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**Worksession 2: October 23, 2003**

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October 17, 2003

**MEMORANDUM**

TO: Montgomery County Planning Board

FROM: Bette McKown, Capital Improvements Program (CIP) Coordinator  
Park Development Division (PDD) *BMcK*

SUBJECT: Proposed Acquisition: Local Parks PDF 767828 and  
Acquisition: Non-Local Parks PDF 998798

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Recommendation

Staff recommends that the Planning Board approve the Acquisition: Local Parks PDF and the Acquisition: Non-Local Parks PDF, as proposed (attached). The proposed six-year expenditures for these combined programs are \$11.472 million.

The proposed six-year program expenditures assume that the State of Maryland's Program Open Space (POS) allocation to Montgomery County solely for acquisitions will remain at \$1.7 million, consistent with the actual FY04 allocation. Of this allocation, the PDFs direct \$0.6 million to local park acquisitions and \$1.142 million to non-local park acquisitions.

William Gries, the Department's acquisition specialist, suggests that if the State's future allocations solely for acquisitions dip below \$1.7 million, the Planning Board may wish to assess the specific impact on the program and ask the County to provide the funding to bridge the shortfall. The State will notify us of our FY05 allocation in late April next year during the County Council's final deliberations on the FY05-10 CIP. In the meantime, the Planning Board may wish to appeal to the Governor and State Legislature to protect future POS funding.

Background

These two acquisition PDFs are supported almost entirely with POS funds, but that funding is speculative since the State announces the actual annual allocation only two months prior to each fiscal year. The other funding sources support related expenditures, e.g. surveys, appraisals, and staff costs associated with acquiring the properties.

Prior to the FY99-04 CIP, General Obligation Bonds—both County and Park and Planning-- supplemented POS in support of the acquisitions program. While these funding sources no longer support actual land acquisition costs in these two PDFs, they are providing more than \$80 million of the \$100 million Legacy Open Space program, also being discussed at this worksession.

POS Stateside was typically directed to non-local park projects. Beginning with the FY03-08 CIP, the Department ceased programming POS Stateside funds in the six-year program because of the purely speculative nature of these funds. Future PDFs will only show POS Stateside funds actually awarded for a specific project. The Acquisition: Non-Local Parks PDF proposes that the remaining POS Stateside spending authorization (\$2,325,000) be disappropriated because State monies do not back it up.

POS Funding for Acquisition

The chart below shows actual POS allocations solely for acquisition since 1990.

| POS Allocations: Acquisition<br>1990 - 2004 |                   |                             |
|---|-------------------|-----------------------------|
|   | Net Apportionment | % Change from<br>Prior Year |
| 1990  | 1,015,046         | -30.22%                     |
| 1991  | 501,270           | -50.62%                     |
| 1992  | 431,962           | -13.83%                     |
| 1993  | 1,288,066         | 198.19%                     |
| 1994  | 1,788,396         | 38.84%                      |
| 1995  | 1,890,193         | 5.69%                       |
| 1996  | 2,267,464         | 19.96%                      |
| 1997  | 2,274,646         | 0.32%                       |
| 1998  | 2,111,936         | -7.15%                      |
| 1999  | 2,638,978         | 24.96%                      |
| 2000  | 3,073,618         | 16.47%                      |
| 2001  | 3,230,391         | 5.10%                       |
| 2002  | 3,855,343         | 19.35%                      |
| 2003  | 1,565,380         | -59.40%                     |
| 2004  | 1,742,320         | 11.30%                      |
| Yearly<br>Avg.                              | 1,978,334         |                             |

If we project receipt of \$1,742,320 solely for acquisitions in FY05, consistent with the FY04 allocation, we are projecting an annual acquisition program that is \$256,680 below our fifteen year average allocation for acquisitions, but higher than our actual FY03 allocation. If the programmed allocation is too high, our cumulative appropriation will exceed our programmed expenditure; if the proposed programmed allocation is too low, we will need to seek an amendment and special appropriation from the County Council to spend the additional POS funds. The latter is preferable since the PDF will then more accurately reflect reality.

The immediate future for POS funding for acquisitions is not promising. Governor Robert Ehrlich, Jr. recently decided to temporarily halt all land preservation programs in the State while his administration "rewrites" the rules for these programs. The Governor proposes to refocus the acquisition program to protect Chesapeake Bay properties. It is unclear whether that will apply primarily to protecting waterfront land or include other acquisitions that may contribute to the water quality of the Chesapeake Bay. These actions could halt expenditure of acquisition funds already allocated and unspent to date. Many jurisdictions are appealing to the Governor to reconsider his decision. We will keep you apprised of the State's actions regarding POS spending.

#### Summary Table

The attached table summarizes acquisition expenditure schedules for these two PDFs, the Legacy Open Space PDF, and the Advanced Land Acquisition Revolving Fund (ALARF) PDF. The total six-year acquisition program, inclusive of all four PDFs, is \$66,749,000.

The attached table displays the proposed development program, as well as the acquisition program, to allow you to see the acquisition program in the context of the total proposed FY05-10 CIP.

Bill Gries will attend Thursday's worksession to respond to your questions about the acquisition program.

#### Attachments

N:\Cip\05-10 CIP\PLANNING BOARD PACKET 2\Acquisition.local.nonlocal.memo.doc

# Acquisition: Local Parks -- No. 767828

Category **M-NCPPC**  
 Agency **M-NCPPC**  
 Planning Area **Countywide**  
 Relocation Impact

Date Last Modified  
 Previous PDF Page Number  
 Required Adequate Public Facility

October 17, 2003  
 23-17 (99 App)  
 NO

## EXPENDITURE SCHEDULE (\$000)

| Cost Element                     | Total         | Thru FY03     | Est. FY04  | Total 6 Years | FY05       | FY06       | FY07       | FY08       | FY09       | FY10       | Beyond 6 Years |
|----------------------------------|---------------|---------------|------------|---------------|------------|------------|------------|------------|------------|------------|----------------|
| Planning, Design and Supervision | 188           | 118           | 10         | 60            | 10         | 10         | 10         | 10         | 10         | 10         | 0              |
| Land                             | 14,957        | 10,584        | 773        | 3,600         | 600        | 600        | 600        | 600        | 600        | 600        | 0              |
| Site Improvements and Utilities  |               |               |            |               |            |            |            |            |            |            |                |
| Construction                     |               |               |            |               |            |            |            |            |            |            |                |
| Other                            | 175           | 0             | 25         | 150           | 25         | 25         | 25         | 25         | 25         | 25         | 0              |
| <b>Total</b>                     | <b>15,320</b> | <b>10,702</b> | <b>808</b> | <b>3,810</b>  | <b>635</b> | <b>635</b> | <b>635</b> | <b>635</b> | <b>635</b> | <b>635</b> | <b>0</b>       |

## FUNDING SCHEDULE (\$000)

|                         |        |       |     |       |     |     |     |     |     |     |   |
|-------------------------|--------|-------|-----|-------|-----|-----|-----|-----|-----|-----|---|
| Program Open Space      | 12,444 | 8,071 | 773 | 3,600 | 600 | 600 | 600 | 600 | 600 | 600 | 0 |
| Federal Aid             | 165    | 165   | 0   | 0     | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| Park and Planning Bonds | 2,536  | 2,291 | 35  | 210   | 35  | 35  | 35  | 35  | 35  | 35  | 0 |
| WSSC Bonds              | 175    | 175   | 0   | 0     | 0   | 0   | 0   | 0   | 0   | 0   | 0 |

## ANNUAL OPERATING BUDGET IMPACT (\$000)

|               |  |  |  |     |     |     |     |     |     |     |     |
|---------------|--|--|--|-----|-----|-----|-----|-----|-----|-----|-----|
| Maintenance   |  |  |  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| Program-Staff |  |  |  | 78  | 13  | 13  | 13  | 13  | 13  | 13  | 0   |
| Program-Other |  |  |  | 18  | 3   | 3   | 3   | 3   | 3   | 3   | 0   |
| Net Impact    |  |  |  | 96  | 16  | 16  | 16  | 16  | 16  | 16  | 0   |
| Workyears     |  |  |  | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

### DESCRIPTION

This project identifies capital expenditures and appropriations for local parkland acquisitions, including related costs for surveys and appraisals. Local parks include urban, neighborhood, and neighborhood conservation area parks, as defined by the Park, Recreation, and Open Space (PROS) Plan. Acquisitions may include Piney Branch Road Urban Park, Airy Hill Local Park Addition, and Cross Creek Local Park addition. Other unspecified sites and additions to existing sites may be pursued if they become available and funds are available. To the extent possible, the Commission acquires parkland through dedication at time of subdivision; however, to meet all parkland needs, this method must be supplemented by a direct land purchase program.

### Plans and Studies

The PROS Plan and other adopted area master plans guide the local parkland acquisition program.

### Cost Change

INCREASE DUE TO THE ADDITION OF FY09 AND FY10 TO THIS ONGOING PROJECT.

### STATUS

Ongoing.

### OTHER

Beginning in FY03, \$25,000 COVERS ANNUAL onetime costs to secure properties, e.g. removing attractive nuisances, posting properties, cleaning up sites, etc. IN FY05, BUILDING STRUCTURES AT PINEY BRANCH LOCAL PARK AND AIRY HILL LOCAL PARK WILL BE DEMOLISHED. These costs are not projected for the operating budget impact because the Department does not know when the negotiations for a particular property will be concluded or which Division's operating budget will be affected.

\* Expenditures will continue indefinitely.

### FISCAL NOTE

Of the \$3,484,639 total FY04 POS allocation, \$1,742,320, i.e. half of the total allocation, is earmarked solely for acquisitions. The Department projects the allocations to remain the same in FY05. Of the annual POS acquisition allocation, \$600,000 will be programmed in the Acquisition: Local PDF and the \$1,142,320 will be programmed in the Acquisition: Non-Local PDF.

| APPROPRIATION AND EXPENDITURE DATA  | COORDINATION             | MAP     |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
|---|--------------------------|---------|---------|-----------------------|--|---|---------------------|--|--|---------------|------|--------|-------------------------|--|--------|-----------------------|--|--------|-----------------------|------|-----|-------------------------|------|-----|------------------------------------|------|---|----------|--|---|--------------------------|--|--------|---------------------------|--|--------|----------------------|--|-----|-----------------------|------|---|----------------------|------|---|------------------------|--|---|--|---|
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Date First Appropriation</td> <td>FY00</td> <td style="text-align: right;">(\$000)</td> </tr> <tr> <td>Initial Cost Estimate</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>First Cost Estimate</td> <td></td> <td></td> </tr> <tr> <td>Current Scope</td> <td>FY97</td> <td style="text-align: right;">11,001</td> </tr> <tr> <td>Last FY's Cost Estimate</td> <td></td> <td style="text-align: right;">14,050</td> </tr> <tr> <td>Present Cost Estimate</td> <td></td> <td style="text-align: right;">15,320</td> </tr> <tr> <td>Appropriation Request</td> <td>FY05</td> <td style="text-align: right;">635</td> </tr> <tr> <td>Appropriation Req. Est.</td> <td>FY06</td> <td style="text-align: right;">635</td> </tr> <tr> <td>Supplemental Appropriation Request</td> <td>FY04</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Transfer</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>Cumulative Appropriation</td> <td></td> <td style="text-align: right;">11,510</td> </tr> <tr> <td>Expenditures/Encumbrances</td> <td></td> <td style="text-align: right;">10,712</td> </tr> <tr> <td>Unencumbered Balance</td> <td></td> <td style="text-align: right;">798</td> </tr> <tr> <td>Partial Closeout Thru</td> <td>FY02</td> <td style="text-align: right;">0</td> </tr> <tr> <td>New Partial Closeout</td> <td>FY03</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total Partial Closeout</td> <td></td> <td style="text-align: right;">0</td> </tr> </table> | Date First Appropriation | FY00    | (\$000) | Initial Cost Estimate |  | 0 | First Cost Estimate |  |  | Current Scope | FY97 | 11,001 | Last FY's Cost Estimate |  | 14,050 | Present Cost Estimate |  | 15,320 | Appropriation Request | FY05 | 635 | Appropriation Req. Est. | FY06 | 635 | Supplemental Appropriation Request | FY04 | 0 | Transfer |  | 0 | Cumulative Appropriation |  | 11,510 | Expenditures/Encumbrances |  | 10,712 | Unencumbered Balance |  | 798 | Partial Closeout Thru | FY02 | 0 | New Partial Closeout | FY03 | 0 | Total Partial Closeout |  | 0 | <p>Acquisition: Non-Local PDF 998798<br/>                     Legacy 2000 PDF 018710<br/>                     ALARF: M-NCPPC PDF 727007</p> <p>M-NCPPC asserts that this project conforms to the requirements of relevant local plans as required by the Maryland Economic Growth, Resource Protection and Planning Act.</p> | <p style="font-size: 2em; font-family: cursive;">VI-a-4</p> |
| Date First Appropriation  | FY00                     | (\$000) |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| Initial Cost Estimate   |                          | 0       |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| First Cost Estimate   |                          |         |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| Current Scope   | FY97                     | 11,001  |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| Last FY's Cost Estimate   |                          | 14,050  |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| Present Cost Estimate   |                          | 15,320  |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| Appropriation Request   | FY05                     | 635     |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| Appropriation Req. Est.   | FY06                     | 635     |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| Supplemental Appropriation Request  | FY04                     | 0       |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| Transfer  |                          | 0       |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| Cumulative Appropriation  |                          | 11,510  |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| Expenditures/Encumbrances   |                          | 10,712  |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| Unencumbered Balance  |                          | 798     |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| Partial Closeout Thru   | FY02                     | 0       |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| New Partial Closeout  | FY03                     | 0       |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |
| Total Partial Closeout  |                          | 0       |         |                       |  |   |                     |  |  |               |      |        |                         |  |        |                       |  |        |                       |      |     |                         |      |     |                                    |      |   |          |  |   |                          |  |        |                           |  |        |                      |  |     |                       |      |   |                      |      |   |                        |  |   |  |   |

# Acquisition: Non-Local Parks -- No. 998798

Category **M-NCPPC**  
 Agency **M-NCPPC**  
 Planning Area **Countywide**  
 Relocation Impact **None.**

Date Last Modified  
 Previous PDF Page Number  
 Required Adequate Public Facility

October 17, 2003  
 23-6 (01 App)  
 NO

### EXPENDITURE SCHEDULE (\$000)

| Cost Element                     | Total         | Thru FY03     | Est. FY04    | Total 6 Years | FY05         | FY06         | FY07         | FY08         | FY09         | FY10         | Beyond 6 Years |
|----------------------------------|---------------|---------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Planning, Design and Supervision | 1,464         | 519           | 135          | 810           | 135          | 135          | 135          | 135          | 135          | 135          | 0              |
| Land                             | 20,320        | 10,815        | 2,653        | 6,852         | 1,142        | 1,142        | 1,142        | 1,142        | 1,142        | 1,142        | 0              |
| Site Improvements and Utilities  |               |               |              |               |              |              |              |              |              |              |                |
| Construction                     |               |               |              |               |              |              |              |              |              |              |                |
| Other                            | 0             | 0             | 0            | 0             | 0            | 0            | 0            | 0            | 0            | 0            | 0              |
| <b>Total</b>                     | <b>21,784</b> | <b>11,334</b> | <b>2,788</b> | <b>7,662</b>  | <b>1,277</b> | <b>1,277</b> | <b>1,277</b> | <b>1,277</b> | <b>1,277</b> | <b>1,277</b> | <b>0</b>       |

### FUNDING SCHEDULE (\$000)

|                          |        |       |       |       |       |       |       |       |       |       |   |
|--------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---|
| POS-Stateside (P&P only) | 2,616  | 2,616 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0 |
| Program Open Space       | 17,704 | 8,199 | 2,653 | 6,852 | 1,142 | 1,142 | 1,142 | 1,142 | 1,142 | 1,142 | 0 |
| G.O. Bonds               | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0 |
| Current Revenue: General | 1,464  | 519   | 135   | 810   | 135   | 135   | 135   | 135   | 135   | 135   | 0 |

### ANNUAL OPERATING BUDGET IMPACT (\$000)

|               |  |  |  |     |     |     |     |     |     |     |     |
|---------------|--|--|--|-----|-----|-----|-----|-----|-----|-----|-----|
| Maintenance   |  |  |  | 80  | 20  | 20  | 20  | 20  | 0   | 0   | 0   |
| Program-Staff |  |  |  | 16  | 4   | 4   | 4   | 4   | 0   | 0   | 0   |
| Program-Other |  |  |  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| Net Impact    |  |  |  | 96  | 24  | 24  | 24  | 24  | 0   | 0   | 0   |
| Workyears     |  |  |  | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

#### DESCRIPTION

This PDF identifies capital expenditures and appropriations for acquisition of non-local parkland, i.e., acquisitions in stream valley, conservation, regional, recreational, and special parks. This PDF provides latitude to acquire properties consistent with master plans and Commission policies, as properties become available. It also provides for related costs, e.g., surveys and appraisals. The acquisition schedule for FY05-10 includes, but is not limited to, purchases in Clarksburg Greenway, Little Seneca Stream Valley Park, Calithea Farm, and Great Seneca Stream Valley Park. Other acquisitions will be pursued if funds are available..

#### JUSTIFICATION

The Commission acquires as much parkland as possible in "dedication" through the development review process, however, this method does not meet all parkland needs and must be supplemented by a direct land acquisition program.

#### Plans and Studies

The Park, Recreation and Open Space (PROS) Plan, area master plans, and functional plans.

#### Cost Change

DECREASE DUE TO ELIMINATION IN STATESIDE POS AND REDUCTION IN ANNUAL POS ALLOCATION AND RELATED COSTS.

#### STATUS

Ongoing.

#### OTHER

Expenditures will continue indefinitely.

#### FISCAL NOTE

Of the \$3,484,639 total actual FY04 POS allocation, \$1,742,320 is available only for acquisitions: \$600,000 is programmed in the Acquisition: Local PDF and the remaining \$1,142,320 is programmed in the Acquisition: Non-Local PDF. The Department switched \$1,722,000 from the State of Maryland's Program Open Space (POS) Stateside spending authorization to POS regular spending authorization in FY02 to result in \$2,665,000 spending authorization POS Stateside in FY02 and

| APPROPRIATION AND EXPENDITURE DATA        | COORDINATION  | MAP |
|---|---|-----|
| Date First Appropriation FY99 (\$000)     | Acquisition: Local PDF 767828   |     |
| Initial Cost Estimate 0                   | Legacy 2000 PDF 018710  |     |
| First Cost Estimate                       | M-NCPPC asserts that this project conforms to the requirements of relevant local plans as required by the Maryland Economic Growth, Resource Protection and Planning Act. |     |
| Current Scope FY99 0                      |   |     |
| Last FY's Cost Estimate 25,254            |   |     |
| Present Cost Estimate 21,784              |   |     |
| Appropriation Request FY05 -2,236         |   |     |
| Appropriation Req. Est. FY06 661          |   |     |
| Supplemental Appropriation Request FY04 0 |   |     |
| Transfer 0                                |   |     |
| Cumulative Appropriation 18,251           |   |     |
| Expenditures/Encumbrances 0               |   |     |
| Unencumbered Balance 18,251               |   |     |
| Partial Closeout Thru FY02 0              |   |     |
| New Partial Closeout FY03 0               |   |     |
| Total Partial Closeout 0                  |   |     |

VI-B-5

\$3,002,000 POS Regular spending authorization in FY02. IN FY04 a supplemental appropriation was approved for an additional \$177,000 in Program Open Space funds. THE THROUGH FY04 APPROPRIATION FOR REGULAR POS EXCEEDS THE ACTUAL GRANT ALLOCATIONS BY \$1,758,000. ASSUMING THE FY05 STATE REGULAR POS ALLOCATION FOR ACQUISITION IS \$1,742,320, AS IT WAS IN FY04, AND ASSUMING THAT \$600,000 OF THAT STATE ALLOCATION IS PROGRAMMED IN THE ACQUISITION: LOCAL PDF AND \$1,142,320 IS PROGRAMMED IN THE ACQUISITION: NON-LOCAL PDF, AND GIVEN THAT THE REMAINING APPROPRIATION AUTHORITY EXCEEDS THE FY05 POS EXPENDITURE BY \$616,000, NO ADDITIONAL APPROPRIATION IS REQUESTED FOR POS FOR FY05. THE FY06 APPROPRIATION FOR REGULAR POS REQUEST IS THEN ONLY \$526,000. THE FY05 AND FY06 APPROPRIATION REQUESTS FOR CURRENT REVENUE ARE FOR \$89,000 AND \$135,000, RESPECTIVELY.

VI-a-6

# Expenditure Detail by Category, Sub-Category, and Project (\$000s)

10-17-03

| Project                                    | Total          | Through FY03  | Est. FY04     | 6 Year Total  | FY05          | FY06          | FY07         | FY08          | FY09          | FY10          | Beyond 6 Years | Approp. Request |
|--|----------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|----------------|-----------------|
| <b>Acquisition</b>                         |                |               |               |               |               |               |              |               |               |               |                |                 |
| 767828 Acquisition: Local Parks            | 15,320         | 10,702        | 808           | 3,810         | 635           | 635           | 635          | 635           | 635           | 635           | 0              | 635             |
| 998798 Acquisition: Non-Local Parks        | 21,784         | 11,334        | 2,788         | 7,662         | 1,277         | 1,277         | 1,277        | 1,277         | 1,277         | 1,277         | 0              | -2,236          |
| 727007 ALARF: M-NCPPC                      | 28,360         | 19,779        | 581           | 8,000         | 2,000         | 2,000         | 1,000        | 1,000         | 1,000         | 1,000         | 0              | 0               |
| 018710 Legacy Open Space                   | 100,000        | 12,254        | 6,028         | 47,277        | 9,714         | 6,822         | 6,846        | 8,895         | 7,500         | 7,500         | 34,441         | 7,314           |
| <b>Sub-Category Total</b>                  | <b>165,464</b> | <b>54,069</b> | <b>10,205</b> | <b>66,749</b> | <b>13,626</b> | <b>10,734</b> | <b>9,758</b> | <b>11,807</b> | <b>10,412</b> | <b>10,412</b> | <b>34,441</b>  | <b>5,713</b>    |
| <b>Development</b>                         |                |               |               |               |               |               |              |               |               |               |                |                 |
| 008720 Ballfield Initiatives               | 7,195          | 1,863         | 1,146         | 4,186         | 750           | 756           | 670          | 670           | 670           | 670           | 0              | 502             |
| 911715 Black Hill Maintenance Facility     | 3,810          | 952           | 1,858         | 1,000         | 1,000         | 0             | 0            | 0             | 0             | 0             | 0              | 0               |
| 058700 Black Hill Trail Extension          | 1,651          | 0             | 0             | 1,651         | 0             | 390           | 1,261        | 0             | 0             | 0             | 0              | 0               |
| 058701 Black Hill Trail Renovation         | 1,277          | 0             | 0             | 1,277         | 112           | 465           | 700          | 0             | 0             | 0             | 0              | 0               |
| 058702 Broadacres Local Park Renovation    | 1,061          | 0             | 0             | 1,061         | 35            | 65            | 866          | 95            | 0             | 0             | 0              | 112             |
| 848704 Brookside Gardens                   | 1,686          | 70            | 34            | 1,582         | 288           | 738           | 306          | 75            | 175           | 0             | 0              | 681             |
| 038702 Concord Local Park                  | 553            | 3             | 41            | 509           | 267           | 242           | 0            | 0             | 0             | 0             | 0              | 479             |
| 977748 Cost Sharing: Local Parks           | 1,179          | 500           | 229           | 450           | 75            | 75            | 75           | 75            | 75            | 75            | 0              | 75              |
| 761682 Cost Sharing: Non-Local Parks       | 1,221          | 818           | 103           | 300           | 50            | 50            | 50           | 50            | 50            | 50            | 0              | 50              |
| 058703 East Norbeck Local Park Expansion   | 2,438          | 0             | 0             | 2,438         | 58            | 165           | 461          | 1,539         | 215           | 0             | 0              | 223             |
| 998774 Energy Conservation (M-NCPPC)       | 855            | 222           | 163           | 470           | 67            | 85            | 77           | 77            | 82            | 82            | 0              | 48              |
| 998773 Enterprise Facilities' Improvements | 537            | 137           | 175           | 225           | 100           | 25            | 100          | 0             | 0             | 0             | 0              | -313            |
| 957775 Facility Planning: Local Parks      | 2,321          | 935           | 345           | 1,041         | 150           | 176           | 155          | 160           | 200           | 200           | 0              | 110             |
| 958776 Facility Planning: Non-Local Parks  | 4,333          | 2,210         | 558           | 1,565         | 280           | 285           | 250          | 250           | 250           | 250           | 0              | 350             |
| 058704 Greenbriar Local Park               | 1,521          | 0             | 0             | 1,521         | 0             | 110           | 895          | 516           | 0             | 0             | 0              | 0               |
| 998780 Jesup-Blair Local Park Renovation   | 4,010          | 438           | 1,065         | 2,507         | 2,507         | 0             | 0            | 0             | 0             | 0             | 0              | 0               |
| 038703 Laytonia Recreational Park          | 8,951          | 0             | 0             | 8,951         | 0             | 275           | 468          | 1,386         | 3,160         | 3,662         | 0              | 0               |
| 038704 Little Falls Parkway Bridge         | 1,416          | 23            | 712           | 681           | 681           | 0             | 0            | 0             | 0             | 0             | 0              | 0               |
| 048700 Matthew Henson Trail                | 0              | 0             | 0             | 0             | 0             | 0             | 0            | 0             | 0             | 0             | 0              | 0               |
| 978752 Meadowbrook Stable Improvements     | 220            | 20            | 200           | 0             | 0             | 0             | 0            | 0             | 0             | 0             | 0              | 0               |
| 998762 Minor New Construction              | 2,434          | 783           | 301           | 1,350         | 225           | 225           | 225          | 225           | 225           | 225           | 0              | 150             |
| 931750 Montgomery Regional Office Renov    | 1,007          | 1,003         | 4             | 0             | 0             | 0             | 0            | 0             | 0             | 0             | 0              | 0               |
| 998782 Montgomery Village Local Park       | 1,755          | 112           | 892           | 751           | 751           | 0             | 0            | 0             | 0             | 0             | 0              | 0               |
| 038707 Montrose Trail                      | 1,193          | 0             | 0             | 703           | 39            | 106           | 0            | 115           | 369           | 74            | 490            | 145             |
| 998728 National Capital Trolley Museum     | 393            | 213           | 127           | 53            | 53            | 0             | 0            | 0             | 0             | 0             | 0              | 0               |
| 058710 Olney Manor Skateboard Facility     | 601            | 0             | 0             | 601           | 565           | 36            | 0            | 0             | 0             | 0             | 0              | 601             |

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# Expenditure Detail by Category, Sub-Category, and Project (\$000s)

## M-NCPPC

| Project   | Total  | Through FY03 | Est. FY04 | 6 Year Total | FY05  | FY06  | FY07  | FY08  | FY09  | FY10  | Beyond 6 Years | Approp. Request |
|---|--------|--------------|-----------|--------------|-------|-------|-------|-------|-------|-------|----------------|-----------------|
| 838873 Ovid Hazen Wells Rec Park                        | 2,408  | 56           | 161       | 2,191        | 687   | 1,076 | 428   | 0     | 0     | 0     | 0              | 2,125           |
| 967754 Planned Lifecycle Asset Replacement: Local Parks | 13,391 | 3,713        | 1,518     | 8,160        | 1,245 | 1,245 | 1,245 | 1,475 | 1,475 | 1,475 | 0              | 600             |
| 968755 Planned Lifecycle Asset Replacement: NL Parks    | 7,003  | 2,371        | 1,230     | 3,402        | 567   | 567   | 567   | 567   | 567   | 567   | 0              | 567             |
| 058707 Pope Farm Nursery Utilities Upgrade              | 1,441  | 0            | 0         | 1,441        | 89    | 614   | 738   | 0     | 0     | 0     | 0              | 134             |
| 808494 Restoration Of Historic Structures               | 4,491  | 2,255        | 406       | 1,830        | 340   | 290   | 300   | 300   | 300   | 300   | 0              | 290             |
| 868700 Resurfacing Park Roads and Bridge Improvements   | 8,203  | 3,552        | 1,051     | 3,600        | 600   | 600   | 600   | 600   | 600   | 600   | 0              | 525             |
| 998740 Resurfacing Parking Lots and Paths: M-NCPPC      | 4,738  | 1,387        | 511       | 2,840        | 475   | 475   | 465   | 475   | 475   | 475   | 0              | 450             |
| 008722 Rickman Farm Horse Park                          | 522    | 57           | 465       | 0            | 0     | 0     | 0     | 0     | 0     | 0     | 0              | 0               |
| 968762 Ridge Road Recreational Park                     | 6,684  | 6,114        | 570       | 0            | 0     | 0     | 0     | 0     | 0     | 0     | 0              | 0               |
| 048703 Rock Creek Trail Pedestrian Bridge               | 5,511  | 0            | 0         | 5,511        | 300   | 250   | 3,465 | 1,496 | 0     | 0     | 0              | 675             |
| 827738 Roof Replacement: Local Parks                    | 2,721  | 1,987        | 182       | 552          | 92    | 92    | 92    | 92    | 92    | 92    | 0              | 92              |
| 838882 Roof Replacement: Non-Local Pk                   | 2,969  | 1,758        | 55        | 1,156        | 238   | 238   | 90    | 190   | 200   | 200   | 0              | 238             |
| 998729 S. Germantown Recreational Park: Non Soccer Fac  | 9,958  | 9,182        | 530       | 246          | 246   | 0     | 0     | 0     | 0     | 0     | 0              | 0               |
| 998712 S. Germantown Recreational Park: Soccerplex Fac. | 10,234 | 9,342        | 389       | 503          | 453   | 50    | 0     | 0     | 0     | 0     | 0              | 359             |
| 058711 SilverPlace / MRO Headquarters Mixed-Use Project | 1,692  | 0            | 350       | 1,342        | 1,300 | 42    | 0     | 0     | 0     | 0     | 0              | 1,342           |
| 958758 Storm Water Mgt. Discharge Control               | 1,759  | 1,010        | 400       | 349          | 221   | 128   | 0     | 0     | 0     | 0     | 0              | 0               |
| 948718 Storm Water Mgt. Structural Rehab.               | 3,954  | 1,384        | 450       | 2,120        | 350   | 350   | 350   | 370   | 350   | 350   | 0              | 350             |
| 818571 Stream Protection: SVP                           | 7,711  | 4,914        | 397       | 2,400        | 400   | 400   | 400   | 400   | 400   | 400   | 0              | 125             |
| 768673 Trails: Hard Surface Design & Construction       | 8,723  | 6,946        | 439       | 1,338        | 281   | 189   | 217   | 217   | 217   | 217   | 0              | 281             |
| 888754 Trails: Hard Surface Renovation                  | 3,037  | 1,848        | 181       | 1,008        | 168   | 168   | 168   | 168   | 168   | 168   | 0              | 168             |
| 858710 Trails: Natural Surface Design, Constr. & Renov. | 1,978  | 258          | 448       | 1,272        | 244   | 224   | 223   | 181   | 200   | 200   | 0              | 244             |
| 998725 West Germantown Development District Local Parks | 620    | 0            | 310       | 310          | 310   | 0     | 0     | 0     | 0     | 0     | 0              | 0               |
| 968763 Wheaton Ice Rink                                 | 4,218  | 4,037        | 181       | 0            | 0     | 0     | 0     | 0     | 0     | 0     | 0              | 0               |
| 058706 Winding Creek Local Park Renovation              | 500    | 0            | 0         | 500          | 257   | 243   | 0     | 0     | 0     | 0     | 0              | 500             |
| 038700 Woodlawn Water and Sewer                         | 750    | 0            | 600       | 150          | 150   | 0     | 0     | 0     | 0     | 0     | 0              | 0               |

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# Expenditure Detail by Category, Sub-Category, and Project (\$000s)

M-NCPPC

| Project  | Total          | Through<br>FY03 | Est.<br>FY04  | 6 Year<br>Total | FY05          | FY06          | FY07          | FY08          | FY09          | FY10          | Beyond<br>6 Years | Approp.<br>Request |
|--|----------------|-----------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|--------------------|
| 018712 Woodstock Equestrian<br>Center                        | 660            | 137             | 168           | 355             | 355           | 0             | 0             | 0             | 0             | 0             | 0                 | 0                  |
| 028702 Work Order Mgmt/Planned<br>Lifecycle Asset Repl. Sys. | 920            | 920             | 0             | 0               | 0             | 0             | 0             | 0             | 0             | 0             | 0                 | 0                  |
| 058708 xxCherry Avenue Connector<br>Trail                    | 0              | 0               | 0             | 0               | 0             | 0             | 0             | 0             | 0             | 0             | 0                 | 0                  |
| 048777 xxxMatthew Henson - do not<br>use - wrong PDF #       | 0              | 0               | 0             | 0               | 0             | 0             | 0             | 0             | 0             | 0             | 0                 | 0                  |
| <b>Sub-Category Total</b>                                    | <b>170,414</b> | <b>73,530</b>   | <b>18,945</b> | <b>77,449</b>   | <b>17,421</b> | <b>11,510</b> | <b>15,907</b> | <b>11,764</b> | <b>10,515</b> | <b>10,332</b> | <b>490</b>        | <b>12,378</b>      |
| <b>Category Total</b>  | <b>335,878</b> | <b>127,599</b>  | <b>29,150</b> | <b>144,198</b>  | <b>31,047</b> | <b>22,244</b> | <b>25,665</b> | <b>23,571</b> | <b>20,927</b> | <b>20,744</b> | <b>34,931</b>     | <b>18,091</b>      |

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# Expenditure Detail by Category, Sub-Category, and Project (\$000s) Summary

| Project        | Total   | Through<br>FY03 | Est.<br>FY04 | 6 Year<br>Total | FY05   | FY06   | FY07   | FY08   | FY09   | FY10   | Beyond<br>6 Years | Approp.<br>Request |
|----------------|---------|-----------------|--------------|-----------------|--------|--------|--------|--------|--------|--------|-------------------|--------------------|
| M-NCPPC        |         |                 |              |                 |        |        |        |        |        |        |                   |                    |
| Acquisition    | 165,464 | 54,069          | 10,205       | 66,749          | 13,626 | 10,734 | 9,758  | 11,807 | 10,412 | 10,412 | 34,441            | 5,713              |
| Development    | 170,414 | 73,530          | 18,945       | 77,449          | 17,421 | 11,510 | 15,907 | 11,764 | 10,515 | 10,332 | 490               | 12,378             |
| Category Total | 335,878 | 127,599         | 29,150       | 144,198         | 31,047 | 22,244 | 25,665 | 23,571 | 20,927 | 20,744 | 34,931            | 18,091             |
| CIP Total      | 335,878 | 127,599         | 29,150       | 144,198         | 31,047 | 22,244 | 25,665 | 23,571 | 20,927 | 20,744 | 34,931            | 18,091             |

VI-a-10



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION  
Office of the Chairman, Montgomery County Planning Board

October 15, 2003

TO: Montgomery County Planning Board

VIA: Jeff Zyontz, Division Chief  
Countywide Planning Division

John Hench, Supervisor *JCH*  
Park Planning and Resource Analysis

FROM: Brenda Sandberg *BS*  
Legacy Open Space Program Manager

RE: FY05-06 Legacy Open Space Priorities

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The proposed PDF for Legacy Open Space for the FY05-06 CIP recommends the continuation of funding at the levels approved in the previous CIP and shows continued funding at similar levels into FY09-10. The PDF generally describes the Legacy Open Space program and references the completed Legacy Open Space Functional Master Plan as the guiding document for this program. This memorandum summarizes Legacy progress to date and the targeted priority sites for expenditure of FY05-06 funds.

### **Legacy Progress Update**

The Legacy Open Space program has had a very successful first 3 ½ years. Over \$31 million has been committed to the preservation of eleven sites totaling over 2400 acres. Of that \$31 million, \$12.7 million came from non-County funding sources, including \$1.56 million in municipal contributions, a \$400,000 private donation, and several large contributions through State of Maryland programs.

Three of the top four natural resources sites have been completely protected (Serpentine Barrens, Bucklodge Forest, Hoyles Mill Diabase Area-South). Progress has been made on protecting at least four other important natural resources sites through a variety of tools, including easements and dedication through the development review process. One site has been purchased adjacent to Rocky Gorge Reservoir to protect the water supply (Maiden's Fancy), and one historic building and its rural surroundings have been protected at the gateway to historic Sandy Spring (the Red Door Store property). Finally, two important urban open spaces have been acquired

with the financial participation of two local jurisdictions, the City of Takoma Park and Chevy Chase Village.

For your information, attached to this memo is a copy of the most recent implementation worksheet with details on acquisitions and funding sources.

#### **Priority Protection Sites, FY03-04**

Staff has made significant progress towards protection and acquisition of many properties in the Legacy Plan during FY03-04 and expects to come to closure on a few more sites during the remainder of FY04. Despite this success, many critical sites identified through the master plan process remain to be protected with FY05-06 funds.

Existing and anticipated purchase contracts have committed funds that limit the FY05 -06 funds available for new projects. Specifically, the signed purchase agreement for the Serpentine Barrens property commits the County to a 3<sup>rd</sup> payment of \$1.754 million in FY05 and a 4<sup>th</sup> payment of \$1.55 million in FY06. One remaining installment of \$500 thousand will occur in FY07 to complete the acquisition. In addition, one contract that is nearing completion will commit the County to a second installment using FY05 funds.

Several specific properties and areas have been targeted for active pursuit using the allocated funds for FY05-06.

#### Natural Resources

- The River Road Shale Barrens, a highly unique forest ecosystem of statewide significance, is targeted for complete protection in FY05-06. Parts of the site have already been protected through easement with the Izaak Walton League and acquisition during FY02.
- The Hoyles Mill Forest area consists of over 300 acres of unique forest adjacent to the new Hoyles Mill Conservation Park and will be targeted for acquisition with FY05-06 funds.
- The Hyattstown Forest is a high quality forested highland providing a buffer to the historic town of Hyattstown in addition to having played its own role in the history of the Civil War. This site is a priority project for FY05-06 and may be a candidate for the use of federal transportation enhancement funds.

#### Water Supply Protection

- The County's Agricultural Services Division and the Washington Suburban Sanitary Commission will continue to be partners in identifying and protecting key parcels throughout the Patuxent watershed.

- The Thompson property, a 30-acre wooded site adjacent to the Rocky Gorge reservoir, is under negotiation for acquisition using FY05 funds.
- The Water's Gift property, a historic property that hosts a non-profit therapeutic riding center, is another property adjacent to Rocky Gorge reservoir that is a candidate for a conservation easement and reforestation of stream valleys.

### Heritage Resources

- Carroll Place, the open space in the heart of historic Kensington, remains a priority for easement protection in FY05-06. Partners in this project include the Trust for Public Land and the Kensington Land Trust.
- Capitol View Park, another open space in the core of an older central community, is an important heritage site currently under negotiation for partial acquisition. FY04 and FY05 funds will be necessary to complete the transaction.
- Harewood, a historic property in the Quaker Cluster adjacent to lands protecting the Sandy Spring and other critical historic sites, remains a priority site for acquisition of an easement during FY05-06.
- The Warren M.E. Church site is a unique collection of historic African American buildings and is a priority for purchasing a protective easement during the coming budget cycle.

### Greenway Connections

- Seneca Greenway Connection is one of the only remaining gaps in the 100-mile Ribbon of Green trail outlined in the Legacy Open Space master plan. Several key properties have been identified to pursue for preservation during FY05-06.

### Farmland and Rural Open Space

- The County's Agricultural Services Division will be our main partner in identifying possible easement and other protection opportunities and in implementing those opportunities.

### Urban Open Spaces

- Clarksburg Triangle, an important open space in the center of the developing town of Clarksburg, will continue to be a high priority site for FY05-06.
- A study is currently underway to evaluate the need and location for a new Regional Park, as directed by the Legacy Open Space Functional Master Plan. Once

potential sites are identified, acquisition of one site will become a priority for FY05-06 funds.

### **Legacy Funding of Initial Park Costs**

In the FY03-08 CIP, a portion of the Legacy PDF funds were earmarked to help ease the initial fiscal impact of these new parks on the Parks operations budget. This year's proposed PDF continues to place \$50,000 per year into the "other" category to help offset start-up costs such as initial site cleanup, securing the site from non-allowed uses, removing attractive nuisances, and providing signage to identify the area as parkland. Funds from this pool will be expended at the request of the park manager and in cooperation with the park management plan under development for each new acquisition to address the critical need to secure property and bring these sites into the park system.

Attachment

# Legacy Open Space Implementation Worksheet 10/03

| Site Name   | Date Acquired | Acres Protected |          | Acquisition Cost (in 000's) & Source |                               |                             |                          |                           |  | Total Acquisition Cost |        |
|---|---------------|-----------------|----------|--------------------------------------|-------------------------------|-----------------------------|--------------------------|---------------------------|--|------------------------|--------|
|   |               | In-Fee          | Easement | Legacy Open Space                    | Maryland Rural Legacy Program | Maryland GreenPrint Program | Private Donation (value) | Municipal/ Other Donation |  |                        |        |
| <b>Category #1 - Natural Resources</b>                                |               |                 |          |                                      |                               |                             |                          |                           |  |                        |        |
| Bucklodge Forest  | Oct-00        | 215.0           |          | 3,035                                |                               |                             |                          |                           |  |                        | 3,035  |
| Hoyle's Mill Forest, in part: Leet Property                           | Oct-01        | 16.3            |          | 53                                   |                               |                             |                          |                           |  |                        | 53     |
| River Road Shale Barrens, in part: Radl Property                      | Nov-01        | 30.0            |          | 186                                  |                               |                             |                          |                           |  |                        | 186    |
| Hoyle's Mill Diabase, South of White Ground Road                      | Feb-02        | 799.0           |          |                                      | 7,242                         |                             |                          |                           |  |                        | 7,242  |
| Broad Run Stream Valley Park, in part: part of Edwards Ferry Prop.(a) | Aug-02        | 106.0           |          |                                      |                               |                             | 400                      |                           |  |                        | 400    |
| Serpentine Barrens  | Dec-02        | 258.0           |          | 9,042                                |                               |                             |                          |                           |  |                        | 9,042  |
| Hoyle's Mill Diabase, North of White Ground Road (b)                  | Mar-03        |                 | 886.7    |                                      | 3,705                         |                             |                          |                           |  |                        | 3,705  |
| <b>Category #2 - Water Supply Protection</b>                          |               |                 |          |                                      |                               |                             |                          |                           |  |                        |        |
| Maiden's Fancy  | Dec-02        | 41.0            |          | 751                                  |                               |                             |                          | 200                       |  |                        | 951    |
| <b>Category #3 - Heritage Resources</b>                               |               |                 |          |                                      |                               |                             |                          |                           |  |                        |        |
| Holland House & Red Door Store  | Jul-02        | 78.9            |          | 1,542                                |                               |                             |                          |                           |  |                        | 1,542  |
| <b>Category #4 - Greenway Connections</b>                             |               |                 |          |                                      |                               |                             |                          |                           |  |                        |        |
| <b>Category #5 - Farmland and Rural Open Spaces</b>                   |               |                 |          |                                      |                               |                             |                          |                           |  |                        |        |
| <b>Category #6 - Urban Open Spaces</b>                                |               |                 |          |                                      |                               |                             |                          |                           |  |                        |        |
| Silgo Mill Property (c)   | Apr-01        | 2.0             |          | 335                                  |                               |                             |                          |                           |  |                        | 445    |
| Wohlfarth Property (d)  | Sep-02        | 1.9             |          | 3,825                                |                               |                             |                          | 1,250                     |  |                        | 5,075  |
| <b>Totals</b>   |               | 1548.1          | 886.7    | 18,769                               | 3,705                         | 7,242                       | 400                      | 1,560                     |  |                        | 31,676 |

Notes on Funding Sources

- (a) Value of donation of 106 acres of parkland
- (b) Implemented by County Agricultural Services Division, Dept. of Economic Development
- (c) City of Takoma Park contribution in POS funds over 4 years
- (d) Chevy Chase Village contribution over 8 years (POS, other funds)

**Total Non-County Donations To Date:**

\$12,707,000

5-9-11



# Legacy Open Space -- No. 018710

Category **M-NCPPC**  
 Agency **M-NCPPC**  
 Planning Area **Countywide**  
 Relocation Impact **None**

Date Last Modified  
 Previous PDF Page Number  
 Required Adequate Public Facility

October 16, 2003  
 23-8 (01 App)  
 NO

## EXPENDITURE SCHEDULE (\$000)

| Cost Element                     | Total          | Thru FY03     | Est. FY04    | Total 6 Years | FY05         | FY06         | FY07         | FY08         | FY09         | FY10         | Beyond 6 Years |
|----------------------------------|----------------|---------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Planning, Design and Supervision |                |               |              |               |              |              |              |              |              |              |                |
| Land                             | 99,400         | 12,248        | 5,934        | 46,977        | 9,664        | 6,772        | 6,796        | 8,845        | 7,450        | 7,450        | 34,241         |
| Site Improvements and Utilities  |                |               |              |               |              |              |              |              |              |              |                |
| Construction                     |                |               |              |               |              |              |              |              |              |              |                |
| Other                            | 600            | 6             | 94           | 300           | 50           | 50           | 50           | 50           | 50           | 50           | 200            |
| <b>Total</b>                     | <b>100,000</b> | <b>12,254</b> | <b>6,028</b> | <b>47,277</b> | <b>9,714</b> | <b>6,822</b> | <b>6,846</b> | <b>8,895</b> | <b>7,500</b> | <b>7,500</b> | <b>34,441</b>  |

## FUNDING SCHEDULE (\$000)

|                          |        |       |       |        |       |       |       |       |       |       |        |
|--------------------------|--------|-------|-------|--------|-------|-------|-------|-------|-------|-------|--------|
| PAYGO                    | 3,035  | 3,035 | 0     | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| POS-Stateside (P&P only) | 200    | 200   | 0     | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| Program Open Space       | 422    | 0     | 422   | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| G.O. Bonds               | 39,668 | 5,723 | 2,993 | 17,396 | 2,211 | 488   | 3,000 | 3,697 | 4,000 | 4,000 | 13,556 |
| Contributions            | 18,578 | 200   | 100   | 10,000 | 2,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 8,278  |
| Current Revenue: General | 31,097 | 2,412 | 2,197 | 17,381 | 5,003 | 4,334 | 1,846 | 3,198 | 1,500 | 1,500 | 9,107  |
| Park and Planning Bonds  | 7,000  | 684   | 316   | 2,500  | 0     | 500   | 500   | 500   | 500   | 500   | 3,500  |

## ANNUAL OPERATING BUDGET IMPACT (\$000)

|               |  |  |  |     |     |     |     |     |     |     |     |
|---------------|--|--|--|-----|-----|-----|-----|-----|-----|-----|-----|
| Maintenance   |  |  |  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| Program-Staff |  |  |  | 200 | 29  | 31  | 35  | 35  | 35  | 35  | 0   |
| Program-Other |  |  |  | 38  | 7   | 6   | 7   | 6   | 6   | 6   | 0   |
| Net Impact    |  |  |  | 238 | 36  | 37  | 42  | 41  | 41  | 41  | 0   |
| Workyears     |  |  |  | 6.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 0.0 |

### DESCRIPTION

The Legacy Open Space initiative identifies open space lands of countywide significance that should be acquired and interpreted because of exceptional natural or cultural value to current and future generations of Montgomery County residents. Legacy Open Space will acquire or obtain easements, or when necessary, make fee-simple purchase on open-space lands of countywide significance. In July 2001, the County Council adopted the Legacy Open Space Functional Master Plan to guide this program. The functional master plan sets forth procedures for selection of properties, setting priorities, and implementation of the program. Plan implementation and the need for CIP funding will extend beyond six years. Priorities will be updated with each new CIP, but will remain flexible enough to allow the Planning Board to address development threats and joint funding opportunities. The County Council encourages the Commission to seek supplemental appropriations if approved PDF funding is insufficient.

The FY03 \$622,000 supplemental appropriation request WAS comprised of \$422,000 in Program Open Space (POS) Contributions and \$200,000 in cash Contributions. The Commission has entered into an Agreement with the Town of Takoma Park to receive \$110,000 from the Town's POS allocation. The County and the Commission have entered into an Agreement with Chevy Chase Village to receive \$312,000 from the Village's POS allocation and \$200,000 in cash IN FY03. The cash Contribution is a match for the combined POS Contributions. Chevy Chase Village will contribute an additional \$738,000 in cash pursuant to the Agreement. Annual PDF appropriation requests will CONTINUE TO reflect receipt of these Contributions, INCLUDING \$100,000 EACH IN FY05 AND FY06.

### JUSTIFICATION

These exceptional lands are not well-protected and are threatened by the rapid pace of development. The public interest in the future availability of these lands for all County residents is best served if these lands are added to the public domain.

### Plans and Studies

Legacy Open Space: Open Space Conservation in the 21st Century, approved by the Planning Board in October 1999. Legacy Open Space Functional Master Plan adopted by the County Council in July 2001. The PROS Plan recommends placing priority on conservation of natural open spaces in and beyond the park system,

### APPROPRIATION AND EXPENDITURE DATA

|                                    |      |         |
|------------------------------------|------|---------|
| Date First Appropriation           | FY01 | (\$000) |
| Initial Cost Estimate              |      | 100,000 |
| First Cost Estimate                |      |         |
| Current Scope                      | FY01 | 100,000 |
| Last FY's Cost Estimate            |      | 100,000 |
| Present Cost Estimate              |      | 100,000 |
| Appropriation Request              | FY05 | 7,314   |
| Appropriation Req. Est.            | FY06 | 5,422   |
| Supplemental Appropriation Request | FY04 | 0       |
| Transfer                           |      | 0       |
| Cumulative Appropriation           |      | 18,282  |
| Expenditures/Encumbrances          |      | 12,254  |
| Unencumbered Balance               |      | 6,028   |
| Partial Closeout Thru              | FY02 | 0       |
| New Partial Closeout               | FY03 | 0       |
| Total Partial Closeout             |      | 0       |

### COORDINATION

Acquisition: Local Parks PDF 767828  
 Acquisition: Non-Local Parks PDF 998798  
 ALARF: MNCPPC PDF 727007  
 Restoration of Historic Structures PDF 808494

M-NCPPC ASSERTS THAT THIS PROJECT CONFORMS TO THE REQUIREMENTS OF RELEVANT LOCAL PLANS, AS REQUIRED BY THE MARYLAND ECONOMIC GROWTH, RESOURCE PROTECTION AND PLANNING ACT.

### MAP

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protection of heritage resources, and expanded interpretation activities. Public demand for this initiative is strong as reflected in the results of the PROS public opinion surveys.

**Cost Change**  
NOT APPLICABLE.

**STATUS**  
Ongoing.

**OTHER**

Contributions: \$110,000 from the City of Takoma Park for the purchase of the Sligo Mill Property; donation of land in Broad Run Stream Valley Park; \$1,250,000 from the Village of Chevy Chase for the purchase of the Wohlfarth property; and 80 acres of agricultural land on Sugarland Road. CONTINUING EFFORTS BEGUN IN FY03, the Commission proposes to USE \$50,000 from General Obligation Bonds to cover one time costs required to secure properties, e.g. removing attractive nuisances, posting properties, cleaning up sites, etc. These costs are not projected for the Operating Budget Impact because the Department does not know when the negotiations for a particular property will be concluded or which Division's operating budget will be affected.

**FISCAL NOTE**

The "Contributions" funding source shown in the Expenditure Schedule above includes grants and foundation contributions. Contributions to be received and spent by the Commission are estimated in this PDF. Any private contributions THAT will not be spent by the Commission will not be shown or appropriated here. Appropriations for FY05 AND FY06 INCLUDE \$100,000 EACH YEAR TO BE RECEIVED FROM CHEVY CHASE VILLAGE.

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## MONTGOMERY COUNTY DEPARTMENT OF PARK AND PLANNING

THE MARYLAND-NATIONAL CAPITAL  
PARK AND PLANNING COMMISSION9500 Brunett Avenue  
Silver Spring, Maryland 20901

October 17, 2003

**MEMORANDUM**

TO: Montgomery County Planning Board

FROM: Bette McKown, Capital Improvements Program (CIP) Coordinator  
Park Development Division (PDD) *Bmck*

SUBJECT: Advanced Land Acquisition Revolving Fund (ALARF) PDF

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Recommendation

The proposed FY05-10 CIP, excluding the ALARF PDF, can be accommodated within the six-year \$18.6 million Spending Affordability Guideline (SAG) for Park and Planning debt that the County Council recommended in September. Staff proposes expending an additional \$4 million in Advanced Land Acquisition (ALA) bonds in the ALARF PDF. Staff recommends that the SAG be increased to \$22.6 million to accommodate the ALA bonds when the County Council reconsiders the SAG in February.

This recommendation is consistent with the County Council staff recommendation in September, an excerpt of which is attached. The County Council deferred action on this increase for ALA bonds until the respective staffs could advise the County Council on several outstanding issues associated with the Commission's ALARF, particularly the extent to which the Commission replenishes the fund when ALARF-acquired properties become part of the parks system.

Outstanding Issues

Over the last year, staff from the County Council, Office of Management and Budget (OMB), and the Commission have been meeting to address several issues surrounding the Department's ALARF. OMB drafted the attached Decision Memorandum in an attempt to bring the parties to consensus. Our discussion on Thursday will center on obtaining your consensus on the Decision Memorandum. Patricia Colihan Barney, Secretary-Treasurer, will be present for this discussion.

## Attachments

N:\CIP\05-10 CIP\PLANNING BOARD PACKET 2\ALARF.memo.doc

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# ALARF: M-NCPPC -- No. 727007

Category **M-NCPPC**  
 Agency **M-NCPPC**  
 Planning Area **Countywide**  
 Relocation Impact

Date Last Modified  
 Previous PDF Page Number  
 Required Adequate Public Facility

October 15, 2003  
 23-20 (99 App)  
 NO

## EXPENDITURE SCHEDULE (\$000)

| Cost Element                     | Total         | Thru FY03     | Est. FY04  | Total 6 Years | FY05         | FY06         | FY07         | FY08         | FY09         | FY10         | Beyond 6 Years |
|----------------------------------|---------------|---------------|------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Planning, Design and Supervision |               |               |            |               |              |              |              |              |              |              |                |
| Land                             | 28,360        | 19,779        | 581        | 8,000         | 2,000        | 2,000        | 1,000        | 1,000        | 1,000        | 1,000        | 0              |
| Site Improvements and Utilities  |               |               |            |               |              |              |              |              |              |              |                |
| Construction                     |               |               |            |               |              |              |              |              |              |              |                |
| Other                            |               |               |            |               |              |              |              |              |              |              |                |
| <b>Total</b>                     | <b>28,360</b> | <b>19,779</b> | <b>581</b> | <b>8,000</b>  | <b>2,000</b> | <b>2,000</b> | <b>1,000</b> | <b>1,000</b> | <b>1,000</b> | <b>1,000</b> | <b>0</b>       |

## FUNDING SCHEDULE (\$000)

|                                    | 18,196 | 13,615 | 581 | 4,000 | 0     | 0     | 1,000 | 1,000 | 1,000 | 1,000 | 0 |
|------------------------------------|--------|--------|-----|-------|-------|-------|-------|-------|-------|-------|---|
| P&P ALA Bonds                      |        |        |     |       |       |       |       |       |       |       |   |
| Current Revenue: Park and Planning | 10,164 | 6,164  | 0   | 4,000 | 2,000 | 2,000 | 0     | 0     | 0     | 0     | 0 |
| Park and Planning Bonds            | 0      | 0      | 0   | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0 |
| Revolving (P&P only)               | 0      | 0      | 0   | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0 |

## ANNUAL OPERATING BUDGET IMPACT (\$000)

|                   |  |  |  |          |          |          |          |          |          |          |          |
|-------------------|--|--|--|----------|----------|----------|----------|----------|----------|----------|----------|
| Maintenance       |  |  |  | 4        | 1        | 1        | 1        | 1        | 0        | 0        | 0        |
| Program-Staff     |  |  |  | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| <b>Net Impact</b> |  |  |  | <b>4</b> | <b>1</b> | <b>1</b> | <b>1</b> | <b>1</b> | <b>0</b> | <b>0</b> | <b>0</b> |

### DESCRIPTION

The Advance Land Acquisition Revolving Fund (ALARF) was first established in the Commission's FY72-FY77 Capital Improvements Program pursuant to Article 28, Section 7-106 of the Annotated Code of the State of Maryland to enable the Commission to acquire rights-of-way and other property needed for future public projects. FY03 will represent the 31st year of the program.

Before acquisition of a specific parcel, the Montgomery County Planning Board will submit an authorization request to the Montgomery County Council for approval by formal resolution. The corpus of the revolving fund includes the original \$7 million bond issue in FY71, an additional \$5 million bond issue in FY90, an additional \$2.2 million bond issue in FY95, an additional \$2 million bond issue (authorized but not yet sold), plus reimbursements in excess of costs, accumulated interest, and any surplus of Advance Land Acquisition (ALA) tax revenue over debt service. THE COMMISSION PROPOSES TO SHIFT \$5,532,058 IN ACQUISITION COSTS, PLUS \$37,725 IN PRE-ACQUISITION COSTS AND \$398,518 IN BOND INTEREST AND OTHER FEES TO PARTIAL CLOSEOUT; THE \$5,966,301 PARTIAL CLOSE-OUT REPRESENTS ACQUISITION/EXPENDITURES THAT WILL NOT BE REIMBURSED. THE COMMISSION EXPECTS TO USE THESE PROPERTIES FOR PARKLAND. THE COMMISSION ALSO PROPOSES TO SHIFT AN ADDITIONAL \$9,631,438 TO PARTIAL CLOSE-OUT; THIS SHIFT REPRESENTS PROPERTIES THAT HAVE BEEN TRANSFERRED AND FOR WHICH REIMBURSEMENTS HAVE BEEN RECEIVED. THE REMAINING COSTS OF LANDS STILL BEING HELD FOR TRANSFER AS OF JUNE 30, 2002 ARE \$19,775.00.

### JUSTIFICATION

This project enables the Commission to acquire private property in lieu of allowing development that would adversely affect a planned public use of the property.

### Plans and Studies

All properties acquired with ALARF must first be shown on adopted area master plans as needed for future public use. Properties included for acquisition in a current capital budget of any public agency are not eligible for acquisition under this project.

Some of the acquisitions in this project may help meet PROS objectives.

### STATUS

Ongoing.

### OTHER

| APPROPRIATION AND EXPENDITURE DATA      | COORDINATION | MAP |
|---|--------------|-----|
| Date First Appropriation FY72 (\$000)   |              |     |
| Initial Cost Estimate                   |              |     |
| First Cost Estimate                     |              |     |
| Current Scope FY99                      |              |     |
| Last FY's Cost Estimate                 |              |     |
| Present Cost Estimate                   |              |     |
| Appropriation Request FY05              |              |     |
| Appropriation Req. Est. FY06            |              |     |
| Supplemental Appropriation Request FY04 |              |     |
| Transfer                                |              |     |
| Cumulative Appropriation                |              |     |
| Expenditures/Encumbrances               |              |     |
| Unencumbered Balance                    |              |     |
| Partial Closeout Thru FY02              |              |     |
| New Partial Closeout FY03               |              |     |
| Total Partial Closeout                  |              |     |

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In FY07 the Commission intends to sell \$2.0 million in bonds authorized in FY97. THE PARTIAL CLOSEOUT (\$15,597,000) APPLIES TO ACQUISITIONS FOR PART OF THE ROCKVILLE FACILITY, SENECA COMMUNITY, CROWN PROPERTY, JUNIPER BLAIR, LONG BRANCH STREAM VALLEY PARK, WILLARD AVENUE NEIGHBORHOOD PARK, AND NORTHWEST BRANCH UNIT 4 -- ALL PROPERTIES FOR WHICH REIMBURSEMENTS ARE NOT EXPECTED -- AND SELECTED PRE-ACQUISITION COSTS, BOND INTEREST, OTHER FEES, AND REIMBURSEMENTS FOR PROPERTIES THAT HAVE BEEN TRANSFERRED.

\*Expenditures will continue indefinitely.

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**MEMORANDUM**

September 12, 2003

TO: County Council  
FROM: Glenn Orlin, <sup>GO</sup> Deputy Council Staff Director  
SUBJECT: **Introduction**—Spending Affordability Guidelines for the FY 05-10 Capital Improvements Program

**The Management and Fiscal Policy Committee unanimously recommends advertising the following guidelines (see draft resolution on ©12):**

- **for General Obligation Bonds: \$170 million in FY 2005, \$170 million in FY 2006, and \$1,020 million over the FY 2005-2010 period.**
- **for debt issued by the Maryland-National Capital Park and Planning Commission: \$3.1 million in FY 2005, \$3.1 million in FY 2006, and \$18.6 million over the FY 2005-2010 period.**

The Committee requested the Department of Finance and Council staff to work on developing a new debt indicator that would relate the sum of annual debt service and lease payments to County-generated revenue. It also requested that the use and status of the Advance Land Acquisition Revolving Fund be further explored. Both items will come back before the Committee prior to when it takes up possible revisions to the CIP spending affordability guidelines this winter. The Committee also recommended postponing until this winter Council staff's proposal to revise the real debt per capita indicator from \$1,200 to \$1,500.

\* \* \*

**I. Establishment of guidelines**

Section 305 of the Charter requires the Council to set spending affordability guidelines for the capital (and operating) budget each year, and requires the Council to establish by law the process and criteria. Subsequent law requires the Council to set the guidelines for capital budgets by resolution biennially, and no later than the first Tuesday in October in odd-numbered

Scenario #3 was selected for this sensitivity analysis. The debt indicator measuring the ratio of debt service (plus lease payments) to General Fund expenditures was calculated with Thornton funds excluded from the denominator; the results are on ©11. A comparison of this ratio, by year, is shown below:

| Scenario #3      | FY05  | FY06  | FY07  | FY08  | FY09  | FY10  |
|------------------|-------|-------|-------|-------|-------|-------|
| With Thornton    | 9.13% | 9.05% | 8.66% | 8.54% | 8.32% | 8.13% |
| Without Thornton | 9.26% | 9.23% | 8.91% | 8.88% | 8.63% | 8.52% |

This shows that even if Thornton funds are not included in the calculations, Scenario #3 still meets the 10.0% standard in each of the six years. By observation one can see that if Thornton funds were not included in the calculation for Scenario #5—the highest level tested here—all six years would still be better than the 10.0% standard.

The results of this evaluation of the debt indicators should not be surprising. Within this range of scenarios there is very little difference in the results for the indicators, since most debt service (the numerator in most of the indicators) is paid from previous issues.

*Council staff recommendation: Advertise Scenario #3--\$170 million in FY 2005, \$170 million in FY 2006, and \$1,020 million over the six-year period. A review of the debt capacity analyses suggests that a higher level could be set and fit well within four of the five debt indicators (real debt/capita being the exception).*

Nevertheless, Scenario #3 would raise the six-year guideline by \$124.8 million, which would be by far the largest single increase since the Council started establishing guidelines in 1991. (The next highest increase in the guideline from one year to the next was the \$55 million increase between FY 2000 and FY 2001.) Furthermore, it is possible the Council could raise this guideline even higher next February should economic conditions improve.

#### V. Determining affordability, Park and Planning debt

The guidelines and targets adopted for the FY 2003-2008 CIP and for the FY 2003-2008 CIP as amended were:

|                        |                |
|------------------------|----------------|
| FY 2003 guideline      | \$3.0 million  |
| FY 2004 guideline      | \$3.0 million  |
| FY 2005 target         | \$3.0 million  |
| FY 2006 target         | \$3.0 million  |
| FY 2007 target         | \$3.0 million  |
| FY 2008 target         | \$3.0 million  |
| FY 2003-2008 guideline | \$18.0 million |

The six-year planned expenditures for Park and Planning bonds for the past few CIPs are shown below:



|                      |                  |
|----------------------|------------------|
| FY 1994-1999         | \$14.00 million  |
| FY 1995-2000         | \$14.00 million  |
| FY 1996-2001         | \$14.50 million  |
| FY 1997-2002         | \$20.00 million  |
| FY 1998-2003         | \$18.50 million* |
| FY 1999-2004         | \$16.60 million  |
| FY 1999-2004 amended | \$16.60 million  |
| FY 2001-2006         | \$17.20 million  |
| FY 2001-2006 amended | \$17.45 million  |
| FY 2003-2008         | \$18.00 million  |
| FY 2003-2008 amended | \$18.00 million  |

\* This guideline was set prior to the adoption of Charter Amendment B that resulted in amendments to the FY 97-02 CIP rather than approval of a FY 98-03 CIP.

M-NCPPC staff indicates that, given the existing cumulative appropriation of the Advance Land Acquisition (ALA) Revolving Fund, and purchases foreseen from it, there may be a need for an infusion of \$1 million/year in ALA Bond debt starting in FY 07. There has been discussion over the past year about drawing a clearer distinction between Park and Planning Bonds and Advance Land Acquisition (ALA) Bonds in the CIP and in the Spending Affordability Guidelines. The distinction can be made clearer in the CIP merely by showing the correct funding source in the funding line on project description forms.

The current law, however, mandates that there be Spending Affordability Guidelines for the "total amount of debt, except refunding bonds, issued by the Maryland-National Capital Park and Planning Commission..." which is the sum of Park and Planning Bonds and ALA Bonds (©2). Council staff suggests that the M-NCPPC SAG resolution that the Council adopts in May include additional text indicating the amount of each guideline that intended as planned expenditures from Park and Planning Bond debt and the amount that is intended as planned expenditures from ALA Bond debt.

*Council staff recommendation: Advertise \$3.1 million for FY 2005, \$3.1 million for FY 2006, and \$22.6 million for FY 2005-2010. These amounts assume an increase of \$100,000 (3.3%) each year for Park and Planning Bonds and \$1 million each year starting in FY 07 for ALA Bonds. Cumulatively this would be a large increase (\$4.6 million, or 25.6%) over the \$18 million guideline approved last year. However, it is smaller both in nominal and proportional terms compared to the last time the Council added ALA funds, in FYs 97-99. The resulting FY 97-02 guideline was \$5.5 million (37.9%) higher than the FY 96-01 guideline.*

**DRAFT**

MEMORANDUM

September 9, 2003

TO: Beverley K. Swaim-Staley, Director  
Office of Management and Budget

VIA: Martha D. Lamborn, Budget Manager  
Office of Management and Budget

FROM: Mitra Pedoeem, Sr. Management and Budget Specialist  
Office of Management and Budget

SUBJECT: Decision Memorandum – Maryland-National Capital Park and Planning  
Commission - ALARF Issues

1. **Purpose:** To provide a brief history of the Maryland-National Capital Park and Planning Commission (M-NCPPC) Advanced Land Acquisition process, and the Advanced Land Acquisition Revolving Fund (ALARF); to decide on whether ALA bonds should be included together with Park and Planning bonds and be subject to Spending Affordability Guidelines (SAG) limit; to decide on M-NCPPC's obligation to replenish ALARF for the acquisition costs of certain properties which are purchased through ALARF; and to decide whether to close out the existing CIP Project No. 727007 ALARF: M-NCPPC.
2. **Background:** The Council establishes the spending affordability guidelines (SAG) for the aggregate capital budget under Article X, Sec. 20-56 of the County Code no later than the first Tuesday in October in each odd-numbered calendar year.

There are two sets of guidelines established by the Council under the SAG. The first set is for the total general obligation debt issued by the County that may be planned for expenditure in the first, second, and the six-year CIP, and the second set is for the amount of the total debt, except refunding bond, issued by M-NCPPC for the first, second, and the six-year CIP for projects in the County.

M-NCPPC is authorized to issue general obligation bonds known as Park and Planning (P&P) bonds, subject to a SAG limit of \$3 million for each fiscal year from FY03 to FY08 for acquisition and development of local and certain special parks and advanced land acquisition.

Article 28, Section 7-106(b) of the Annotated Code of Maryland empowers the M-NCPPC to include in its annual budget provisions for the acquisition of lands needed for State highways, streets or roads, and for school sites and other public uses in Montgomery County. The Commission established a continuing land acquisition revolving fund -ALARF- from

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which disbursements for such purchases are made. Each land purchase is authorized by a County Council Resolution. ALARF was established through a \$7 million bond issuance in FY72, an additional \$5 million in FY90, and \$2.2 million in FY95.

In FY04, through the operating budget process the Council authorized the issuance of a \$2 million bond by approving the ALA debt service fund. Although ALARF is supposed to be a revolving fund the normal revolving nature has not been truly applicable in this case.

### 3. Analysis:

- **ALA bonds subject to SAG limit**

The current SAG guidelines adopted by the Council do not differentiate between P&P bonds and ALA bonds. Since ALA bonds are used to pay for the debt service to purchase land for other agencies, M-NCPPC maintains the position that the SAG limit of \$3 million should be used for P&P bonds only and should not include the ALA bonds. For example, M-NCPPC estimated an annual SAG limit of approximately \$5 million if both ALA and P&P bonds were included for FY04. The Commission states that since they need P&P bonds to cover their acquisition and development costs for the local parks, they cannot afford to issue ALA bonds if the \$3 million SAG limit is to include both P&P and ALA bonds.

In FY97-2002 CIP budget the Commission's SAG limit was increased to: \$4.1 million, an increase of \$1.5 million for ALA bonds in FY97; \$4.1 million, an increase of \$1.5 million for ALA bonds in FY98; \$3.9 million, an increase of \$1 million for ALA bonds in FY99; with a six-year CIP SAG limit of \$20 million.

On September 8, 2003, the Council staff recommended to increase M-NCPPC annual SAG by \$1 million per year in ALA bond debts starting in FY07 for advertisement purposes to MFP Committee for spending affordability guidelines for the FY05-10 Capital Improvement Program. The MFP Committee delayed this request to after resolution of M-NCPPC's ALARF issues.

- **M-NCPPC obligation to replenish ALARF**

The attached M-NCPPC's "Opinion of the General Counsel" provides a general legal opinion for the use of ALARF property for the Matthew Henson Hiker/Biker Trail. Based on the General Counsel's interpretation of Article 28 of the Annotated Code of Maryland, the Commission is entitled to use ALARF properties for park and recreation purposes.

The statute does not expressly say whether the Commission is required to replenish ALARF whenever it elects to convert a property acquired for another public purpose to parkland. General Counsel is concluding that the Commission is entitled to use ALARF properties for park and recreation purposes as part of the Commission's "park system" if the property is no longer needed for the public use it was purchased for, and that use would not obligate the Montgomery County government, or the Commission, to replenish ALARF for the original cost of those parcels or interest thereon.

In addition, M-NCPPC General Counsel's opinion is if the Commission determines that ALARF property at any time is not needed for park purposes, the Commission may dispose of it in the manner provided in MD Annotated Code Article 28. Based on the Counsel's opinion, if the Commission elects to exercise this option which is available under the statute for the disposal of ALARF property – the option to “surplus” a property – that disposal would not trigger a requirement that the ALARF be repaid.

In light of above reasons, ALARF is not operating truly as revolving fund, and the Commission has to issue ALA bonds to replenish ALARF.

- **Close out ALARF: M-NCPPC No. 727007**

M-NCPPC currently is using the ALARF trust fund through their operating budget to purchase land as requested by other public agencies. Each land purchase is authorized by a Council Resolution. When the trust fund is depleted, the Commission issues ALA bonds that are authorized by the Council for M-NCPPC ALA debt service spending through operating budget process. The PDF No. 727007 is supposed to provide the same information in CIP as the trust fund provides in the operating budget. However, the current PDF does not correctly reflect the ALARF fund activities.

**Recommendation:**

- **ALA bonds subject to SAG limit:**

The following four options are presented:

**Option I: Exclude the ALA bonds from the annual SAG limit for the P&P bonds.**

This option is similar to the current practice. Under current practice, the Commission asserts that if ALA bonds are included with the P&P SAG limit, then to replenish ALARF, the Commission has to issue P&P bonds, to pay the ALA bonds (two bond issues for the same project). Under the IRS Arbitrage rules, section 1.148-10 (a) (4), this action is considered overburdening the tax-exempt market which is not an acceptable public practice. Recommend: Do not concur.

M-NCPPC: \_\_\_\_\_ Concur \_\_\_\_\_ Not Concur \_\_\_\_\_ Date

OMB: \_\_\_\_\_ Concur \_\_\_\_\_ Not Concur \_\_\_\_\_ Date

**Option II: Increase current SAG limit to include ALA bonds.**

The law permits the Council to increase or decrease the SAG guidelines each year “to reflect a significant change in condition”. A majority of the Council is needed to approve a change in the guidelines. The change in condition would relate to an increase or

decrease in the County's ability to afford the debt, not to an increase or decrease in need. The law places no limit on the amount of increase or decrease permitted in any guidelines for the six-year amount. For example, under this option the SAG limit for the Commission would have been increased by \$2 million to a total of \$5 million for FY04. The additional SAG limit should be specifically designated for ALA bonds in the Council Resolution. This action needs a majority of the Council approval this October.

Recommend: Concur.

M-NCPPC: \_\_\_\_\_ Concur \_\_\_\_\_ Not Concur \_\_\_\_\_ Date  
 OMB: \_\_\_\_\_ Concur \_\_\_\_\_ Not Concur \_\_\_\_\_ Date

**Option III: Issue separate SAG limit for ALA bonds.**

Create a third set of guidelines under the aggregate capital budget to address the total amount of debt issued by M-NCPPC for acquisition of lands needed under the guidelines used to establish ALARF. This option requires an amendment and or change in the current County Code, Article X, Spending Affordability - Capital Budget, to increase the guidelines from six to nine. This option is appealing due to the fact that ALA bonds have a different tax base than P&P bonds. Recommend: Do not concur.

M-NCPPC: \_\_\_\_\_ Concur \_\_\_\_\_ Not Concur \_\_\_\_\_ Date  
 OMB: \_\_\_\_\_ Concur \_\_\_\_\_ Not Concur \_\_\_\_\_ Date

**Option IV: Issue one CIP SAG for Montgomery County GO bonds including P&P bonds and ALA bonds.**

Under this option P&P bonds and ALA bonds will be issued as part of Montgomery County GO bonds, with the debt service paid by the Commission. This is similar to the current practice for the bonds for Fire District, Recreation, and Mass Transit funds.

This option will provide consistency between agencies and reduces the number of kinds of debts the County is carrying while it will result in a lower cost for the debt issuance. However, it may result in a higher interest rate since the Commission currently takes advantage of bank-qualified bond rates. If the Commission bonds be included with County's GO bonds, they do not qualify as "small issuers" (under \$10 million bond issuance) anymore, and consequently they can not enjoy the bank-qualified rates.

In addition, this option would eliminate some of the confusion between the County and M-NCPPC bond rules and provides consistency with Operating SAG limit in which the M-NCPPC tax revenues are subject to the County SAG as a whole, and then is divided by each agency. While under the current CIP SAG limit practice, P&P or ALA bonds are treated as a separate entity from the County's GO bonds.

Consideration needs to be given to the fact that the Commission typically issues bi-county bonds for both Montgomery and Prince George's counties. As a result, currently,

Prince George's County is enjoying a better interest rate and less cost of bond issuance if they were to be disengaged from Montgomery County.

This option may require an amendment and or change in the current County Code, Article X, Spending Affordability - Capital Budget, to decrease the number of guidelines from six to three by eliminating the set of guidelines that pertains to the Commission.

Recommend: Do not Concur at this time.

M-NCPPC: \_\_\_\_\_ Concur \_\_\_\_\_ Not Concur \_\_\_\_\_ Date

OMB: \_\_\_\_\_ Concur \_\_\_\_\_ Not Concur \_\_\_\_\_ Date

• **M-NCPPC obligation to replenish ALARF**

The following two scenarios are presented:

**Scenario I: Do not replenish ALARF if property is used as part of Commission's "park system".**

Based on the legal opinion by the M-NCPPC General Counsel, neither the Commission, nor the Montgomery County Government is obligated to replenish ALARF for the original cost of those parcels or interest thereon, if ALARF properties are no longer needed for the public use they were purchased for, and the properties are used for park and recreation purposes as part of the Commission's "park system". Recommend: Concur.

M-NCPPC: \_\_\_\_\_ Concur \_\_\_\_\_ Not Concur \_\_\_\_\_ Date

OMB: \_\_\_\_\_ Concur \_\_\_\_\_ Not Concur \_\_\_\_\_ Date

**Scenario II: Replenish ALARF if the Commission exercises the option to "surplus a property".**

Since the statute has not been clear for repayment requirements to ALARF, M-NCPPC General Counsel has concluded that the Commission is not required to replenish ALARF. However, I believe that the funds received from private parties for the land disposal need to go back to ALARF for future land purchases. A statement can be included in the future M-NCPPC Council Resolutions for land purchases through ALARF for replenishing ALARF if the land is disposed of by the Commission. I have forwarded a copy of the Commission's legal opinion to the County's attorney for their interpretations of the statute regarding the Commission's opinion of not paying ALARF if the commission has intention to dispose of any of the lands that is currently holding in ALARF. I will provide you with our counsel opinion when it is available. Recommend: Concur.

M-NCPPC: \_\_\_\_\_ Concur \_\_\_\_\_ Not Concur \_\_\_\_\_ Date

OMB: \_\_\_\_\_ Concur \_\_\_\_\_ Not Concur \_\_\_\_\_ Date

• **Close out ALARF : M-NCPPC -- No. 727007**

ALARF is viewed by M-NCPPC as an operating budget item and not as a CIP item. Expenditure and revenue items are currently shown both in the operating and CIP budgets.

Since this PDF is a duplicate effort and is confusing in terms of understanding ALARF, I recommend either to close out, or at a minimum partially close out the current CIP project number 727007 ALARF: M-NCPPC.

The partial close out of the current PDF will provide consistency across the County (County Government and Montgomery County Public Schools disclose ALARF in their CIP budget). There may be a need for a PDF to display the six-year ALA expenditure in CIP if a new SAG limit is established for ALA bonds. In this case, the partial close out PDF will serve this purpose as long as it accurately reflects the ALARF trust fund activities. This partial close out PDF can be closed out in future if all parties agree there is no need for this PDF. Recommend: Partially close out ALARF.

**Close-out PDF:**

|          |       |        |       |            |       |      |
|----------|-------|--------|-------|------------|-------|------|
| M-NCPPC: | _____ | Concur | _____ | Not Concur | _____ | Date |
| OMB:     | _____ | Concur | _____ | Not Concur | _____ | Date |

**Partially close-out PDF:**

|          |       |        |       |            |       |      |
|----------|-------|--------|-------|------------|-------|------|
| M-NCPPC: | _____ | Concur | _____ | Not Concur | _____ | Date |
| OMB:     | _____ | Concur | _____ | Not Concur | _____ | Date |

**Attachments**

cc: Jacqueline Carter, Office of Management and Budget  
Kim Mayo, Office of Management and Budget  
Bette McKown, M-NCPPC  
Patti Barney, M-NCPPC  
Jennifer Barrett, Department of Finance