




MONTGOMERY COUNTY DEPARTMENT OF PARKS
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MCPB Date: 05/24/2007
Agenda Item: Item 13 - Roundtable

DATE: May 18, 2007
TO: Montgomery County Planning Board
FROM: Michael F. Riley, Chief, Park Development Division 
SUBJECT: Program of Requirements for SilverPlace

A) RECOMMENDATION:

Briefing and Discussion – Obtain Planning Board Guidance on Preliminary Findings

B) BACKGROUND:

In September 2003, the Planning Board approved the “Consolidated Headquarters Study”. This study was transmitted to the Council in support of the initial funding for the SilverPlace project. Among other things, it contained programmatic information that justified a Park and Planning headquarters building of 120,000 Gross Square Feet (GSF). The space figure was determined at the time that Parks and Planning were merged as one Department. It assumed the full consolidation of staff that worked at three facilities; MRO, Parkside, and the Spring Street Annex. Since that time, approximately 40 staff from MRO were moved to an additional leased facility, the Dedrick Annex. Current space planning assumes provision of space for all staff from the four facilities noted above in the new headquarters, plus a relatively small number of park staff that occupy other park facilities including Meadowbrook Maintenance Facility, Needwood Mansion, and the Wheaton Regional Park Shorefield Office.

A Request for Proposals for the SilverPlace project was issued in June 2006, and the Planning Board approved the ranking of the proposals in January 2007 based on design concepts providing a 120,000 GSF headquarters building.

Since January, staff has been working with the architectural firm of RTKL to prepare a detailed Program of Requirements (POR) for the headquarters building. Preliminary submittals have indicated a space need significantly greater than 120,000 GSF. Based on the recent submittal, our space need is in the 160,000 to 170,000 GSF range. A headquarters of this size has significant implications to the SilverPlace project,

particularly affordability of the public improvements. For context, the combined space in the four facilities we currently occupy is 92,000 GSF. Staff continues to evaluate whether all spaces planned in the current draft of the POR are fully justifiable and sized appropriately.

C) THE POR PROCESS:

RTKL prepared and distributed programmatic questionnaires to over 30 organizational units in Parks and Planning. The responses were reviewed and approved by Division Chief's or Department Heads. Additionally, RTKL conducted interviews with each unit coupled with walking tours of existing space. RTKL also conducted "visioning sessions" with groups of staff in both Parks and Planning to obtain a sense of the identity of our organization. The outputs of this effort thus far are as follows:

- Preparation of design criteria for items such as architecture, interior design, security, telecommunications, audiovisual, and mechanical, electrical, and plumbing systems.
- Establishment of workspace standards for classifications of positions
- Identification, description, and quantification of employee spaces
- Identification, description, and quantification of support spaces
- Determination of adjacency requirements between spaces

Regarding quantification of space need, the following process is being utilized:

- 1) Spaces are identified and given a net area. For example, a professional employee will be assigned a 10x10 open workstation resulting in a 100 square foot net space area. Support spaces, such as a conference room or the Planning Board's Hearing Room, are assigned a net space based on planned capacity, dimensions, and/or codes.
- 2) The total net space area is multiplied by a "circulation factor" that accounts for corridors and isles required to access the spaces, wall thicknesses, and various building inefficiencies. The product results in quantification of required "usable square feet", or USF. The circulation factor currently being used is 1.45, which is under reconsideration by RTKL based on review of the SilverPlace concept.
- 3) To obtain gross square foot needs, the USF is multiplied by a "grossing factor" which accounts for unusable space such as stairwells, elevator shafts, lobbies, and restrooms.

D) DEBT AFFORDABILITY:

As this project will require the issuance of a substantial amount of debt (between \$60 to \$70 million), the Finance Department has prepared a preliminary debt affordability analysis based on the estimated capital construction costs for 145,000 GSF. The analysis assumed an increasing CIP Park Bond funded program, growing from \$3 million per year to \$6 million per year, as requested by the Parks Department.

Although there are a number of debt ratios to measure affordability, the one most applicable to the Commission is the ratio of debt service to total Park Fund and

Administration Fund expenditures. Our target, which is the same as the County government, is 10%. The analysis projects that the limit would be exceeded for one year, but would immediately fall below the following year. For comparison purposes, the current ratio is approximately 5.3%.

Another indication of affordability is the tax rate impact. The debt service on this project including financing of new furniture through capital equipment notes, will require a .4 to .5 cent increase in the real property tax rate and a 1.0 cent to 1.25 cent increase in the personal property tax rate beginning in FY 2011 as interest during construction will be capitalized.

Assuming the building size approaches 170,000 SF and an additional \$10,000,000 in debt is required, the ratio referred to above is projected to exceed the target for at least 3 years, and increase the real tax rate by another .1 cent and personal by .25 cent.

The increased building size would also impact the assistance from the County needed for the supplemental design appropriation. For the 145,000 GSF, current estimates reflect that the Administration Fund balance is approximately \$2 million less than needed to fund the appropriation, and would leave the Fund without required reserves of \$800,000. The 170,000 GSF is estimated to require an additional \$500,000 for the Administration Fund, and would leave reserves in the Park Fund \$500,000 below desired levels. Based on the above, we estimate County assistance in the range of \$2.8 - \$3.8 million. These figures may change depending on actual FY 07 financial results.

E) SPECIFIC AREAS FOR GUIDANCE:

1) Planning Board Hearing Room

The 2003 Consolidated Headquarters Study called for a 300 seat hearing room. This requirement has been revisited with the Director of Parks and acting Planning Director, and we believe a 300 seat hearing room is excessive. We now recommend a 125 seat hearing room as the Planning Board's primary meeting place, without fixed seats or a sloped floor to preserve multipurpose opportunities. For comparison:

- the Board hearing at MRO room seats 78
- the 7th floor Council Hearing Room in Rockville seats 50
- the 3rd floor Council Hearing Room in Rockville seats 314

The Planning Board hearing room will have an adjoining "pre-function" space to accommodate citizens and applicants waiting for agenda items. The pre-function space will also be designed so that it can be combined with the hearing room to accommodate greater capacity and serve as the largest gathering space in the building.

Other spaces adjacent to the hearing room include a registration desk, a green room / recording studio, a broadcast booth, and lounge / workroom for Board members.

A conference room with seating for 25 will be designed as the Board's meeting room for closed session items. This room will be adjacent to another 25-seat conference room that can be combined for larger gatherings.

2) LEED Rating

The 2003 Consolidated Headquarters' study called for the headquarters building to be LEED Silver. The RFP for SilverPlace required LEED Silver in the submitted design concepts. Now that the County has passed an ordinance requiring all County Buildings over a certain size to meet LEED Silver, it leaves a question as to whether the Commission Headquarters should strive for a higher certification. A higher certification would increase initial capital costs, but could lower long term operating costs. It is staff's view that this decision not be made with adoption of the POR, but rather during the schematic design phase of the headquarters project when the architect and LEED consultant are fully engaged and can present a detailed analysis of the cost / benefit of a higher certification.

3) Growth Planning

We have 337 adopted / budgeted positions in FY 2007. We are also accounting for space for 33 temporary positions (interns, temp agency employees, etc.), resulting in a baseline of 370 positions requiring workspaces in FY 2007. In the FY 2008 operating budget, we made it clear that we were understaffed in many areas and argued for a total of 29 new positions that would be placed in the headquarters. While only a portion of these positions were approved in FY 2008, we are making the assumption that they will all be approved by 2010, which is the planned year of occupancy of the headquarters. This assumption plans for a relatively high rate of growth over the next three years. Therefore, we are using 399 employees as our base assumption at occupancy in 2010.

For the 5-year period of 2010 to 2015, we are using a historical growth factor of 1.7% annually. This results in an additional 35 positions over that period, for a total of 434 positions. We will provide additional space for those positions.

Beyond 2015 to 2025, we will plan for an annual growth rate of 1%, resulting in an additional 43 positions for a total of 477 positions before we would exceed the capacity of the building. The accommodation for growth during this period would be a combination of densification of workspaces and conversion of some support spaces to office.

I have learned that there is no "right way" to do growth planning, and any assumption is subject to second-guessing. Providing too little initial space is shortsighted, while providing too much initial space is wasteful. Staff will continue to deliberate on growth planning before the final draft of the POR is presented to the Board.

4) Parkside Headquarters and Other Spaces

The 2003 Consolidated Headquarters Study assumed all staff at Parkside would move to the new headquarters. It did not elaborate on what other use might be placed at Parkside. The Commission renovated and expanded Parkside by approximately 10,000 GSF around 1990. The building is in reasonably good shape, and is 25,500 GSF in size. It is owned by Montgomery County and is leased by the Commission for \$1 per year. It is contiguous to Sligo Creek Park. There are no known plans for any other agency to utilize the building. The most likely user would be Montgomery County Public Schools, who indicate no need for Parkside in their long-range plans.

Given the increase in the space need for the headquarters, we have re-examined the concept of abandoning Parkside, in order to constrain the space need of the new headquarters. There are a number of organizational units currently targeted for the new headquarters that do not have critical adjacency requirements to the Planning Board or the Planning Department's regulatory, master plan, and zoning functions that could be placed at Parkside without significant adverse impact. I plan to work with the Director of Parks and Planning Director to determine the most appropriate staff for placement at Parkside.

F) NEXT STEPS:

Considering the Board's guidance, I will work with both Directors to finalize our space needs for the new headquarters. We will then direct RTKL to produce a final draft of the POR. The architect for SilverPlace, the Smith Group, will then review the draft for its incorporation, and potential modification to the SilverPlace concept. The final POR will then be brought back to the Planning Board for review as a prerequisite to sending the supplemental appropriation request for design funds for the SilverPlace project to the County Council.