

# State of Maryland

## 2014 Bond Bill Fact Sheet

1. Senate LR #      Bill #		House LR #      Bill #		2. Name of Project	
lr2995	sb0955	lr3368		Family Services, Inc. Expansion	
3. Senate Bill Sponsors				House Bill Sponsors	
Forehand				Gilchrist	
4. Jurisdiction (County or Baltimore City)			5. Requested Amount		
Montgomery County			\$150,000		
6. Purpose of Bill					
<p>Authorizing the creation of a State Debt not to exceed \$150,000, the proceeds to be used as a grant to the Board of Directors of the Family Services, Inc. for the acquisition, planning, design, construction, repair, renovation, reconstruction, and capital equipping of the Family Services, Inc. facility.</p>					
7. Matching Fund					
Requirements:		Type:			
Equal		The grantee shall provide and expend a matching fund			
8. Special Provisions					
<input checked="" type="checkbox"/> Historical Easement			<input checked="" type="checkbox"/> Non-Sectarian		
9. Contact Name and Title		Contact Phone		Email Address	
Thomas Harr		301-840-3202		harrt@fs-inc.org	
10. Description and Purpose of Grantee Organization (Limit Length to Visible area)					
<p>Our mission is to foster strong and healthy individuals and families through innovative education, behavioral health, child development, and social services that address the needs in the home, school, and the community. Family Services offers 31 separate programs that reach over 20,000 people per year. They range from neo-natal screenings at local hospitals to residences and services for people with mental illness. Major programs are Early Head Start, Healthy Families, Outpatient Mental Health, Psychiatric Rehabilitation, Domestic Violence Shelter, and Medical Day Program.</p>					

**11. Description and Purpose of Project** (Limit Length to Visible area)

In 1995 Family Services was able to purchase 55% (17,000 square feet) of a building in the Girard Office Complex at 640 East Diamond Avenue, Gaithersburg, Md. The balance of the building, approximately 13,500 square feet, is available for purchase as the complex is changing ownership. Since 1998, Family Services has expanded by 800% and now occupies an additional 50,000 square feet in the same complex, 60% of it leased. This is an opportunity to continue growth while controlling the cost. It will also end share ownership of a building and permit expansion of additional programs. Family Services and the Girard Complex have become the operational center for multiple non-profit organizations including the Dwelling Place, Teen and Young Adult Health Connection, Upper Montgomery Assistance Network, Housing Initiatives Partnership, Inc., Career Catchers, and the Coalition for the Advancement of Financial Education, and Community Clinic, Inc.( providing primary care, dental services, and WIC).

*Round all amounts to the nearest \$1,000. The totals in Items 12 (Estimated Capital Costs) and 13 (Proposed Funding Sources) must match. The proposed funding sources must not include the value of real property unless an equivalent value is shown under Estimated Capital Costs.*

**12. Estimated Capital Costs**

<b>Acquisition</b>	\$1,500,000
<b>Design</b>	\$25,000
<b>Construction</b>	\$275,000
<b>Equipment</b>	
<b>Total</b>	\$1,800,000

**13. Proposed Funding Sources – (List all funding sources and amounts.)**

Source	Amount
Cardinal Bank (approved)	\$1,500,000
Montgomery County Government, Executive Grant (pending)	\$150,000
State of Maryland bond bill -- Montgomery County match	\$150,000
<b>Total</b>	\$1,800,000

14. Project Schedule (Enter a date or one of the following in each box. N/A, TBD or Complete)			
Begin Design	Complete Design	Begin Construction	Complete Construction
July 2014	September 2014	October 2014	December 2014
15. Total Private Funds and Pledges Raised		16. Current Number of People Served Annually at Project Site	17. Number of People to be Served Annually After the Project is Complete
0		9,908	11,000
18. Other State Capital Grants to Recipients in Past 15 Years			
Legislative Session	Amount	Purpose	
2002	\$250,000	Acquisition of an office building and program space at 610 E. Diamond Ave., Gaithersburg, Md.	
19. Legal Name and Address of Grantee		Project Address (If Different)	
Family Services, Inc. 610 E. Diamond Ave., Suite 100 Gaithersburg, Md. 20877		640 E. Diamond Ave. Gaithersburg, Md. 20877	
20. Legislative District in Which Project is Located		17 - Central Montgomery County	
21. Legal Status of Grantee (Please Check one)			
Local Govt.	For Profit	Non Profit	Federal
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
22. Grantee Legal Representative		23. If Match Includes Real Property:	
Name:	David Daneker	Has An Appraisal Been Done?	Yes/No
Phone:	410-592-3583		Yes
Address:		If Yes, List Appraisal Dates and Value	
640 E. Diamond Ave Gaithersburg, Md. 20877 (appraisal is only for currently owned space, not planned acquisition -- 17,640 sq.ft.) Valued at \$124,71 per square foot fully build out. Additional area to be purchased would need some renovation as noted)		January 2014	\$2,200,000

<b>24. Impact of Project on Staffing and Operating Cost at Project Site</b>			
<b>Current # of Employees</b>	<b>Projected # of Employees</b>	<b>Current Operating Budget</b>	<b>Projected Operating Budget</b>
64	80	\$4,200,000	\$4,600,000
<b>25. Ownership of Property (Info Requested by Treasurer's Office for bond issuance purposes)</b>			
<b>A. Will the grantee own or lease (pick one) the property to be improved?</b>			Own
<b>B. If owned, does the grantee plan to sell within 15 years?</b>			No
<b>C. Does the grantee intend to lease any portion of the property to others?</b>			Yes
<b>D. If property is owned by grantee and any space is to be leased, provide the following:</b>			
<b>Lessee</b>	<b>Terms of Lease</b>	<b>Cost Covered by Lease</b>	<b>Square Footage Leased</b>
Upper Montgomery Assistance Network	5 years	\$10,176	800
Graphic Visions -- existing commercial tenant to expire	3-4 years	\$114,724	7,000
<b>E. If property is leased by grantee – Provide the following:</b>			
<b>Name of Leaser</b>	<b>Length of Lease</b>	<b>Options to Renew</b>	
FinnMarc	6 years	yes, this applies to only 2,789 sq.ft.	
<b>26. Building Square Footage:</b>			
<b>Current Space GSF</b>	17,640 owned and 2,729 leased		
<b>Space to Be Renovated GSF</b>	3,500		
<b>New GSF</b>	27,899		
<b>27. Year of Construction of Any Structures Proposed for Renovation, Restoration or Conversion</b>			1994

**28. Comments: (Limit Length to Visible area)**

As noted above, Family Services purchased a portion of 640 East Diamond Ave, Gaithersburg, Md. 201877 in 1995 and moved all operations into that space. Since 1998, Family Services has increased by 800% and currently employs 390 people from 50 birth origin countries who speak 42 languages. They offer services to more than 25,000 people per year in Montgomery and Prince Georges County.

Family Services now owns or leases 60,000 sq.ft. in the Girard Office complex. In addition, there are any additional 30,000 square feet of office and program space occupied by complementary non-profits including Community Clinic (a Federally Qualified Health Center - primary care, dental services, and WIC); Teen and Young Adult Health Connection; the Dwelling Place - transitional housing for homeless families); Housing Initiatives Partnership (foreclosure assistance, financial planning); the Foundation School (special education); the Oakmont School (autism services); Upper Montgomery Assistance Network (general support low income residents); and a Neighborhood Opportunities Center (various social services).

A recent change of ownership for the complex has created the opportunity to purchase the balance of the building at 640 East Diamond Ave. While there are two commercial tenants in the additional space to be purchased, one, Gem Graphics, is slated to leave in July 2014. The other Graphic Visions may remain through 2017. Family Services already leases 2,789 sq.ft. of the space to be required.

In brief, debt service on the space is considerably less than the cost of renting saving about 40% on occupancy cost. Family Services would relocate portions of its programs from leased space to owned space beginning Fall 2014. Family Services continues to promote the growth of the "Girard Service Center" as a hub of non-profit activities. The property, located in the 20877 zip code, serves clientele in one of the highest need areas in the County. The local elementary school, located 2 blocks away, has a rate of nearly 90% for free and reduced meals (FARMS) -- a metric for the level of poverty.

It is often difficult to find the opportunity to purchase space of this nature. Family Services owns 41,000 sq.ft. in the complex. Family Services is a 106 year old organization. The ability to continue and grow vital community services is very dependent on controlling current and future facility costs. This is an opportunity to build for a better future in an area where growing income disparity, fueled by the recession and other factors, is particularly acute.

Please note correct phone number for contact Thomas E. Harr, CEO, 301-840-3202