deck to ensure compliance with Americans with Disabilities Act requirements.
- Provide funding to repair or replace masonry, windows, and other building envelope components of the Kennedy Shriver Aquatic Center to maximize energy efficiency.
- Fund updates to the Glenmont Outdoor Pool to allow for extended season use of the outdoor pool to minimize the impact of the Kennedy Shriver Aquatic Center closure during construction.
- Include a Poolesville Services Co-Location Study in the Facility Planning: MCG project.
- Complete implementation of the shared, on-line booking and sales software application used by the Office of Community Use of Public Facilities, Montgomery County Recreation Department, and the Maryland-National Capital Park and Planning Commission Parks Division in February 2022.

Maryland-National Capital Parks and Planning Commission

- Include \$3 million in new funding for Bethesda Park acquisition or improvements.
- Complete construction in the spring of 2023 on the Black Hill Regional Park SEED Classroom to convert a maintenance yard to an environmentally friendly educational site using the principles of Sustainable Education Every Day (SEED) Classroom design and construction. The Black Hill Regional Park building is designed for net-zero energy and net-zero water and can help children learn how the building functions and better understand the flows of energy and water.
- Continue construction on the second phase of the South Germantown Cricket Field, which includes a full-sized cricket field, additional parking, amenities and irrigation.
- Renovate two fields at Blair High School for multiple sports for both school and community use.
- Fund enhancements for the Ovid Hazen Wells Recreational Park, which encompass the active recreation area in the park and the relocation of the Ovid Hazen Wells Carousel from Wheaton Regional Park.
- Implement the next phases of infrastructure work on Brookside Gardens, including renovation of the Visitors Center and Conservatory and accessibility improvements to the Formal Gardens.
- Construct the North Branch Hiker-Biker Trail.

A GROWING ECONOMY

White Flint and White Oak Redevelopment

- Provide the significant investments in public schools and transportation needed to attract businesses.
- Complete construction of the White Flint Western Workaround road project in FY23 to improve the walkability of this mixed use urban center.
- Pursue a public-private partnership with the Washington Area Metropolitan Transit Authority and private developers to redevelop the White Flint/North Bethesda metro station site and adjacent private properties as a life sciences hub.
- Continue the public-private partnership to develop the Viva White Oak life science, mixed use development.

Montgomery County Revenue Authority

- Fund construction of the Crossvines demonstration vineyard, custom winery, and education/events center in Poolesville. The facility will support degree programs in viticulture and enology, culinary arts, hospitality, agri-tourism, and business entrepreneurship and facilitate students' hands-on experience in the study of vineyard management.

Alcohol Beverage Services

- Modernize and update 26 retail store locations following the model of Oak Barrel & Vine, the new retail concept and flagship store that opened in Fall 2021 in Potomac. Locally produced products by Maryland distilleries, wineries and breweries will be featured to promote economic development.

Department of Housing and Community Affairs (DHCA) Community Development

- Complete the Burtonsville Community Identification Sign project and commercial revitalization in the Colesville/New Hampshire Avenue corridor by the end of FY22 to support existing small businesses and create new investment opportunities.
- Enhance funding for the Countywide Facade Easement Program and conduct community development facility planning studies to improve neighborhoods.

EASIER COMMUTES

Montgomery County Department of Transportation

- Continue design, land acquisition, and construction of:
 - MD 355 Bus Rapid Transit (BRT) Central phase, with completion in FY28
 - Veirs Mill Road Bus Rapid Transit (BRT) with completion in FY27.
- Continue design of MD 355 Bus Rapid Transit (BRT) South/North phase.
- Include funding for the Bus Priority Project to enhance countywide bus system performance.
- Continue planning for the New Hampshire Avenue Bus Rapid Transit (BRT) corridor and the North Bethesda Transitway.

- Continue design and construction of the Great Seneca Science Corridor Transit Improvements.
- Replace twenty-nine (29) diesel-powered Ride On buses with zero emission electric buses in fiscal years 2023-24 to achieve full capacity of 70 electric buses at the Silver Spring bus depot solar microgrid.
- Add funding to support the construction of a mezzanine for the south entrance of the Bethesda Metrorail Station in coordination with the Purple Line project.
- Provide oversight and financial support for the Purple Line project.
- Maintain efforts to improve the condition of Ride On bus stops.
- Design and construct a new bus loop and parking lot at the Boyds MARC Station.
- Complete access improvements to the White Flint Metro Station.
- Maintain funding for design, land acquisition, and construction of Observation Drive Extended, a north-south road extension of existing Observation Drive, connecting north Germantown to Clarksburg.
- Use funding to construct a new roadway between Spencerville Road (MD 198) and the School Access Road in Burtonsville.
- Maintain partnership with developers to support the Subdivision Roads Participation project in the Clarksburg area.
- Continue funding \$7.7 million for the White Flint West Workaround roadway improvements which will support the White Flint Sector redevelopment plan, a mixed-use urban center.
- Maintain funding for previously approved Bridge Design Program, Bridge Preservation Program, Brighton Dam Road Bridge, Brink Road Bridge, Dorsey Mill Road Bridge, Garrett Park Road Bridge, and Mouth of Monocacy Road Bridge.
- Increase funding for Dennis Avenue Bridge replacement to reflect updated cost estimates.

AN AFFORDABLE AND WELCOMING COUNTY FOR A LIFETIME

Department of Housing and Community Affairs (DHCA) Affordable Housing

- Provide \$6 million in funding in FY23 to the Affordable Housing Opportunity Fund for a total of \$20 million to leverage public and private funds in support of housing developers for the preservation of affordable housing. DHCA will work with a competitively solicited Fund Manager to place funds in deals where the developer-to-County funding ration is at least 3:1.

- Provide \$22 million annually over six (6) fiscal years totaling \$132 million for the Affordable Housing Acquisition and Preservation Program to preserve and increase the stock of affordable housing in the County for low-income and senior residents.
- In conjunction with a \$14.8 million supplemental, over \$36 million will be available over the next 18 months to support affordable housing projects.

Health and Human Services

- Fund a new project to plan and locate a permanent, affordable living quarters facility for very low-income households.

Housing Opportunities Commission (HOC)

- Support improvements in deeply subsidized and income restricted units through the Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements project.

SAFE NEIGHBORHOODS AND VISION ZERO

- The Vision Zero 2030 Action Plan has 45 action items to move from plan to action. The majority of action items are implemented through Capital Improvement Projects to remake our roads into complete streets with sidewalks, bikeways, new signals, and safe driving speeds.
- Total investment includes \$433.0 million to support Vision Zero, the County's comprehensive plan to eliminate serious and fatal injuries from our roadways.
- Vision Zero enhancements in the FY23-28 Recommended budget total \$91.3 million.

Montgomery County Department of Transportation

- Partner with Maryland Department of Transportation (MDOT) State Highway Administration (SHA) to design the Sandy Spring Bikeway, a ten-foot-wide shared use path on the north side of MD-108 from Dr. Bird Road to Norwood Road.
- Plan and construct Tuckerman Lane sidewalks by FY28 to improve safe access to schools.

- Provide funding for the US 29 Pedestrian and Bicycle Improvements project for the design and construction of pedestrian and bicycle safe access improvements near FLASH transit stations.
- Construct the following:
 - new protected bicycle lanes in Downtown Bethesda to be known as the "Bethesda Circle",
 - a new shared use path along Good Hope Road including a pedestrian bridge at the intersection of Hopefield Road, and
 - a new sidewalk along Oak Drive from the southern intersection with MD 27 to John T. Baker Middle School.
- Seek Federal funding for enhanced Pedestrian Priority Area Improvements and Bicycle-Pedestrian Priority Area Improvements - Veirs Mill/Randolph.
- Add funding to Bicycle-Pedestrian Priority Area Improvements (BiPPA) - Wheaton CBD to construct additional sub projects.
- Increase funding to Bicycle-Pedestrian Area Improvements - Purple Line for the design and construction of improvements in areas adjacent to future Purple Line Stations.
- Continue funding for:
 - the Metropolitan Branch Trail, including a grade-separated bridge over Georgia Avenue and
 - two Purple Line-related projects: Capital Crescent Trail and the Silver Spring Green Trail
- Accelerate completion of the MD 355-Clarksburg Shared Use Path.
- Complete construction of the Franklin Avenue Sidewalk and MacArthur Blvd Bikeway Improvements.
- Continue with Traffic Improvements Program projects designed to mitigate traffic congestion, improve pedestrian safety, and improve traffic flow on the County's roadway network through congestion mitigation projects, intersection improvements, Advanced Transportation Management System (ATMS) technologies, and efficient traffic signal operation. There are eleven (11) ongoing projects at \$103.7 million over six (6) years which will:
 - Boost funding in the Pedestrian Safety Program by \$1.2 million over the six years to expand the Safe Routes to School program to include neighborhoods surrounding the schools.
 - Increase funding in the Traffic Signals Program by \$1.0 million in FY27 and FY28 to provide for additional signals and signal systems to enhance pedestrian safety.
 - Continue efforts to
 - modernize the central traffic signal control system to provide additional capabilities and tools to optimize traffic flow and
 - install and upgrade streetlights Countywide to help improve pedestrian safety and reduce crime.

- Support the Vision Zero initiative with the continued design, construction, and maintenance of vehicular and pedestrian traffic signals to increase vehicular and pedestrian safety to reduce injuries and fatalities on all roads.

Maryland-National Capital Park and Planning Commission

- Fund projects in the parks systems for traffic calming at intersections of trails and park roads with signage, signalization, reconfiguration, realignment, pavement marking, and raised crosswalks. Traffic calming projects may also include the addition of site amenities, barriers, pavement, grading and improvements for accessibility and drainage.

Department of Police

- Complete construction of the Public Safety Communications Center, Phase II, Electrical Distribution and HVAC Upgrade project.
- Fund the renovation, expansion, and upgrade of the Outdoor Firearms Training Center to begin in FY24.
- Begin construction of a new 6th District Police Station (Gaithersburg)
- Include the 4th District Station and Alternate Emergency Communications Center projects in Facility Planning: MCG Project.

Montgomery County Fire and Rescue Services

- Replace and relocate the three-bay Rockville Fire Station 23 to a new five-bay structure in White Flint to accommodate rapid growth of high-density residential, commercial, and retail and high service call volumes. Design includes co-location of a Police substation and energy efficiency enhancements to achieve Net Zero status.
- Renovate the Glen Echo Fire Station 11 (built 1954) to reflect current building and ADA code requirements and add a third truck bay.
- Continue construction of a new Fire and Rescue Station in the Clarksburg area which will include space for the UpCounty Regional Services Center. Project includes costs for the Historic Clarksburg Sewer project.
- Replace heavy trucks, apparatus, equipment, and Emergency Medical Services trucks: seven (7) aerial trucks (ladders), 46 EMS units (ambulances), 18 fire engines (pumpers), one all-wheel drive brush truck, four rescue squad/hazmat trucks, and two water tankers.
- Purchase heart monitor/defibrillators to replace units assigned to FRS advanced life support transport units, paramedic chase cars, fire engines, and the training academy that are at the end of useful life.

- Replace medium-duty trucks and equipment to support operations, to be determined based on duty cycle and vehicle condition: two air supply units, two boat support units, one passenger bus (Training Academy), four box trucks, one medical care support unit, two medical ambulance buses, and three fleet service trucks.
- Design and construct locker, shower, and restroom improvements at Gaithersburg Fire Station 8 and Cabin John Fire Station 30 to accommodate both male and female personnel.
- Renovate Rockville Fire Station 3 (built 1965) to reflect current building and ADA code requirements.
- Continue to fund level-of-effort/ongoing maintenance projects for Fire Stations including installation of Life Safety Systems (i.e., sprinkler systems and fire alarms); replacement or renovation of deteriorating heating, ventilation, and air conditioning/electrical systems; repair or replacement of paved surfaces; and replacement of one fire station roof per year consistent with facility assessment established priorities.

EFFECTIVE, SUSTAINABLE GOVERNMENT

Washington Suburban Sanitary Commission (WSSC Water)

- Replace 37 miles of bare cast iron, pre-1965 water main lines to mitigate increasingly frequent incidents of breaks and to enable supply of water in sufficient quantity, quality and pressure.
- Add three new Montgomery County Sewer projects to upgrade wastewater pump stations and force mains that are reaching the end of their functional life expectancy.
- Replace and rehabilitate 26 miles of mainline and lateral sewer lines of less than 15 inches in diameter in residential areas to replace infrastructure that has exceeded its useful life.
- Plan, design and construct a reconfigured Anacostia Depot where a CSX train track traverses the property. The project will correct electrical, mechanical, accessibility, safety deficiencies, and floodplain vulnerabilities in the largest of the four WSSC Water depots that support water and sewer field operations.
- Continue construction of the Piscataway Water Resource Recovery Facility in Accokeek, Maryland. The Piscataway Bioenergy Project will process biosolids from five existing water resource recovery facilities to make Class A biosolids which can be sold and distributed as fertilizer. The project's use of advanced

technologies will eliminate the expensive use of lime which is applied to Class B biosolids to control odor.

- Replace and upgrade equipment that supplies power to the Richard G. Hocevar (RGH) Building as well as emergency generators and fuel tanks that have reached the end of useful life.
- Address long-term issues in water and sewer management through continued development of capital projects.
- Continue to plan, design, and implement long-term upgrades to the Potomac Water Filtration Plant to achieve the effluent limits, conditions, and waste load allocations established by the Maryland Department of the Environment.
- Support wastewater treatment projects at DC Water's facility in Blue Plains by funding 25.9 percent of the bi-county and Montgomery County WSSC Water six-year CIP for plant-wide projects, liquid train projects, biosolids management, enhanced nutrient removal and pipelines and appurtenances.
- Continue the Trunk Sewer Reconstruction Program to address conditions of untreated, unpermitted discharge of sewage into waterways and continue to modify operations and maintenance of collection systems per Consent Decree by the Maryland Department of the Environment.

Department of Correction and Rehabilitation

- Provide funding to design and construct a new Criminal Justice Complex (CJC) on the site of the former District One Police Station on Seven Locks Road. The facility will include Central Processing/Detention to remanded individuals for up to 72 hours.
- Renovate, restore and/or modify portions of the Montgomery County Detention Center (MCDC) to include consolidation of operations within the structural footprint and demolishing dilapidated structures.
- Plan and install wireless internet throughout the Montgomery County Correctional Facility (MCCF), the Pre-release Center (PRC), and upgrade the wireless system at the Montgomery County Detention Center to support the implementation of the electronic health records system, improve work productivity, and provide opportunities for advanced learning technologies for the staff and inmate populations.
- Plan a refresh project for the Montgomery County Correctional Facility to include modifications to the medical unit and remediation of clogged vents in inmate cells to address health and life safety issues.

Department of Technology and Enterprise Business Solutions

- Continue support of an advanced radio infrastructure to ensure that all geographic areas of Montgomery County can be served by Fire and Rescue Services and public safety agencies.
- Continue upgrading and modernizing Computer Aided Dispatch (CAD), the Law Enforcement Records Management System (RMS), and voice radio systems in support of inter- and intra- public safety agency communication, and continue to support development of a more coordinated, comprehensive, and data-driven communication system for public safety agencies.
- Construct a communications tower in Dickerson, Maryland to serve the UpCounty area which has a growing need for reliable public safety communications service.

Department of Transportation

- Re-deck Waverly Garage in Bethesda to include concrete repair, waterproofing, electrical, and plumbing updates to ensure structural integrity of the facility.
- Modernize elevators in Silver Spring and Bethesda to ensure continued service.
- Continue installation of charging stations at Wheaton, Silver Spring, and Bethesda parking facilities for fueling of electric vehicles.
- Continue major restoration of the Metropolitan Garage in Bethesda to mitigate effects of flooding.
- Augment funding for Glen Road Bridge replacement to provide for stream restoration and reduce flooding on Glen Road.
- Enhance funding in the Bridge Renovation program to fund deck replacement of Mouth of Monocacy Road Bridge over CSX tracks, as well as rehabilitate and replace failing culverts in the County.
- Continue permanent patching or rehabilitation of residential/rural roads in older residential communities.
- Continue rehabilitation or renovation of park roads and associated bridge repair.
- Continue resurfacing and revitalizing the primary/arterial road infrastructure.
- Continue resurfacing and permanently patching residential/rural roads.
- Continue removal and replacement of damaged or deteriorated sidewalks, curbs, and gutters in business districts and residential communities.
- Continue the Street Tree Preservation Project to maintain the street tree canopy through proactive tree maintenance.

General Government

- Include funding for the Dickerson Radio Tower project for the installation of a 450-foot communications tower.
- Recommend funding for the Lincoln High School Project to replace the roof and repair the building envelope to prevent further deterioration of the building.
- Increase funding for energy conservation projects using utility incentives from the Pepco/Exelon merger.
- Provide funding to replace (and increase funding for) aging County building roof systems, parking lots, HVAC, electrical systems, and elevator systems.
- Continue planning for new facilities, including the Alternate Emergency Communications Center, Chevy Chase Library Redevelopment, Clarksburg Library, and future County transit depots.
- Complete renovations of the Council Office Building and Rockville Core projects (Grey Courthouse).

FUNDING THE BUDGET

- Recommend a total of \$5,057.2 billion for the FY23-28 CIP for all agencies excluding WSSC Water, an increase of \$740.6 million or 17.2 percent from the previous CIP.
- Recommend \$4.863.9 billion for the tax-supported portion of the CIP which excludes Stormwater Management, Recycling and Resource Management, Housing Opportunities Commission, and the Revenue Authority. This represents \$832.4 million or a 20.6 percent increase from the previous CIP.
- Assume additional \$70 million of general obligation borrowing above the Council Approved Spending Affordability Guidelines (SAG) established in October. This is \$300 million in FY23, and \$290 million flat-lined from FY24 through FY28, totaling \$1.750 billion over the six-year CIP.
- Recommend \$2.1 billion as requested by WSSC Water for Montgomery and Bi-County projects, an increase of \$347.7 million or 19.9 percent from the FY22-27 Approved CIP.
- Assume six-year Pay-as-you-GO (PAYGO) to be \$181.1 million - \$6.1 million above the 10 percent policy target.
- Assume Transportation and School Impact Tax increases above the last approved budget (\$195.8 million).
- Assume \$530.6 million in State Aid for Montgomery County Public Schools based on the Traditional State Aid and the Built to Learn Act program.
- Assume an additional \$384.8 million in State Aid for Montgomery College, Stormwater Management, Transportation, Public Safety, Parks and Revenue Authority projects.
- Keep tax-supported borrowing within prudent limits to ensure continuation of Montgomery County's AAA credit rating.
- Program Park and Planning bonds within the Spending Affordability Guidelines.

NEW PROJECTS

GENERAL GOVERNMENT

County Office and Other Improvements

- Dickerson Radio Tower
- Lincoln High School

Other General Government

- 260 East Jefferson Street Acquisition

Technology and Enterprise Business Solutions

- County Radio Life Cycle Replacement

PUBLIC SAFETY

Correction and Rehabilitation

- Montgomery County Correctional Facility and Community Corrections Wi-Fi Project
- Montgomery County Correctional Facility Refresh

TRANSPORTATION

Mass Transit

- Bus Rapid Transit MD 355 South/North
- Facility Planning: Mass Transit

Pedestrian Facilities/Bikeways

- Sandy Spring Bikeway
- Tuckerman Lane Sidewalk
- US 29 Pedestrian and Bicycle Improvements

Roads

- Transportation Feasibility Studies

HEALTH AND HUMAN SERVICES

Health and Human Services

- Affordable Living Quarters
- Restoration Center

CULTURE AND RECREATION

Recreation

- Holiday Park Net Zero Initiative

HOUSING OPPORTUNITIES COMMISSION

- WSSC Sewer and Storm Line Improvements at Elizabeth Square

REVENUE AUTHORITY

Miscellaneous Projects (Revenue Authority)

- Falls Road Golf Course Improvements
- Little Bennet Golf Course
- Montgomery County Airpark-Rehabilitate Runway Lighting
- Montgomery County Airpark – Road Relocation
- Montgomery County Revenue Authority Office Relocation
- Needwood Golf Course
- Poolesville Golf Course
- Rattlewood Golf Course

MONTGOMERY COUNTY PUBLIC SCHOOLS (MCPS)

Countywide

Early Childhood Center
Eastern Middle School – Major Capital Project
Emergency Replacement of Major Building Components
Materials Management Building Relocation
Piney Branch ES – Major Capital Project
Sustainability Initiatives

MONTGOMERY COUNTY PUBLIC SCHOOLS (MCPS) - *Continued*

Individual Schools

Burtonsville ES Addition
Greencastle ES Addition

Miscellaneous Projects

Built to Learn Act State Aid Match
Prevailing Wage

MONTGOMERY COLLEGE

Higher Education

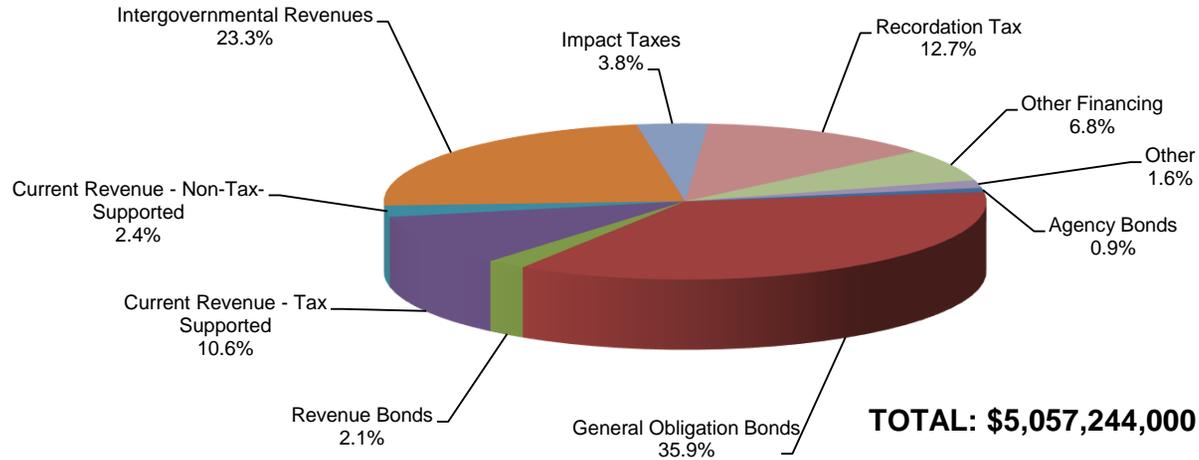
- East County Campus

MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

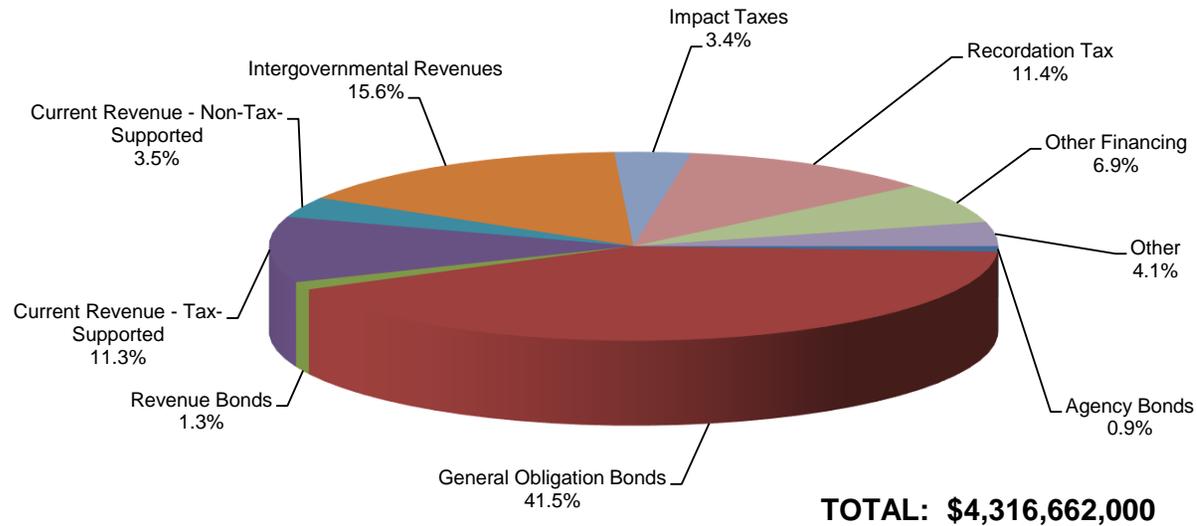
Acquisitions

- Park Acquisitions

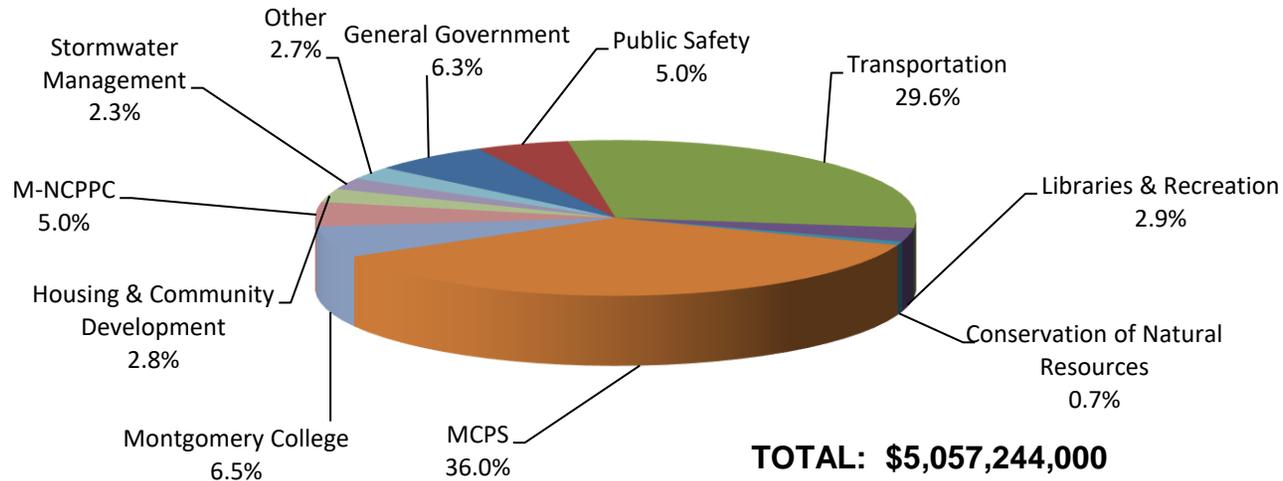
FY23-28 Recommended Six-Year Funding Excludes WSSC



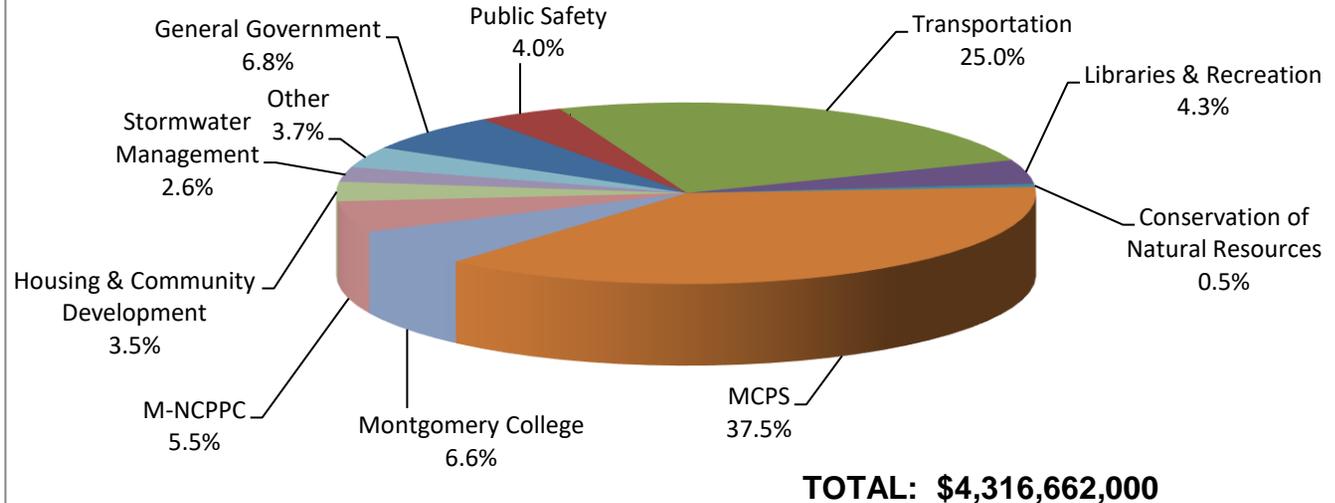
FY21-26 Amended Six-Year Funding Excludes WSSC



FY23-28 Recommended Six-Year Expenditures Excludes WSSC



FY21-26 Amended Six-Year Expenditures Excludes WSSC





All Agency Expenditure Summary

All Agency Expenditure Summary (\$000s)

	Total	Thru FY21	Est FY22	6 Yr Total	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Yrs	FY 23 Approp.
COLLEGE	932,827	493,007	92,692	327,088	51,767	49,894	48,155	37,591	61,579	78,102	20,040	35,785
HOC	86,987	21,724	57,058	8,205	1,955	1,250	1,250	1,250	1,250	1,250	-	1,955
M-NCPPC	834,164	283,214	126,446	254,474	47,895	44,735	43,441	44,054	37,317	37,032	170,030	42,929
MCG	7,501,651	3,436,456	788,533	2,627,639	436,511	418,208	421,635	497,215	478,907	375,163	649,023	380,491
MCPS	4,075,080	1,770,837	453,339	1,822,504	317,731	348,926	339,164	313,550	282,188	220,945	28,400	513,132
REVENUE AUTHORITY	37,299	-	14,465	17,334	8,017	4,017	2,200	2,100	1,000	-	5,500	2,575
Total	13,468,008	6,005,238	1,532,533	5,057,244	863,876	867,030	855,845	895,760	862,241	712,492	872,993	976,867