White Flint 2 Sector Plan: Worksession No. 5-Financing Alternatives

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Completed: 3/16/17

Summary

Staff will discuss financing possibilities that could support the infrastructure needs for the White Flint 2 Sector Plan area. The adjacent White Flint Special Taxing District will also be discussed. Executive Branch representatives will attend this worksession to discuss their perspective regarding financing alternatives for the Plan area.
SCHEDULE

The Planning Board held a public hearing on the Draft White Flint 2 Sector Plan on January 12, 2017. The Board has held five worksessions on the Public Hearing Draft of the White Flint 2 Sector Plan:

 January 27: Focused on transportation analysis and staging recommendations in the Draft Plan.
 February 9: Reviewed the Executive Boulevard District and associated economic feasibility analysis for some properties.
 February 16: A joint meeting with the Rock Spring Master Plan on school issues within the Walter Johnson Cluster.
 February 23: Reviewed the Rockville Pike-Montrose North District and revisited five properties in the Executive Boulevard District.
 March 9: Reviewed the Randolph Hills and Parklawn South Districts.

The next worksession on March 30 will discuss transportation modeling update.

PUBLIC TESTIMONY

Several property owners and interested parties submitted testimony regarding financing of infrastructure for the Plan area. Federal Realty Investment Trust, owner of Montrose Crossing and Federal Plaza, supports some form of financing option that would be sector-wide and replace the transportation impact tax, similar to White Flint Special Taxing District. Several Executive Boulevard property owners have discussed including their properties into the White Flint Special Taxing District only if zoning, densities, and heights are sufficient to incentivize development. The City of Rockville has testified that impact fees charged for development must be sufficient to fund the necessary infrastructure.

DRAFT PLAN RECOMMENDATIONS

As part of the staging plan, the Public Hearing Draft Plan recommends that the determination of a public finance mechanism should occur within 12 months of adopting the Sectional Map Amendment (SMA). This timeline would permit all interested parties to discuss and create the appropriate financing mechanism to fund the infrastructure needs of the proposed White Flint 2 Sector Plan.

Initial Estimated Infrastructure Cost

Based on prior studies and new information, the initial estimated costs for some of the White Flint 2 infrastructure is indicated below:

Second Metro Entrance (within 2010 White Flint Sector Plan area)

 $13.5 million (2008 estimate)-similar to the existing station entrance
 $35 million (2008 estimate)-new style entrance with a pedestrian tunnel
MARC Station
- $20 million (2009 estimate)-not including property acquisition

Shuttle/circulator
- $1.25-$5 million

Bikeways
- $60-$200 per linear feet

Price estimates for a pedestrian bridge across the CSX tracks and the roadway realignment of Parklawn Drive and Randolph Road have not been determined at this time.

**FINANCING FRAMEWORK**

The following are core principles used to evaluate a number of financing options. These core principles were also used in the 2010 White Flint Sector Plan process.

1. Protect the Charter property tax limit.
2. Secure revenue stream to pay off bonds.
3. Maintain County bond rating; low risk exposure to County.
4. Solid legal basis and ease of legal implementation.
5. Timely availability of revenue to produce infrastructure.
6. Uniform/equitable approach regarding who pays.
7. Clarity necessary for public understanding and acceptance.

Using this framework, planning staff examined a variety of financing mechanisms that included special tax districts, excise taxes, development districts, tax increment financing, and a continuation of development impact taxes. Staff also met with County government agencies, including the County Executive’s office, about the feasibility of these options.

**Financing Mechanisms**

The Draft Plan recommends various public improvements designed to serve the area and provide capacity to accommodate new growth in White Flint 2. Many of these improvements are also recommended in the 2010 White Flint Sector Plan. Due to their proximity to each other, some of the infrastructure improvements recommended in these two sector plans benefit properties in both plan areas. The projects that are of particular benefit to properties in White Flint 2 include: a northern entrance for the White Flint Metro Station, a shuttle/circulator that could serve both plan areas, a new MARC Station, and protected bikeways along Executive Boulevard and East Jefferson Street.

Several financing mechanisms exist to close the funding gap for these projects, each with their advantages and limitations. Most of these tools were comprehensively examined during the 2010 White Flint Plan, and were reevaluated for their appropriateness in White Flint 2. Below is a brief overview of these financing tools:
Development Impact Tax for Transportation Improvements

- Development Impact taxes are paid at the time of building permit. Impact taxes only apply to new development and do not extend to existing development. Impact taxes do not count against the County’s Charter limit and debt capacities. However, it is an unreliable revenue resource as it fluctuates with the pace of new development.

Development Districts

- Chapter 14 of the County Code permits the creation of development districts where taxes are levied on properties within a district, and revenues are dedicated to pay debt service on bonds associated with infrastructure improvement projects. Additional taxes are above the existing taxes. Kingsview Village Center and West Germantown are two such districts in Montgomery County. Upon formation of the district, taxes can be collected from properties that go through redevelopment process. Development districts require the consent of at least 80 percent of the property owners.

Development District-Special Taxing Area

- Special Taxing districts apply ad valorem taxes on all properties within a specific district with revenues assigned to pay debt service on bonds issued for infrastructure. All properties in the district are taxed at the same rate and development projects do not pay development impact tax. The existing White Flint Special Taxing District is an example of a special taxing district that will fund specific mobility projects in the 2010 White Flint Sector Plan area. A special taxing district is not subject to the County’s Charter limit and debt capacities. (See Attachment 1 for White Flint Special Taxing District and Attachment 2 for Infrastructure Improvement List.)

Excise Taxes

- Excise taxes are applied to a specific activity of purchase, such as fuel taxes, admission and amusement taxes, etc. Excise taxes could be used in conjunction with other taxation, and rates can be structured in a variety of ways to help achieve equity. Possible applications to White Flint II could be a tax on rental or business activity, parking spaces, or hotel/motel occupancy. However, the revenue raised would likely be modest, and the revenue stream is uncertain and unlikely to be able to secure debt. Excise taxes are also untested and have never been used to fund public improvements on a district level in the County.

Tax Increment Financing

- Tax Increment Financing (TIF) permits a portion or all new property tax revenues generated by a development to be used to finance debt issued to support infrastructure improvements. This form of financing has never been used in Montgomery County. It carries the risk that the planned development may not occur as estimated and the County will not be able to recoup funds to pay debt service for bonds issued to finance infrastructure improvements.
Transportation Impact Fee

- An additional transportation impact fee levied on new construction – similar to the Local Area Transportation Review (LATR) fee system in place in White Oak – that covers their individual impact on the local transportation network by being earmarked for infrastructure improvements to be built by the County. This fee could reduce, or serve in lieu of the County’s development impact tax.

ATTACHMENTS
1. White Flint Special Taxing District
2. White Flint Sector Plan Implementation Strategy and Infrastructure Improvement List
COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN ACT to:
(1) establish a White Flint Special Taxing District;
(2) authorize the levy of an ad valorem property tax to fund certain transportation infrastructure improvements;
(3) authorize the issuance of a certain type of bond to finance certain transportation infrastructure improvements;
(4) generally authorize a White Flint Special Taxing District; and
(5) generally amend or supplement the laws governing the use of infrastructure financing districts and similar funding mechanisms.

By adding
Montgomery County Code
Chapter 68C, White Flint Special Taxing District

The County Council for Montgomery County, Maryland approves the following Act:
Sec 1. Chapter 68C is added as follows:

Chapter 68C. White Flint Special Taxing District.

68C-1. Definitions.

For purposes of this Chapter, the following terms have the meanings indicated:

*Bond* means a special obligation or revenue bond, note, or other similar instrument issued by the County that will be repaid from revenue generated by ad valorem taxes levied under this Chapter.

*Cost* means the cost of:

1. the construction, reconstruction, and renovation of any transportation infrastructure improvement, including the acquisition of any land, structure, real or personal property, right, right-of-way, franchise, or easement, to provide a transportation infrastructure improvement for the District;

2. all machinery and equipment needed to expand or enhance a transportation infrastructure improvement for the District;

3. financing charges and debt service related to a transportation infrastructure improvement for the District, whether the charge or debt service is incurred before, during, or after construction of the transportation infrastructure improvement, including the cost of issuance, redemption premium (if any), and replenishment of debt service reserve funds for any bond that finances a transportation infrastructure improvement for the District;

4. reserves for principal and interest, the cost of bond insurance, and any other type of financial guarantee, including any credit or liquidity enhancement, related to a transportation infrastructure improvement for the District;
(5) architectural, engineering, financial, and legal services related to providing a transportation infrastructure improvement for the District;

(6) any plan, specification, study, survey, or estimate of costs and revenues related to providing a transportation infrastructure improvement for the District;

(7) any administrative expense incurred by the County necessary or incident to determining whether to finance or implement a transportation infrastructure improvement for the District; and

(8) any other expense incurred by the County necessary or incident to building, acquiring, or financing a transportation infrastructure improvement for the District.

District means the White Flint Special Taxing District created under Section 68C-2.

Transportation infrastructure improvement means:

(1) the construction, rehabilitation, or reconstruction of a road, street, or highway that serves the District, including any:
   (A) right-of-way;
   (B) roadway surface;
   (C) roadway subgrade or shoulder;
   (D) median divider;
   (E) drainage facility or structure, including any related stormwater management facility or structure;
   (F) roadway cut or fill;
   (G) guardrail;
   (H) bridge;
   (I) highway grade separation structure;
(J) tunnel;

(K) overpass, underpass, or interchange;

(L) entrance plaza, approach, or other structure that is an integral part of a street, road, or highway;

(M) bicycle or walking path;

(N) designated bus lane;

(O) sidewalk or pedestrian plaza;

(P) streetscaping and related infrastructure; including placing utilities underground; and

(Q) other property acquired to construct, operate, or use a road, street, or highway; and

(2) a transit facility that serves the needs of the District, including any:

(A) track;

(B) right-of-way;

(C) bridge;

(D) tunnel;

(E) subway;

(F) rolling stock;

(G) station or terminal;

(H) parking area;

(I) related equipment, fixture, building, structure, or other real or personal property; and

(J) service intended for use in connection with the operation of a transit facility, including rail, bus, motor vehicle, or other mode of transportation.

68C-2. Creation; Boundaries.
(a) The White Flint Special Taxing District is coterminal with the approved and adopted White Flint Sector Plan area.

(b) The following properties, identified by street address, are not included in the District: 5411 McGrath Boulevard, 5440 Marinelli Road, 5801 Nicholson Lane, 11700 Old Georgetown Road, 11701 Old Georgetown Road, 11750 Old Georgetown Road, 11800 Old Georgetown Road, 11801 Rockville Pike, 5800 Nicholson Lane, 5802 Nicholson Lane, 5809 Nicholson Lane, 5440 Marinelli Road, 5503 Edson Lane, 5505 Edson Lane, 5507 Edson Lane, 5509 Edson Lane, 11201 Woodglen Drive, 11203 Woodglen Drive, 11205 Woodglen Drive, 11207 Woodglen Drive, 11209 Woodglen Drive, 11351 Woodglen Drive, 11418 Rockville Pike, 11200-11219 Edson Park Place, 11222 Edson Park Place, 11224 Edson Park Place, 11226 Edson Park Place, 11228 Edson Park Place, 11230 Edson Park Place, 11232 Edson Park Place, 11234 Edson Park Place, 11236 Edson Park Place, 11238 Edson Park Place, and 11240 Edson Park Place.

68C-3. Levy of Tax; Limits.

(a) Each tax year the County Council may levy against all the assessable real and personal property in the District a sum on each $100 of assessable property that does not exceed an amount sufficient to cover the costs of transportation infrastructure improvements that have been identified in a Council resolution approved under Section 68C-4.

(b) Under Section 9-1302 of Article 24, Maryland Code, the limit in Charter Section 305 on levies of ad valorem taxes on real property to finance County budgets does not apply to revenue from any tax imposed under this Chapter.
(c) The tax imposed under this Chapter must be levied and collected as other County property taxes are levied and collected.

(d) The tax imposed under this Chapter has the same priority, bears the same interest and penalties, and in every respect must be treated the same as other County property taxes.

(e) Paying the tax imposed under the Chapter does not entitle any person to claim a credit against any other tax that the County imposes, including the development impact tax for transportation improvements imposed under Section 52-49 or the development impact tax for public school improvements imposed under Section 52-89.

68C-4. Transportation Infrastructure Improvement Resolution.

(a) After holding a public hearing, the Council may approve a resolution that lists each transportation infrastructure improvement that would be entirely or partly paid for by a tax imposed under Section 68C-3.

(b) The resolution must indicate the estimated cost, including a contingency amount, for each listed improvement.

(c) The Council may amend the resolution after holding a public hearing.

(d) The Council must present the resolution and each amended resolution to the Executive for approval or disapproval. If the Executive disapproves a resolution within 10 days after it is transmitted to the Executive and the Council readopts the resolution by a vote of 6 Councilmembers, or if the Executive does not act within 10 days after the resolution is transmitted, the resolution takes effect.

(e) Before the Council holds a public hearing under subsection (a) or (c), the Executive should transmit to the Council:
(1) a list of recommended transportation infrastructure improvements
to be entirely or partly paid for by a tax imposed under Section 68C-3;
(2) the estimated cost, including a contingency amount, for each
listed improvement; and
(3) an estimated tax rate for each tax to be imposed under Section 68C-3.

Before the County loans or advances any funds to the District that the
District is required to repay to the County, the Council must adopt a
[[financing]] repayment plan in a resolution under this Section, or as
part of an approved Capital Improvements Program resolution, that
specifies:
(1) each transportation infrastructure improvement for which funds
would be advanced;
(2) the amount of funds advanced which the District must repay;
(3) the [[amount]] expected rate of interest, if any, the District must
repay;
(4) the time period during which the District [[must]] is expected to
repay the amount due; and
(5) [[the number and timing of installment payments, if any; and]]
[[6]] any other principal term of repayment.
Any [[financing]] repayment plan adopted under this subsection is
binding on the District and the County, except as later modified in a
Council resolution.

68C-5 District Fund.
(a) The Director of Finance must establish a separate fund for the proceeds
collected from any tax imposed under this Chapter. The proceeds of
any tax imposed under this Chapter must be pledged to and paid into this fund.

(b) The Director of Finance must use this fund only to pay the cost of any transportation infrastructure improvement related to the District.

(c) If in any fiscal year a balance remains in the fund, the Director of Finance may use the balance to:

(1) pay the cost of any transportation infrastructure improvement for the District;

(2) create a reserve to pay the future costs of any transportation infrastructure improvement for the District;

(3) pay bond-related obligations or retire bonds then outstanding; or

(4) pay into a sinking fund required by the terms of bonds which finance the cost of any transportation infrastructure improvement for the District that may be incurred or accrue in later years.

68C-6. Issuing Bonds.

(a) Before the County issues any bond payable from ad valorem taxes levied under Section 68C-3, the Council must adopt a resolution authorizing the issuance of bonds that meets the requirements of this Section.

(b) Each resolution under this Section must:

(1) describe the types of transportation infrastructure improvements and related costs to be financed; and

(2) specify the maximum principal amount of bonds to be issued.

(c) Each resolution may specify, or authorize the Executive by executive order to specify:

(1) the actual principal amount of bonds to be issued;

(2) the actual rate or rates of interest for the bonds;
(3) how and on what terms the bonds must be sold;
(4) how, when, and where principal of, and interest on, the bonds must be paid;
(5) when the bonds may be executed, issued, and delivered;
(6) the form and tenor of the bonds, and the denominations in which the bonds may be issued;
(7) how any or all of the bonds may be called for redemption before their stated maturity dates;
(8) the nature and size of any debt service reserve fund;
(9) the pledge of other assets in and revenues from the District to pay the principal of and interest on the bonds;
(10) any bond insurance or any other financial guaranty or credit or liquidity enhancement of the bonds; and
(11) any other provision consistent with law that is necessary or desirable to finance any transportation infrastructure improvement that has been identified in a Council resolution approved under Section 68C-4.

(d) (1) The County [[covenants]] must covenant to levy ad valorem taxes against all assessable real and personal property in the District at a rate and amount sufficient in each year when any bonds are outstanding to:
(A) provide for the payment of the principal of, interest on, and redemption premium if any, on the bonds;
(B) replenish any debt service reserve fund established with respect to the bonds; and
(C) provide for any other purpose related to the ongoing expenses of and security for the bonds.
The County further [[covenants]] must covenant, when any bond is outstanding, to enforce the collection of all ad valorem taxes under this Chapter as provided by applicable law.

All proceeds received from any issuance of bonds must be applied solely towards costs of the transportation infrastructure improvements listed in the resolution adopted under Section 68C-4, including the cost of issuing bonds and payment of the principal of, interest on, and redemption premium if any, on the bonds.

The bonds issued under this Chapter:

1. are special obligations of the County and do not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or the County's general taxing power;
2. may be sold in any manner, either at public or private sale, and on terms as the Executive approves;
3. are not subject to Sections 10 and 11 of Article 31, Maryland Code; and
4. must be treated as securities to the same extent as bonds issued under Section 9-1301 of Article 24, Maryland Code.

To the extent provided by law, the bonds, their transfer, the interest payable on them, and any income derived from them, including any profit realized on their sale or exchange, must be exempt at all times from every kind and nature of taxation by the State of Maryland and any county or municipality in Maryland.

The bonds must be payable from the fund required under Section 68C-5 and any other asset or revenue of the District pledged toward their payment. When any bond is outstanding, the monies in the fund are pledged to pay the costs of any transportation infrastructure
improvement funded entirely or partly by the proceeds of the bonds, including the costs of issuing the bonds and payment of the principal of, interest on, and redemption premium if any, on the bonds. In addition to ad valorem taxes, the bonds may be secured by any other asset in or revenue generated in the District.

(i) Any ad valorem tax imposed under this Chapter must not be accelerated because of any bond default.

68C-7. Expiration of district.

Any special taxing district created under this Chapter expires by operation of law 30 days after the cost of all transportation infrastructure improvements identified in a Council resolution approved under Section 68C-4, including all outstanding bonds and cash advances made by the County, have been paid.

Approved:

Nancy Floreen, President, County Council

Approved:

Ishian Legget, County Executive

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Date
COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: White Flint Sector Plan Implementation Strategy and Infrastructure Improvement List

Background

1. On March 23, 2010, the County Council, sitting as the District Council, adopted the White Flint Sector Plan, which approved a long range vision of transforming the Sector Plan area into a pedestrian-friendly transit-oriented urban setting.

2. The White Flint Sector Plan envisions conversion of Rockville Pike (MD Route 355) into a walkable boulevard with bus rapid transit along with road networks to the west and east of Rockville Pike that will provide effective alternatives to the highly congested Rockville Pike and connected blocks for development and connectivity.

3. The Plan’s focus on access to Metro transit and redevelopment of the extensively built environment make White Flint a priority smart growth area.

4. The White Flint Sector Plan Area is expected to be a leading economic engine for the County.

5. To provide greater assurance of achieving this vision, the Plan identified a need for a public financing mechanism to fund a portion of the transportation infrastructure. This public financing mechanism anticipates assessments against property or other means of revenue generation and is intended to replace payments that projects redeveloping in the plan area would have to pay under current adequate public facilities requirements for local area transportation and policy area mobility reviews (LATR and PAMR).

6. The Council enacted Bill 50-10, creating the White Flint Special Taxing District to raise revenues to fund certain transportation improvements. The White Flint Special Taxing District will provide greater assurances of reliable and consistent revenue generation and materially greater funds for transportation improvements than would be anticipated from combined payments under otherwise applicable transportation development impositions, including LATR, PAMR, and transportation impact taxes.
7. The Council pursued certain goals in enacting Bill 50-10, including (a) creating a mechanism that will produce a reliable and consistent source of funds to secure debt service and pay for specific transportation infrastructure items; (b) imposing a manageable and sustainable payment for transportation infrastructure associated with new development in the White Flint Sector Plan area without unduly burdening property owners; and (c) setting and maintaining a tax rate that will allow development and businesses in White Flint to be competitive in attracting businesses to the area.

8. County Code Chapter 68C, enacted in Bill 50-10, establishes the White Flint Special Taxing District, authorizes the levy of an ad valorem tax to fund transportation infrastructure improvements in the District, and authorizes the issuance of bonds to finance the transportation infrastructure improvements.

9. Chapter 68C-4 requires a resolution that lists each transportation infrastructure improvement that is to be paid for by the District special tax, and the estimated costs of each improvement, which must include a contingency amount.

**Action**

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

To comply with the requirements of Chapter 68C and to successfully implement the White Flint Sector Plan, the Council takes the following steps and adopts the following implementation strategy to maximize acceptable growth in the Plan area and to move from Stage 1 to Stages 2 and 3 of development envisioned in the Plan.

1. The County's goal is that the White Flint Special Taxing District special tax rate must not exceed 10% of the total tax rate for the District, except that the rate must be sufficient to pay debt service on any bonds that are already outstanding.

2. If the revenues from the special tax at the level in the preceding paragraph are not sufficient to afford additional infrastructure improvements as are necessary and ready for implementation to execute the White Flint Sector Plan, the County Executive, before recommending any increase to the tax rate above the level in the preceding paragraph, must consider alternative approaches, including the timing and scope of each infrastructure item and the structure of the financing plan to pay for it, and alternative revenue sources.

3. Without limiting the specificity of the preceding paragraph, before issuing debt secured by or intended to be paid by the White Flint Special Taxing District, the County Executive must carry out a feasibility or other study to assess whether repaying the debt will require a district tax rate that will exceed the 10% policy goal. If this analysis concludes that a rate higher than the 10% policy goal would be
required, the Council intends that either (a) the debt will not be issued at that time; or (b) the County will manage the debt issuance or repayment in a manner that will have the White Flint Special Taxing District rate stay within the 10% policy goal.

4. For the tax year that began on July 1, 2010, the total base real property tax rate in the White Flint Special Taxing District is $1.027 per $100 of assessed value.

5. For the tax year that begins on July 1, 2011, the rate of the White Flint Special Taxing District special tax is estimated to be $0.103 per $100 of assessed value. The Council will set the actual Special Taxing District tax rate when it sets other property tax rates in May 2011.

6. The specific transportation infrastructure improvements that will be financed by the White Flint Special Taxing District are listed in Exhibit A, along with an estimated cost for each improvement, including a contingency amount. The District will remain responsible for the actual cost of each designated infrastructure improvement, including any future cost increase.

7. If a gap results between the White Flint Special Taxing District revenue generation and the aggregate cost of those transportation projects to be funded by District revenues, and to assure adherence to the 10% policy rate goal and the prompt building of necessary infrastructure in the Sector Plan area, the Council policy is that, to promptly implement the Sector Plan, the Capital Improvements Program for this area will include forward funding or advance funds to design and build the following:
   (a) that portion of Market Street from Old Georgetown Road to Woodglen Road, including a bike lane;
   (b) realignment of Executive Boulevard from Marinelli Road to MD Route 187;
   (c) the redesign of Rockville Pike (these 3 items collectively may be referred to as “forward-funded items”); and
   (d) up to $15 million for other items assigned to the District in Plan stages 1 and 2.
Any forward funding or advance payment must be structured so that it does not count under applicable spending affordability guidelines.

8. As used in the preceding paragraph, forward fund or advance funds means
   (a) For items 7(a), (b), and (c), the County would include these items in the County Capital Improvements Program and fund them accordingly, and the District, subject to applicable provisions of Chapter 68C, would, on a dollar for dollar basis, without any interest accruing during the first 10 years after that Capital Improvements Program is approved, repay the County when every District improvement listed in Exhibit A has been
funded either directly or through debt secured by the District. However, the District may repay the County earlier for any item to the extent that revenue generation exceeds the funds needed to pay for other improvements assigned to the District and no stage of development under the Sector Plan would be delayed; and

(b) For item 7(d), the County would coordinate with planned private development and include infrastructure items necessary for that development to proceed in a timely fashion in the County Capital Improvements Program, and the District would reimburse the County for all costs incurred in connection with any advance, including interest costs.

9. The specified items subject to forward or advance funding have estimated costs shown in Exhibit A as follows:

(a) The realignment of Executive Boulevard and Market Street from Old Georgetown Road to Woodglen Road is estimated to cost $24.8 million, not including right-of-way which is assumed to be dedicated by affected property owners.

(b) The redesign of Rockville Pike is estimated to cost $7.7 million.

10. The County Executive will include the projects comprising the forward funding in his January 2011 Capital Improvements Program Amendments, with initial expenditures in fiscal years 2015, 2016, and beyond until completed.

11. Two items have been removed from District funding and must instead be paid for by County or other sources of public funds. These items are:

(a) the second entrance to the White Flint Metro Station, which is estimated to cost $35 million; and

(b) the Nebel Street bike lane, which is estimated to cost $9.2 million.

12. One item has been modified for District funding: Market Street between MD Route 355 and Station Street (bridge across White Flint Metro station), at an estimated added cost of $5.2 million and a total cost of $7.2 million.

13. The County Council intends that the annual joint State-County transportation priority letter would include a request to the Maryland Department of Transportation that the White Flint Sector Plan Area should receive a Transit Oriented Development designation, but also note that granting this status to the White Flint area does not mean that transportation infrastructure items in that area would supersede any other items in the priority letter.
14. The Council intends to amend the law authorizing the County transportation impact tax to create a White Flint impact tax district and to set the tax rate in that district at $0. The Executive intends to submit a Bill to the Council to do this. The Council also intends that the transportation impact tax rate for the remaining buildings in LCOR Inc.'s North Bethesda Center development be set at $0. This development had been approved under the former County Growth Policy’s Alternative Review Procedure for Metro Station Policy Areas, under which its transportation impact tax rate is 75% of the applicable County-wide rate. This action would also be included in the transportation impact tax amendments bill.

15. The Council intends to fund, in the White Flint Special Taxing District Capital Improvements Program referred to in paragraph 10, to the extent legally allowable, personnel costs and other expenses of the development coordinator for the White Flint planning area that the Executive is required to designate under County Code §2-25(c), enacted in Council Bill 1-10. State law (including Maryland Code Article 24, §9-1302(a)(2), incorporating §9-1301(a)(3)(viii), and §9-1303(a)(2) and §9-1303(e)) authorizes funding of these costs by the District.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Approved:

Isiah Leggett, County Executive
EXHIBIT A

WHITE FLINT SPECIAL TAXING DISTRICT
DISTRICT-FUNDED IMPROVEMENTS

<table>
<thead>
<tr>
<th>Improvement Description</th>
<th>Estimated Cost</th>
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<tr>
<td>Old Georgetown Road (MD 187): Nicholson La./Tilden La. to Executive Blvd.</td>
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<td>Old Georgetown Road (MD 187): Hoya St. to Rockville Pike (MD 355)</td>
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<td>Hoya Street (formerly Old Old Georgetown Rd.): Executive Blvd. to Montrose Pkwy.</td>
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<td>Rockville Pike (MD 355): Flanders Ave. to Hubbard Drive</td>
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<td>Nicholson Lane: Old Georgetown Rd. (MD 187) to CSX tracks</td>
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<td>Executive Blvd. Ext.: Marinelli Rd. to Old Georgetown Rd (MD 187)</td>
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<td>Main St./Market St.: Old Georgetown Rd. (MD 187) to Executive Blvd. Extended (Bikeway)</td>
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