



Committee: Directly to Council
Committee Review: N/A
Staff: Keith Levchenko, Senior Legislative Analyst
 Christine Wellons, Senior Legislative Attorney
Purpose: Final action – vote expected
Keywords: #SpecialProjectsLegislation and CIP

AGENDA ITEM #2B
 June 20, 2023
Action

SUBJECT

Expedited Bill 26-23, Special Capital Improvements Projects – White Flint Fire Station 23 (P451502)

DESCRIPTION/ISSUE

- Section §302 of the County Charter and Section §20-1 of the County Code require certain capital improvement projects to be individually authorized by law if the locally funded cost is projected to exceed the “Special Projects Legislation threshold.” The threshold is \$24,196,000 in FY24 dollars.
- On May 19, 2023, the County Executive transmitted a request for a Special Capital Improvements Project bill associated with the Approved FY23-28 Capital Improvements Program for the White Flint Fire Station 23 (P451502).
- A public hearing was held on June 13, 2023.

RECOMMENDATION

- Council Staff recommends approval of Expedited Bill 26-23 which will allow the White Flint Fire Station 23 capital project to move into construction, consistent with the Approved FY23-28 Capital Improvements Program as recently amended by the Council on May 25, 2023.

This report contains:

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Expedited Bill No. 26-23
Concerning: Capital Improvements
Program – White Flint Fire
Station 23
Revised: 5/22/2023 Draft No. 1
Introduced: May 25, 2023
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to authorize the planning, design, and construction of the White Flint Fire Station 23 (P451502) project in the North Bethesda – Garrett Park area.

By adding to the Laws of Montgomery County 2023

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

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

1 **Sec. 1. The following is added to the Laws of Montgomery County 2023:**
2 Montgomery County, Maryland, is authorized to construct the White Flint Fire Station 23
3 (P451502) in the North Bethesda- Garrett Park area.

Approved:

Evan Glass, President, County Council

Date

Approved:

Marc Elrich, County Executive

Date

This is a correct copy of Council action.

Sara R. Tenenbaum, Clerk of the Council

Bill XX - XX
White Flint Fire Station 23 (P451502)
Legislative Request Report

1. **Description** - The County Executive requests that capital project No. 451502, the White Flint Fire Station 23 be authorized as a “Special Capital Improvements Project” pursuant to Section §302 of the County Charter and Section §20-1 of the Montgomery County Code.
2. **Problem** - Section §302 of the County Charter and Section §20-1 of the County Code require certain capital improvement projects to be individually authorized by law if the locally-funded cost is projected to exceed \$24,196,000 in FY24 dollars. The estimated locally-funded cost of this project in the FY24 Capital Budget and Amended FY23-28 Capital Improvements Program is \$38,227,000 for planning, design, and construction costs.
3. **Goals and Objectives** – The project provides for a new five bay Fire and Rescue station in the Rockville/White Flint area and the purchase of associated apparatus. The new station will be constructed in accordance with the general square footage specifications of the prototype program of requirements (POR) for a Class I Fire Station, with adjustments made to meet these specific site conditions and additional uses. This fire station will include apparatus bays, dormitory and support space, personnel living quarters, administrative offices, and meeting/training rooms. Parking requirements will be met on site to the greatest extent possible. Fire/Rescue apparatus to be purchased for this station includes a new Emergency Medical Services unit and related equipment. Space has been added to co-locate a future Police Substation at the fire station. The project will be funded with General Obligation Bonds.
4. **Coordination** - This project has been coordinated with the Department of General Services, Department of Fire and Rescue Service, Office of Management and Budget, Bethesda/Chevy Chase Regional Services Center, and the Maryland National Capital Park and Planning Commission.
5. **Fiscal Impact** – Not applicable.
6. **Impact** – Not applicable.
7. **Evaluation** - Capital projects are evaluated biennially by the County Executive and County Council as part of the Capital Improvements Program review.
8. **Experience Elsewhere** - Not applicable.
9. **Sources of Information** – Department of General Services.
10. **Applications within Municipalities** - Not applicable.
11. **Penalties** - None required.




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

May 19, 2023

TO: Evan Glass, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Special Capital Improvements Project Legislation Authorization:
White Flint Fire Station 23 (P451502)

In accordance with Section 302 of the County Charter and Section 20-1 of the Montgomery County Code, I am forwarding the attached Special Capital Improvements Project Legislation Authorization and Legislative Request Report for the White Flint Fire Station 23 (P451502).

This request is necessary because the local cost of the above project exceeds the FY24 Special Capital Improvements Project Legislation threshold of \$24,196,000 as set by Executive Order. The purpose of the project is set forth below.

The project provides for a new five bay Fire and Rescue station in the Rockville/White Flint area and the purchase of associated apparatus. The new station will be constructed in accordance with the general square footage specifications of the prototype program of requirements (POR) for a Class I Fire Station, with adjustments made to meet these specific site conditions and additional uses. This fire station will include apparatus bays, dormitory and support space, personnel living quarters, administrative offices, and meeting/training rooms. Parking requirements will be met on site to the greatest extent possible. Fire/Rescue apparatus to be purchased for this station includes a new Emergency Medical Services unit and related equipment. Space has been added to co-locate a future Police Substation at the fire station.

I recommend passage of this legislation to advance this project.

ME:aaa

Enclosures

cc: Richard S. Madaleno, Chief Administrative Officer, Office of the County Executive
Fariba Kassiri, Deputy Chief Administrative Officer, Office of the County Executive
Jennifer Bryant, Director, Office of Management and Budget



Fiscal Impact Statement

Office of Management and Budget

Bill XX-23

FY24 Special Projects Legislation - White Flint Fire Station 23

Bill Summary

Section 302 of the County Charter and Section 20-1 of the County Code require certain capital improvement projects to be individually authorized by law if the locally-funded cost is projected to exceed \$24,196,000 in FY24 dollars. The Executive has requested a bill for one project - White Flint Fire Station 23 (P451502) - that now requires Special Capital Improvement Project legislation.

Fiscal Impact Summary

There are no expenditures or revenues associated with this bill. The bill serves only to authorize the designation of the White Flint Fire Station 23 (P451502) project as a Special Capital Improvement Project.

Fiscal Impact Analysis

There are no expenditures or revenues associated with this bill.

Staff Impact

The bill is not expected to impact staff time or duties.

Actuarial Analysis

The bill is not expected to impact retiree pension or group insurance costs.

Information Technology Impact

The bill is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.

Other Information

Later actions that may impact revenue or expenditures if future spending is projected

The bill does not authorize future spending.

Contributors

Anita Aryeetey, Office of Management and Budget





White Flint Fire Station 23

(P451502)

Category	Public Safety	Date Last Modified	03/20/23
SubCategory	Fire/Rescue Service	Administering Agency	General Services
Planning Area	North Bethesda-Garrett Park	Status	Preliminary Design Stage

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

Planning, Design and Supervision	6,024	854	953	4,217	-	1,107	1,463	1,188	459	-	-
Land	2,943	2,593	350	-	-	-	-	-	-	-	-
Site Improvements and Utilities	3,351	-	-	3,351	-	2,048	1,303	-	-	-	-
Construction	24,113	109	-	24,004	-	3,452	9,914	10,638	-	-	-
Other	1,796	4	-	1,792	-	-	1,095	697	-	-	-
TOTAL EXPENDITURES	38,227	3,560	1,303	33,364	-	6,607	13,775	12,523	459	-	-

FUNDING SCHEDULE (\$000s)

G.O. Bonds	38,227	4,863	-	33,364	-	6,607	13,775	12,523	459	-	-
TOTAL FUNDING SOURCES	38,227	4,863	-	33,364	-	6,607	13,775	12,523	459	-	-

OPERATING BUDGET IMPACT (\$000s)

Maintenance				368	-	-	-	56	156	156
Energy				246	-	-	-	42	102	102
NET IMPACT				614	-	-	-	98	258	258

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 24 Request	30,082	Year First Appropriation	FY15
Cumulative Appropriation	6,301	Last FY's Cost Estimate	38,227
Expenditure / Encumbrances	4,687		
Unencumbered Balance	1,614		

PROJECT DESCRIPTION

This project provides for a new five bay Fire and Rescue Station in the Rockville/White Flint area and the purchase of associated apparatus. The new facility will be located on an acquired site at the south-east quadrant of Route 355 and Randolph Road. The northern border of the site has frontage along Randolph Road and the eastern border fronts Chapman Avenue. The new station will be constructed in accordance with the general square footage specifications of the prototype program of requirements (POR) for a Class I Fire Station, with adjustments made to meet these specific site conditions and additional uses. This Fire Station will include apparatus bays, dormitory and support space, personnel living quarters, administrative offices, and meeting/training rooms. Parking requirements will be accommodated on site to the greatest extent possible. Fire/Rescue apparatus to be purchased for this station includes a new Emergency Medical Services unit and related equipment. Space has been added to co-locate a future Police Substation at the fire station. Site constraints for this project include a significant Washington Metropolitan Area Transit Authority easement which bisects the site running north/south through the mid-parcel. A Phase 1 Environmental Site Assessment has been performed and a traffic impact statement is pending.

LOCATION

Southeast quadrant of Route 355 and Randolph Road at Maple Avenue.

ESTIMATED SCHEDULE

This project has been deferred one year due to fiscal capacity. Design will restart in FY24 and construction is expected to begin in Summer 2024.

COST CHANGE

Cost increase reflects escalation related to prior year project delays and scope expansion to achieve Net Zero construction.

PROJECT JUSTIFICATION

The existing Rockville Fire Station #23, located at 121 Rollins Avenue, has only three bays and is extremely undersized to meet the current response time requirements. A new station is necessary in this area due to the present and projected population density for the Rockville and White Flint areas. The White Flint sector is envisioned to include a mix of housing, commercial, retail, recreation, and civic uses with the White Flint District as the focal point. White Flint is experiencing fast growth and the population is expected to increase with a significant amount of residential and commercial development, including 5,938 new proposed dwelling units and nearly 3 million square feet of new non-residential/commercial space. Relocation of Rockville Station #23 operations to the new White Flint location is needed to better position MCFRS services in relation to the high-density development in the approved White Flint Sector Plan and to minimize response time to the highest incident call load area. The new site is of sufficient size to accommodate the construction of a larger station which can house additional

needed apparatus and other public safety services.

OTHER

A number of test fits have been conducted at the proposed site located at the south-east quadrant of Route 355 and Randolph Road for the fire station and co-location of a Police substation. Land Acquisition was funded initially through ALARF, and then reimbursed from this project.

FISCAL NOTE

Debt service for this project will be financed with Consolidate Fire Tax District Funds.

DISCLOSURES

A pedestrian impact analysis will be performed during design or is in progress.

COORDINATION

Montgomery County Fire and Rescue Service, Department of General Services, Montgomery County Police Department, Regional Service Centers and Department of Housing and Community Affairs. Special Capital Projects Legislation will be proposed by the County Executive.



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

May 19, 2023

TO: Evan Glass, President
Montgomery County Council

FROM: Marc Elrich, County Executive *Marc Elrich*

SUBJECT: Special Capital Improvements Project Cost Criterion

I am transmitting you an Executive Order establishing a cost criterion of \$24,196,000 for special capital projects applicable to the FY24 Capital Budget and the Amended FY23-28 Capital Improvements Program (CIP).

I will forward, under separate cover, legislation necessary to enact into law those CIP projects that require special capital projects authorization.

ME:aaa

Enclosure

cc: Richard S. Madaleno, Chief Administrative Officer, Office of the County Executive
Fariba Kassiri, Assistant Chief Administrative Officer, Office of the County Executive
Jennifer Bryant, Director, Office of Management and Budget



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland
20850

Subject CIP COST CRITERION FOR SPECIAL CAPITAL IMPROVEMENTS PROJECTS FY24	Executive Order 089-23	Subject Suffix
Department OFFICE OF MANAGEMENT AND BUDGET	Department No. 31	Effective Date May 19, 2023

WHEREAS, Section 20-1 of the Montgomery County Code titled "Authorization of Special Capital Improvements Projects by Law," effective February 23, 1979, provides that non-emergency County Government capital improvement projects estimated to cost at least four million dollars must be approved by a law enacted by the County Council, prior to receiving further appropriation, and that the County Executive shall, by annual Executive Order revise the four million dollar cost criterion for all major facilities to reflect the annual change in the latest published composite construction cost index established by the United States Department of Commerce; and

WHEREAS, the original cost criterion utilized by the County was \$4,000,000 for Special Capital Improvements projects; and,

WHEREAS, the Office of Management and Budget has established the procedure utilized below to ensure consistency in the annual calculation of the cost criterion; and,

WHEREAS, the applicable composite construction cost index (2005=100) established by the U.S. Department of Commerce (U.S. Census Bureau) published in the "Price Deflator (Fisher) Index of New Single-Family Houses Under Construction" (1964 to 2022), was 30.6 for June 1978 and 185.1 for June 2022; and,

WHEREAS, the increase in the applicable composite construction cost index of 108 since 1978 indicates that the cost criterion established for Special Capital Improvements projects for fiscal year 2024 (July 1, 2023 - June 30, 2024) should be \$20,196,000 greater than the original cost criterion;

NOW THEREFORE, the County Executive for Montgomery County, Maryland, hereby establishes the cost criterion at \$24,196,000 in accordance with Section 20-1 of the County Code, for the FY24 Capital Budget and the Amended Fiscal Years 23-28 Capital Improvements Program.

Approved:

 5/19/2023

 Marc Elrich, County Executive

Economic Impact Statement

Montgomery County, Maryland

Expedited Bill 26-23

Special Capital Improvements Projects – White Flint Fire Station 23

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that enacting Expedited Bill 26-23 would have a moderate to large positive impact on economic conditions in the County in terms of the Council’s priority economic indicators. By authorizing the White Flint Fire Station 23 project as a “Special Capital Improvements Project,” the Bill would authorize the construction of a new five bay Fire and Rescue Station in the Rockville/White Flint area and the purchase of associated apparatus estimated at \$38,227,000 for planning, design, and construction costs. Certain local businesses and residents would benefit from County contracts for the planning, design, and construction of the White Flint Fire Station 23 project. The magnitude of the economic impacts largely would depend on the extent to which County-based businesses and workers would be involved in the project.

OLO notes that this analysis does not account for the opportunity costs of (a) alternative uses of the funds allocated to this project in the Capital Improvement Project (CIP) should the Council reject the Bill or (b) using future tax revenues to pay the principal and interest of the G.O. bonds funding the project.

BACKGROUND AND PURPOSE OF EXPEDITED BILL 26-23

The purpose of Expedited Bill 26-23 is to authorize a capital improvement project whose locally funded cost will exceed \$24,196,000 in FY24 dollars. The Bill would allow for a new Fire and Rescue station in the Rockville/White Flint area to be built, along with the purchase of associated apparatus, such as personnel living quarters and meeting/training rooms. Space has been added to co-locate a future Police Substation at the fire station. Under County law, the County Council must authorize “Special Capital Improvements Projects” if their local costs exceed a given threshold, which is set at \$24,196,000 in FY24 dollars.¹

It is estimated that the locally funded cost of this project will total \$38,227,000 for the FY24 Capital Budget and Amended FY23-28 Capital Improvements Program for planning, design, and construction costs. Since the anticipated cost of the project exceeds the FY24 local funding threshold, the Executive needs the Council’s authorization through legislation to continue the project. The Council introduced Expedited Bill 26-23, Special Capital Improvements Projects – White Flint Fire Station 23, on behalf of the County Executive on May 25, 2023.²

¹ [Introduction Staff Report for Expedited Bill 26-23.](#)

² Ibid.

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

Per Section 2-81B of the Montgomery County Code, the purpose of this Economic Impact Statement is to assess, both, the impacts of Expedited Bill 26-23 on residents and private organizations in terms of the Council's priority economic indicators and whether the Bill would have a net positive or negative impact on overall economic conditions in the County.³

By authorizing the special appropriation for the White Flint Fire Station 23 project as part of the CIP, Expedited Bill 26-23 would authorize the County to fund the project through General Obligation (G.O.) bonds.⁴ This analysis assesses the economic impacts to County businesses and residents of the project.

Because OLO does not know how the foregone County revenues would otherwise be used in the absence of enacting the Bill, this analysis does not account for the economic impacts of alternative uses of the funds allocated to the project in the CIP should the Council reject the Bill. Nor does OLO consider the economic opportunity cost of the foregone County revenues used to pay the principal and interest of the G.O. bonds upon their maturation.

VARIABLES

The primary variable that would affect the economic impacts of enacting Expedited Bill 26-23 is the following:

- percentage of County-based businesses and workers involved in the project.

IMPACTS

WORKFORCE ▪ **TAXATION POLICY** ▪ **PROPERTY VALUES** ▪ **INCOMES** ▪ **OPERATING COSTS** ▪ **PRIVATE SECTOR CAPITAL INVESTMENT** ▪ **ECONOMIC DEVELOPMENT** ▪ **COMPETITIVENESS**

Businesses, Non-Profits, Other Private Organizations

OLO believes that Expedited Bill 26-23 would have a positive economic impact on local businesses involved in the White Flint Fire Station 23 project.

Depending on how funds are spent in the project, the County's Local Small Business Reserve Program (LSBRP) may require the County to award 25 percent of their procurements for goods, services, and construction to registered and certified local small businesses.⁵ If LSBRP applies, local businesses could receive approximately \$9 million in contracts over the course of the project at 25 percent of total expenditures. Because most of the expenditures (approximately \$30 million or 80%) would go towards construction and planning, design, and supervision, many of these businesses likely would fall within these (sub)industry categories. Local businesses involved in the projects would likely experience income gains.

³ Montgomery County Code, [Sec. 2-81B](#).

⁴ [White Flint Fire Station 23 \(P451502\)](#).

⁵ Montgomery County Code, [Sec. 11B-66](#).

Table 1. Expenditure Schedule (\$000s)⁶

Planning, Design, and Supervision	\$6,024	16%
Land	\$2,943	8%
Site Improvements and Utilities	\$3,351	9%
Construction	\$24,113	63%
Other	\$1,796	5%
Total Expenditures	\$38,227	100%

Expenditures in these areas would generate a “multiplier effect,” that is, how changes in economic activity affect other rounds of spending, and how additional spending impacts certain economic indicators.⁷ To illustrate, constructing the new fire station would likely entail increased income to workers involved in the project. Increased income would in turn increase demand for local goods and services.

Data and time constraints prevent OLO from estimating the multiplier effect of the White Flint Fire State 23 project using the “Bill-of-Goods” method.⁸ This method requires a great deal of information unavailable to OLO—for example, knowing the specific inputs that would be used in the planning, design, and construction of the fire station and local industries involved in the supply of goods and services required to complete the project. However, it is worth noting that the magnitude of the multiplier effect would depend significantly on the extent to which County-based businesses and workers would be involved in the project.

Residents

OLO anticipates that Expedited Bill 26-23 22 would have positive impacts on certain residents in the County in terms of the Council’s priority economic indicators. The positive impacts largely depend on the extent to which the contractors rely on resident labor.

Beyond this potential impact, OLO does not expect the Bill to affect residents in terms of the Council’s other priority indicators.

Net Impact

OLO anticipates that Expedited Bill 26-23 would have a moderate to large positive impact on economic conditions in the County in terms of the Council’s priority economic indicators. As described above, certain local businesses and residents would benefit from County contracts for the planning, design, and construction of the White Flint Fire Station 23 project. The magnitude would largely depend on the extent to which County-based businesses and workers would be involved in the project.

⁶ [White Flint Fire Station 23 \(P451502\)](#).

⁷ U.S. Bureau of Economic Analysis, [RIMS II](#).

⁸ Ibid.

DISCUSSION ITEMS

Not applicable

WORKS CITED

Montgomery County Code. [Sec. 2-81B, Economic Impact Statements](#).

Montgomery County Code, [Sec. 11B-66, Local Small Business Reserve Program](#).

Montgomery County Council. [Introduction Staff Report for Expedited Bill 26-23, Special Capital Improvements Project – White Flint Fire Station 23](#). Montgomery County Council. Introduced on May 25, 2023.

U.S. Bureau of Economic Analysis. [RIMS II: An Essential Tool for Regional Developers and Planners](#). December 2013.
[White Flint Fire Station 23 \(P451502\)](#).

CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

AUTHOR

Stephen Roblin (OLO) prepared this report.

Climate Assessment

Office of Legislative Oversight

Expedited Special Capital Improvements Projects - White Bill 26-23: Flint Fire Station 23

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 26-23 will have little to no impact on the County's contribution to addressing climate change as the bill is proposing the authorization of a capital improvement project which is intended to increase fire and rescue services to one area in the County.

BACKGROUND AND PURPOSE OF EXPEDITED BILL 26-23

The purpose of Expedited Bill 26-23 is to authorize a capital improvement project whose locally funded cost will exceed \$24,196,000 in FY24 dollars. The Bill would allow for a new Fire and Rescue station in the Rockville/White Flint area to be built, along with the purchase of associated apparatus, such as personnel living quarters and meeting/training rooms. Space has been added to co-locate a future Police Substation at the fire station. Under County law, the County Council must authorize "Special Capital Improvements Projects" if their local costs exceed a given threshold, which is set at \$24,196,000 in FY24 dollars.¹

It is estimated that the locally funded cost of this project will total \$38,227,000 for the FY24 Capital Budget and Amended FY23-28 Capital Improvements Program for planning, design, and construction costs. Since the anticipated cost of the project exceeds the FY24 local funding threshold, the Executive needs the Council's authorization through legislation to continue the project. Expedited Bill 26-23, Special Capital Improvements Projects – White Flint Fire Station 23 was introduced to the Council on behalf of the County Executive on May 25, 2023.²

ANTICIPATED IMPACTS

Capital improvement planning is an important tool for local jurisdictions to systematically identify, budget, and prioritize investment in local projects. It can also enable jurisdictions to ensure the efficient delivery of emergency services.³ Increasing the capacity to deliver emergency services can contribute to a community's overall emergency preparedness and can improve its climate resilience.⁴ The Special Capital Project specified in Expedited Bill 26-23 is intended to accommodate the rapid growth of the White Flint area by improving the delivery of fire and rescue services in the White Flint area.⁵

However, as the purview of the climate assessment is to look at a bill's impact to the County's overall contribution to addressing climate change and community climate resilience, OLO expects Expedited Bill 26-23 to have little to no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity. This is because the bill is authorizing a capital improvement project which is intended to increase fire and rescue services to one area in the County. Further, new construction emits greenhouse gas emissions. While the potential greenhouse gases associated with this project are unable to be calculated as the type of material, transportation, and other construction factors are unknown at this time, it can be expected that one construction project will not contribute a significant amount to the County's overall greenhouse gas emissions.⁶

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.⁷ OLO does not offer recommendations or amendments as Expedited Bill 26-23 is likely to have little to no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

¹ [Introduction Staff Report for Expedited Bill 26-23, Montgomery County Council, Introduced May 25, 2023.](#)

² Ibid.

³ [University of Maryland Environmental Finance Center, "Integrating Resilience into Local Capital Improvement Programs: Best Practices for Maryland's Eastern Shore Communities", December 2018.](#)

⁴ [National Research Council, "Disaster Resilience: A National Imperative", 2012.](#)

⁵ [Introduction Staff Report for Expedited Bill 26-23, Montgomery County Council, Introduced May 25, 2023.](#)

⁶ [International Energy Agency \(IEA\), "2019 Global Status Report for Buildings and Construction: Towards a Zero-Emissions, Efficient, and Resilient Buildings and Construction Sector", 2019.](#)

⁷ Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

EXPEDITED CAPITAL IMPROVEMENTS PROGRAM – WHITE FLINT FIRE BILL 26-23: STATION 23

SUMMARY

When considered in isolation from the overall Capital Improvements Program (CIP), the Office of Legislative Oversight (OLO) anticipates Expedited Bill 26-23 could potentially have a negative impact on RESJ in the County through authorizing the reallocation of \$14 million in local funds from programs benefitting all residents to a project that benefits County constituents, Montgomery County Fire and Rescue Service (MCFRS) employees, and business owners who are disproportionately White. The potential benefits to White stakeholders likely outweigh the potential benefits to Asian constituents living in Rockville and Latinx employees working in the construction sector who would also benefit from this Bill. However, there are several considerations outside of the scope of this analysis for understanding this project’s impact on RESJ more broadly that could be addressed by a comprehensive analysis of the CIP. Two policy options are offered for Council consideration.

PURPOSE OF RESJ IMPACT STATEMENTS

The purpose of RESJ impact statements (RESJIS) is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs, leadership, and power of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.¹ Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social harms that have caused racial and social inequities.²

PURPOSE OF EXPEDITED BILL 26-23

The purpose of Expedited Bill 26-23 is to authorize a new fire and rescue station to be built in the Rockville/White Flint area, along with the purchase of associated apparatus, such as personnel living quarters and meeting/training rooms. Space has also been added to co-locate a future police substation at the fire station.

Under County law, the County Council must authorize “Special Capital Improvements Projects” if their local costs exceed a given threshold, which is set at \$24,196,000 in FY24 dollars.³ The locally funded cost of the new fire and rescue station is estimated to total \$38,227,000 for the FY24 Capital Budget and Amended FY23-28 Capital Improvements Program. Since the anticipated cost of the project exceeds the FY24 local funding threshold, the Executive needs the Council’s authorization through legislation to continue the project.

Expedited Bill 26-23, Capital Improvements Program – White Flint Fire Station 23, was introduced by the Council at the request of the County Executive on May 25, 2023.⁴

RESJ Impact Statement

Expedited Bill 26-23

CAPITAL IMPROVEMENT PLANNING AND RACIAL EQUITY

Capital projects or capital improvements are large, long-term investments in community facilities and infrastructure that are funded through the government, such as the construction of public schools, street maintenance, parks improvements, and in the case of Bill 26-23, the construction of fire and rescue stations.⁵ As described by the Government Finance Officers Association, capital projects “have real social impacts: raising local property values, reducing injury, and developing public spaces that provide a wealth of community benefits,” among many others.⁶

Applying a racial equity lens to policymaking, including to the capital improvement planning process, requires understanding the historical and cultural context for racial and social disparities. Montgomery County, like the nation as a whole, is characterized by a wide variety of racial and social disparities that reflect racial and social inequities in public policy and decision making.

More specifically, public policies that built generational wealth for White people usually did so at the expense of denying Black, Indigenous, and Other People of Color (BIPOC) comparable opportunities. These public policies include histories of land and labor theft, the legacy of racial and ethnic exclusion through state sanctioned violence, Jim Crow laws, voter disenfranchisement, redlining, racial covenants, occupational segregation, as well as New Deal mortgage programs and the G.I. Bill. In the County, racial disparities resulting from these policies noted in the 2019 Racial Equity Profile include:⁷

- 43 percent and 49 percent of Black and Latinx residents are homeowners, compared to 73 percent of White residents;
- While they respectively comprise 15 percent of businesses, Black and Latinx-owned businesses each earn less than two percent of all revenues in the County;
- The poverty rates of Latinx and Black children are respectively four to five times the poverty rate of White children;
- While Black and Latinx residents each account for 19 percent of the population, they account for 44 percent and 26 percent of arrests; and
- Black residents experience the highest rates of mortality for heart disease, stroke, and breast cancer.

The public policies that built generational wealth for White people also fostered racial segregation locally. Although White, Non-Hispanic people account for a minority of County constituents, they account for the majority of constituents in the most affluent parts of the County. For instance, District 1 (includes Bethesda, Chevy Chase, and Potomac), which has the largest share of White constituents had the highest average household income (\$265,145) and lowest share of households with income under \$50,000 (12.0 percent) between 2016 and 2020. Conversely, District 5 (includes Burtonsville, Colesville, and White Oak), which has the highest share of Black constituents had the lowest average household income (\$116,232) and the highest share of households with income under \$50,000 (26.7 percent).⁸ A 2017 study by the Urban Institute found that residents of former District 5, which had among the highest share of BIPOC constituents, were less likely to have graduated high school, enrolled in college, or have a well-paying job.⁹

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Given the existence of structural racial inequities, the concentration of constituents by race and ethnicity begs the question of whether capital projects in the County are equitably distributed. Although the most recent Capital Improvements Program (CIP) indicates racial equity was considered in developing the list of included projects, it is unclear whether the current or prior CIPs advance RESJ in whole or in part in terms of benefitting BIPOC and/or low-income constituents more than White and/or affluent constituents. It is also unclear whether the County is advancing RESJ through contracting Minority Business Enterprises (MBE) for capital projects in proportion to their share of County constituents or the market of vendors available in the Washington Metropolitan Region.

Recognizing racial and social inequities, other local jurisdictions have worked to operationalize RESJ in capital improvements planning. For instance, the **Baltimore City Department of Planning (DoP)** developed a methodology for conducting an annual equity analysis of the City's CIP in partnership with the Baltimore Neighborhood Indicators Alliance.¹⁰ The analysis developed indicators to measure CIP investments across four areas of equity, based on the Urban Sustainability Directors' Network (USDN) equity lens:

- **Distributional Equity:** Does the distribution of civic resources and investment explicitly account for potential racially disparate outcomes?
- **Transgenerational Equity:** Does the policy or project result in unfair burdens on future generations?
- **Structural Equity:** What historic advantages or disadvantages have affected residents in the given community?
- **Procedural equity:** How are residents who have been historically excluded from planning processes being authentically included in the planning, implementation, and evaluation of the proposed policy or project?

Since the release of the original report, the DoP has continued an annual equity review of the CIP through analyzing CIP investments in the City's 55 Community Statistical Areas (CSAs) along with the CSAs' race and income demographics.^{11,12} The analysis also accounts for the varying influence of CIP projects by identifying projects as having local, multi-neighborhood, or Citywide impacts. The annual analysis has prompted several improvements, including more proactive equity analysis during the CIP decision making process.¹³

Other local jurisdictions considering RESJ in capital improvements planning include:

- **Los Angeles:** The Data Team within the Mayor's Office of Budget and Innovation of the City of Los Angeles is in the process of completing "a comprehensive analysis of equity in capital investment, centralizing data from city departments and summariz[ing] findings in a meaningful and accessible way."¹⁴ A preliminary analysis is available on the project's webpage.
- **Minneapolis:** In 2016 and 2017 the City of Minneapolis approved ordinances requiring the Minneapolis Park & Recreation Board to incorporate racial and economic equity measures into its capital improvement program. "[T]he ordinances specify the use of relevant, data-driven criteria to address racial and economic equity in allocating capital funds for more than 160 neighborhood parks and nearly 20 regional parks and trails."¹⁵ Additionally, "metrics and rankings for parks and trails are produced annually as part of the Capital Improvement Program (CIP) and published in the annual budget."¹⁶

The 2021 "Equity in Capital Improvement Planning Processes," report from Bloomberg Philanthropies and the Public Financial Management Company highlights strategies for incorporating equity into CIP planning from jurisdictions throughout the U.S., including Seattle, Austin, and Philadelphia.¹⁷

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ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 26-23 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who are the primary beneficiaries of this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

To answer the questions, OLO considered the various stakeholders that would be impacted by the construction of a new fire and rescue station in the Rockville/White Flint area and RESJ concerns for each group:

- **Constituents living in North Bethesda and Rockville**, which includes the White Flint area, would benefit from enhanced services from a new fire station. Census data summarized in Table 1 (Appendix) suggests that White constituents are overrepresented in both communities, while Asian constituents are overrepresented in Rockville and proportionately represented in North Bethesda. Black and Latinx constituents are underrepresented in both communities, while Native American and Pacific Islander constituents are proportionately represented.
- **Montgomery County Fire and Rescue Service (MCFRS) personnel** would benefit from having a new and improved workspace. Data summarized in Table 2 (Appendix) suggests White people are overrepresented among MCFRS personnel. Asian, Latinx, and Black people are underrepresented, while Native Americans and Pacific Islanders are proportionately represented.
- **Construction businesses, employees and other businesses and employees** supporting this sector will benefit from having access to an additional \$14 million in local revenue authorized by the Bill. Data summarized in Tables 3 and 4 (Appendix) suggest that construction business owners in the Washington metro area are disproportionately White, while the construction workforce is disproportionately Latinx. Since business ownership often yields greater economic benefits than employment, White business owners are likely to reap greater economic benefits from this Bill.¹⁸

However, there are several considerations outside of the scope of this analysis that are necessary to have a more accurate understanding of how this project impacts RESJ in fire and rescue services in the County more broadly. A comprehensive analysis of the CIP as previously discussed and as offered in the recommended amendments could address these questions.

Taken together, when considered in isolation from the overall CIP, OLO anticipates Bill 26-23 could potentially have a negative impact on RESJ in the County through authorizing the reallocation of \$14 million in local funds from programs benefitting all residents to a project that benefits County constituents, MCFRS employees, and business owners who are disproportionately White. The potential benefits to White stakeholders likely outweigh the potential benefits to Asian constituents living in Rockville and Latinx employees working in the construction sector who would also benefit from this Bill.

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RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.¹⁹ OLO anticipates Expedited Bill 26-23 will have a negative impact on RESJ in the County. Should the Council seek to improve the RESJ impact of this Bill, two policy options are offered for consideration:

- **Commission Equity Review of the Capital Improvements Program.** To understand and address potential racial and social inequities in capital investments, the Council could consider commissioning a comprehensive equity review of the Capital Improvements Program. For instance, as mentioned in this RESJIS, the Baltimore City Department of Planning partnered with the Baltimore Neighborhood Indicators Alliance to develop a methodology for conducting an annual equity analysis of the City’s CIP.²⁰ The analysis developed indicators to measure CIP investments across four areas of equity: distributional, transgenerational, structural, and procedural. The analysis also accounted for the varying influence of CIP projects by identifying projects as having local, multi-neighborhood, or Citywide impacts.²¹
- **Increase Access to CIP Construction Opportunities to BIPOC-owned businesses and workers.** The County’s 2014 Disparity Study found that while Black-owned firms accounted for 11 percent of the construction marketplace, they accounted for less than two percent of prime contracts with the County.²² Conversely, White male firms accounted for 74 percent of the construction marketplace and 79 percent of prime contracts, and Latinx-owned firms accounted for six percent of the construction marketplace and 13 percent of prime contracts.²³ The Council could advance RESJ by supporting efforts to proactively identify and contract BIPOC-owned businesses for CIP funded projects and other project needs. PolicyLink’s “Strategies for Addressing Equity in Infrastructure and Public Works” offers best practices for incorporating disadvantaged workers and businesses into employment and procurement opportunities.²⁴

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

CONTRIBUTIONS

OLO staffer Janmarie Peña, Performance Management and Data Analyst, drafted this RESJ impact statement.

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APPENDIX

Table 1: Percent of Population by Race and Ethnicity, Montgomery County, North Bethesda, Rockville

Race and ethnicity ²⁵	Montgomery County	North Bethesda	Rockville
Asian	15.1	15.3	20.3
Black	18.0	11.1	10.1
Native American	0.1	0.1	0.2
Pacific Islander	0.0	0.0	0.0
White	42.3	51.2	47.7
Latinx	19.7	16.0	16.0

Source: 2021 American Community Survey 5-Year Estimates (Table DP05), Census Bureau.

Table 2: Percent of Population and MCFRS Personnel by Race and Ethnicity, Montgomery County

Race and ethnicity	Montgomery County	MCFRS Personnel
Asian	15.1	2.5
Black	18.0	9.9
Native American	0.1	0.8
Pacific Islander	0.0	0.1
White	42.3	71.5
Latinx	19.7	7.1

Source: 2021 American Community Survey 5-Year Estimates (Table DP05). OLO Analysis of 2022 unpublished Office of Human Resources data.

Table 3: Percent of Population and Construction Business Owners by Minority Business Status, Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area

Minority Business Status	Washington Metro Area	Construction Business Owners (NAICS 23)
Nonminority (White and non-Latinx)	42.3	73.4
Minority (any other race and ethnicity combination other than White and non-Latinx)	57.7	26.0

Source: 2020 Decennial Census (Table DP1) and 2020 American Business Survey (Table AB2000CSA01), Census Bureau.

Table 4: Percent of Population and Employees in Construction-Related Occupations by Race and Ethnicity, Montgomery County

Race and ethnicity	Montgomery County	Employees in Construction-Related Occupations
Asian	15.1	4.5
Black	18.0	5.5
Native American	0.1	0.0
Pacific Islander	0.0	0.0
White	42.3	24.4
Latinx	19.7	63.6

Source: 2021 American Community Survey 5-Year Estimates (Table DP05) and OLO Analysis of 2021 American Community Survey 5-Year Estimates Public Use Microdata Sample (PUMS), Census Bureau.

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¹ Definition of racial equity and social justice adopted from “Applying a Racial Equity Lens into Federal Nutrition Programs” by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools. <https://www.racialequitytools.org/glossary>

² Ibid

³ [Introduction Staff Report for Expedited Bill 26-23](#), Montgomery County Council, Introduced May 25, 2023.

⁴ Ibid

⁵ [“About the Capital Budget,”](#) Montgomery County Open Budget.

⁶ Elliot Karl, [“Prioritizing Community Values in Capital Budgeting,”](#) Government Finance Officers Association, June 2021.

⁷ Jupiter Independent Research Group, [OLO Report 2019-7: Racial Equity Profile Montgomery County](#), Office of Legislative Oversight, July 15, 2019.

⁸ [Demographic Profile of Council Districts](#), Montgomery County Planning Department, 2022.

⁹ Leah Hendey and Lily Posey, [“Racial Inequities in Montgomery County 2011-15,”](#) Urban Institute, December 2017.

¹⁰ Baltimore Neighborhood Indicators Alliance, [“Equity Analysis of Baltimore City’s Capital Improvement Plan, FY 2014 – FY 2020,”](#) Baltimore City Department of Planning, August 2019.

¹¹ [“CIP and Equity,”](#) Baltimore City Department of Planning.

¹² Community Statistical Areas, developed by the City’s DoP, are clusters of neighborhoods organized around census tract boundaries. For more information, refer to [“Vital Signs: Community Statistical Areas”](#)

¹³ [“FY22 Capital Improvement Program Equity Analysis,”](#) Baltimore City Department of Planning, June 2021.

¹⁴ [“Capital Improvements Equity Analysis,”](#) Mayor’s Office of Budget and Innovation, City of Los Angeles, California.

¹⁵ [“Racial Equity,”](#) Minneapolis Park & Recreation Board, City of Minneapolis, Minnesota.

¹⁶ Ibid

¹⁷ [“Equity in Capital Improvement Planning Processes,”](#) Bloomberg Philanthropies and Public Financial Management Company, 2021.

¹⁸ Brian Headd, [“Small Business Facts: The Importance of Business Ownership to Wealth,”](#) Office of Advocacy, U.S. Small Business Administration, August 2021.

¹⁹ Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council

²⁰ “Equity Analysis of Baltimore City’s Capital Improvement Plan, FY 2014 – FY 2020”

²¹ Ibid

²² Griffin & Strong, PC, [“Disparity Study Final Report,”](#) Office of the County Attorney, June 11, 2014.

²³ Ibid

²⁴ Kalima Rose and Judith Dangerfield, [“Strategies for Addressing Equity in Infrastructure and Public Works,”](#) PolicyLink.

²⁵ Latinx people are not included in other racial groups throughout this impact statement unless where otherwise noted.