

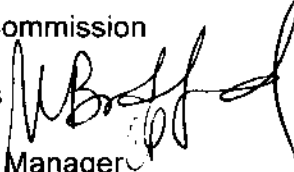


MONTGOMERY COUNTY DEPARTMENT OF PARKS
 THE MARYLAND NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MCPC Item No. 7
 AGENDA DATE: July 3, 2008

MEMORANDUM

June 24, 2008

TO: The Montgomery County Park Commission
VIA: Mary Bradford, Director of Parks 
FROM: Carrye Palleschi, Park Property Manager
SUBJECT: Proposed Annual Rent Increase for Park Houses – Fiscal Year 2009

STAFF RECOMMENDATION:

Approval of the proposed schedule of rents which, includes a 3.1% increase in accordance with the County Executive’s voluntary rent guideline for Montgomery County.

Executive Summary

The park house program is a subset of the Property Management portfolio. The park house program includes park houses leased to employees, non-employees, the County for people with special needs, carry over tenants and life estate tenants. This proposed rent increase relates to the park houses leased to employees and non-employees. Three units receive no increase, since the three units include one carry-over tenant and two life estate tenants. The three units are on the schedule of rents for FY09 since the rent is collected by Legum & Norman, (“L & N”) the Commissions rental management company for residential units.

Staff presents its annual recommendation on park house rent adjustments to the Planning Board for your consideration and approval. For Fiscal Year 2009 (FY09), staff recommends a 3.1% **increase** in park house rents. 3.1 % is the 2008 voluntary rent increase limit established by the Montgomery County Executive’s Office (Attachment 1).

The attached schedule of rents for FY09 (Attachment 2) reflects the recommended 3.1% increase in rental rates for most units along with a commensurate increase in the adjusted fair market rental values (“market value”) established by L&N.

This is consistent with our practice of performing full market surveys every five years and adjusting the market rental values in the intervening years using the Montgomery County Executive’s Office voluntary guideline. The most recent market survey was performed by L&N in 2006.

6.3.08

There are five occupied units, which have rental rates below the adjusted fair market value and will incur an additional 3% increase as a catch-up provision approved by the Planning Board in June 2002.

Background

Park house rent increases are implemented on an annual basis near the beginning of each fiscal year. The rent increases are consistent with Practice 6-50 Use of Commission Owned Park Houses (Attachment 4) and past practices of renting houses at the full market value. In addition, the rent increases are necessary to fund the expense of maintenance and capital improvements for the park houses.

In recent years, the amount of the rent increase has been established by applying the voluntary annual rental increase limit ("guideline") established by the Montgomery County Executive's Office ("MCEO").

Formal market surveys are conducted on five-year cycles to assess the current fair market rental value ("market value") for each unit. These surveys take into consideration rental rates for comparable units, market trends, as well as the features and relative condition of each unit. Legum & Norman conducted the most recent market survey in 2006. The next market survey will be completed in 2011.

Based on the results of the market surveys, a new market value is established for each unit. In most cases, the new market values are higher than those previously observed as well as the actual rental rates being paid by the tenants. In some cases where there have been major improvements or repairs performed to the unit since the last market survey, the difference between current rental rates and new market value can be substantial.

Between cycles, the market value for each unit is adjusted on an annual basis in accordance with the MCEO guideline. For 2008, the MCEO has recommended a maximum increase of **3.1%**. Accordingly, the market values for FY08 will be increased by 3.1% for FY09.

The MCEO guideline is also applied each year in establishing the proposed increases in the actual rents ("rental rate") being paid by the tenants. The effect of such a practice is that, absent some form of catch-up provision, any rental rates that are below market value as a result of the last market survey will remain so indefinitely, until such time as the unit is vacated and brought up to market rate.

In June 2002, staff recommended, and the Planning Board approved, a catch-up provision whereby any unit that was being rented below market value could be assessed up to an additional 3% annual increase until such time as the rental rate caught up to market value, including any allowable discounts for employees. Therefore, the recommended FY09 increases for five rental units will be in excess of 3.1%.

For the above affected units, the actual percentage increase in addition to the base 3.1% increase will be more than 3% of the current rental rate. To ensure that the catch-up provision is serving to close the gap between current rental rate and market value at an actual 3%/year, the 3% increase is a factor of the newly adjusted fair market value for FY09, not the current FY09 rental rate.

Employee and Non-Employee Discounts

As explained above, a number of the rental rates for FY09 will continue to lag behind the adjusted market value for the units due primarily to the disparities that arise as a result of the market surveys conducted every five years.

Per Practice 6-50 all non-employee occupied units are to be rented at full market value. Employee occupied units are allowed an across-the-board discount of 7% off market value due to the savings the Commission realizes by collecting the rents through payroll deduction. Rent discounts for employees totaling more than 20% are considered a taxable fringe benefit and are prohibited under Practice 6-50. Currently, no employee tenant receives a discount in excess of 20%.

cc: Mike Riley, Deputy Director of Administration



Attachment 1

OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

February 1, 2008

Dear Owner/Manager:

This month marks the twenty-sixth year since the expiration of rent controls in Montgomery County. The Voluntary Rent Guideline system in place over these years has helped both government and the real estate industry remain aware of inflationary pressures related to rent increases in this region.

The figures from the U.S. Department of Labor on which the Voluntary Rent Guidelines are based show the increase in the rent component of the Consumer Price Index for 2007 for the Washington Metropolitan area to be 3.1 percent. Based on that information, the Voluntary Rent Guideline for Montgomery County will be set at 3.1 percent.

Your cooperation in keeping rent increases moderate is appreciated. Please direct any questions or observations that you may have about the Guideline to the Office of Landlord-Tenant Affairs, Division of Housing and Code Enforcement, Department of Housing and Community Affairs, at 240-777-3600.

Sincerely,

Isiah Leggett
County Executive

IL:mh

Montgomery County Department of Parks
Proposed Annual Rent Increase for Park Houses - FY 2009

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Employee, Non-Employee, Vacant	Address of Property	Square Footage	Number of Bedrooms	FY 08 Rental Rate	FY 08 Adjusted Market Value (FY06 Adjusted Market Value x 104.4% x 1.05,8% x 1.03,1% Rental Rate + 3.1% Montgomery County Executive's Office (MCEO) Increase)	FY 08 Rental Rate + 3.1% Montgomery County Executive's Office (MCEO) Increase	3% Catch Up Amount If Applicable	FY 09 Proposed Rental Rate	FY 09 Increase Amount	FY 09 Increase Percent	FY 09 Percent Proposed Rental Rate Below FY 09 Adjusted Market Value	Effective Date	
1	E	1611 April Lane, Silver Spring, Maryland	2,000	5	\$1,771	\$1,726	\$1,826	\$0	\$1,826	\$55	3.1%	7.0%	9/1/2008
2	N	1700 April Lane, Silver Spring, Maryland	900	2	\$1,044	\$1,076	\$1,076	\$0	\$1,076	\$32	3.1%	0.0%	9/1/2008
3	N**	1800 April Lane, Silver Spring, Maryland	N/A	2	\$307	\$307	\$307	\$0	\$307	\$0	N/A	\$0	N/A
4	N**	1850 April Lane, Silver Spring, Maryland	N/A	4	\$420	\$420	\$420	\$0	\$420	\$0	N/A	\$0	N/A
5	E	1905 Arcola Avenue, Wheaton, Maryland	1,100	2	\$925	\$1,025	\$954	\$0	\$954	\$29	3.1%	7.0%	9/1/2008
6	E	2120 Baltimore Road, Rockville, Maryland	1,016	2	\$745	\$826	\$768	\$0	\$768	\$23	3.1%	7.0%	9/1/2008
7	N	20020 Bealesville Road, Bealesville, Maryland	3,677	5	\$1,899	\$2,044	\$1,958	\$59	\$2,017	\$118	6.2%	1.3%	9/1/2008
8	E	24510 Bealesville Road, Clarksburg, Maryland	1,651	3	\$1,017	\$1,127	\$1,049	\$0	\$1,049	\$32	3.1%	7.0%	9/1/2008
9	E	24520 Clarksburg Road, Clarksburg, Maryland	2,596	4	\$1,128	\$1,173	\$1,163	\$0	\$1,163	\$35	3.1%	7.0%	9/1/2008
10	E	25230 Clarksburg Road, Clarksburg, Maryland	2,136	3	\$1,058	\$1,173	\$1,091	\$0	\$1,091	\$33	3.1%	7.0%	9/1/2008
11	E	25925 Clarksburg Road, Clarksburg, Maryland	2,456	4	\$1,250	\$1,480	\$1,289	\$40	\$1,329	\$79	6.3%	10.2%	2/1/2009
12	N	14401 Clopper Road, Boyds, Maryland	2,544	3	\$1,323	\$1,164	\$1,364	\$0	\$1,364	\$41	3.1%	0.0%	9/1/2008
13	E	14500 Clopper Road, Boyds, Maryland	700	1	\$616	\$683	\$635	\$0	\$635	\$19	3.1%	7.0%	9/1/2008
14	E	125 Dale Drive, Silver Spring, Maryland	1,200	2	\$996	\$1,105	\$1,027	\$0	\$1,027	\$31	3.1%	7.0%	9/1/2008
15	F	10221 Frederick Avenue, Kensington, Maryland	975	1	\$919	\$1,019	\$947	\$0	\$947	\$29	3.1%	7.0%	9/1/2008
16	E	24615 Frederick Road, Clarksburg, Maryland	1,260	2	\$777	\$861	\$801	\$0	\$801	\$24	3.1%	7.0%	9/1/2008
17	N	24701 Frederick Road, Clarksburg, Maryland	1,259	2	\$662	\$888	\$889	\$0	\$889	\$27	3.1%	0.0%	9/1/2008
18	E	24705 Frederick Road, Clarksburg, Maryland	1,539	3	\$845	\$917	\$871	\$0	\$872	\$27	3.1%	7.0%	9/1/2008
19	E	24709 Frederick Road, Clarksburg, Maryland	1,464	3	\$822	\$911	\$847	\$0	\$847	\$25	3.1%	7.0%	9/1/2008
20	N	24715 Frederick Road, Clarksburg, Maryland	1,697	3	\$1,132	\$1,167	\$1,167	\$0	\$1,167	\$35	3.1%	0.0%	9/1/2008
21	E	24801 Frederick Road, Clarksburg, Maryland	1,514	3	\$1,027	\$1,139	\$1,059	\$0	\$1,059	\$32	3.1%	7.0%	9/1/2008
22	N	24819 Frederick Road, Clarksburg, Maryland	672	4	\$839	\$865	\$865	\$0	\$865	\$26	3.1%	0.0%	9/1/2008
23	N	25023 Frederick Road, Clarksburg, Maryland	1,000	3	\$839	\$865	\$865	\$0	\$865	\$26	3.1%	0.0%	9/1/2008
24	E	25029 Frederick Road, Clarksburg, Maryland	1,000	2	\$684	\$757	\$705	\$0	\$705	\$21	3.1%	7.0%	9/1/2008
25	E	25101 Frederick Road, Clarksburg, Maryland	1,120	3	\$796	\$883	\$821	\$0	\$821	\$25	3.1%	7.0%	9/1/2008
26	E	25115 Frederick Road, Clarksburg, Maryland	1,167	3	\$847	\$940	\$873	\$0	\$874	\$27	3.1%	7.0%	04/01/09
27	F	25119 Frederick Road, Clarksburg, Maryland	1,100	3	\$858	\$951	\$885	\$0	\$885	\$27	3.1%	7.0%	9/1/2008
28	E	25211 Frederick Road, Clarksburg, Maryland	1,200	3	\$873	\$968	\$900	\$0	\$900	\$27	3.1%	7.0%	9/1/2008
29	N**	15101 Gantley Road, Boyds, Maryland	N/A	1	\$125	\$125	\$125	\$0	\$125	\$0	0.0%	0.0%	N/A
30	N	21414 Georgia Avenue, Brookeville, Maryland	1,079	2	\$939	\$968	\$968	\$0	\$968	\$29	3.1%	0.0%	9/1/2008
31	E	10801 Glen Road, Potomac, Maryland	700	1	\$770	\$854	\$794	\$0	\$794	\$24	3.1%	7.0%	9/1/2008
32	E	1210 Goldmine Road, Brookeville, Maryland	1,200	1	\$1,043	\$1,136	\$1,075	\$0	\$1,075	\$32	3.1%	7.0%	9/1/2008
33	E	1901 Goldmine Avenue, Silver Spring, Maryland	1,874	1	\$1,156	\$1,281	\$1,192	\$0	\$1,192	\$36	3.1%	7.0%	9/1/2008
34	N	2012 Henderson Avenue, Silver Spring, Maryland	1,200	2	\$1,087	\$1,221	\$1,121	\$0	\$1,121	\$34	3.1%	0.0%	9/1/2008
35	N	9901 Huntmaster Road, Germantown, Maryland	1,600	3	\$1,375	\$1,418	\$1,418	\$0	\$1,418	\$43	3.1%	0.0%	9/1/2008
36	N	1500 Jackson Road, Silver Spring, Maryland	900	2	\$783	\$865	\$807	\$25	\$832	\$49	6.3%	3.8%	9/1/2008
37	E	13910 Lewisdale Road, #A, Clarksburg, Maryland	1,000	2	\$596	\$661	\$614	\$0	\$614	\$18	3.1%	7.0%	9/1/2008
38	E	13910 Lewisdale Road, #B, Clarksburg, Maryland	1,000	2	\$611	\$678	\$630	\$0	\$630	\$19	3.1%	7.0%	9/1/2008

E=Montgomery County Department of Parks Employee (receives 7% discount for payroll deduction payment of rent)

N=Non-employee of Montgomery County Department of Parks

V=Vacant Units that are brought up to market rent

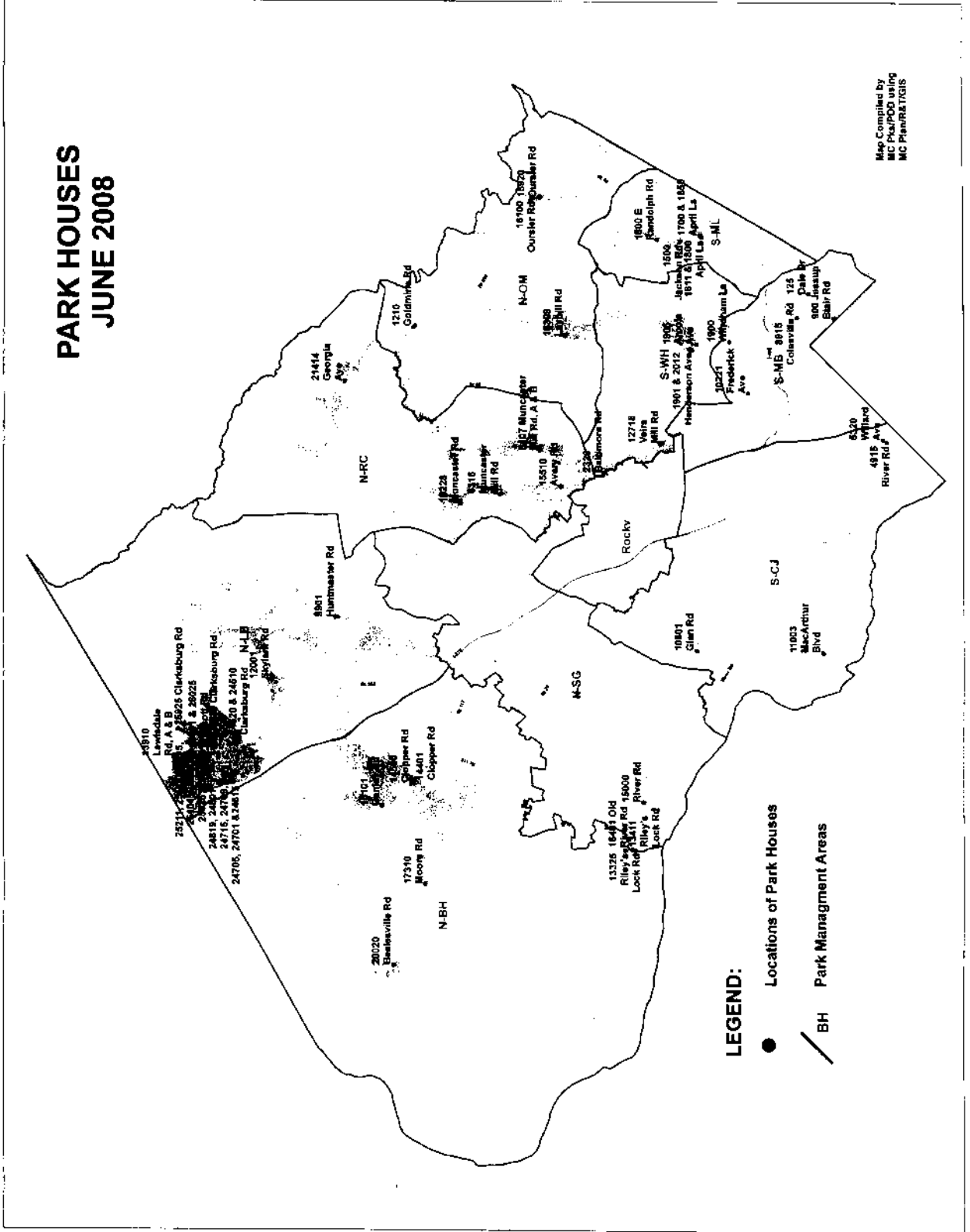
**Not subject to rent increase (Life Estate or Carry Over Tenant)

Montgomery County Department of Parks
Proposed Annual Rent Increase for Park Houses - FY 2009

A	B	C	D	E	F	G	H	I	J	K	L	M	N
	Employee, Non-Employee, Vacant	Address of Property	Square Footage	Number Of Bedrooms	FY 08 Rental Rate	FY06 Adjusted Market Value (FY06 Adjusted Market Value x 104.4% x 1.053% Rate + 3.1% Montgomery County Executive's Office (MCEO) Increase	FY 08 Rental Rate + 3.1% Montgomery County Executive's Office (MCEO) Increase	3% Catch Up Amount If Applicable	FY 09 Proposed Rental Rate	FY 09 Increase Amount	FY 09 Increase Percent	FY 09 Percent Proposed Rental Rate Below FY 09 Adjusted Market Value	Effective Date
39	E	11093 MacArthur Boulevard, Potomac, Maryland	1,200	3	\$1,075	\$1,253	\$1,108	\$34	\$1,142	\$67	6.3%	8.8%	9/1/2008
40	N	17310 Moore Road, Boyds, Maryland	2,480	4	\$2,698	\$2,782	\$2,782	\$0	\$2,782	\$84	3.1%	0.0%	9/1/2008
41	E	18228 Muncester Road, Rockville, Maryland	1,700	4	\$1,277	\$1,416	\$1,317	\$0	\$1,317	\$40	3.1%	7.0%	04/01/09
42	N	5107 A Muncester Mill Road, Rockville, Maryland	500	1	\$741	\$764	\$764	\$0	\$764	\$23	3.1%	0.0%	05/01/09
43	E	5107 B Muncester Mill Road, Rockville, Maryland	500	1	\$688	\$764	\$709	\$51	\$710	\$22	3.3%	7.0%	05/01/09
44	N	16401 Old River Road, Poolesville, Maryland	4,476	4	\$1,712	\$1,765	\$1,765	\$0	\$1,765	\$53	3.1%	0.0%	9/1/2008
45	E	15920 Oursler Road, Burtonsville, Maryland	1,500	4	\$1,002	\$1,110	\$1,033	\$0	\$1,033	\$31	3.1%	7.0%	9/1/2008
46	N	16100 Oursler Road, Burtonsville, Maryland	1,300	2	\$967	\$996	\$997	\$0	\$997	\$30	3.1%	0.0%	9/1/2008
47	N	26001 Prescott Road, Clarksburg, Maryland	1,860	3	\$1,436	\$1,580	\$1,481	\$0	\$1,481	\$45	3.1%	0.0%	9/1/2008
48	N	26025 Prescott Road, Clarksburg, Maryland	1,064	3	\$784	\$809	\$808	\$0	\$809	\$25	3.1%	0.0%	9/1/2008
49	E	1600 E. Randolph Road, Silver Spring, Maryland	1,200	4	\$1,007	\$1,110	\$1,038	\$0	\$1,038	\$31	3.1%	6.5%	9/1/2008
50	E	13325 Riley's Lock Road, Poolesville, Maryland	1,762	3	\$1,372	\$1,521	\$1,415	\$0	\$1,415	\$43	3.1%	7.0%	5/1/2009
51	E	4915 River Road, Chevy Chase, Maryland	1,224	2	\$1,279	\$1,395	\$1,319	\$0	\$1,319	\$40	3.1%	7.0%	9/1/2008
52	N	12001 Skyline Road, Cedar Grove, Maryland	2,552	5	\$1,983	\$2,044	\$2,044	\$0	\$2,044	\$61	3.1%	0.0%	04/01/09
53	N	12718 Viers Mill Road, Rockville, Maryland	2,500	4	\$1,254	\$1,293	\$1,293	\$0	\$1,293	\$39	3.1%	0.0%	9/1/2008
54	N	5320 Willard Ave, Chevy Chase, Maryland	2,996	4	\$3,439	\$3,701	\$3,546	\$108	\$3,653	\$214	6.2%	1.3%	9/1/2008
55	E	1900 Windham Lane, Silver Spring, Maryland	1,260	1	\$878	\$974	\$905	\$0	\$906	\$28	3.1%	7.0%	9/1/2008
Monthly Totals					\$58,696	\$62,861	\$60,489	\$273	\$60,762	\$2,066			
Average Per House					\$1,067	\$1,143	\$1,100	\$5	\$1,105	\$38			
Annual Totals					\$704,362	\$754,329	\$725,870	\$3,272	\$729,142	\$24,790			

E=Montgomery County Department of Parks Employee (receives 7% discount for payroll deduction payment of rent)
 N=Non-employee of Montgomery County Department of Parks
 V=Vacant Units that are brought up to market rent
 --Not subject to rent increase (Life Estate or Carry Over Tenant)

PARK HOUSES JUNE 2008



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

PRACTICEapproved by
Commission

no. 6-50

subject

11 September 1985

effective date

USE OF COMMISSION-OWNED PARK HOUSES

AUTHORITY

This practice, originally approved by the Commission February 11, 1976, was revised by the Executive Committee October 3, 1983, to include provisions for lease extension; security deposits; maintenance of electrical systems in park houses; and coordination of agreements with carry-over provisions for tenancy. The current revision amends the basis for rentals, the date for rental adjustments, and contains new criteria for discounting rents.

Thomas H. Countee, Jr.
Thomas H. Countee, Jr.
Executive Director

REFERENCES

Art. 28, §§5-103, 5-110, 5-113, and 5-115, Annotated Code of Maryland, 1957, as amended, 1983 Replacement Volume.

U.S. Code Annotated, Title 26, Internal Revenue Code, §3501(b).

M-NCPPC Merit System Rules and Regulations, Sections 640 and 641 (as amended by the Commission April 14, 1982).

Prince George's County park houses classifications (Attachment A).

Montgomery County park houses classifications (Attachment B).

PURPOSE

To make Commission-owned park houses available for use in a manner beneficial to the public, the Commission, and its employees.

POLICY

A. General

Commission-owned park houses not otherwise covered by agreements made with the grantor at the time of acquisition shall be made available: (1) for rent to Commission employees; (2) at the discretion of a Planning Board, for use by public agencies or private nonprofit organizations or for individuals as part of an approved public program; and (3) for rent on the open market at fair market value.

Rental of Commission-owned park houses shall be administered without discrimination towards applicants or tenants because of age, sex, race, religion, color, national origin, or disability.

POLICY
(Continued)

B. Appraisals

All Commission-owned park houses are appraised by independent certified appraisers when acquired, or on an as needed basis.

C. Rental Adjustments

Rental adjustments as appropriate shall be made July 1 each year to reflect changes in the Metropolitan Area market.

Annual rental adjustments will be based on market surveys or other indices of market rents for single family detached houses and apartments.

Each Planning Board may establish dates for gradual implementation of substantial rent increases necessitated by unusually high changes in appraisals.

D. Income Tax Liability

The Internal Revenue Service assesses income tax liability to employee-tenants if the rental rate constitutes additional compensation. Such additional compensation is not permissible under the Merit System Rules and Regulations. Accordingly, there should be no income tax liability, but if IRS determines that liability exists, it will be the personal responsibility of the employee.

E. Personnel Action Forms

Personnel Action Forms (PA2's) will show the requirement of an employee's occupancy in a Commission park house as a condition of employment. (See M-NCPPC Merit System Rules and Regulations, Sections 640 and 641.) Such occupancy shall be reevaluated if there is a change in employment status. (See item 2., p.4.)

F. Leases

All terms of rentals of park houses must be contained in written leases between the Commission and tenants. All lease agreements require Legal Department approval of legal sufficiency and form, and must be signed by the Executive Director or designee. Leases shall state that employee-tenants shall be charged rent through payroll deduction.

All leases for park houses, unless otherwise stated, are written on a month-to-month basis for a minimum of 3 months, and must allow at least 90 days prior notice to vacate for the convenience and necessity of the Commission. However, 30 days notice shall be provided in the case of eviction for cause. Tenants may terminate their leases with 30 days notice. To the extent possible, the Property Management Offices will assist in the relocation for employee-tenants forced to vacate.

Employee-tenants must vacate park houses within 90 days of leaving the Commission's employ, unless granted an extension in writing by the Park Property Managers with approval of the Director of Parks or the Director of Parks and Recreation, as appropriate.

POLICY
(Continued)

Unless otherwise defined in the lease, the Commission maintains roofs, essential electrical and plumbing systems, and furnaces of its park houses, and provides paint and other maintenance materials to tenants. Employee-tenants will be credited for labor cost to paint the structure, with a reduction in rent to cover that labor cost.

Park houses are rented in "as is" condition.

G. Nonemployee Leases

Leasing of Commission-owned park houses to nonemployees will be allowed when it has been determined that neither Commission employees nor the County Government is interested in leasing a particular park house.

Availability of those park houses shall be advertised in local newspapers and leased at fair market value.

Property Management Offices shall negotiate these leases based on condition of the structure and repairs to be made.

H. Habitability; Razing

Commission-owned park houses that have no potential use as a park facility or require substantial expense to put into habitable condition to meet housing codes may be demolished, or disposed of by sale or auction as determined by the appropriate Department Director in accordance with applicable local law.

I. Special Provision Regarding Security Deposits

Prior to moving into a park house all prospective tenants must provide a security deposit equal to one month's rent. In unusual or hardship circumstances, this requirement may be waived by the Department Head. When a park house is to be vacated, it is inspected and upon satisfactory inspection, the lease terminated. The deposit and accrued interest, if any, are returned to the tenant. If the house has been damaged or is left in an unclean condition, the cost of the necessary maintenance or repairs will be charged against the security deposit. (NOTE: After the deposit has been held for one year, it will begin to accrue interest at a rate determined by the laws governing security deposits.)

RESPONSIBILITIES

A. Montgomery County Parks and Prince George's Parks and Recreation Property Management Offices

At the time of acquisition of improved park properties with carry-over tenants, the Land Acquisition Offices, General Counsel, and Property Management Offices must coordinate all agreements with any carry-over provisions regarding tenancy, such as life estates, established rentals, etc.

B. Montgomery County Director of Parks and Prince George's County Director of Parks and Recreation

1. On matters pertaining to only one county, each Director is responsible to the appropriate Planning Board. On matters of Commission-wide policy, they receive guidance from the Commission.
2. Both Directors determine the requirement for occupancy of Commission-owned park houses as a condition of employment, and reevaluate such occupancy upon employee reassignment of employment status.
3. Both Directors convey to employee-tenants pertinent information reported on park housing activities by the Secretary-Treasurer and General Counsel.
4. Designation of property to be covered by the provisions of this practice is the responsibility of each Director, as appropriate.
5. Further responsibilities of the Directors, or their designees, are:
 - (a) To establish initial rents (to be reviewed annually and adjusted, as appropriate), and to assign and reassign employees, as circumstances require, to occupancy in Commission-owned park houses (See assignment criteria, page 5);
 - (b) To keep a complete record of each park house appraisal and assignment;
 - (c) To adjust rentals by a percentage and/or a flat dollar amount, estimated to equal the benefit and savings to the Commission for: 1) lack of full landlord services, 2) lack of certain appliances, 3) rent payment through payroll deduction, and 4) other factors where Commission leases differ from conventional leases;

MONTGOMERY COUNTY DEPARTMENT OF PARKS
PARK HOUSES CLASSIFICATIONS

Commission park houses are classified into one of three categories. The designations will be reviewed periodically and reclassified as required.

CATEGORY "A"

Category "A" houses are structures that are essential to a park program and should be maintained on a permanent basis. Factors to consider in making such designations include:

1. Potential or existing use for park purposes (other than as a residence) such as recreation centers, offices, conference centers, etc.
2. Location in or near a park area where security and management personnel are required.
3. Architectural or historical significance of the structure which makes its continued preservation desirable.

CATEGORY "B"

Category "B" houses are surplus to park use requirements and can be made available for rental on an interim basis. Factors to consider in making such designations include:

1. Location in park areas not planned for immediate development.
2. The structure is basically sound and its continued occupancy and maintenance will not place a major burden on the tenant or the Commission.

CATEGORY "C"

Category "C" houses are those which might otherwise be designated as "A" or "B" but have either 1) been conveyed to the Commission encumbered with a tenancy agreement worked out as part of the acquisition arrangement, or 2) have been found to be suited for use by public or nonprofit agencies and organizations. Factors to consider in designating houses for use by public agencies include:

1. The size and location of the park house make it suitable for use by government or nonprofit groups.
2. The park house will not be required for use as a park facility.