



Takoma Park City Council Meeting – September 13, 2017 Agenda Item 3

Work Session

Continued Discussion of Selection of Development Partner for the Takoma Park Recreation Center

Recommended Council Action

None – For discussion purposes only

Context with Key Issues

This work session is intended to provide for the continued discussion of the redevelopment of the Takoma Park Recreation Center (Rec Center) and to explore available options for proceeding with the proposed project.

The Council's interest in the redevelopment of the Rec Center, and support for the issuance of a solicitation for Letters of Interest in the project, was initially discussed during its November 16, 2016 work session. On June 21, following the March 21 posting of the solicitation, staff provided a summary of the responses that had been received by five development teams and presented its recommendations for proceeding with the selection process. Representatives from four of the five respondents met briefly with the Council on July 12 to discuss the qualifications of their proposed development team and provide preliminary thoughts on their role in the desired partnership. Councilmembers shared their views regarding the extent to which each team meet the criteria included in the solicitation during its July 26 work session.

The development teams under consideration are (in alphabetical order):

- Coalition Homes and The Orlo Fund
- Community Preservation Development Corporation (CPDC)
- Mission First Housing Development Corporation
- Montgomery Housing Partnership (MHP)

The submissions and subsequent presentations of each of the development teams have been posted on the City's website and can be viewed on the [Takoma Recreation Center Development Project](#) page.

Based on the input received from individual Councilmembers during this process, four options have been identified to assist the Council in going forward on this project:

Option A: Proceed with the Letter of Interest (LOI) solicitation process

Under this scenario, the Council would proceed with the selection of a partner for the redevelopment of the Rec Center using the evaluation criteria established in the LOI solicitation. As the focus of the solicitation is on the experience and qualifications of the firm and members of its team and does not include specific guidance on the

Council's expectations regarding the desired development, the City and the selected development partner would work together to engage community stakeholders in a collaborative process to identify feasible alternatives for the site. Once the preferred development scenario was identified, in consultation with M-NCPPC, the full terms of a redevelopment agreement for the project would be negotiated.

The following selection criteria were identified in the LOI solicitation:

- 1) ability of the firm to work collaboratively with the City
- 2) qualifications and experience
- 3) quality and innovativeness of past projects
- 4) prior public/private partnership experience
- 5) community engagement experience

Option B: Rescind the LOI solicitation and issue a Request for Proposals (RFP)

Members of the Council have expressed an interest in obtaining information from individual development teams that is more typical of a Request for Proposals submission and not specifically addressed in the LOI solicitation. Examples include identification of specific funding sources, anticipated local investment needs, the financial feasibility of an underground parking facility, preliminary concept plans, and details on various features such as the square footage of the desired recreational feature, the height of the proposed structure, and the number of planned rental units and their anticipated cost.

In this scenario, the selection of a development partner would be deferred until the Council and staff had worked with residents and identified stakeholders to further refine the Council's understanding of the recreational needs of the community, clarify its interest in the development of the site, and determine the degree to which the City can invest in the construction or operation of the facility. Once the project was more fully defined, a RFP would be issued. The firms responding to the recent LOI solicitation would be encouraged to participate in this process.

Option C: Initiate the transfer of ownership of the Rec Center to the City

The Council may elect to initiate the transfer of the ownership of the property prior to the selection a development partner under either of the scenarios presented above. This action would require the approval of the Montgomery County Council and a commitment to providing recreational programming to community residents currently accessing the facility. As noted during the November 16 work session, the Rec Center property would be conveyed to the City in exchange for a small, undeveloped lot located in the Long Branch Stream Valley Park, purchased by the City in January 1998.

Upon transfer of the property, the City would be responsible for all maintenance and operational costs associated with the facility. Information provided by City staff indicates that these costs average roughly \$93,000 per year.

The City receives an annual subsidy of \$85,020 from the County to offset the costs of providing programming at the site. Continuation of the operating subsidy provided by the County Recreation Department would need to be addressed during the negotiation process with the County Council.

Conveyance of the properties is anticipated to take roughly six months to complete, allowing the City to prepare for the transfer of the property and plan for anticipated maintenance costs during the FY19 budget process.

Given the anticipated leadership turnover at the County in November, staff recommends proceeding with the proposed transfer of properties.

Option D: Continue to operate the Rec Center as currently structured

The Council may elect to take no action at this time and continue to offer recreational programming to the community under the terms of the existing MOU with the Montgomery County. Discussions regarding the redevelopment potential of the site and the recreational needs of the community could be deferred indefinitely under this scenario.

Formal action on this item is tentatively scheduled for Wednesday, September 26, 2017.

Council Priority

A Livable Community for All: a) Identify youth and family programming needs in the community, especially for our more vulnerable residents including but not limited to those in lower income and immigrant families and those with developmental disabilities, and develop approaches to meet those needs; b) Ensure we have a range of safe, quality, and stable housing options for residents of varying incomes and all races and ethnicities; and

Advance Economic Development Efforts: Attract new businesses and prepare for economic development in the City and region while maintaining the special character of our community.

Environmental Impact of Action

As the project develops, we anticipate that the facility would be designed and constructed in a manner that advanced the Council's interests in reducing the environmental impact of the City's operations.

Fiscal Impact of Action

TBD

Racial Equity Impact of Action

We believe this Council action will improve access to both affordable housing and recreation opportunities for people of color, including immigrants and refugees.

Attachments and Links

- [Takoma Park Recreation Center Development Project Page](#)