PHED COMMITTEE #1A
April 4, 2022

M E M O R A N D U M

March 31, 2022

TO: Planning, Housing, and Economic Development (PHED) Committee

FROM: Glenn Orlin, Senior Analyst

SUBJECT: Silver Spring Downtown and Adjacent Communities Plan—transportation elements (continued) and public school facilities[1]

PURPOSE: Develop Committee recommendations

Councilmembers: Please bring your copy of the Final Draft Plan and its Street Sections Supplement to this worksession.

Expected Participants:
Casey Anderson, Chair, Montgomery County Planning Board
Gwen Wright, Director, Montgomery Planning Department
Elza Hisel-McCoy, Down County Chief, Planning Department
Larissa Klevan, Master Plan Supervisor, Planning Department
Atara Margolies, Planner Coordinator, Planning Department
Cristina Sassaki, Parks Planner Coordinator, Parks Department
David Anspacher, Transportation Supervisor, Countywide Planning, Planning Department
Stephen Aldrich, Transportation Master Planner, Countywide Planning, Planning Department
Hye-Soo Baek, Schools Planner, Planning Department
Hannah Henn, Deputy Director for Transportation Policy, Department of Transportation (DOT)
Andrew Bossi, Director's Office, DOT

This is the Planning, Housing, and Economic Development (PHED) Committee's fifth worksession on the Silver Spring Downtown and Adjacent Communities Plan. This worksession will cover the Plan-wide transportation recommendations not discussed during the March 28 worksession, and the Plan-wide recommendations for land use and zoning, economic growth, urban design, resilient downtown, and other community facilities, including public schools. The last scheduled worksession will address any remaining Plan-wide recommendations, elements of Plan implementation, and any follow-up items requested by the Committee.

A link to the Planning Board Draft for those wishing to access the Plan online is here: https://montgomeryplanning.org/wp-content/uploads/2022/01/SSDAC-Planning-Board-Draft-FINAL-FOR-WEB-reduced2.pdf

[1] Key words: #SilverSpring, plus search terms sector plan, bikeways, sidewalks, public schools.

This staff report addresses the remaining transportation issues from the March 28 worksession, as well as public school adequacy.

1. Green Loops. The Final Draft calls for two landscaped loop routes that would connect public spaces in Downtown Silver Spring. The Central Loop follows East-West Highway to the west, Burlington Avenue to the south, Fenton Street to the east, and Cameron Street/2nd Avenue/Colesville Road to the north. A road diet—reducing the number of motor vehicle travel lanes—on most of these links would create space for separated bike lanes, ample landscaping, and in some locations a larger sidewalk. The Fenton Street portion of the Central Loop is largely accounted for by the Fenton Street Cycletrack project in the CIP, which is now estimated to cost $11,561,000 (a 137.9% cost increase from the Approved CIP). DOT estimates the cost of the East-West Highway and Burlington Avenue segments to be $46,400,000, and it assumes that half of the cost will be borne by the State Highway Administration (SHA). DOT estimates the cost of the Cameron Street segment to be another $4,800,000; the fiscal impact analysis does not show an estimate for the relatively short 2nd Avenue and Colesville Road segments.

The Outer Loop follows 16th Street and Eastern Avenue to the west, a new route through Jesup Blair Park to the south, lower Fenton Street, and a series of Neighborhood Greenways to the east in East Silver Spring, and Spring Street to the north. The Street Sections Supplement does not provide details of the cross-sections envisioned for the Outer Loop, so the fiscal impact analysis does not have cost estimates for it.[2]

Finally, the Plan includes a series of Connectors between the two loops. Again, there is no cost estimate for these improvements, as the Plan does not specify what improvements are envisioned there.

It is difficult to discern whether the unprogrammed improvements are worth the investment. A case in point is Cameron Street between Spring Street and 2nd Avenue. It is 48'-wide from curb to curb within a 70'-wide right-of-way, and it includes two 11'-wide travel lanes, two 6'-wide conventional bike lanes, and two 7'-wide parking lanes. The Bicycle Master Plan calls for separated bike lanes.

The Silver Spring Plan recommends removing the north-side parking lane, creating grass buffers between the new, narrower roadway and the proposed separated bike lanes, and another set of landscaped buffers between the bike lanes and sidewalks. It would widen the right-of-way to 75'. (See Figure 30 in the Supplement on p. 22.) As noted above, DOT estimates the cost of Cameron Street improvements between 2nd Avenue and Spring Street to be $4,800,000.

Council staff recommends leaving Cameron Street as it exists today. The sidewalks are wider today than proposed in the Plan, and pedestrians are buffered on both sides by the parking lanes. The street has sufficiently low volume and speed so that the conventional bike lanes currently in place provide for safe bike passage. Reconstruction of the street would entail costs and impacts that will not produce corresponding benefits.

2. Other bikeways. Many of the bikeway recommendations (pp. 119-121) repeat those in the 2018 Bicycle Master Plan. As Council staff pointed out at that time, its now $6 billion cost (in 2022

[2] The right-of-way of Eastern Avenue is entirely within the District of Columbia, so it is not under the County's jurisdiction.

dollars) is unaffordable in the long term. The Silver Spring Plan recommends additional bikeway improvements that would increase that cost burden even more.

The main highways in the Plan area—Georgia Avenue, Colesville Road, 16th Street, and East-West Highway/Burlington Avenue—have higher volumes and a propensity for higher speeds, and so physical protection for biking may require expensive road reconstruction in several locations. Furthermore, as these are State highways, it is plausible that SHA would participate in cost-sharing with the County to build such improvements. On nearly all these roads the Plan calls for road diets that would repurpose two travel lanes in favor of BRT and/or separated bike lanes, which will lead to considerably more traffic congestion. However, except for the segment of Colesville Road north of Spring Street, all these roads are within the Silver Spring CBD—a Red Policy Area in the Growth and Infrastructure (G&I) Policy. Under the G&I Policy there are no longer any limits on the allowable traffic congestion in Red Policy Areas.

On the other hand, most County streets in the CBD have low volume and low speeds such that the need for such protection is not obvious, and the cost of the Plan's proposed improvements would be borne entirely by the County. Therefore, the following review concentrates on the bikeway recommendations for County streets in the Plan area.

- *Silver Spring Avenue between Georgia Avenue and Fenton Street.* This a 40'-wide business district street within a 60'-wide right-of-way, which has on-street parking on both sides and wide sidewalks. It has a low volume and low speed. The distance between the building faces varies from about 65' to 70'. The Bicycle Master Plan calls for this block to be a Shared Street with priority shared lane markings.

  The Silver Spring Plan recommends the street be rebuilt with one-way separated bike lanes on each side. It recommends removing the on-street parking on the south side of the block and installing 6'- and 3'-wide planted buffers between the bike lanes and the street. Along with 8'-wide sidewalks on both sides, this would require a 70'-wide right-of-way throughout, which presupposes that much of the block will be redeveloped. (See Figure 31 in the Street Sections Supplement on p. 23.) DOT estimates its cost to be $4,300,000.

  Council staff concurs with the recommendation in the 2018 Bicycle Master Plan. While the expenditure for a cycletrack is warranted on a higher volume thoroughfare like Fenton Street, it is not warranted here, where bicyclists can safely share the street with low-speed, low-volume motor vehicle traffic. The parking lanes on each side act as more than adequate buffers for pedestrians.

- *Blair Mill Road between Eastern Avenue and East-West Highway.* This street is about 36'-wide between the curbs within a 60-70'-wide right-of-way and is fronted by multi-family high rises. It has 5'-wide sidewalks with grass buffers at least 6' wide separating them from the curb. There is on-street parking on both sides along most of its length. It mainly serves as access to the high rises and carries very little through traffic. The Bicycle Master Plan does not mention Blair Mill Road, suggesting that it does not require any special treatment for safe biking.

  The Silver Spring Plan calls for removing the south side on-street parking, creating a two-way cycletrack there instead. There would also be a 7'-wide planted buffer between the parking lane and the north-side sidewalk and a 6'-wide planted buffer between the travel lanes and south-side bike lanes. (See Figure 35 in the Supplement on p. 25.) DOT estimates its cost to be $2.400,000.

Council staff recommends designating Blair Mill Road as a Shared Street with priority shared lane markings. The expense and impacts of the cross section on Figure 35 is not warranted.

- *13th Street between Eastern and Georgia Avenues.* This street is about 46'-wide between the curbs and is fronted by multi-family residents, motels, and a few local businesses. It has wide sidewalks with brick pavers and there is on-street parking on both sides along most of its length. Its right-of-way is about 65' wide. It mainly serves as access to the residences and motels on the street and carries very little through traffic. The Bicycle Master Plan recommends creating separated bike lanes.

  The Silver Spring Plan calls for removing the south side on-street parking to make space for the separated bike lanes. There would also be landscaped buffers between the bike lanes and the sidewalks. The Plan would widen the right-of-way to 80'. (See Figure 27 in the Supplement on p. 21.) DOT estimates its cost to be $4,300,000.

  Council staff recommends designating 13th Street as a Shared Street with priority shared lane markings. Again, the expense and impacts of the cross-section on Figure 27 would outweigh the benefits. The parking lanes provide an adequate buffer for pedestrians from motor vehicle traffic, and the volume and speed of that traffic is not high enough to warrant physical separation for bicyclists.

- *1st Avenue between Spring Street and Fenwick Lane.* This street is 48'-wide between the curbs within a 70'-wide right-of-way and is fronted by multi-family high rises. It has 5-10'-wide sidewalks with grass buffers separating them from the curb, and there is on-street parking on both sides along most of its length. As it is only one block long, it mainly serves as access to the high rises and carries very little through traffic. Across from Fenwick Lane is the north entrance to the Cameron Street Garage. The Bicycle Master Plan does not mention 1st Avenue, implying that it does not require any special treatment for safe biking.

  The Silver Spring Plan calls for narrowing the travel lanes to 10½', retaining the 8'-wide parking lanes, and creating on each side a 3'-wide grass buffer between the parking lane and a new 5½'-wide bike lane, with an 8'-wide sidewalk to the outside of each bike lane. (See Figure 33 in the Supplement on p. 24.) The proposed curb-to-curb distance is 54'. DOT estimates its cost to be $3,600,000.

  Council staff recommends either designating 1st Street as a Shared Street with priority shared lane markings, or, at most, conventional bike lanes. To build the wider cross-section on Figure 33 would require reconstruction of the roadway, including relocating utility poles, drainage inlets, and driveway ramps. On the other hand, either signing or marking the street as a Shared Street of marking conventional bike lanes would not require any construction. Within the current curbs a 5'-wide bike lane could be striped in each direction by narrowing each travel lane to 11'.

- *1st Avenue Extended between Fenwick Lane and Cameron Street.* This would be a new street that would break up the large block between Georgia and 2nd Avenues, and it would occur only if the Cameron Street Garage were redeveloped. The Silver Spring Plan calls for two 10½'-wide travel lanes separated from 6½'-wide bike lanes by 6'-wide landscaped buffers. To the outside would be 2'-wide ped/bike buffers and 10'-wide sidewalks. (See Figure 34 in the Supplement on p. 24.) The cumulative width of the cross-section would be 70'.

  Council staff recommends the same treatment for this block as Council staff's recommendation for the block to the north, minus the parking lanes. That would result in a cumulative width of 54', which would be easier to accommodate within any redevelopment there.

3. Public schools. The master plan addresses what the Silver Spring CBD should become when it is built out. Measures of school facility adequacy, therefore, examine whether there can be sufficient school capacity at buildout to meet the need generated by existing and future development at buildout. School facility adequacy at intermediate points between now and buildout are monitored and regulated by the G&I Policy.

The Final Draft anticipates an additional 11,000 multi-family high-rise units beyond what is already planned. Using the most recent student generation rates for Infill areas (as defined in the G&I Policy), the Final Draft estimates these units would generate 374 more ES students, 165 more MS students, and 176 more HS students.[3]

The Silver Spring CBD is served by the Downcounty Consortium of school clusters. At the HS level, MCPS's Year 2136 forecast shows that, with the programmed enlargement of Northwood HS and re-opening of Woodward HS, there will be surplus capacity for 986 students, which would readily accommodate 176 more HS students from the anticipated growth in Silver Spring, as well as the planned residential growth in White Flint and Rock Spring Park, areas currently within the Walter Johnson HS Cluster.

The Plan area is served by three middle schools: Silver Spring International MS, Sligo MS, and Takoma Park MS. In 2136 they are projected to have a cumulative surplus capacity for 258 students, enough to accommodate 165 more students from the planned Silver Spring development.

Finally, there are three elementary schools that have service areas extending into the CBD: East Silver Spring ES, Sligo Creek ES, and Woodlin ES. MCPS's forecasts only project out to 2028 for individual elementary schools, but the enrollments at these schools have been stable. The Year 2028 forecast projects about a 200-student surplus by 2028, but that would not be enough to accommodate the 374 additional students from the Silver Spring development. However, the former Parkside ES, which

[3] The Fiscal Impact Analysis assumed the same estimates at the MS and HS levels, but it reported the ES enrollment would grow by 473 students. However, Executive staff recognizes that it had inadvertently transposed the digits, and that the correct estimate is 374 students. Correspondingly, its fiscal impact estimate for schools should be reduced for future CIPs from $37.4 million to $33.4 million and for future operating budgets from $8.9 million to $7.8 million annually.

for years served as the Parks Department's headquarters, is now vacant and could ultimately be reopened and rebuilt to a standard 740-student ES, more than enough to serve the additional students from the development.

Therefore, Council staff finds that there is the potential for providing sufficient capacity at all three school levels to serve the 11,000 additional high-rise units planned for the CBD.

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PHED Committee #1B
April 4, 2022

M E M O R A N D U M

March 31, 2022

TO: Planning, Housing, and Economic Development (PHED) Committee

FROM: Pamela Dunn, Senior Legislative Analyst
Livhu Ndou, Legislative Attorney

SUBJECT: Silver Spring Downtown and Adjacent Communities Plan

PURPOSE: Worksession to develop recommendations for Council consideration

As noted in prior staff reports, Silver Spring is renowned for its uniqueness and diversity, as well as for its abundance of locally owned and ethnically diverse small businesses. The revitalization of Silver Spring was spurred by the 2000 Silver Spring Central Business District Sector Plan and related initiatives by the public and private sector. The resulting development of the downtown area, including the Civic Building, Veteran's Plaza, and Ellsworth Place, has been tremendously successful and has brought people from all over the region to work, live, play, and enjoy Silver Spring.

The Plan envisions a Silver Spring of the future as a great place to work, do business, and enjoy the arts. Home to small independent businesses, cutting-edge science, research and tech companies, educational institutions, and arts organizations. A place that remains unique, affordable, and attractive to people of all ages and backgrounds with new open spaces that are better connected and characterized by green, climate-resilient, and safe walkable streets.

PLAN-WIDE RECOMMENDATIONS

1. Land Use and Zoning

Silver Spring in 2040 is envisioned as a thriving, mixed-use downtown, attracting people of all ages and stages in life. In the next 20-plus years, the Plan estimates 11,000 new multifamily residential units could be built, approximately 44,000 new jobs created (50 percent increase from today), and up to 46,300 more people living in Downtown Silver Spring and the Adjacent Communities.

Goals:

- Encourage redevelopment of under-utilized sites throughout the Plan area and create opportunities for properties to obtain additional height and density where appropriate.
- Increase flexibility in CR zoning so future development can respond to market conditions.

- Create new parks to address current lack of places for community gathering and active recreation.
- Strive for no net loss of affordable housing throughout the Plan area.
- Maintain existing light industrial zoning to support community-serving auto-repair and related small businesses.
- Encourage growth of existing retail nodes and corridors.
- Promote the development of diverse housing types in the Adjacent Communities district as recommended by this Plan (and the ongoing Attainable Housing Strategies Initiative)[1].
- Preserve identified historical and cultural resources.
- Support upgrades to the current utilities and infrastructure that support the Plan, including water and sewer.

The Committee has seen many of these goals already in its review of the districts, housing, and/or parks and public spaces. The first goal, to "create opportunities for properties to obtain additional height and density", has been mentioned in previous worksessions, however, the Committee has not yet reviewed the concepts developed to achieve this goal.

Recommendations

- Connectivity and Infrastructure Fund
    - Any CR property in the Plan Area may obtain additional density necessary to reach the mapped maximum building height, or additional height approved for a property in the Building Height Incentive Zone (BHIZ), by making a contribution to the Connectivity and Infrastructure Fund (CIF). CIF contributions will be made only for density above the total mapped maximum density for the site, density approved per density-averaging, and/or bonus density for providing MPDUs above the required minimum, up to the approved maximum height. Refer to Section 4.1 Implementation.

The above text indicates that CIF contributions will be made for density above total mapped density, density averaging and/or bonus density for the provision of additional MPDUs, up to the approved maximum height. Council staff verified with Planning staff that the CIF contribution is for density above mapped density **not** achieved through density averaging or the provision of additional MPDUs.

The CIF is designed to allow property owners the ability to purchase additional density above their mapped density in order to achieve the maximum mapped height or the additional height allowed under the BHIZ, where applicable. The Plan further states that the CIF will be implemented by the Planning Department under the direction of the Planning Board and contributions will be used toward implementation of specific projects within downtown Silver Spring, including:

- Transit Center Arrival Experience;
- Bridge connection over Metrorail/CSX tracks;
- Public bicycle parking facilities;
- Green Loop improvements beyond the frontage of a redeveloped site;
- Select utility improvements;
- Or other projects identified by the Planning Board.

Except for the brief list of improvements noting how the CIF contributions will be used, the Plan does not provide a thorough explanation or rationale for the need to create a Connectivity Infrastructure Fund in Silver Spring.

[1] Consistent with the Committee's recommendation for prior sections of the Plan, the Attainable Housing Strategies Initiative reference will be removed.

In the Public Hearing Draft, the CIF was proposed as a mechanism to allow for additional height to implement the BHIZ. The Planning Board Draft modified this approach – creating a separate mechanism to implement the BHIZ and establishing the CIF as a way for property owners to obtain additional density inside or outside of the BHIZ.

There has been little explanation of the capacity for future development in the Plan area. Planning staff has mentioned (and one can assume from the recommendation to retain the current maximum zoning allowed) that over the next 20-30 years, the Plan area has sufficient mapped density to accommodate growth[2] anticipated to include 11,000 new multifamily residential units, 44,000 new jobs, and up to 46,300 more people living in the Plan area.

If this is true, is the CIF designed to provide additional capacity for the occasional property that needs density to reach their mapped (or BHIZ) height, or will most properties seeking to maximize their development potential be required to purchase density through the CIF?

The analysis provided by Partners for Economic Solutions (PES) (attached on ©1-6) suggests the latter. It tests a hypothetical development scenario for a property with a total mapped density of 5.0 FAR[3] and a height of 175 feet, the shortest height mapped for properties with a 5.0 FAR in the Plan area[4]. In their test scenario, the property cannot achieve the mapped height without "purchasing" additional density through a contribution to the CIF. The example assumes a 26,000 square foot (sqft) building footprint on a 50,000 sqft property, resulting in 52% lot coverage. This seems a fairly conservative assumption for properties in a downtown parking lot district under CR zoning that requires a minimum 10% public use space and where all development standards (setbacks, etc..) are negotiable through the Optional Method of Development. That said, seems reasonable to consider this coverage, on average, the minimum preferred for this type of plan area. Which means that projects covering 52% or more of their lot, under a 5.0 FAR cannot reach a height of 175 feet – meaning every property with a 5.0 FAR in the Plan area is mapped to a height that can only be achieved through additional density.

For context, below is a map of the Bethesda Downtown Plan area showing mapped densities ranging from 3.0 FAR to 8.0 FAR. And zoning for the Silver Spring and Adjacent Communities Plan area.

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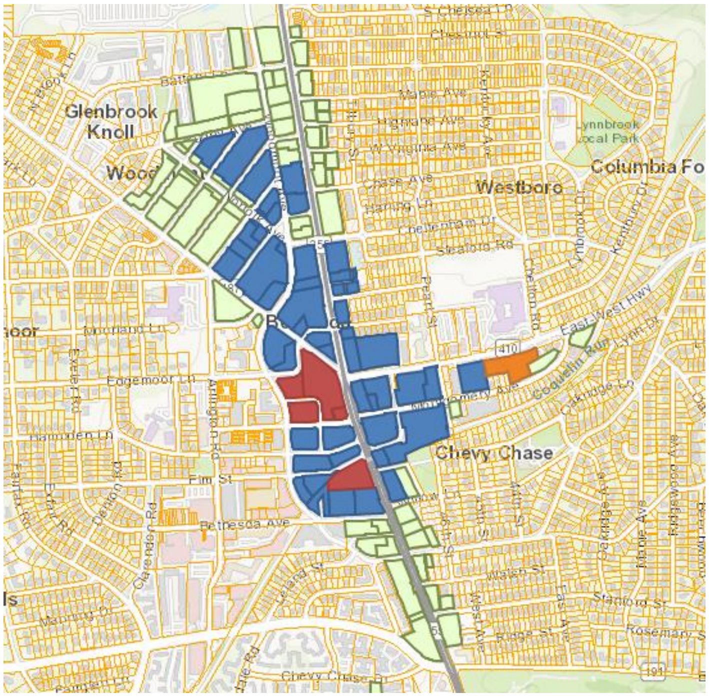
[2] Appendix H, Existing Conditions Analysis, provides a macro-level evaluation of zoning capacity of the Plan area. It states that the "Designed Capacity of the 2000 Plan" is approximately 24.4 million sq ft. and the "Total Existing on the Ground" is approximately 24.3 million sq ft. It goes on to state that the "Total Mapped Zoning Capacity" is about 40.3 million sq ft. due to an increase in zoning capacity associated with the zoning translation for the Zoning Rewrite in 2014. However, the default and master plan specific translations for the CBD do not support this. Attached on ©7 is an explanation of the default zoning translation for the CBD zones. And on ©8-23 are the property specific translations based on the 2000 Silver Spring CBD Plan.

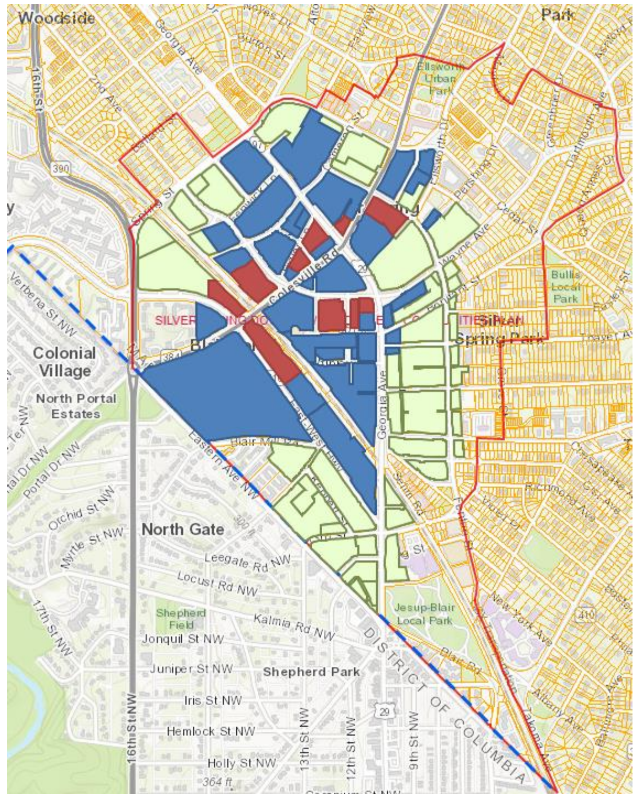
[3] FAR- Floor Area Ratio. The ratio of the sum of all gross horizontal areas of all floors for all buildings on a tract to the area of the tract. If a 5.0 FAR building covered 100% of the tract, it would be 5 floors tall.

[4] For zoning "blocks" with a total density of 5.0 FAR, there are 22 with a mapped height of 175 feet. One with a mapped height of 200 feet, 14 are mapped at 240 feet, and one is mapped at 270 feet.

Downtown Bethesda Plan Area



Silver Spring Downtown Plan Area



KEY:

- 3.0 FAR
- 5.0 FAR
- 6.0 FAR
- 8.0 FAR

The maps look fairly similar. Recall that the Downtown Bethesda Plan established a vision and need for urban parks and open space within the plan area. It provided additional height to properties but not additional density. The Plan created a pool of density that could be "purchased" via a Park Impact Payment (PIP) at $10 per sqft.

Below are projects that have taken advantage of the PIP to increase density (sometimes more than *double* their mapped FAR).

Project Name	Site Plan	PB Site Plan Appr	Development Type	BOZ Density	Park Impact Payment	PIP Paid	Mapped Density	Mapped + BOZ density	Mapped Height
7359 Wisconsin	820180040	3/22/2018	Commercial	191,795	1,917,950	Paid	5.0	8.0	250
8015 Old Georgetown	82020013A	7/22/2021	Mixed-Use	42,266	422,660	Pending	2.5	3.0	120
Edgemont at Bethesda II	820180170	11/6/2018	Residential	138,083	1,215,490	Paid	2.5	4.0	150
Marriott International	82018003A	1/3/2019	Commercial	506,107	5,061,070	Paid	5.0	10.0	300
St. Elmo Apartments	82017003A	5/31/2017	Mixed-Use	162,012	1,334,885	Pending	5.0	10.75	225
ZOM Bethesda	820180120	9/25/2018	Residential	168,233	1,439,870	Paid	2.25	3.25	60
8000 Wisconsin	820190040	11/20/2018	Residential	301,048	0[5]	Pending	3.0	10.5	175
4915 Auburn	820190100	11/19/2019	Residential	95,008	0	Pending	3.0	6.0	110
7607 Old Georgetown	82019003A	11/15/2019	Residential	129,500	1,077,600	Pending	5.0	11.5	225
8280 Wisconsin	820180230	11/20/2018	Commercial	81,633	816,330	Pending	3.0	5.25	145
The Claiborne	82017008A	3/19/2019	Residential	36,273	224,730	Pending	3.0	5.5	110
4702 West Virginia	820200100	5/14/2020	Residential	16,250	180,050	Pending	0.5	2.0	70
7000 Wisconsin	820200090	4/30/2020	Mixed-Use	117,069	970,043	Pending	3.0	6.75	120
Metro Tower	820190110	10/1/2019	Mixed-Use	188,506	1,301,560	Pending	5.0	8.5	250
4824 Edgemoor	820210040	3/30/2021	Residential	67,355	753,735	Pending	2.5	10.25	120
The Avondale	820210140	11/15/2021	Residential	33,121	322,053	Pending	1.5	4.75	70
Hampden East	820210070	7/29/2021	Mixed-Use	129,995	1,175,173	Pending	5.0	11.0	250

While the Silver Spring Downtown Plan tends to downplay the need to change zoning, providing equalized commercial and residential densities for flexibility and increasing heights by 20%[6], the result appears to be properties without sufficient density to achieve mapped heights, let alone additional height allowed under the BHIZ.

If properties cannot achieve their mapped heights with the densities recommended in the Plan, how should this be addressed?

1. Recognize that many properties will need to use the CIF to develop/redevelop to their maximum potential.

If this is the case, an obvious question to ask is whether development in downtown Silver Spring can support such a fee. The health of the Silver Spring office market has been a topic of concern since before the departure of Discovery Communications. A 2021 Planning Department staff report summarized the current office market in Silver Spring as follows:

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[5] $0 Park Impact Payment for projects providing a minimum of 25% MPDUs

[6] For removal of the T attached to current CR zoned properties in the CBD. The T was added during the zone translation from CBD to CR to provide a modest amount of flexibility regarding maximum and average height that existed under the CBD zone.

> "Currently, 18 percent of office space in downtown Silver Spring is vacant, sharply up from the 8.1 percent level in 2018 prior to Discovery Communication's decision to relocate. Even at the high levels of absorption experienced in 2018, it would take 5 years of steady growth before vacancies would reach a level that makes the area attractive for new development, roughly estimated to be equal to or less than 9 percent vacancy. At the much lower average pace of absorption between 2010 and 2020 it would take 53 years for office vacancy to decline to 9%."

Testimony from the Silver Spring Chamber of Commerce and United Therapeutics also cites concern with the vibrancy of downtown Silver Spring and questions whether the market can support additional development costs.

The analysis by PES suggests development can "afford" a $5-$10 per square foot CIF contribution. Under its test scenario, non-residential development is shown to support both a $5 and $10 per sqft CIF contribution, whereas a residential project is shown only able to support the $5 fee. However, other correspondence received suggests costs, which continue to rise with inflation, are missing from this type of evaluation but play a significant role in development decisions, as do rents and lease rates which the test scenario holds constant.

Rather than debate the merits of one approach over another, it is important to ask whether imposing a fee such as the CIF aligns with other Council policies designed to support economic development in Silver Spring. The Silver Spring Plan area (minus the Adjacent Communities) is an Opportunity Zone. Prior Council policy exempts Opportunity Zones from the payment of development impact taxes which are approximately $6-$7 per square foot for residential[7], office, or retail development in a Red Policy Area.

In fact, it is unusual for the master plan process to result in recommendations that require property owners to pay for additional density. The exception is Bethesda, where the need for urban parkland was well established. For Silver Spring, Planning identifies what the funds can be used for but doesn't provide a clear picture of the *need* for requiring it. The Plan suggests the Connectivity Infrastructure Fund could be used to help implement the following:

- Transit Center Arrival Experience;
- Bridge connection over Metrorail/CSX tracks;
- Public bicycle parking facilities;
- Green Loop improvements beyond the frontage of a redeveloped site;
- Select utility improvements;
- Or other projects identified by the Planning Board."

Half the items listed above involve transportation infrastructure, as the fund name suggests. In a letter recently transmitted to the Council (attached on ©24-31), the Office of Management and Budget (OMB) and the Montgomery County Department of Transportation (MCDOT) raise the issue of the appropriateness and legality of such a fund. It is expected that a Unified Mobility Program for transportation infrastructure will follow adoption of the Plan. This is the appropriate mechanism to collect and fund local area transportation improvements in the Plan area, such as bike/ped improvements and internal street reconfigurations. The CIF cannot collect funds for the same needs. As for the other proposed items, it is unclear what a Transit Center Arrival Experience is. If it involves a non-

[7] For residential development the transportation impact tax is $3000 per multifamily high-rise unit. The school impact tax is $3000 for the same type of unit. Using 1,000 sq ft per unit for multifamily high-rise development, including common area space, this results in a combined impact tax burden of approximately $6.50 a square foot.

transportation related capital project, it could be appropriate. Utility improvements would not appear to provide a benefit to the entire Plan area (a requirement for a fee collected across the Plan area), and "other projects as identified by the Planning Board" is too vague to be considered.

2. Increase mapped density to the minimum necessary to achieve the recommended mapped heights in the Plan.

Providing additional density is not a panacea for development; however, in a market like Silver Spring requiring an additional cost to develop is unlikely to incentivize it either. If economic development is a true goal, it seems that properties should be able to achieve the development potential awarded through their zoning. If this is not possible or results in development inconsistent with other goals[8], then it should be reevaluated.

- Building Height Incentive Zone
    - Establish a Silver Spring Downtown Building Height Incentive Zone (BHIZ), as shown in Map 32, to allow CR-zoned properties pursuing Optional Method Development to increase building heights by up to 150 percent of the mapped height to a maximum of 300 feet. Approved height will be subject to the Design Review process through the Design Advisory Panel. Refer to Section 4.1 Implementation for further detail.
    - The Planning Board may approve certain properties identified in the Metro Center District and the Ripley District to realize an increased building height up to 360 feet, consistent with the recommendations of the Sector Plan and Design Guidelines, subject to the Design Review process through the Design Advisory Panel.

Under the Implementation section, properties in the BHIZ would be allowed to exceed their mapped height (by 1.5 times their mapped height) if the project provides more than 15% MPDUs, a contribution to the Housing Initiative Fund (HIF), and/or includes an activating ground-floor Neighborhood Service.

However, like the CIF, the Plan doesn't explain the rationale or motivation for creating the BHIZ. One can assume and Planning has mentioned the need for additional height in the Plan area, particularly in the core where more intensive development would be appropriate.

However, the PES example suggests many properties have sufficient height, but lack density. And, if provided a mechanism to obtain more density **and** height, a residential project is only able to support one additional MPDU (or 15.2% MPDUs) in return for the additional height.

These concepts, the CIF and the BHIZ, have significant implications for future development in Silver Spring. Council staff does not believe additional fees are consistent with other Council polices for the downtown; and believes an evaluation of zoning that can be realized without the need for such fees is a critical first step to furthering the economic development of Silver Spring. Given the time constraints faced for the adoption of this Plan in an election year, that evaluation and proposed zoning does not seem possible. That leaves two choices:

1) Adopt the recommended zoning in the Plan without the CIF and BHIZ. This leaves in place practically the same density as provided by the 2000 Silver Spring CBD Plan, with heights increased by 20%.

[8] To achieve a mapped height of 175 feet, a 5.0 FAR project[8] would cover approximately 32% of the lot - a coverage requirement associated with single-family zoning. To achieve higher mapped heights, the coverage would be even less, not a typical characteristic of the compact, dense development associated with downtowns.

2) Adopt the recommended zoning in the Plan with heights increased by 20%, including the CIF and the BHIZ so that property owners may develop to a greater intensity if they can afford it.

   Several issues still need to be addressed to implement the CIF and BHIZ. The overlay zone needed to implement these concepts must be sent to Council for concurrent review with the Plan. A clear definition of what the CIF contributions will fund and how the fund will be managed is needed and perhaps a change in the name so as not to confuse it with a future Unified Mobility Program.

Council Staff suggests a limited adoption of the CIF and BHIZ followed by a more thorough evaluation of zoning that can be realized without the need for fees. This should be done as soon as possible and submitted as an amendment to the Plan. An alternative to this would be to send the Plan back to the Planning Department to resubmitted once this analysis is done.

- Update the Fenton Village Overlay Zone by adjusting the eastern boundary and revising its text to better meet the goals of the Overlay Zone and to provide clarity. Refer to Section 4.1. Implementation for further detail.

- Remove the Ripley/South Silver Spring Overlay Zone. The Design Guidelines for this Sector Plan will address compatibility with buildings that are along Eastern Avenue confronting single-family homes in the District of Columbia.

- For Optional Method development projects required to provide public open space on a site not recommended for a new public open space in the Sector Plan, the Plan requires contribution to a recommended park preferably in the same district, unless the Planning Board determines the public open space will significantly contribute to the public open space network proposed in this Sector Plan. Refer to Section 4.1 Implementation.

- Rezone all parcels in the Plan area as shown in the zoning maps and tables included in this document.

- Confirm the existing zoning for all parcels within the Plan boundary except those where zoning changes are proposed as shown on Map 16 Proposed Zoning and in the maps and tables in the District sections.

Council staff supports the remaining recommendations in this section, noting that the recommendations related to zoning will incorporate all corrections and changes made by the Committee and Council.

Memorandum

To: SSDAC Team

From: Anita Morrison
Abigail Ferretti
Partners for Economic Solutions

Subject: Development Scenario Testing

Date: March 23, 2022

PES has examined the impacts of the newly proposed Building Height Incentive Zone (BHIZ) and Connectivity and Infrastructure Fund (CIF) zoning mechanisms for Downtown Silver Spring. The BHIZ allows a property owner/developer to qualify for an increase of up to 50 percent of their mapped density to a maximum of 300 feet (except in selected cases at the Transit Center). To qualify, the developer must provide two of the three following benefits:

- greater than the minimum 15 percent Moderately Priced Dwelling Units (MPDUs) on-site;
- a contribution to the Montgomery County Housing Initiative Fund (HIF); and/or
- include an activating Neighborhood Service including, but not limited to, small business, art gallery/venue, community meeting space, educational or medical use, historic preservation, or non-ground-floor area dedicated to Design for Life residences.

The CIF provision allows a developer to obtain additional density necessary to reach the mapped maximum building height (and additional height in the BHIZ) by making a contribution to the CIF. The amount of the contribution has not been specified yet. This analysis tests fees of $5 and $10 per gross square foot of incremental density.

The basic scenarios involve a 50,000 square-foot tract developed as 1) a residential building with 13,000 square feet of ground-floor commercial space or 2) a single-tenant institutional office building. Each building would have a footprint of 26,000 square feet, a maximum height of 175 feet and a mapped FAR of 5.0. Residential developments are assumed to include a 15-foot ground floor with 11-foot residential floors above, while commercial office buildings are assumed to have a 20-foot ground floor with 13-foot floors above.

The financial model solves for Residual Land Value, which is defined as the price a developer could pay for the land and still achieve the required return on investment. It is a mathematical variation on financial analyses that determine feasibility based on the developer's return on investment given the market land value. A residual land value higher than the base case indicates that the developer's return on investment would exceed the targeted return. This analysis targets a cash-on-cash return of 5.5 percent for residential development and 6.5 percent for commercial development (calculated as net operating income in the stabilized year divided by total development costs).

Residential Development Within the BHIZ

The base case scenario has an FAR limit of 5.0, which does not allow the developer to take full advantage of the 175-foot height. That base case has an estimated land value of $10.5 million or $209 per land square foot, as shown in Table 1.

With a CIF contribution, the developer could take full advantage of the existing maximum building height, expanding the gross square footage from 250,000 to 390,000 square feet (an FAR of 7.8) and adding 152 new units. With a CIF fee of $5 per incremental density square foot ($700,000), the residual land value would increase to $11.8 million or $237 per land square foot. If the CIF fee were $10 per square foot ($1,400,000), the residual land value would be $11.1 million or $222 per land square foot. Thus, the developer would achieve a higher return paying a CIF fee of $5 or $10 per square foot of additional density.

With BHIZ, the developer could increase the building height to 263 feet and the building square footage to 598,000 gross square feet, adding 293 new units over the base case (including 44 additional MPDUs). For modeling purposes, we have assumed that the developer in the BHIZ would provide a ground-floor space of 3,250 square feet (one-quarter of the anticipated retail space) at a discounted rent ($35 per square foot versus the $50 rent anticipated for retail use) for one of the desired uses. We have also assumed that the developer would provide more than the required 15 percent MPDUs, testing three options:

- one additional MPDU;
- an additional 0.5 percent of MPDUs; and
- an additional 1.0 percent of MPDUs.

Shown in Table 1, the BHIZ residential building at a 263-foot height would support a land value of $11.0 million or $220 per land square foot with the provision of one additional MPDU and a CIF contribution of $5 per additional square foot ($1,740,000). The analysis increases estimated costs to account for the longer lease-up time required for a larger building. With a CIF fee of $10 per square foot ($3,480,0000) and one additional MPDU, the land value would decline to $9.1 million or $183 per land square foot – 12.6 percent below the base case value. Increasing the MPDU requirement to 15.5 percent of all units would yield a land value of $10.4 million or $209 per land square foot with a CIF fee of $5 per square foot, which would be 0.3 percent less than the base-case land value. A CIF fee of $10 per square foot would reduce land value by 17.8 percent below the base value to $8.6 million or $172 per land square foot. With an MPDU requirement of 16.0 percent and a CIF fee of $5 per square foot, the land value would be $10.0 million or $200 per land square foot. With a CIF fee of $10 per square foot, the land value would decline to $8.2 million or $164 per land square foot – a decline of 21.7 percent. The developer's ability to provide more than 15 percent MPDUs depends in part on the scale of the CIF fee.

Three factors limit the additional return generated by increasing residential density:

- the cost of providing 15 percent MPDUs;
- the greater risks and carrying costs associated with developing a building larger than the market can fill within 12 to 18 months; and
- the size of the CIF contribution.

Table 1. Residential Development Scenarios

				Residential Units			Residual Land Value					
							No CIF		CIF at $5 per Sq. Ft.[2]		CIF at $10 per Sq. Ft.[3]	
Alternative	Height (Feet)	Achieved FAR	Percent MPDUs	Total	Market	MPDU	Total	Per Land Sq. Ft.	Total	Per Land Sq. Ft.	Total	Per Land Sq. Ft.
In the BHIZ												
1. Base Case	175	5.00	15.0%	253	215	38	$10,463,000	$209	NA	NA	NA	NA
2. Additional Density	175	7.80	15.0%	405	344	61	NA	NA	**$11,849,000**	**$237**	**$11,109,000**	**$222**
3. Additional Density and Height[1]												
. + 0 MPDU	263	11.96	15.0%	546	464	82	NA	NA	**$11,039,000**	**$221**	$9,209,000	$184
+ 1 MPDU	263	11.96	15.2%	546	463	83	NA	NA	**$10,979,000**	**$220**	$9,149,000	$183
+ 0.5% MPDU	263	11.96	15.5%	546	461	85	NA	NA	$10,429,000	$209	$8,599,000	$172
+ 1% MPDU	263	11.96	16.0%	546	458	88	NA	NA	$10,019,000	$200	$8,189,000	$164

Note: Assumes a parking ratio of 0.5 space per unit.

[1]Assumes provision of 3,250 square feet of first-floor space at $35 per square foot for a preferred use.

[2]CIF Contribution ranges from $700,000 for Alternative 2 with additional density to $1,740,000 with additional height and density.

[3]CIF Contribution ranges from $1,400,000 for Alternative 2 with additional density to $3,480,000 with additional height and density.

Source: Partners for Economic Solutions, 2022.

Commercial Development in the BHIZ

Given the current state of the office market, speculative office space development is unlikely. More likely would be development of a single-tenant office building. We have assumed the single tenant would pay a rent of $33.50 per square foot net of all expenses. In the base case with the current maximum FAR of 5.0, the site could support a building of 250,000 gross square feet with an estimated residual land value of $10.9 million or $219 per land square foot. (See Table 2.)

With a contribution to the CIF, the building could expand to 313,000 square feet with an FAR of 6.25. With a CIF payment of $5 per incremental square foot ($315,000), the residual land value would increase to $14.2 million or $283 per land square foot. Increasing the CIF to $10 per square foot ($630,000) would reduce the land value to $13.9 million or $277 per land square foot – 26.6 percent above the base case value.

With a BHIZ increase to 263 feet, the building could grow to 495,000 square feet with an FAR of 9.88. The developer is assumed to provide 3,250 square feet of ground-floor space at $35 per square foot for one of the preferred uses and to make a contribution to the County's Housing Initiative Fund (HIF). The preceding residential analysis indicated that land value decreased by roughly $205,000 for every incremental MPDU provided. We have assumed that level of HIF contribution for testing purposes. For ease of comparison, the scenarios assume the equivalent impact of the different MPDU requirements of the residential development option with contributions ranging from $205,000 (the equivalent of one MPDU) to $1,230,000 for six MPDU equivalents. Under those assumptions, the BHIZ incentive increases the land value by $11.4 to $12.5 million with one additional MPDU and a CIF fee of $5 to $10 per square foot, and $10.1 to $11.2 million with six additional MPDUs and a CIF fee of $5 to $10 per square foot.

Without a corresponding responsibility that the residential developer bears to provide 15 percent MPDUs, the commercial developer receives a much greater increase in property value and development profits with greater density. This analysis assumes that the office building's single tenant could make use of the additional space without the developer incurring costs to maintain vacant space for some period of time or leasing a portion of the space at the lower rents now prevailing in the market. In so doing, it may overestimate somewhat the impacts on residual land value and developer profits.

Table 2. Single-Tenant Office Development											
				Housing Initiative Fund Contribution		Residual Land Value					
						No CIF		CIF at $5 per Sq. Ft.		CIF at $10 per Sq. Ft.	
Alternative	Height (Feet)	Achieved FAR	Gross Square Feet	Amount	Equivalent Units	Total	Per Land Sq. Ft.	Total	Per Land Sq. Ft.	Total	Per Land Sq. Ft.
In the BHIZ											
1. Base Case	175	5.00	250,000	$0	-	$10,948,000	$219	NA	NA	NA	NA
2. Additional Density	175	6.25	313,000	$0	-	NA	NA	**$14,198,000**	**$283**	**$13,862,000**	**$277**
3. Additional Density and Height[1]											
+ 0 MPDU Equivalent	263	9.88	495,000	$0	-	NA	NA	**$23,700,000**	**$473**	**$22,396,000**	**$447**
+ 1 MPDU Equivalent	263	9.88	495,000	$205,000	1	NA	NA	**$23,482,000**	**$469**	**$22,177,000**	**$443**
+ 3 MPDU Equivalents	263	9.88	495,000	$615,000	3	NA	NA	**$23,045,000**	**$460**	**$21,741,000**	**$434**
+ 6 MPDU Equivalents	263	9.88	495,000	$1,230,000	6	NA	NA	**$22,390,000**	**$447**	**$21,086,000**	**$421**

Note: Assumes a parking ratio of 0.5 space per 1,000 gross square foot.

[1]Assumes provision of 3,250 square feet of first-floor space at $35 per square foot for a preferred use and a Housing Initiative Fund contribution equivalent to the MPDU requirements tested for residential scenarios.

Source: Partners for Economic Solutions, 2022.

CBD Zone Translation

CBD-0.5 Default: CR-1.5 C-1.0 R-1.5 H-60 T Under the current code, the maximum total density is 1.5 FAR. Maximum commercial density is 1.0 FAR, and the maximum residential density is 100 du/acre. The maximum height is 60'. A maximum residential density of 100 du/acre is approximately 2.5 FAR (assuming an average unit size of a 1000sf). Residential density cannot exceed the total FAR, therefore the residential density is set equal to the maximum total FAR of 1.5.

CBD-R1 Default: CR-3.0 C-O.75 R-3.0 H-145 T Under the current code, the maximum total density is 3.0 FAR. Maximum commercial density is 0.6 FAR, in the conversion this density limit would round to 0.75. The maximum residential density is 125 du/acre, and the maximum height is 145'. A maximum residential density of 125 du/acre is approximately 3.0 FAR (assuming an average unit size of a 1000 sf).

CBD-R2 Default: CR-5.0 C-1.0 R-5.0 H-200 T Under the current code, the maximum total density is 5.0 FAR. Maximum commercial density is 1.0 FAR, and the maximum residential density is 200 du/acre. The maximum height is 200'. A maximum residential density of 200 du/acre is approximately 5.0 FAR (assuming an average unit size of a 1000sf).

CBD-1 Default: CR-3.0 C-2.0 R-2.7S H-90 T Under the current code, the maximum total density is 3.0 FAR. Maximum commercial density is 2.0 FAR, and the maximum residential density is 125 du/acre. The maximum height is 90'. A maximum residential density of 125 du/acre is approximately 3.0 FAR (assuming an average unit size of 1000 sf), density is set at 2.75 FAR to ensure mixed-use to maximize total density.

CBD-2 Default: CR-5.0 C-4.0 R-4.75 H-145 T Under the current code, the maximum total density is 5.0 FAR. Maximum commercial density is 4.0 FAR, and the maximum residential density is 200 du/acre. The maximum height is 143'. A maximum residential density of 200 du/acre is approximately 5.0 FAR (assuming an average unit size of 1000sf). Residential density is set at 4.75 FAR to ensure mixed-use for maximum total density.

CBD-3 Default: CR-8.0 C-6.0 R-7.5 H-200 T Under the current code, the maximum total density is 8.0 FAR. Maximum commercial density is 6.0 FAR, and the maximum residential density is 200 du/acre. The maximum height is 200'. Under the translation residential density is set at 7.5 FAR to ensure mixed-use for maximum total density.

Master Plan Review

SILVER SPRING CBD

Approved and Adopted
February 2000

(8)

BACKGROUND

In 2007, the Montgomery County Council directed the Planning Department to undertake a comprehensive zoning ordinance rewrite. Last rewritten in 1977, the current 1,200 $^{+}$ page code is viewed as antiquated and hard to use with standards that have failed to keep pace with modern development practices.

With only about four percent of land in the County available for greenfield development, the new zoning code can play a crucial role in guiding redevelopment to areas like surface parking lots and strip shopping centers. An updated zoning code is important for achieving the kind of growth Montgomery County policymakers and residents want.

Initial sections of the new code were drafted by Code Studio, a zoning consultant. These drafts were subsequently analyzed and edited by planners based on feedback from the Zoning Advisory Panel (a citizen panel appointed by the Planning Board to weigh in on the project's direction), county agency representatives, residents and other stakeholders. In September 2012, planning staff began the release of a draft code in sections accompanied by a report highlighting changes from the current code. The staff drafts were reviewed at length by the Planning Board.

The Planning Board held worksessions and public hearings between September of 2012 and May of 2013. On May 2, they transmitted their draft to the County Council. The Council adopted the text of the new code in March and adopted the new zoning map in July 2014.

The new code and map will go into effect on October 30, 2014.

ZONE IMPLEMENTATION PROCESS

An important aspect of the Zoning Rewrite process is the potential simplification of 123 existing zones into about 30 proposed zones. While some of the proposed zones are a direct one-to-one translation of existing zones, others are the result of combining existing zones with similar standards. Additionally, existing zones that are not currently mapped or are no longer used in the County have been eliminated from the proposed code. Through the implementation process, Montgomery County aims to simplify the number of zones, eliminate redundancy, and clarify development standards. A full translation table for all zones can be found in the documents section of our website: www.zoningmontgomery.org.

Agricultural, Residential, and Industrial Zone Implementation:

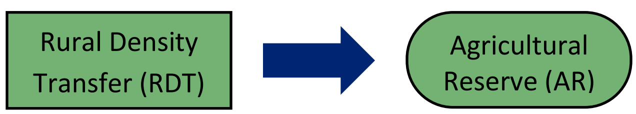
For agricultural and rural zones, the existing zones will be translated to proposed zones on a one-to-one basis, with the exception of the Low Density Rural Cluster zone which is not currently used in the County and will be eliminated.

Many of the existing residential zones will remain the same. Other residential zones will be combined with existing zones that have similar development standards. The R-4Plex zone, which is not currently mapped anywhere in the county, will be removed from the proposed code.

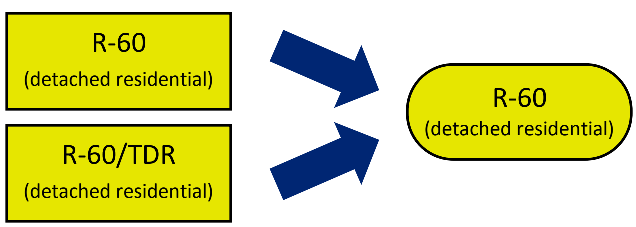
Implementation of Industrial zones will combine similar zones (Rural Service, I-1, and R+D) into the proposed Industrial Moderate (IM) zone. The existing heavy industrial zone (I-2) will be renamed as the Industrial Heavy (IH) zone.

Examples:

Agricultural and Rural



Residential



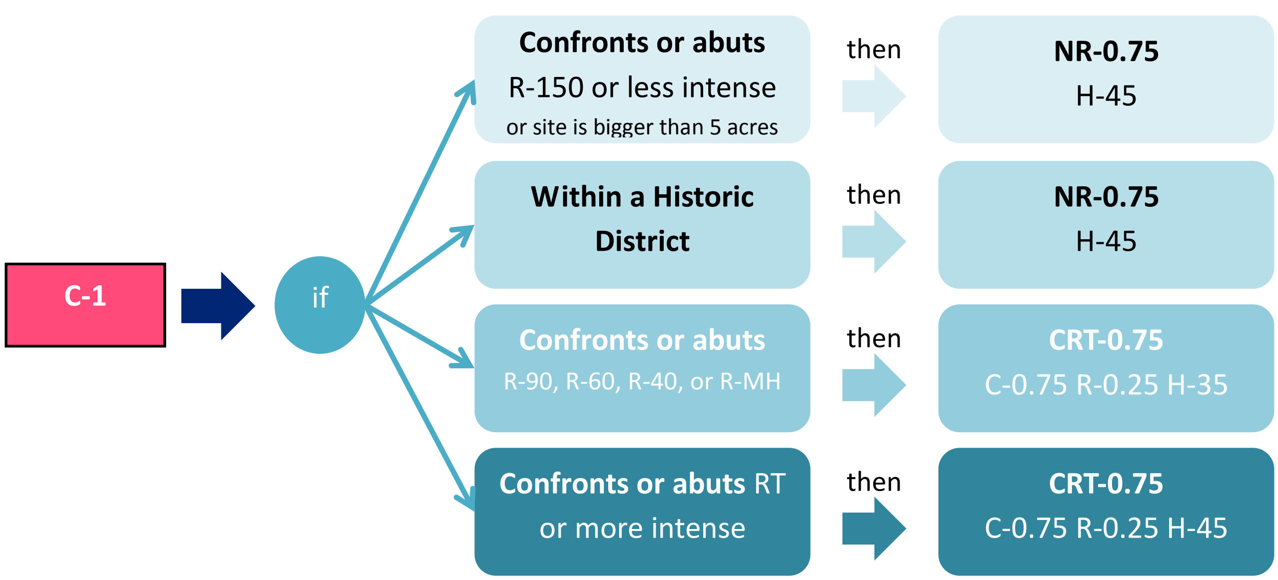
Commercial and Mixed-Use Zone Implementation:

Parcels located in the existing Commercial, Mixed-use, Central Business District (CBD), and Transit Station zones will be translated into one of the proposed Commercial/Residential (CR) or Employment (E) Zones using a two-tiered process.

First, decisions about specific parcels in these zones were based on recommendations within the Master Plan. Planning staff reviewed each Master Plan in the County. When the Master Plan provided specific recommendations about allowed density, height, or mix of uses for individual commercial or mixed-use parcels, those recommendations were used to build the formula of the proposed zone. This ensures consistency with currently allowed density and height, and helps codify Master Plan recommendations in a parcel-specific manner.

Second, if the Master Plan did not make specific recommendations, the current zone changed to a proposed zone on a one-to-one basis or the proposed zone was determined using a specific standardized decision tree *(see example below).* The standardized decision tree translates existing zones by considering each specific parcel's proximity to single-family neighborhoods or other factors. The goal of the implementation decision tree is to retain currently allowed heights and densities and maintain context sensitivity.

Example: C-1 Convenience Commercial



SILVER SPRING CBD

PLAN HIGHLIGHTS

The Silver Spring CBD Sector Plan, adopted February of 2000, establishes a vision to rejuvenate Silver Spring's core as an active town center. The plan includes recommendations for six aspects of the downtown: transit, pedestrian accessibility, commercial uses, residential uses, civic uses, and green space.

The recommendations for transit focus on the need to maximize Silver Spring's existing transportation infrastructure and concentrate development near its transportation system. The commercial component of the Plan encourages the creation of a well-rounded local economy through a mixed-commercial profile. Retail, office, entertainment, and restaurant uses should be incorporated into the downtown to serve both local and regional markets as well as the business and resident communities. The Plan's residential recommendations seek to expand the CBD's residential population and provide housing options in a variety of sizes, ownership types, and locations. The Sector Plan also recommends development of plazas, recreation facilities, and community centers to serve the civic community. The Plan establishes criteria for landscaping the CBD's street network and designs for its network of open space including green parks, landscaped plazas, and green parking lots. Lastly, the Sector Plan proposes criteria for sidewalks, street crossings, street furniture, and other amenities in order to create an environment that encourages pedestrian activity.

Ellsworth Avenue

The Plan identifies five distinct revitalization areas in the CBD: Corridors and Gateways, the Core, the Ripley District, South Silver Spring, and Fenton Village. For each of the five areas, the Sector Plan makes recommendations for land use, zoning, urban design, circulation systems, housing, community facilities, and historic and environmental resources.

The Plan seeks to stimulate appropriate development by providing market responsive land uses, zoning, and approval processes. The Plan promotes the commitment of public resources to support private investment.

ZONE IMPLEMENTATION

The Silver Spring CBD Planning Area currently has 13 zones: 3 Residential, 2 Commercial, 6 Central Business District (CBD) and 2 Industrial.

Existing Residential:

R-60: Detached Unit, Single-Family
R-20: Multi-Family, Medium Density
R-10: Multi-Family, High Density

Existing Commercial:

C-T: Commercial, Transitional
C-2: General Commercial

Existing CBD:

CBD-0.5: Central Business District
CBD-1: Central Business District
CBD-2: Central Business District
CBD-3: Central Business District
CBD-R1: Central Business District
CBD-R2: Central Business District

Existing Industrial

I-1: Light Industrial
I-4: Light Industrial

Standard Translation:

The existing R-60, R-10, and R-20 will remain as they are.

The existing C-T will be changed to the proposed CRN (Commercial Residential Neighborhood) zone. The decision to translate the existing C-2 zone to the proposed CRT (Commercial Residential Town) zone is based on the specific parcel's proximity to residential neighborhoods. These factors were considered in the translation decision, with the overall goal to retain currently allowed heights and densities and maintain context sensitivity.

The existing I-1 will be renamed IM (Industrial Moderate), and I-4 will be renamed IL (light industrial).

The 6 existing CBD zones will translate into the specific proposed CR (Commercial Residential) zones using both the standard translation criteria and specific Master Plan recommendations. CBD parcels that do not have specific Master Plan recommendations will translate to the proposed zone based on the standard zoning translation table.

NON-STANDARD CONVERSIONS

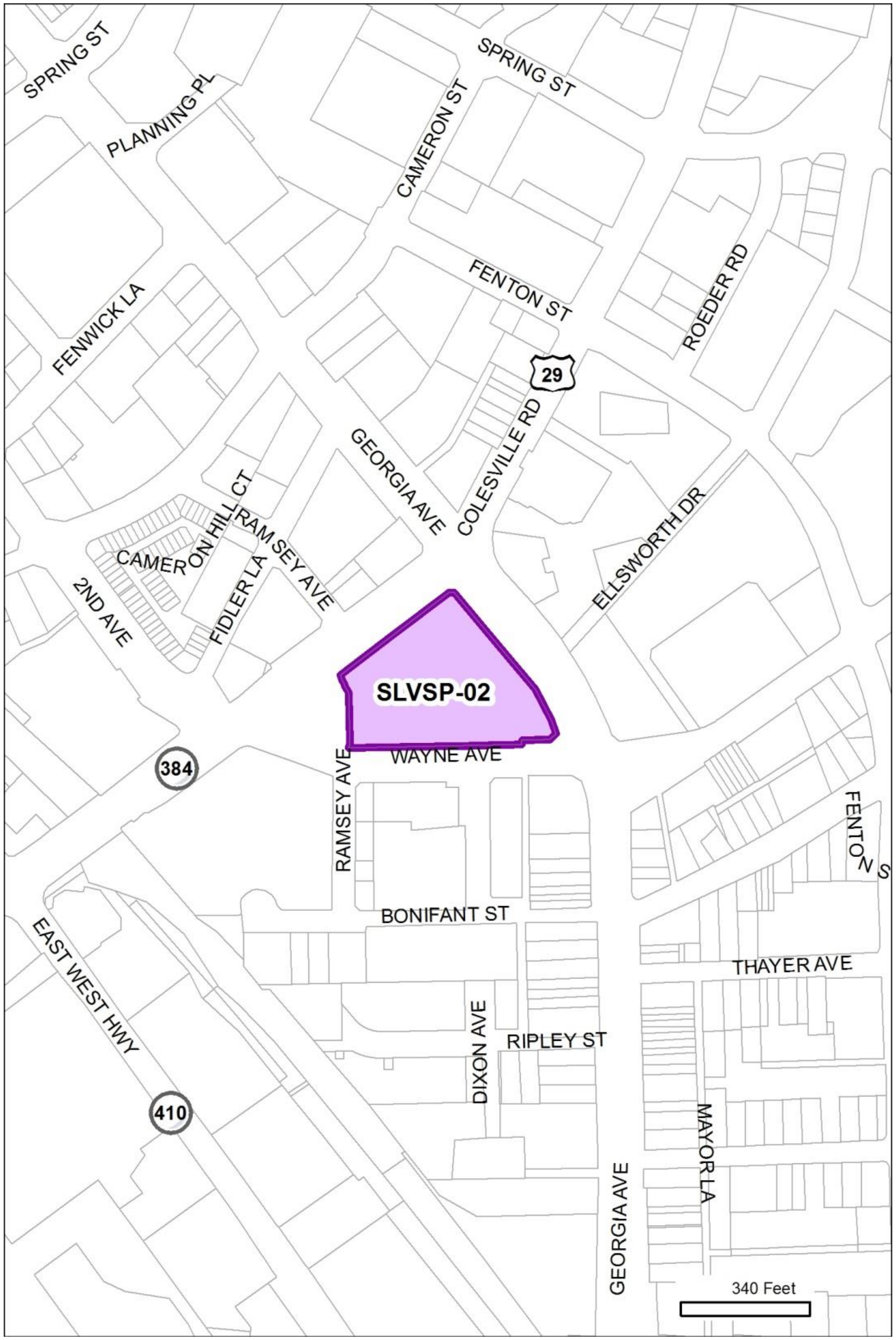
In some cases, properties were not converted using the standard conversions as outlined earlier in the packet.

Generally, this is because the relevant Master or Sector Plan made recommendations regarding the appropriate density, height, or mix of uses on a given site.

In other cases, the text of the zoning ordinance or an overlay zone can affect the development potential of a site, and therefore affect the conversion given as part of the draft proposed DMA.

Additionally, the PHED Committee instructed that, when requested by a property owner, existing site approvals be reflected in the draft proposed DMA. Non-standard conversions sometimes reflect these project approvals.

The following pages will give detail on all of the non-standard conversions in this plan area.



MP Number:		SLVSP-02
Master Plan:		Silver Spring CBD
Location:		Discovery Communications
Existing Zone:		CBD-2
Standard Conv:		~~CR-5.0 C-4.0 R-4.75 H-145 T~~
Proposed Conv:		CR-5.0 C-4.0 R-4.75 H-200 T
Modifications	**Zone Group:**	Standard
	Overall FAR:	Standard
	Comm'l FAR:	Standard
	Resid'l FAR:	Standard
	Height:	Increased to 200'

Reason for non-standard conversion:

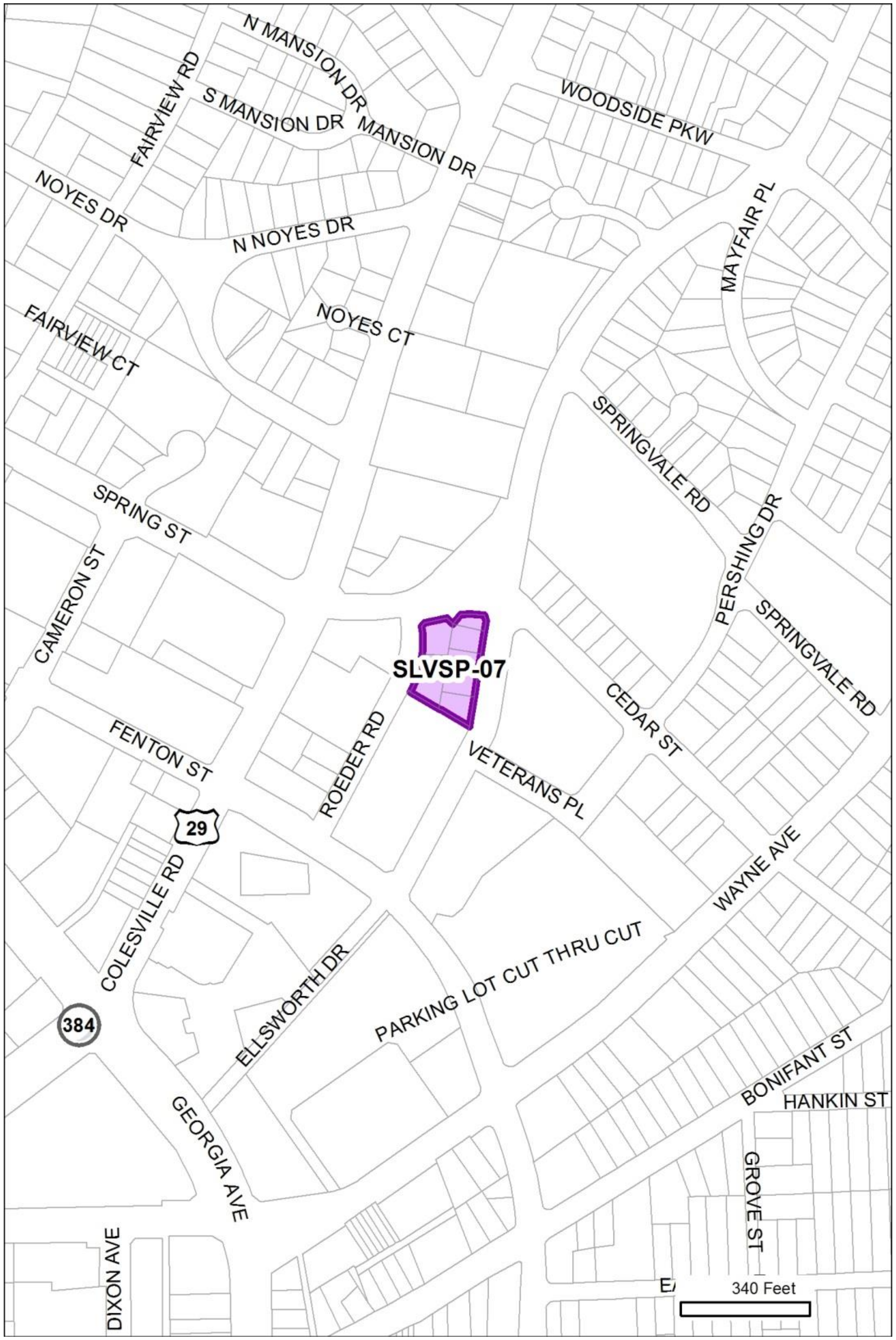
Silver Spring CBD Sector Plan, page 43:

> *"Allow additional height above 143' on the Silver Triangle site with Planning Board Approval."*

Montgomery County Zoning Ordinance, §59-C-6.235(b) [footnote 11]:

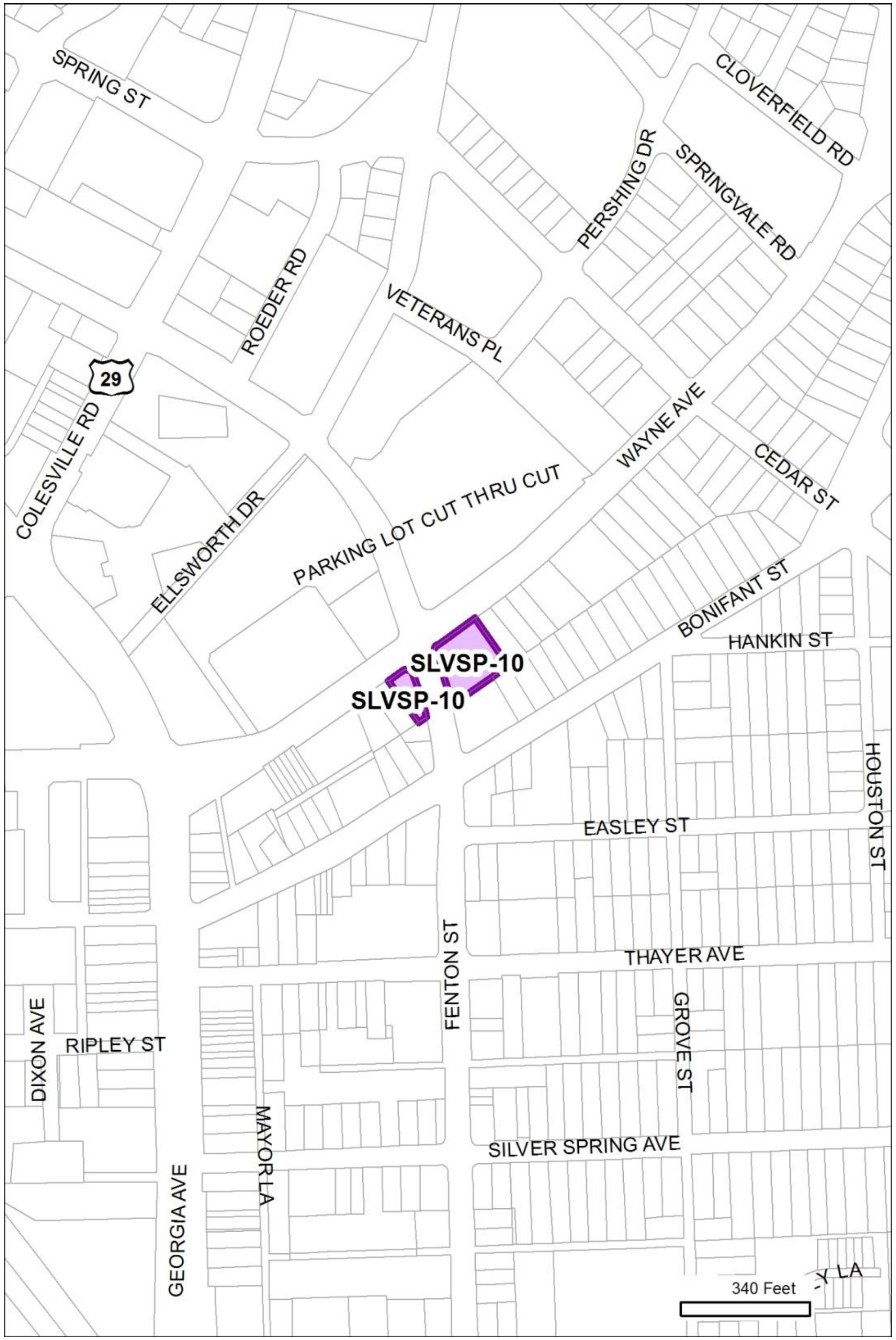
> *"Under the optional method of development process, the Planning Board may approve height over 143 feet, but not more than 200 feet, if … (ii) the additional height is specifically recommended for the property in the applicable sector plan or urban renewal plan…"*

(15)



MP Number:		SLVSP-07
Master Plan:		Silver Spring CBD
Location:		Ellsworth & Spring
Existing Zone:		CBD-2
Standard Conv:		~~CR-5.0 C-4.0 R-4.75 H-145 T~~
Proposed Conv:		CR-5.0 C-4.0 R-4.75 H-75 T
Modifications	**Zone Group:**	Standard
	Overall FAR:	Standard
	Comm'l FAR:	Standard
	Resid'l FAR:	Standard
	Height:	Reduced to 75'
Reason for non-standard conversion:		
Silver Spring CBD Sector Plan, page 43: *"Rezone the National Concrete Ready Mix parcels located on Cedar Street and Ellsworth Drive from CBD-1 to CBD-2 with a height limit of 60 feet, allowing the height to exceed 60 feet up to a maximum height of 75 feet with Planning Board approval based on compatibility with surrounding structures."*		

(16)



MP Number:		SLVSP-10
Master Plan:		Silver Spring CBD
Location:		Wayne & Fenton
Existing Zone:		CBD-1
Standard Conv:		~~CR-3.0 C-2.0 R-2.75 H-90 T~~
Proposed Conv:		CR-3.0 C-2.0 R-2.75 H-75 T
Modifications	**Zone Group:**	Standard
	Overall FAR:	Standard
	Comm'l FAR:	Standard
	Resid'l FAR:	Standard
	Height:	Reduced to 75'

Reason for non-standard conversion:

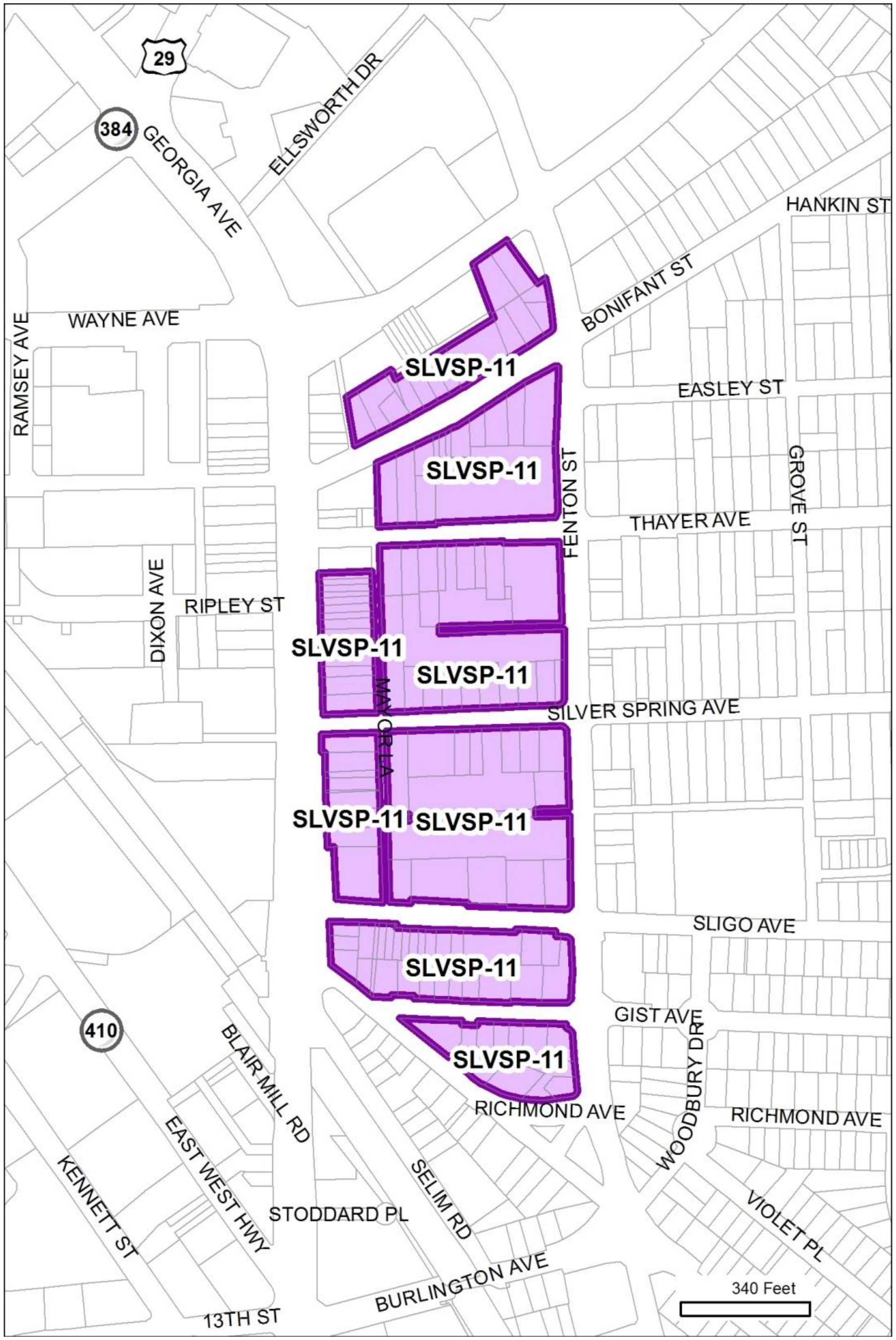
Montgomery County Zoning Ordinance §59-C-18.192(b)(1)(D):

> *"[Building Height in the overlay zone] for property located in a block that includes property zoned in any one-family residential classification, must not exceed 45 feet for all uses, except the building height must not exceed 60 feet for: (i) residential use; or (ii) mixed-use optional method project, if at least 33% of the project's floor area is residential and the project includes a hotel."*

Montgomery County Zoning Ordinance §59-C-18.192(b)(1)(E):

> *"for properties with frontage on both Wayne Avenue and Fenton Street, notwithstanding the height limitations in Subsection (b)(1)(B)-(D), may be increased by 15 feet for a building that includes residential uses or a mix of residential and commercial uses, if such additional height is not more than 200 feet from the right-of-way line for Fenton Street as recommended in the Approved and Adopted 2000 Silver Spring CBD Sector Plan…"*

(17)

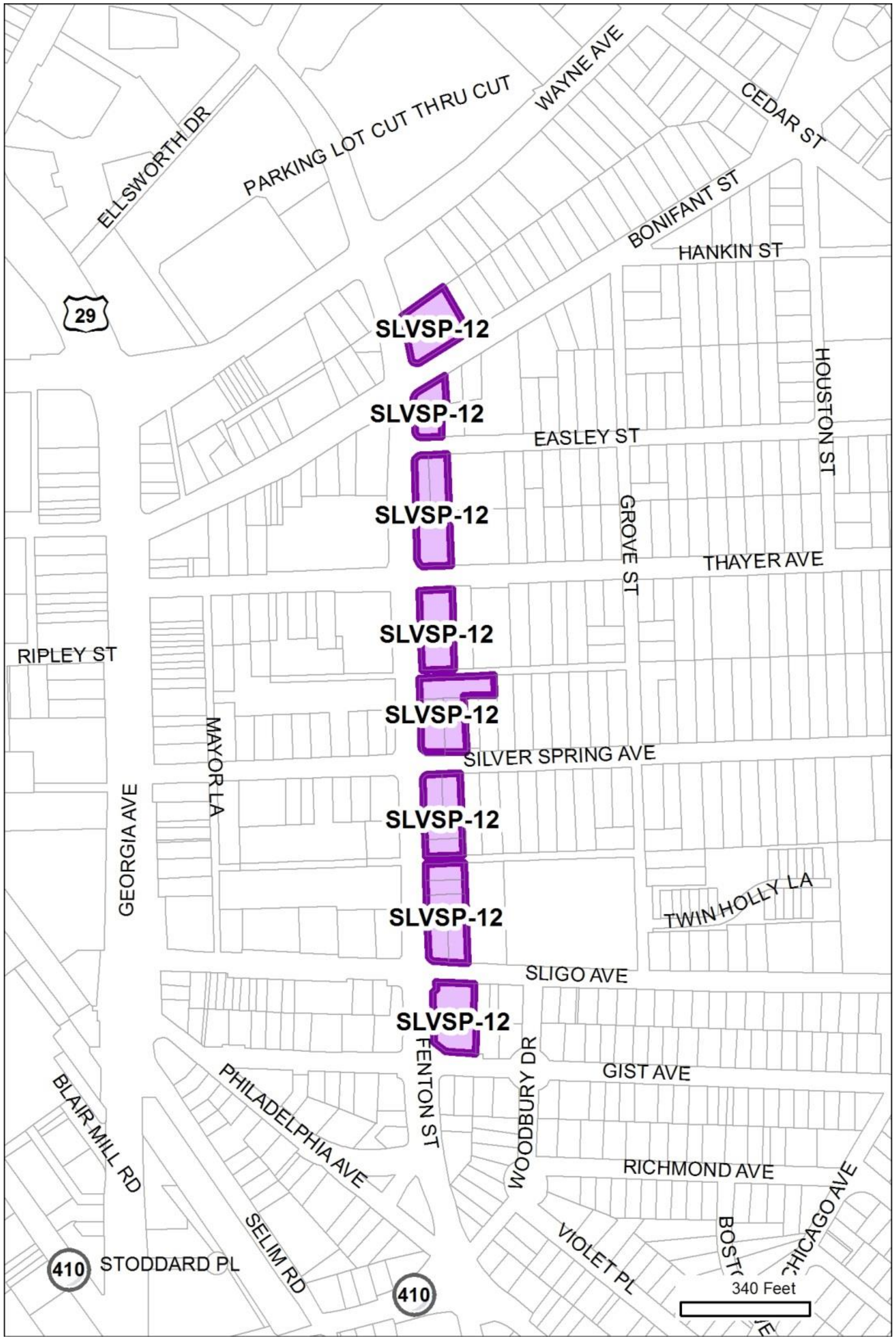


MP Number:		SLVSP-11
Master Plan:		Silver Spring CBD
Location:		Fenton Village
Existing Zone:		CBD-1
Standard Conv:		~~CR-3.0 C-2.0 R-2.75 H-90 T~~
Proposed Conv:		CR-3.0 C-2.0 R-2.75 H-110 T
Modifications	**Zone Group:**	Standard
	Overall FAR:	Standard
	Comm'l FAR:	Standard
	Resid'l FAR:	Standard
	Height:	Increased to 110'
Reason for non-standard conversion:		

Montgomery County Zoning Ordinance §59-C-18.192(b)(1)(C):

> *"[Building Height in the overlay zone] within the area between a major highway and a street that confronts a block that includes property zoned in any one-family residential classification, must not exceed 60 feet but may increase up to 90 feet the maximum height if at least 33% of a project's floor area is residential; however, if additional building height is necessary to allow to accommodate workforce housing units and at least 33% of the project's floor area is residential, up to 110 feet and where the additional height is placed near a major highway and decreases in the direction of the closest property zoned in any one-family residential classification;"*

(18)

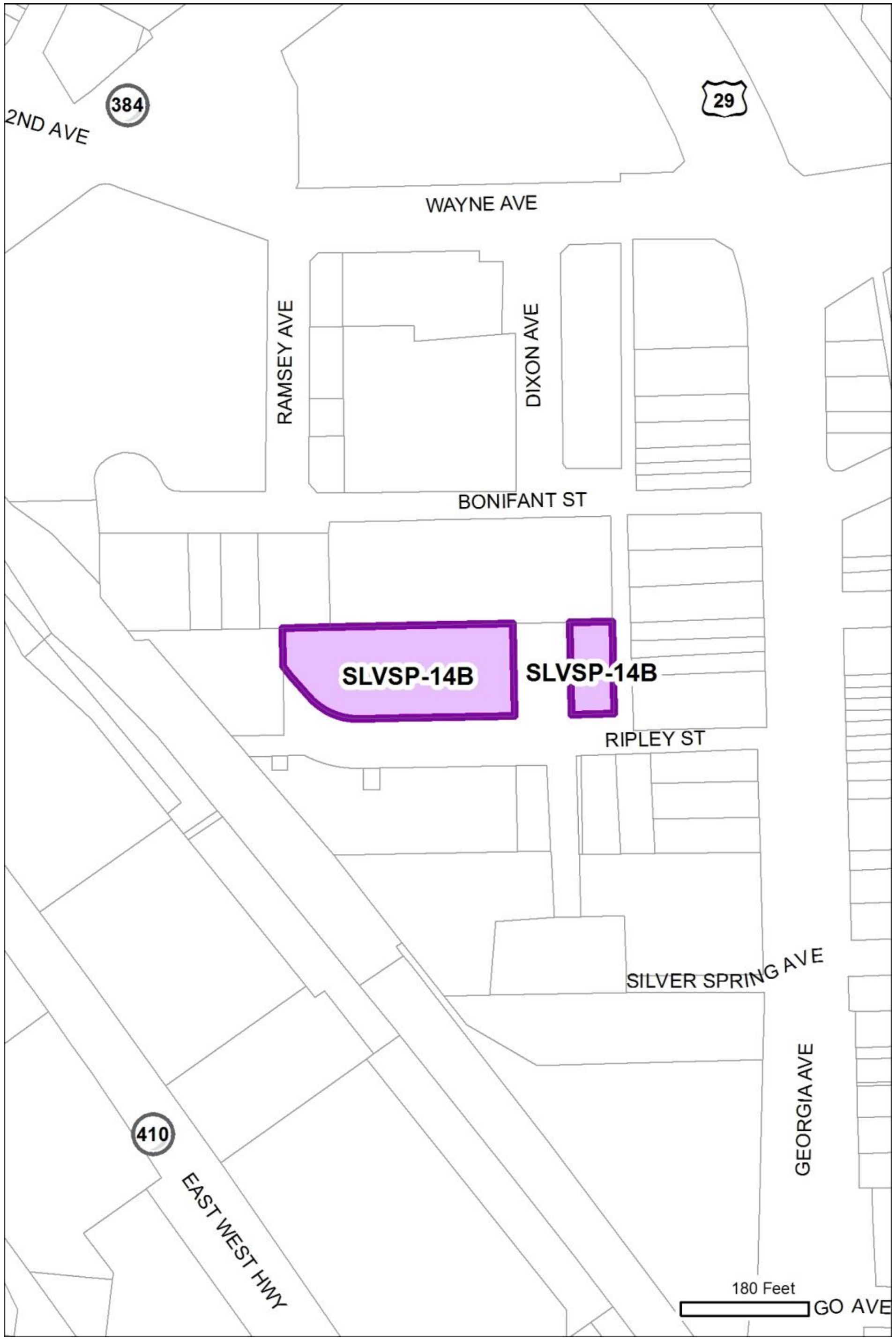


MP Number:		SLVSP-12
Master Plan:		Silver Spring CBD
Location:		Fenton Village
Existing Zone:		CBD-1
Standard Conv:		~~CR-3.0 C-2.0 R-2.75 H-90 T~~
Proposed Conv:		CR-3.0 C-2.0 R-2.75 H-60 T
Modifications	**Zone Group:**	Standard
	Overall FAR:	Standard
	Comm'l FAR:	Standard
	Resid'l FAR:	Standard
	Height:	Reduced to 60'
Reason for non-standard conversion:		

Montgomery County Zoning Ordinance §59-C-18.192(b)(1)(D):

> *"property located in a block that includes property zoned in any one-family residential classification must not exceed 45 feet for all uses except the building height must not exceed 60 feet for: (i) residential use; or (ii) mixed use optional method project, if at least 33% of the project's floor area is residential and the project includes a hotel."*

(19)



MP Number:		SLVSP-14B
Master Plan:		Silver Spring CBD
Location:		Bonifant & Dixon
Existing Zone:		CBD-2
Standard Conv:		~~CR-5.0 C-4.0 R-4.75 H-145 T~~
Proposed Conv:		CR-5.0 C-4.0 R-5.0 H-200 T
Modifications	**Zone Group:**	Standard
	Overall FAR:	Standard
	Comm'l FAR:	Standard
	Resid'l FAR:	Increased to 5.0
	Height:	Increased to 200'

Reason for non-standard conversion:

Montgomery County Zoning Ordinance §59-C-18.202(b)(2):

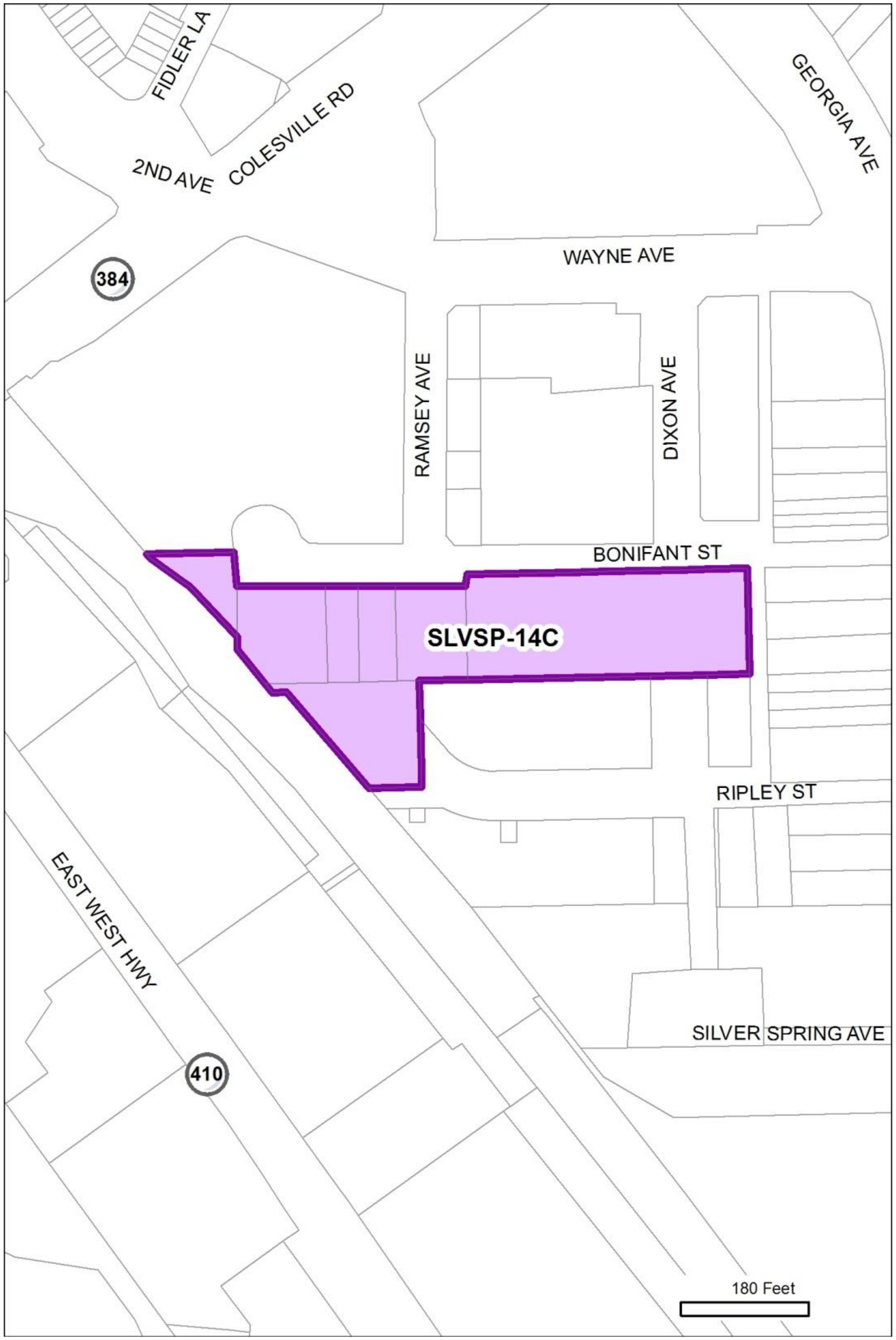
"The Planning Board may approve a maximum building height of 200 feet in any CBD-2 zoned optional method of development project that provides ground floor retail. Any structure or device used to collect or radiate electromagnetic waves, including a satellite dish, must not be included in calculating building height under this paragraph."

Notes:

This site has been approved for development with a residential FAR of 5.0. As a result, the conversion shows the approved 5.0 FAR of residential that has already been approved.

SEE ALSO: Change log document **MAP-S-228A**.

(20)

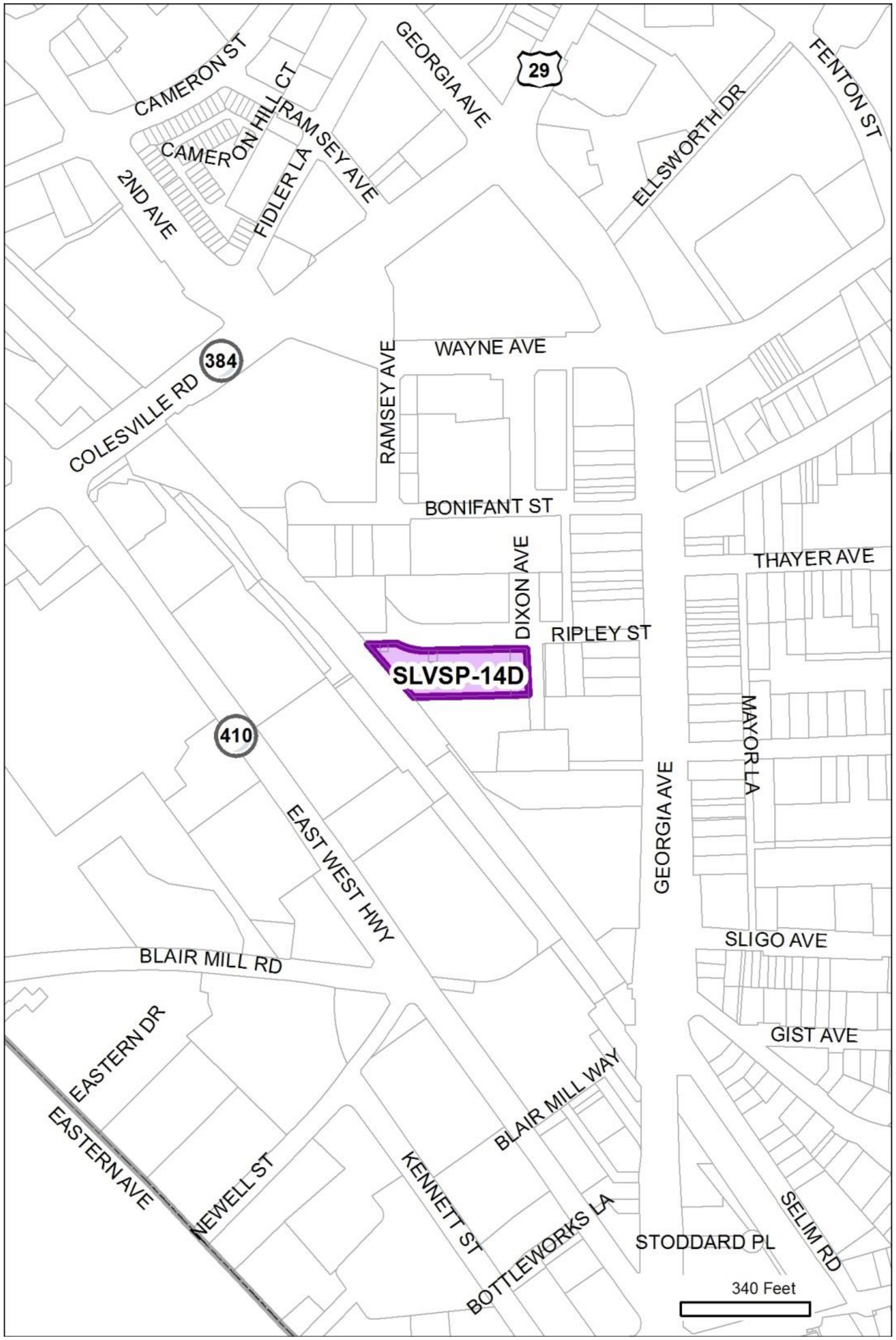


MP Number:		SLVSP-14C
Master Plan:		Silver Spring CBD
Location:		Bonifant & Ramsey
Existing Zone:		CBD-2
Standard Conv:		~~CR-5.0 C-4.0 R-4.75 H-145 T~~
Proposed Conv:		CR-5.0 C-4.0 R-4.75 H-200 T
Modifications	**Zone Group:**	Standard
	Overall FAR:	Standard
	Comm'l FAR:	Standard
	Resid'l FAR:	Standard
	Height:	Increased to 200'
Reason for non-standard conversion:		

Montgomery County Zoning Ordinance §59-C-18.202(b)(2):

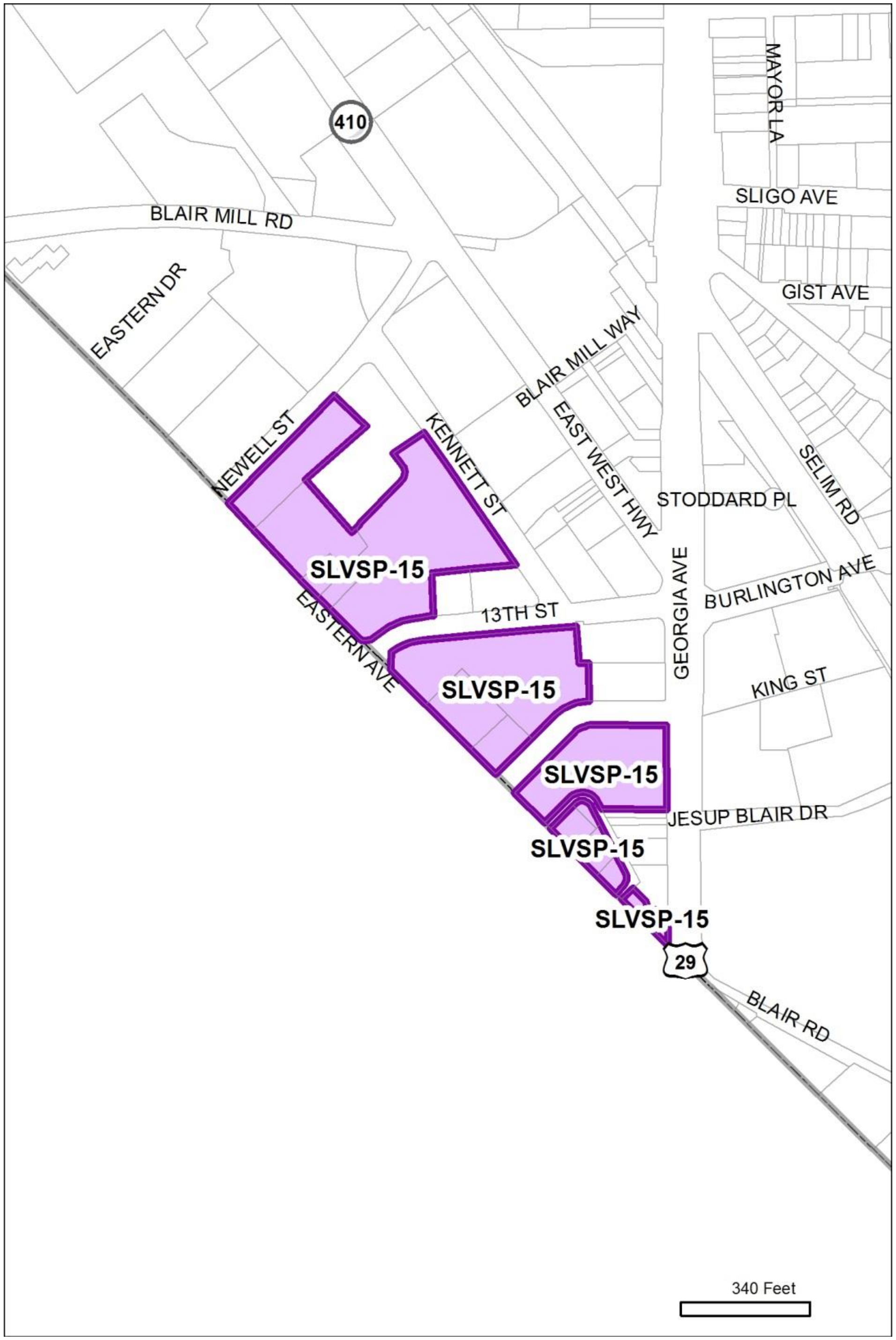
> *"The Planning Board may approve a maximum building height of 200 feet in any CBD-2 zoned optional method of development project that provides ground floor retail. Any structure or device used to collect or radiate electromagnetic waves, including a satellite dish, must not be included in calculating building height under this paragraph."*

(21)



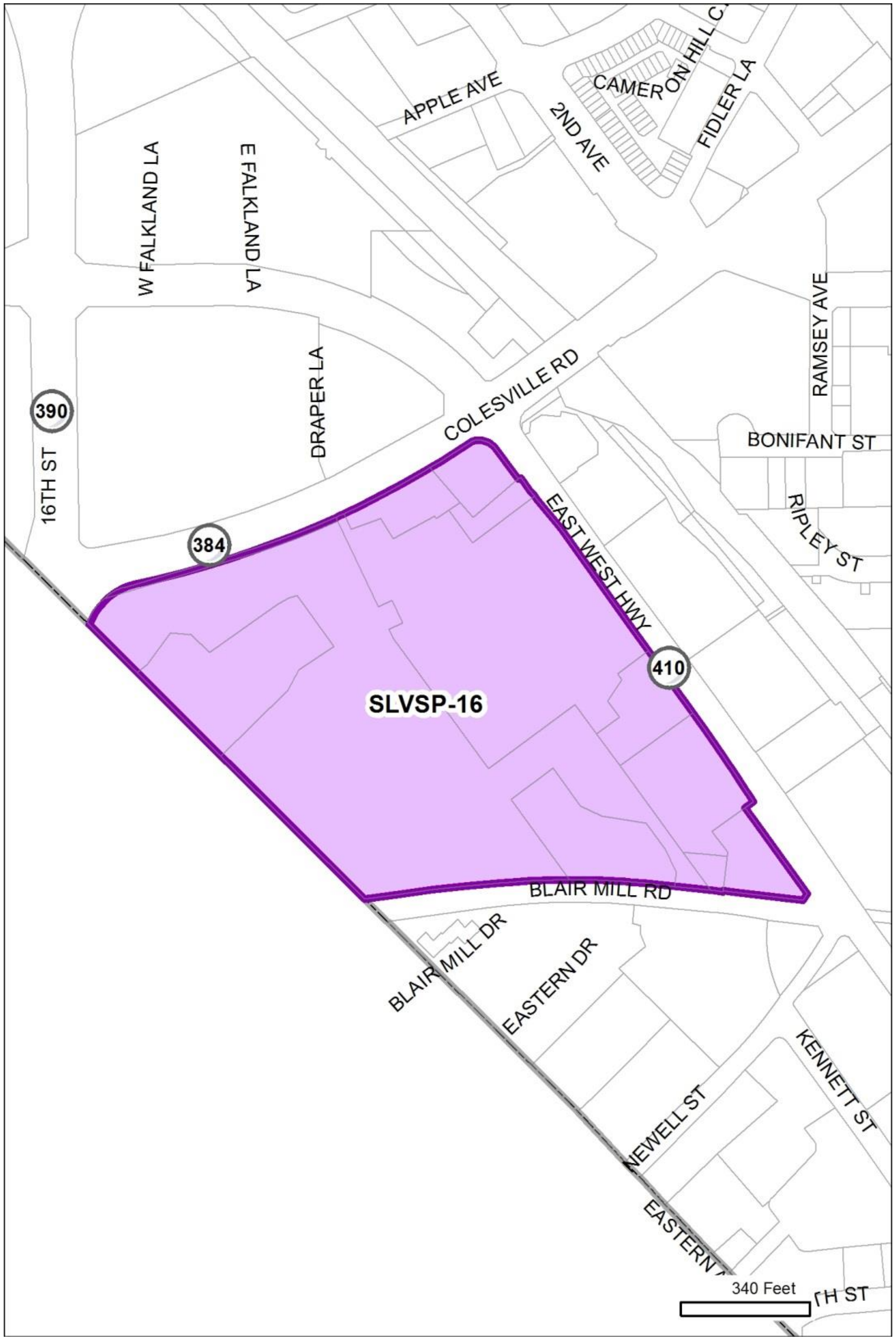
MP Number:		SLVSP-14D
Master Plan:		Silver Spring CBD
Location:		Ripley & Dixon
Existing Zone:		CBD-2
Standard Conv:		~~CR-5.0 C-4.0 R-4.75 H-145 T~~
Proposed Conv:		CR-5.0 C-4.0 R-4.75 H-200 T
Modifications	**Zone Group:**	Standard
	Overall FAR:	Standard
	Comm'l FAR:	Standard
	Resid'l FAR:	Standard
	Height:	Increased to 200'
Reason for non-standard conversion:		
Montgomery County Zoning Ordinance §59-C-18.202(b)(2): *"The Planning Board may approve a maximum building height of 200 feet in any CBD-2 zoned optional method of development project that provides ground floor retail. Any structure or device used to collect or radiate electromagnetic waves, including a satellite dish, must not be included in calculating building height under this paragraph."*		

(22)



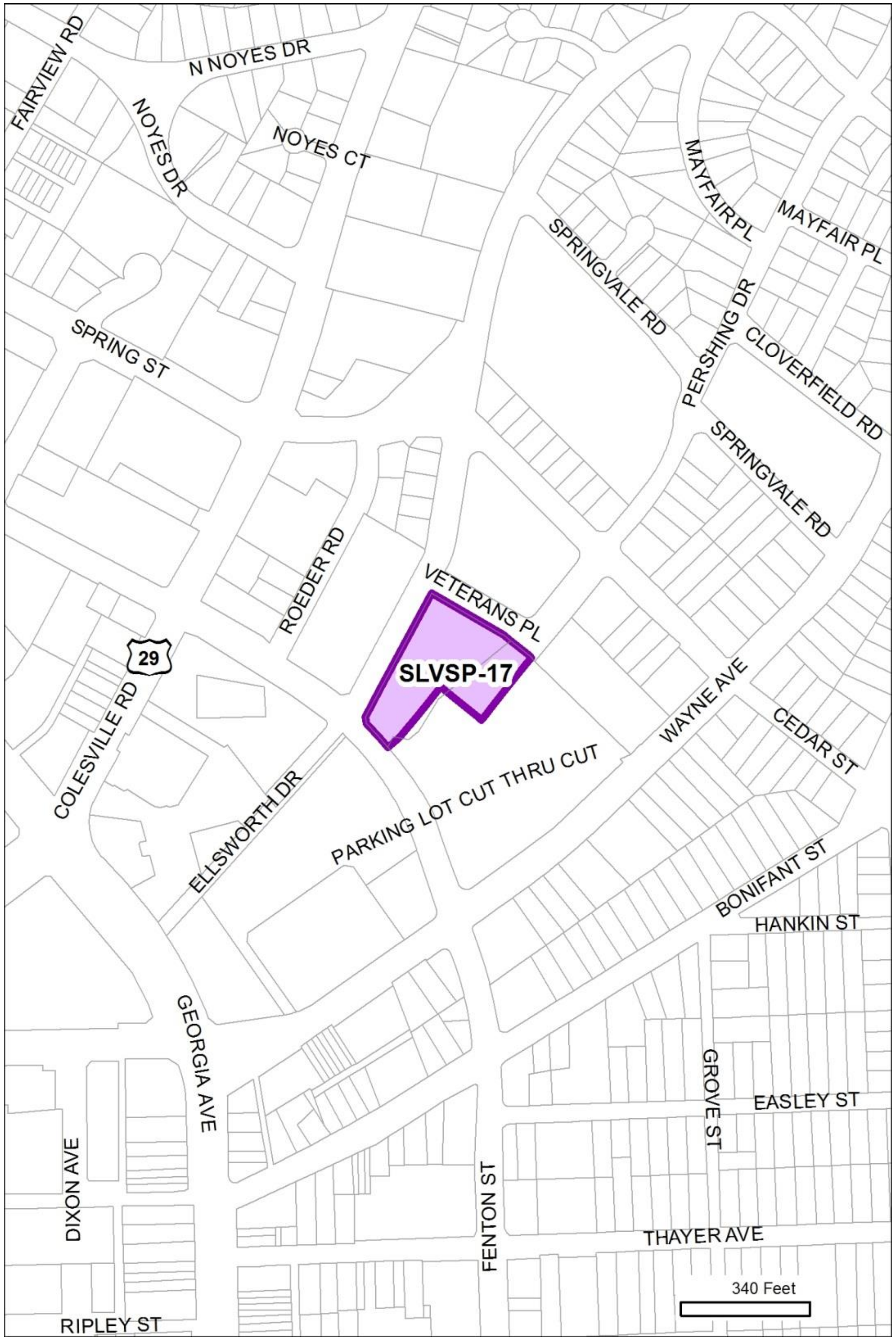
<table>
<tr><td colspan="2">MP Number:</td><td>SLVSP-15</td></tr>
<tr><td colspan="2">Master Plan:</td><td>Silver Spring CBD</td></tr>
<tr><td colspan="2">Location:</td><td>Eastern Ave</td></tr>
<tr><td colspan="2">Existing Zone:</td><td>CBD-1</td></tr>
<tr><td colspan="2">Standard Conv:</td><td><s>CR-3.0 C-2.0 R-2.75 H-90 T</s></td></tr>
<tr><td colspan="2">Proposed Conv:</td><td>CR-3.0 C-2.0 R-2.75 H-125 T</td></tr>
<tr><td rowspan="5">Modifications</td><td>Zone Group:</td><td>Standard</td></tr>
<tr><td>Overall FAR:</td><td>Standard</td></tr>
<tr><td>Comm’l FAR:</td><td>Standard</td></tr>
<tr><td>Resid’l FAR:</td><td>Standard</td></tr>
<tr><td>Height:</td><td>Increased to 125’</td></tr>
<tr><td colspan="3">Reason for non-standard conversion:</td></tr>
<tr><td colspan="3">Montgomery County Zoning Ordinance §59-C-18.202(b)(1):
“Building height in the overlay zone along Newell Street and Eastern Avenue that confronts a residential zone in the District of Columbia must not exceed a height of 45 feet. However, this building height may be increased to: (A) a maximum of 90 feet for any building or portion of a building that is set back at least 60 feet from the street; or (B) a maximum of 125 feet for residential development that is set back at least 100 feet from Eastern Avenue and Newell Street and includes a public parking garage constructed under a General Development Agreement with the County.”</td></tr>
</table>

(23)



MP Number:		SLVSP-16
Master Plan:		Silver Spring CBD
Location:		The Blairs
Existing Zone:		CBD-R2
Standard Conv:		~~CR-5.0 C-1.0 R-5.0 H-200 T~~
Proposed Conv:		CR-5.0 C-0.5 R-5.0 H-200 T
Modifications	**Zone Group:**	Standard
	Overall FAR:	Standard
	Comm'l FAR:	Reduced to 0.5
	Resid'l FAR:	Standard
	Height:	Standard
Reason for non-standard conversion:		
Montgomery County Zoning Ordinance §59-C-6.234(a)(ii)[18] *and* Montgomery County Zoning Ordinance §59-C-6.234(b)(iii)(A)[18]: *"On sites of 10 contiguous acres or more, the amount of non-residential development is limited to a maximum of 450,000 gross square feet."*		

(24)



MP Number:		SLVSP-17
Master Plan:		Silver Spring CBD
Location:		Downtown Silver Spring
Existing Zone:		CBD-0.5
Standard Conv:		~~CR-1.5 C-1.0 R-1.5 H-60 T~~
Proposed Conv:		CR-1.5 C-1.0 R-1.5 H-90 T
Modifications	**Zone Group:**	Standard
	Overall FAR:	Standard
	Comm'l FAR:	Standard
	Resid'l FAR:	Standard
	Height:	Increased to 90'

Reason for non-standard conversion:

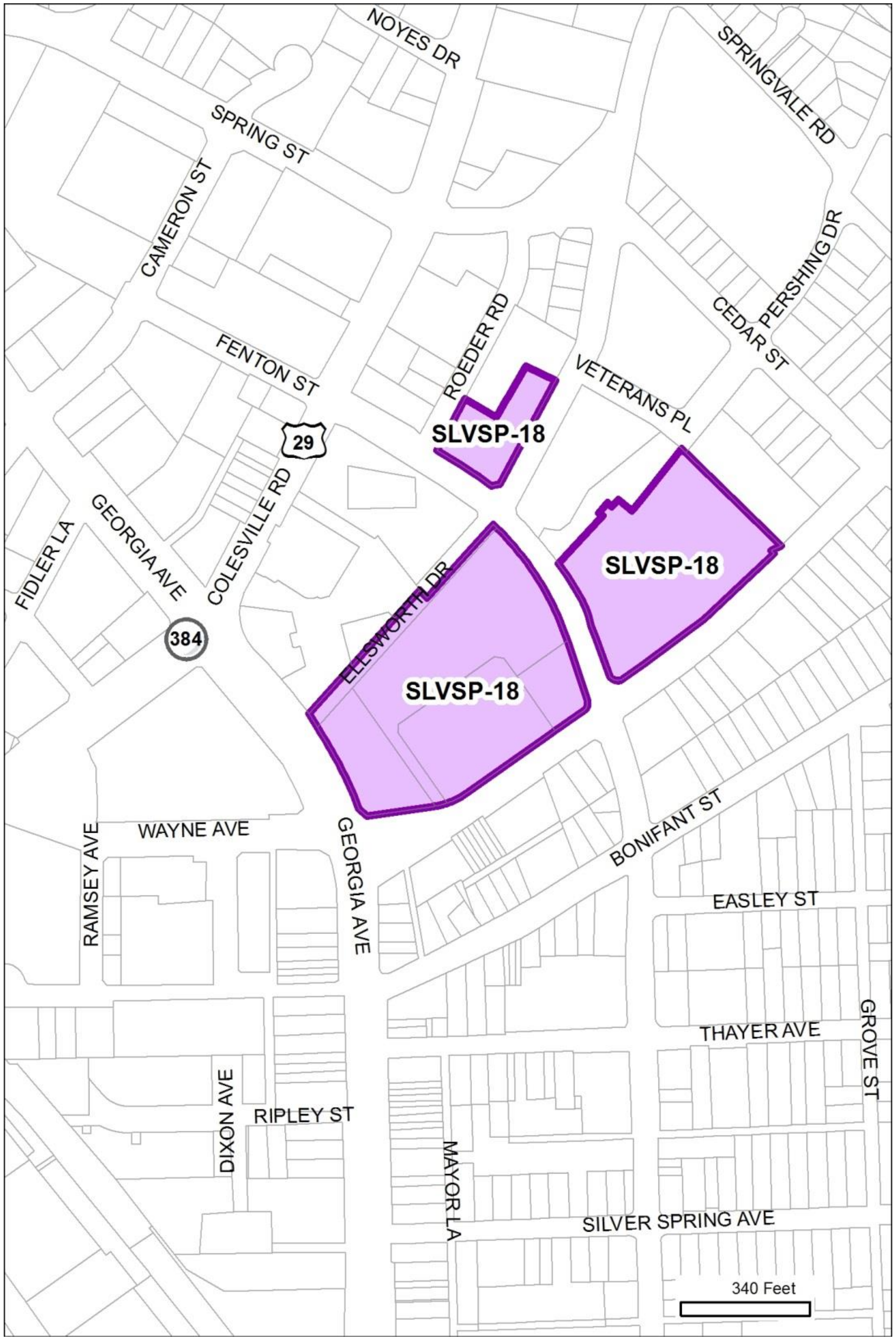
Match Development Approvals:

Under certain circumstances, the Planning Board may increase height in the CBD-0.5 zone to 90'.

*This site is being developed under project plan **91998005A** and **91998005B**, and has been approved for a height of 90' in the CBD-0.5 zoned areas.*

For that reason, the conversion is proposing a height limit of 90 feet to match the development which has already been approved.

(25)



MP Number:		SLVSP-18
Master Plan:		Silver Spring CBD
Location:		Downtown Silver Spring
Existing Zone:		CBD-1
Standard Conv:		~~CR-3.0 C-2.0 R-2.75 H-90 T~~
Proposed Conv:		CR-3.0 C-2.0 R-2.75 H-145 T
Modifications	**Zone Group:**	Standard
	Overall FAR:	Standard
	Comm'l FAR:	Standard
	Resid'l FAR:	Standard
	Height:	Increased to 145'

Reason for non-standard conversion:

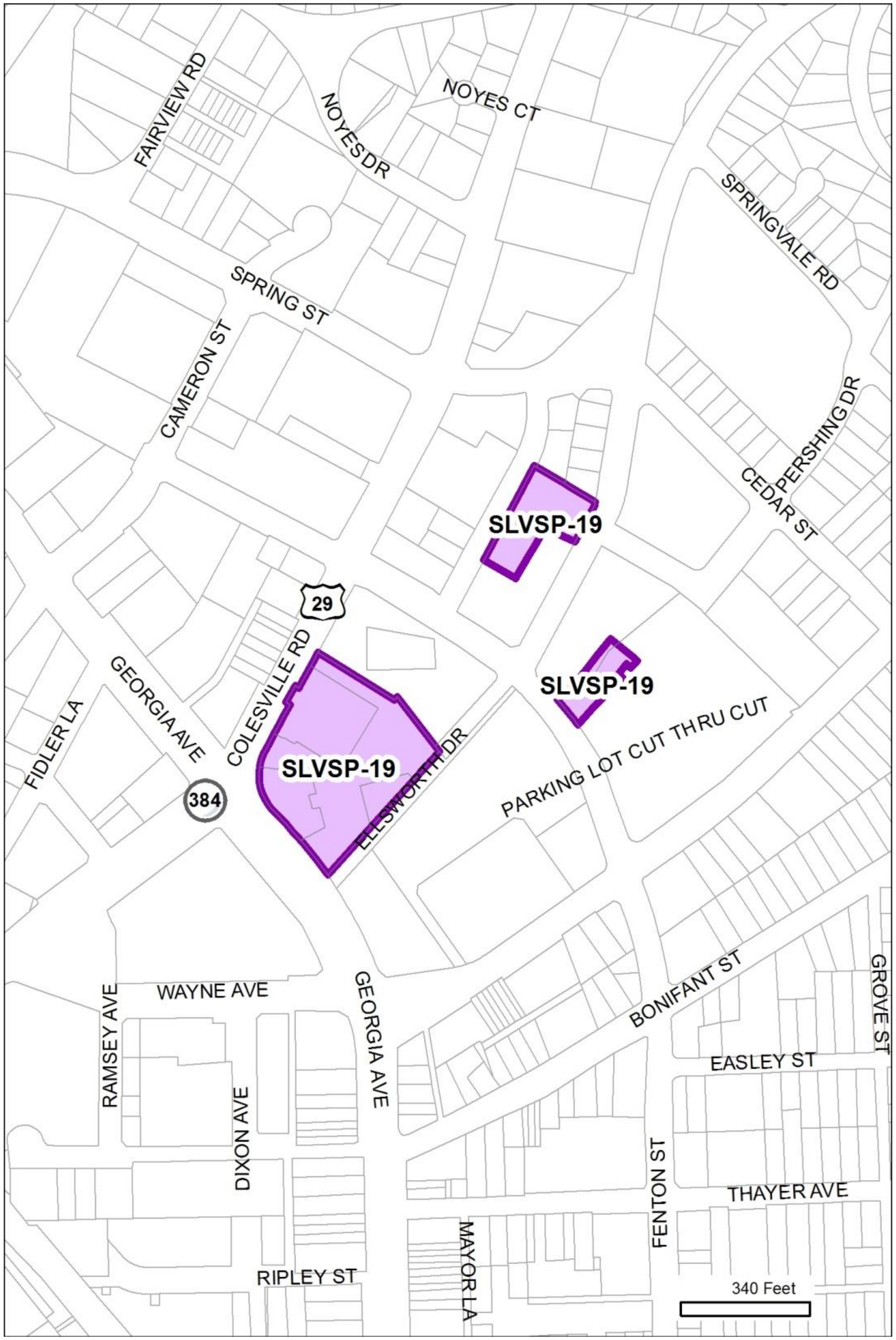
Match Development Approvals:

Under certain circumstances, the Planning Board may increase height in the CBD-1 zone to 143'.

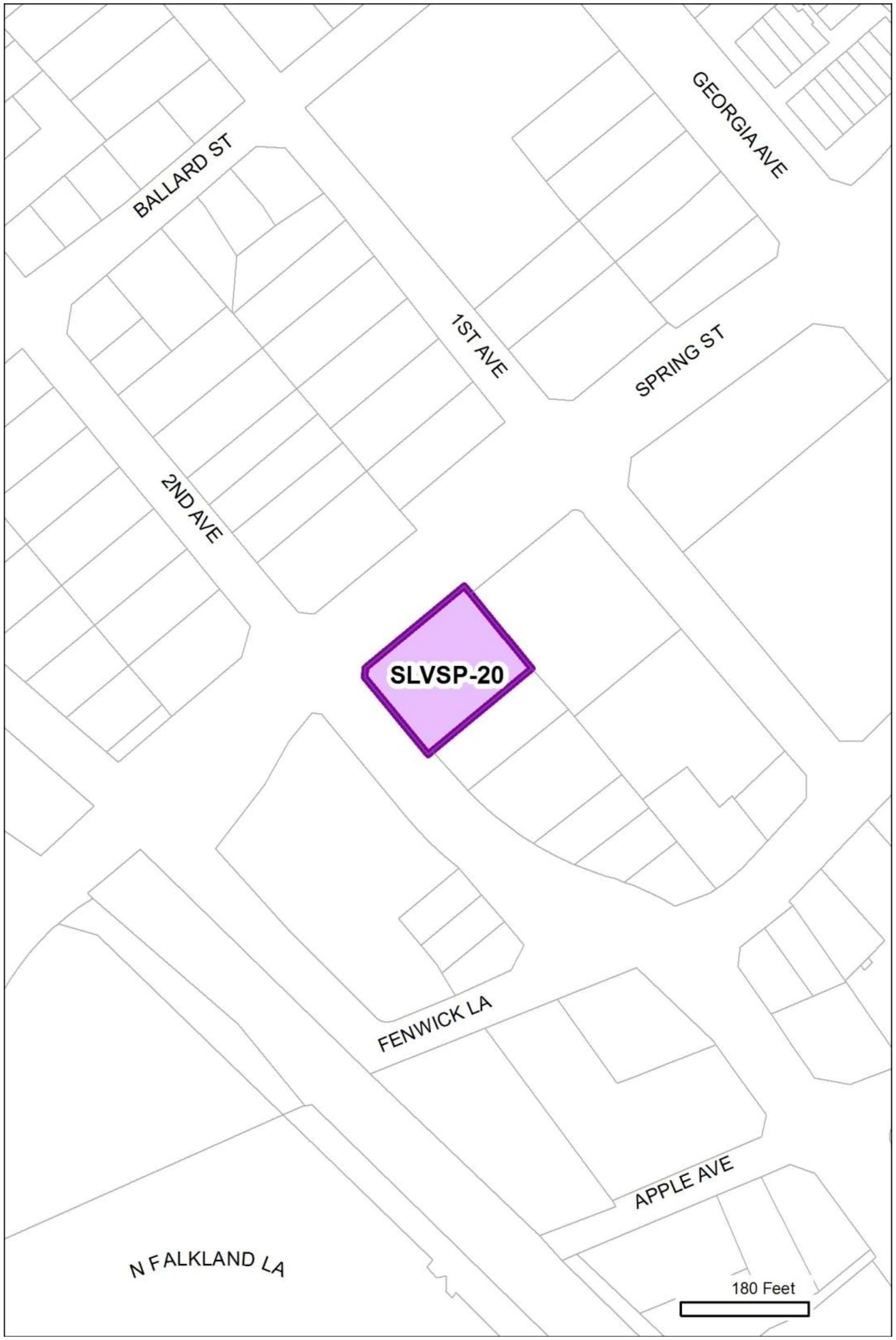
This site is being developed under project plan ***91998005A*** *and* ***91998005B****, and has been approved for a height of 143' in the CBD-1 zoned areas.*

For that reason, the conversion is proposing a height limit of 145 feet to match the development which has already been approved.

(26)



MP Number:		SLVSP-19
Master Plan:		Silver Spring CBD
Location:		Downtown Silver Spring
Existing Zone:		CBD-2
Standard Conv:		~~CR-5.0 C-4.0 R-4.75 H-145 T~~
Proposed Conv:		CR-5.0 C-4.0 R-4.75 H-200 T
Modifications	**Zone Group:**	Standard
	Overall FAR:	Standard
	Comm'l FAR:	Standard
	Resid'l FAR:	Standard
	Height:	Increased to 200'
Reason for non-standard conversion:		
Match Development Approvals: *Under certain circumstances, the Planning Board may increase height in the CBD-2 zone to 200'.* *This site is being developed under project plan* ***91998005A*** *and has been approved for a height of 200' in the CBD-2 zoned areas.* *For that reason, the conversion is proposing a height limit of 200 feet to match the development which has already been approved.*		



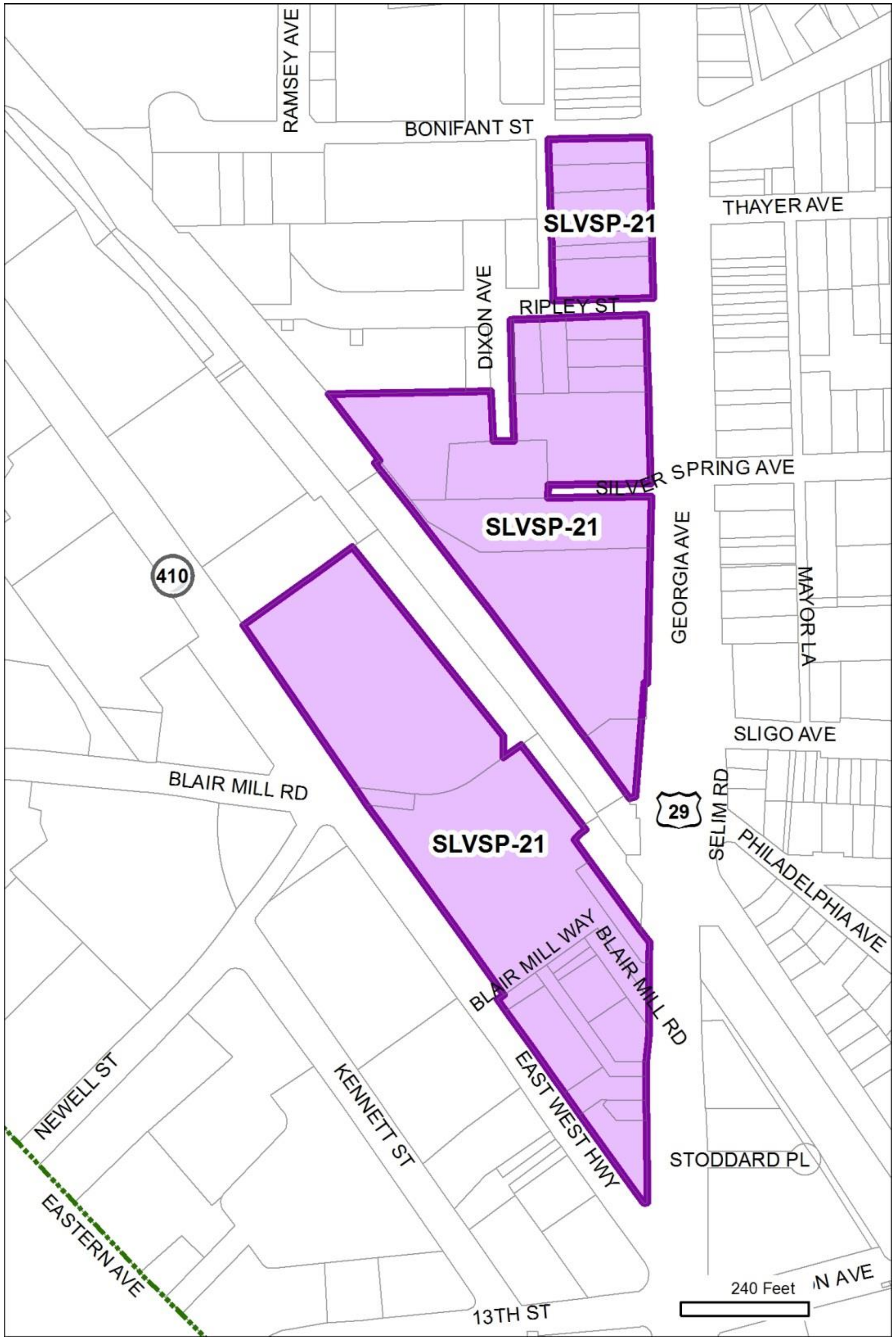
MP Number:		SLVSP-20
Master Plan:		Silver Spring CBD
Location:		2nd & Spring Street
Existing Zone:		CBD-R1
Standard Conv:		~~CR-3.0 C-0.75 R-3.0 H-145 T~~
Proposed Conv:		CR-3.0 C-1.25 R-3.0 H-145 T
Modifications	**Zone Group:**	Standard
	Overall FAR:	Standard
	Comm'l FAR:	Increased to 1.25
	Resid'l FAR:	Standard
	Height:	Standard
Reason for non-standard conversion:		

Montgomery County Zoning Ordinance §59-C-6.23 [footnote 17]:

" The FAR may be increased to FAR 1.2 by the Planning Board if the site will be owned and occupied by a nonprofit organization that provides needed child care and adult day care services in cooperation with the Montgomery County Department of Health and Human Services that is in effect on December 31, 1999.

See also: Site Plan # ***820020160***

(28)



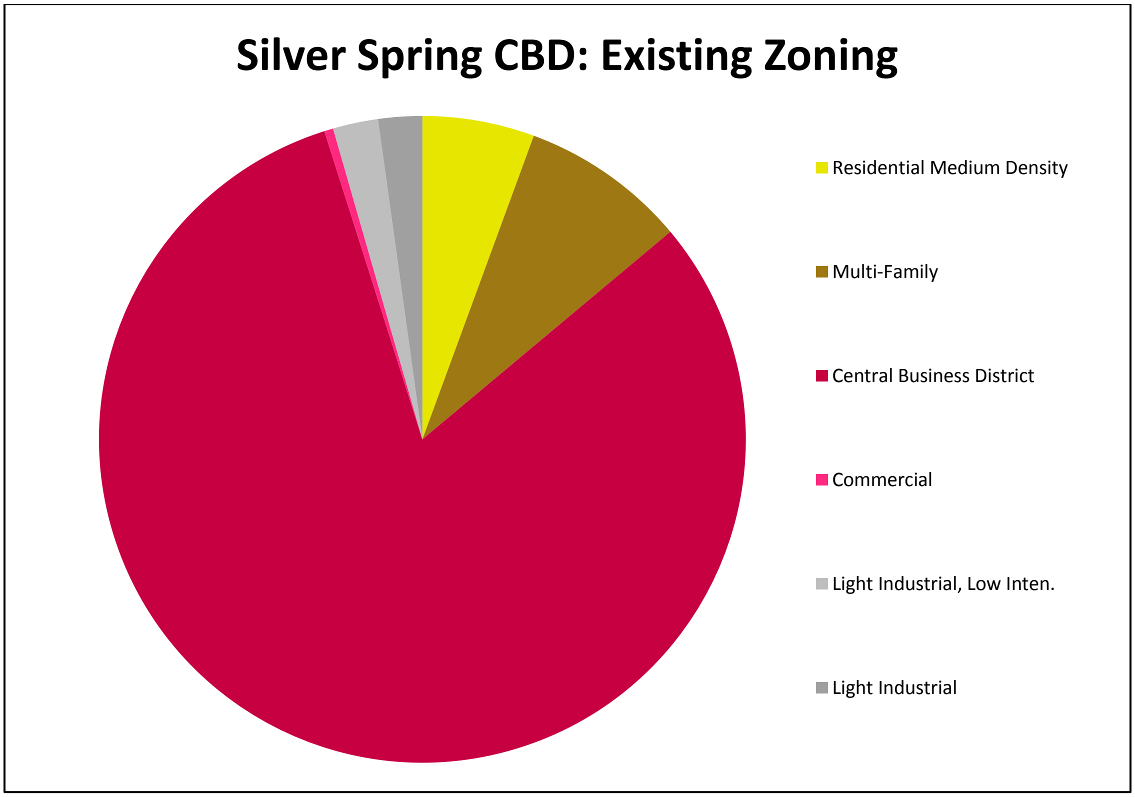
MP Number:		SLVSP-21
Master Plan:		Silver Spring CBD
Location:		Georgia Avenue & East West Hwy
Existing Zone:		CBD-2
Standard Conv:		~~CR-5.0 C-4.0 R-4.75 H-145 T~~
Proposed Conv:		CR-5.0 C-4.0 R-4.75 H-200 T
Modifications	**Zone Group:**	Standard
	Overall FAR:	Standard
	Comm'l FAR:	Standard
	Resid'l FAR:	Standard
	Height:	Increased to 200'
Reason for non-standard conversion:		

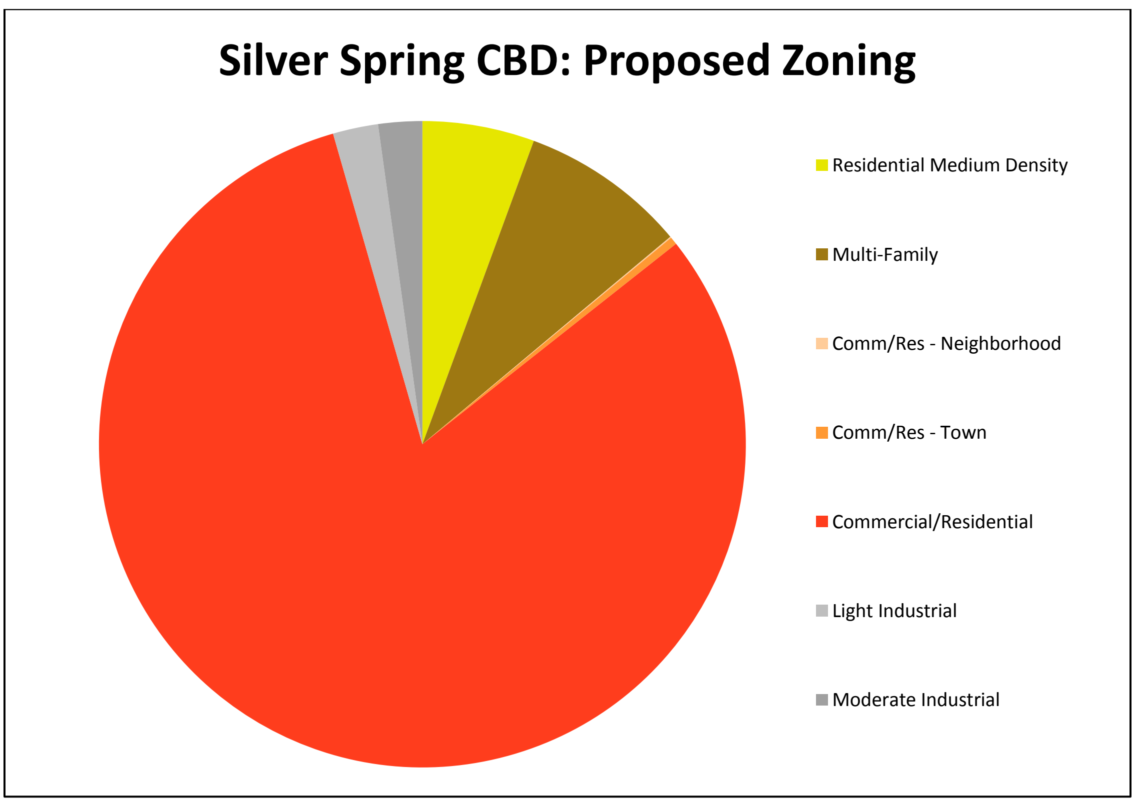
Montgomery County Zoning Ordinance §59-C-18.202(b)(2):

"The Planning Board may approve a maximum building height of 200 feet in any CBD-2 zoned optional method of development project that provides ground floor retail. Any structure or device used to collect or radiate electromagnetic waves, including a satellite dish, must not be included in calculating building height under this paragraph."

(29)

Silver Spring CBD					
Existing			Proposed		
Zone	Acres	Percent	Zone	Acres	Percent
R-60	15.18	5.60	R-60	15.18	5.60
R-10	14.25	5.25	R-10	14.25	5.25
R-20	8.27	3.05	R-20	8.27	3.05
CBD-0.5	11.91	4.39	CR-1.5 C-1.0 R-1.5 H-60 T	10.00	3.69
			CR-1.5 C-1.0 R-1.5 H-90 T	1.91	0.70
CBD-1	82.90	30.56	CR-3.0 C-2.0 R-2.75 H-110 T	21.14	7.89
			CR-3.0 C-2.0 R-2.75 H-125 T	9.95	3.67
			CR-3.0 C-2.0 R-2.75 H-60 T	3.86	1.42
			CR-3.0 C-2.0 R-2.75 H-75 T	0.69	0.25
			CR-3.0 C-2.0 R-2.75 H-90 T	34.53	12.73
			CR-3.0 C-2.0 R-2.75 H-145 T	12.47	4.60
CBD-2	68.85	25.38	CR-5.0 C-4.0 R-4.75 H-145 T	54.62	20.14
			CR-5.0 C-4.0 R-4.75 H-200 T	12.25	4.52
			CR-5.0 C-4.0 R-4.75 H-75 T	0.89	0.33
			CR-5.0 C-4.0 R-5.0 H-200 T	1.09	0.40
CBD-3	13.91	5.13	CR-8.0 C-6.0 R-7.5 H-200 T	13.91	5.13
CBD-R1	9.90	3.65	CR-3.0 C-0.75 R-3.0 H-145 T	9.25	3.41
			CR-3.0 C-1.25 R-3.0 H-145 T	0.65	0.24
CBD-R2	32.63	12.03	CR-5.0 C-0.5 R-5.0 H-200 T	29.00	10.69
			CR-5.0 C-1.0 R-5.0 H-200 T	3.63	1.34
C-2	1.05	0.39	CRT-2.25 C-1.5 R-0.75 H-75	1.05	0.39
C-T	0.16	0.06	CRN-0.5 C-0.5 R-0.25 H-35	0.16	0.06
I-1	5.95	2.19	IM-2.5 H-50	5.95	2.19
I-4	6.13	2.26	IL-1.0 H-50	6.13	2.26
Grand Total	**271.25**		**Grand Total**	**271.25**	


Silver Spring CBD: Existing Zoning
Residential Medium Density
Multi-Family
Central Business District
Commercial
Light Industrial, Low Inten.
Light Industrial


Silver Spring CBD: Proposed Zoning
Residential Medium Density
Multi-Family
Comm/Res - Neighborhood
Comm/Res - Town
Commercial/Residential
Light Industrial
Moderate Industrial

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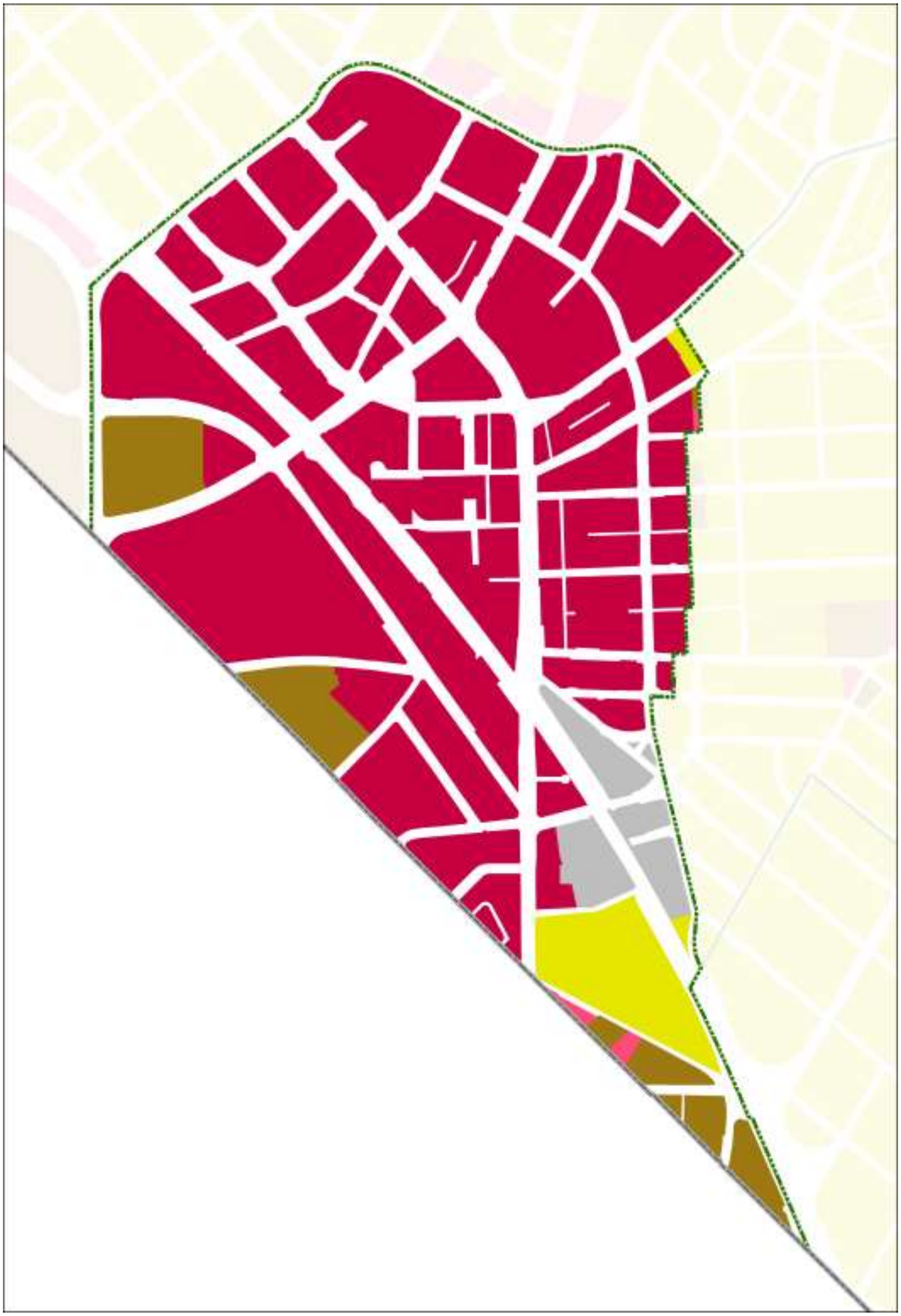
EXISTING ZONING MAP



Existing Zones

Residential Medium Density
- R-60

Multi-Family
- R-20
- R-10

Commercial
- C-T
- C-2

Central Bus. Dist.
- CBD-0.5
- CBD-1
- CBD-2
- CBD-3
- CBD-R1
- CBD-R2

Light Industrial
- I-1
- I-4

PROPOSED ZONING MAP

Proposed Zones

Residential Medium Density
R-60

Multi-Family
R-20
R-10

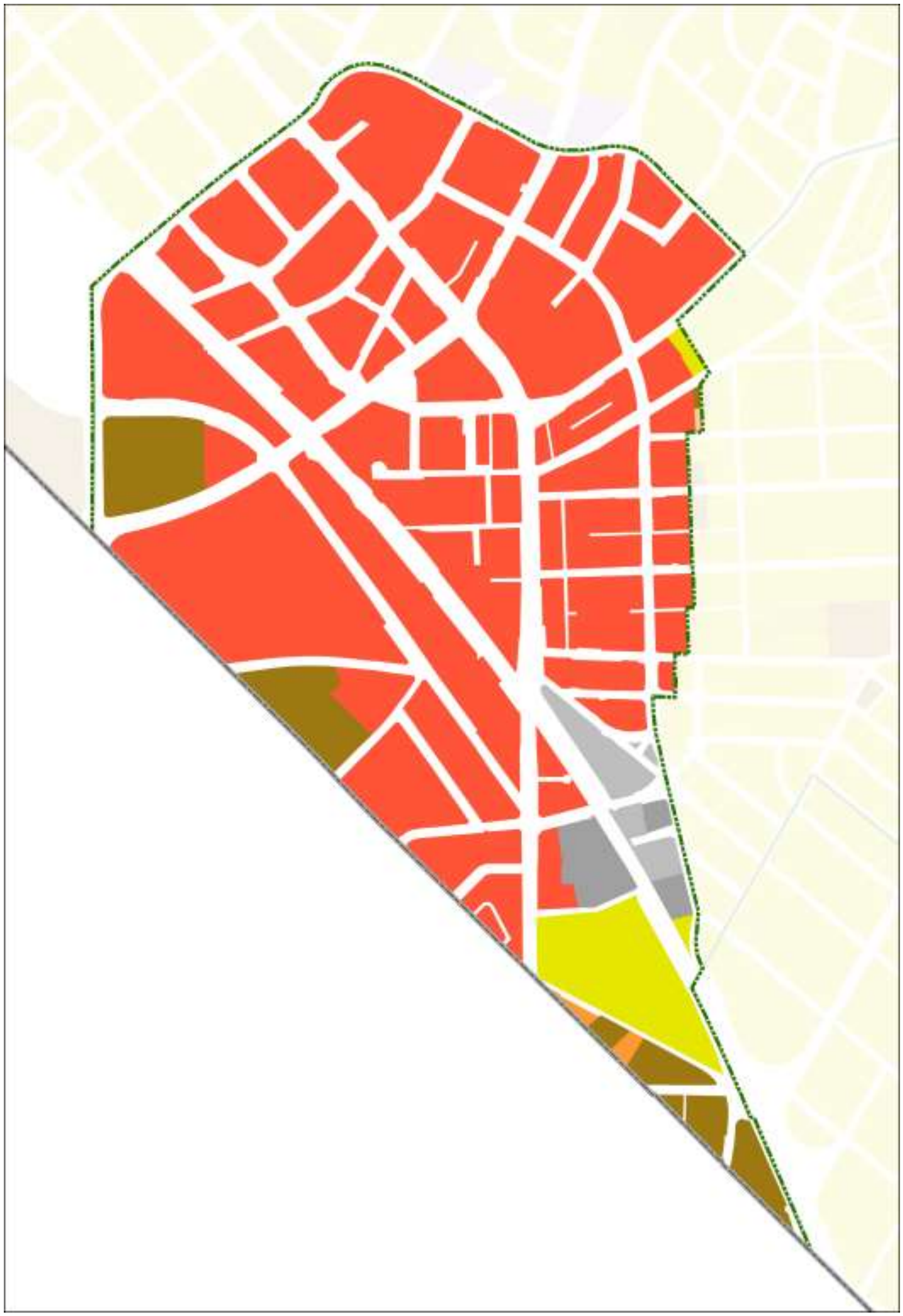
Comm/Res-Neighborhood
CRN

Comm/Res-Town
CRT

Commercial/Residential
CR

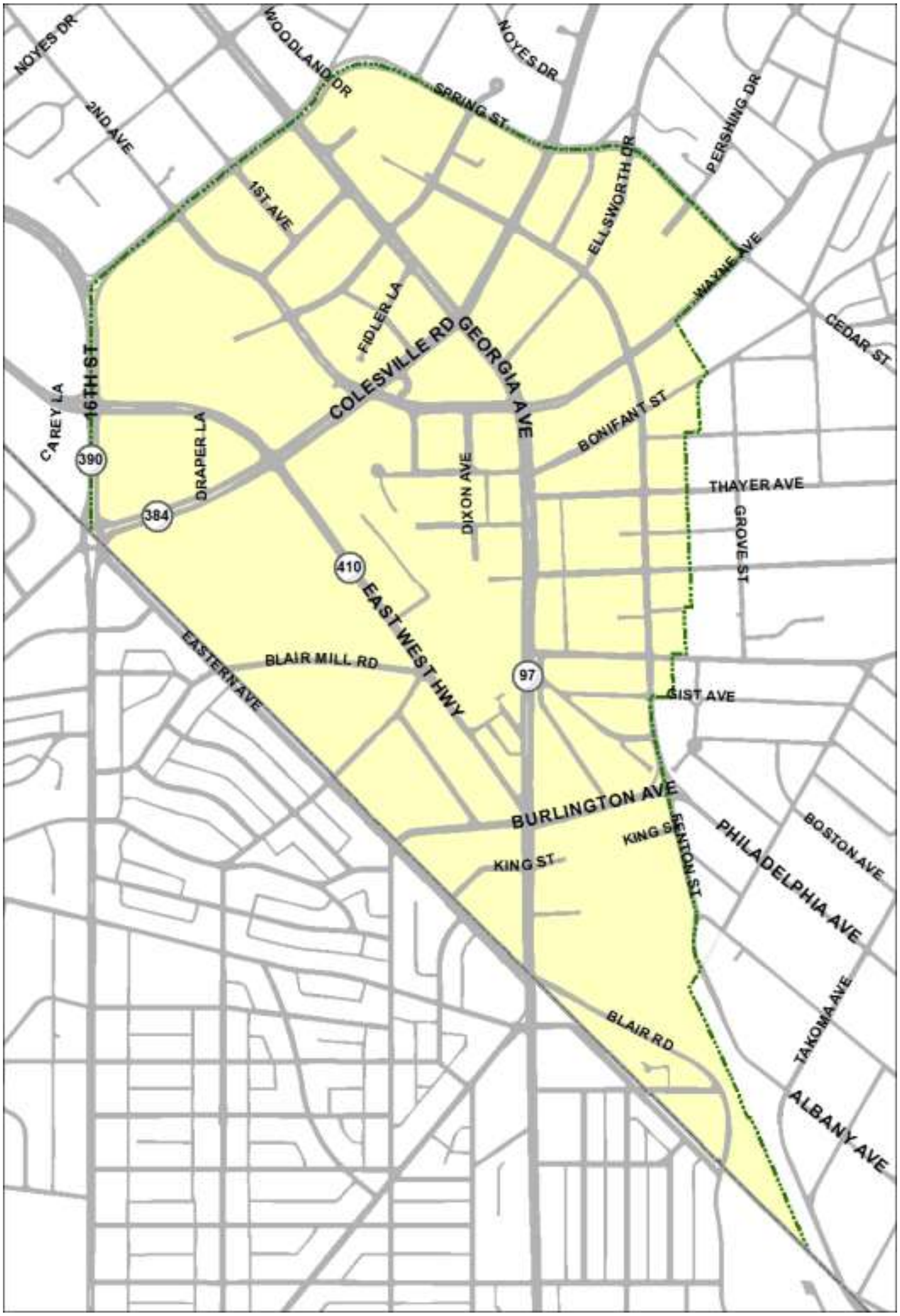
Light Industrial
IL

Moderate Industrial
IM



(33)

PLANNING AREA CONTEXT



(34)

OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

M E M O R A N D U M

March 25, 2022

TO: Gabe Albornoz, President
Montgomery County Council

Hans Riemer, Chair
PHED Committee, Montgomery County Council

FROM: Marc Elrich, County Executive

SUBJECT: Silver Spring Downtown and Adjacent Communities Plan

I am attaching the comments of Department of Environmental Protection (DEP), Department of General Services (DGS), Department of Transportation (DOT), Department of Housing and Community Affairs (DHCA), Montgomery County Fire and Rescue (MCFR), Montgomery County Police Department (MCPD), and the Fiscal Impact Statement (FIS) from the Office of Management and Budget (OMB) on the Winter 2022 Silver Spring Downtown and Adjacent Communities Plan (Silver Spring Plan). These comments were previously shared with Council Staff and I think they will be helpful to Councilmembers as they make decisions on the Silver Spring Plan.

I want to express my disappointment that, so far, the PHED Committee's work sessions on the Silver Spring Plan have been rushed, allowing the Planning Department and Planning Board Chair to dominate the work sessions without sufficient time to provide clarity on the Committee's recommendations. The result has been confusion and controversy, a sector plan that lacks context and narrative, and a fixation on rezoning the Adjacent Communities while ignoring the needs of Silver Spring Downtown.

In addition to my February 17 testimony, I offer the following observations and recommendations to further improve the Silver Spring Plan.

101 Monroe Street • Rockville, Maryland 20850
240-777-2500 • 240-777-2544 TTY • 240-777-2518 FAX
www.montgomerycountymd.gov

1. The Silver Spring Plan as written fails to address Economic Development with substantive recommendations to create jobs. Here are some recommendations for the Plan to lay the groundwork for economic development in Silver Spring.

Text must be added that explains the Economic needs of Silver Spring and goals for Silver Spring, and how the Plan's recommendations forward the goals. The Plan must discuss the commercial areas in Silver Spring in economic terms with recommendations for Commercial Development.

Without goals for Commercial Development, the County will de facto get mostly housing. This is supposed to be a plan for the Silver Spring Downtown/Central Business district, yet it does nothing to further the development of that district. As others, including the Silver Spring Chamber of Commerce, have pointed out, this continues the trend of making Silver Spring a bedroom community. The priority in the business district should be opportunities for commercial development and job growth. The CR zone is antithetical to that. Rather than guiding development to the best and most appropriate growth, it basically says "whatever a developer wants to build is fine with us regardless of what the vision for the community is." The quarter mile ring around a Metro should prioritize commercial over residential, while the ring of a quarter mile to half-mile should prioritize residential. This corresponds to the walk sheds that are different for both building types/uses.

The CR zone doesn't recognize the relationship between the building types and distances from transit and, lacking any guidance to promote economic development goals, simply takes a "first come, first serve" approach to the allocation of our most important asset, the land, without regard to the uses that we are trying to foster.

The Plan must explain how many square feet of Commercial and Residential Silver Spring has now, and how much more that the Plan proposes. The Plan should also state the cap on development, so that the Council has a sense of what build-out would be. Unfortunately, the Plan, written under the CR zone, can't project how much of future development will be commercial or residential.

The Council should either consider the creation of a new commercial zone for Silver Spring to encourage commercial development or modify the CR zone so that recommended densities reflect whether the zoning is for commercial or for residential. For example, the full value of the density in the CR zone might be given to C within a quarter mile of Metro, whereas it may be given to R in the second ring beyond Metro.

2. I support the PHED Committee's decision to remove the overt references to Thrive and the Attainable Housing Initiative. The Committee should tailor the Plan's recommendations to Silver Spring's needs, rather than to Thrive's philosophy.

Silver Spring deserves a Plan that will provide a foundation for the Silver Spring Downtown to address its challenges and to grow equitably over the next 20 years. In addition to Economic Development, the Plan needs thorough, systematic discussions of Equity; Housing–how the

Plan's recommendations will facilitate income-restricted Affordable Housing, the actual housing needed in Silver Spring; and Environmental Resilience. It also needs to explain the timeline for park creation, how many parks are dependent on private property owners' decision to redevelop, and how public park amenities on private land will work. I am concerned that many of the proposed parks may be unattainable over the lifetime of the plan, yet they are integral to achieving two of the Plan's four overriding goals, Connectivity and Community Health. (The other two goals are Diversity and Resiliency.)

3. Adjacent Communities--The Council should remove Adjacent Communities from the boundary of the Downtown Plan; and delete any recommendation that would authorize rezoning the Adjacent Communities in a subsequent Council action.

The PHED Committee voted to remove all references to Thrive Montgomery 2050 and the Attainable Housing Initiative from the Plan, while, at the same time keeping the Adjacent Communities in the Plan boundary, and, as Chair Riemer acknowledged, approving a recommendation that would authorize the rezoning of the Adjacent Communities in a subsequent Council action.

It is hard to understand the Committee's fixation with rezoning the Adjacent Communities through an unorthodox process. Including one small section of a neighborhood in this master plan breaks precedent with previous Downtown/CBD master plans and may well lead to the balkanization of cohesive neighborhoods in future master plans.

I support finding ways to increase diversity of housing types near transit, but, as I have said, it needs to be done through a cohesive housing policy as part of an established master plan process, which allows a real assessment of the needs and opportunities. Rezoning for market rate housing by itself is not enough. Locations for income-restricted Affordable housing should be added to the master plan along with identifying Naturally Occurring Affordable Housing (NOAH) for preservation. Any rezoning of Adjacent Communities would best be accomplished after the adoption of Thrive and should be done through the East Silver Spring and the North and West Silver Spring master plans.

The increased height limits for residential buildings are completely antithetical to producing affordable housing. You need look no further than Bethesda to see what the obsession with height has wrought. Of the residential buildings that have been built, only the MPDUs that we require are affordable, but there is an enormous gap in the price between the MPDUs and the market-rate housing that has been created. The rental housing has no place for people with incomes below 50% of AMI or between 75% and 100% of AMI. No wonder young professionals/millennials can't find housing; no housing in this price range is required, and none is being built.

4. Other Issues Raised (See Enclosures).

OMB and MCDOT

- Appropriateness and legality of the Connectivity and Infrastructure Fund (CIF). The CIF would collect funds to be used by the Planning Board for infrastructure, with unlimited discretion given to the Planning Board to fund "Other projects identified by the Planning Board." It is inappropriate to create a body with power to collect taxes and fund infrastructure that it defines as needed. We have elected bodies to make and implement those decisions. The County should collect the CIF funds, and appropriate them.

MCDOT and DGS

- The Plan should acknowledge that we are pursuing an Affordable Housing project in Public Parking Garage No. 4, and that the Executive is assured the necessary flexibility on that site. This request is under discussion at the PHED worksession. The Executive is responding with appropriate language that is attached to this document.

DHCA

- The Plan needs to address the issue of the "impact of increased density on the ability to retain and expand affordability....", and the impact of recommending increased height that has the effect of incentivizing developers to delay development until the rents or sales prices will support the costs of building at the maximum heights and density.
- The Plan needs to strengthen its recommendations for no net loss. No net loss should be a condition for redevelopment of properties with market-rate affordable housing.
- The limited rezoning of R-60 zones in the Adjacent Communities would add density without providing MPDUs, and according to the Missing Middle Study of Silver Spring, the proposed rezoning would generally result in units priced above current market rates for comparably sized properties, driven not only by the costs of construction but also by higher land values resulting from the rezoning.

MCPD

- "If the population in the Silver Spring area was to double, MCPD would need a much larger facility or the opportunity to obtain other land or building space to build multiple satellite facilities. The plan does not appear to consider the need for available space to accommodate police and other emergency services."

Fire and Rescue

- "Based on EMS unit availability and reliability, minimally, we should plan for a fulltime BLS transport and a peak-time BLS transport to be added to the plan area."

OMB—Financial Impact Statement

- "Total County capital costs are estimated at more than $707 million with operating and maintenance costs of $17.1 million and one-time operating costs of $300,000."

DEP

- It is good that stormwater Management (SWM) is mentioned for the Green Loop, but "it is unclear how the competing ROW elements for the Green Loop will be prioritized. SWM often ends up being included more as an afterthought rather than integral to a streetscape design."
- The bike lane element for the Green Loop is not included on the Existing and Planned Bikeway Infrastructure Map for portions of Grove St, Sligo Ave, and for Woodbury Dr.

- Rezoning R-60 to CRN in the Adjacent Communities without appropriate mitigation strategies could result in an increase in impervious surfaces and potential increased impacts on receiving streams.

DEP and DOT

- Both departments highlight numerous omissions and organizational issues that are confusing and diminish the impact, and even understanding, of the Plan's recommendations. These errors do not reflect on Planning Staff; they reflect on the Planning Board's rush to send the Draft to the Council—even cancelling the final Planning Board work session.

This Plan needs to shift its focus to Downtown Silver Spring, and make clear, realizable recommendations for a revitalized Silver Spring.

Thank you for your consideration.

Enclosures (9)

Silver Spring Downtown and Adjacent Communities Plan
GSSCC Comments and Concerns for the Record
Thursday, February 17, 2022

On behalf of the leadership of the Greater Silver Spring Chamber of Commerce, I appreciate the opportunity to express our concerns and provide comments for the record on the Planning Board Draft of the Silver Spring Downtown and Adjacent Communities Plan. Given the extent of the Chamber's misgivings about the draft plan, I am submitting written testimony in lieu of testifying in person. It would be impossible to cover all of our issues within the brief timeframe allotted for public testimony.

Much has changed in Silver Spring since the adoption of the 2000 Silver Spring Central Business District Sector Plan. Indeed, many of those changes support the need for a review and update of the plan for Silver Spring. Unfortunately, despite the assertions of the Planning Department staff in the draft plan, many of the goals in the 2000 Plan did not come to fruition. As such, we believe that the Planning Staff's analysis of the current Silver Spring environment paints a false picture of the current state of Silver Spring and is not grounded in reality.

In the draft, staff describes downtown Silver Spring as "a vibrant urban area. . .[boasting] a vibrant retail market [and]. . . a center for arts, retail, entertainment, and business that draws visitors and consumers from across the county and the region. . ."

Sadly, this does not describe the perspective and experience of many business and property owners in our community.

Commercial building owners talk of a dwindling commercial office market where current tenants are leaving and few, if any, have been willing to consider coming in. Ground floor retail and restaurant owners describe their struggles with the loss of a daytime stream of customers that some will attribute to the loss of the Discovery headquarters, an event which staff barely acknowledges in the public hearing draft. (More than three years later, only one tenant occupies one floor of this iconic building.)

Office workers and business owners lament the arrival of all the bike lanes where they see few, if any, bicyclists, but do experience inconvenient and unsafe disruptions in traffic flow. They hear customers complain about cars parked away from the curb, creating other safety and visibility issues.

Owners and managers of the apartment buildings in downtown talk of complaints from their residents who struggle with a "nighttime economy" of late-night bars and clubs, whose priorities are not in sync with those who have chosen to live here. Business and property owners also bemoan many of the green spaces and parks that are more often inhabited by those in need of social services than those who live and work nearby. (The exception is the dog park at the old library site, which is very popular.)

There are a few bright spots. United Therapeutics has continued to expand its operations and its footprint in downtown. The Housing Opportunities Commission is bringing its headquarters here. The Fillmore attracts patrons locally and from around the region. A world-class aquatic center is being built in downtown Silver Spring. And, numerous high-rise apartment buildings have been completed, adding more 5,000 housing units, equating to new residents. (Sadly, however, some of those apartment buildings were previously envisioned as commercial office space, at least in part.)

But, from a neighborhood health standpoint, we need eyes and feet on the street in our commercial districts during the day. The absence of office workers, who spend thousands of dollars every year at stores and restaurants near their work, is a death sentence for some commercial districts where the restaurants and retail uses rely heavily on daytime revenue from office workers. The absence of these daytime workers can lead to business commercial districts that feel less safe to the people who are doing the shopping.

At the end of the introduction, staff "imagines a Silver Spring of the future that is diverse, distinctive, and thriving. . .will continue to be a great place to work, do business, and enjoy the arts; a downtown that is home to small independent businesses, cutting-edge tech companies, hubs for science and research, educational institutions, and arts organizations that draw patrons from around the region."

These are worthy aspirational goals. However, after reviewing the current draft, it is difficult to see how the recommendations offered will accomplish this.

The staff's "Concept Framework Plan" includes: "activity zones, residential area, destinations, parks and open spaces." But where are the business hubs? Where do employers and jobs fit into this framework? Even the stated plan goals – Diversity, Connectivity, Resiliency, Community Health – don't mention business and commerce.

The draft relates the plan to the THRIVE Montgomery 2050 vision for Silver Spring, saying that it "advances Thrive's goal to integrate parks and public spaces along with economic development strategies and land use planning in order to attract employers and workers, build social connections, encourage healthy lifestyles, and create vibrant places." But it doesn't address how parks and public spaces will bring employers and jobs. While the goal is laudable, the means to achieve the goal are missing.

The draft "envisions a future in which downtown Silver Spring is among the region's premier office markets, has continued to grow its profile as a unique retail destination, and has a diverse base of high-quality jobs in numerous industries making it resilient to evolving economic conditions and an attractive place to work and do business in Montgomery County." It mentions "incentiviz[ing] approximately 44,000 jobs in downtown Silver Spring, a 50% increase from what is currently existing." But it does not include specific strategies for how to realize this vision.

The plan does talk about, "Improv[ing] the public realm to make downtown Silver Spring more attractive for businesses, retailers and consumers." But where is the research data that demonstrates how "a green, maintained, well-connected, walkable, safe, multimodal public realm" will attract employers and business growth to an area? If it exists, it is not cited in the plan. Are there case studies that show how a community with a dwindling commercial market was reinvigorated (and brought in actual employers and jobs) because it built a green "realm" that replaced streets and parking with bike lanes? Did staff get input from current property owners that are now losing tenants? Did they reach out to corporations and commercial site selection experts to get input on how to successfully attract employers to an area? Did commercial property owners say that taking additional property to require bike lanes and other green space helps to attract businesses? If so, the plan does not discuss what these experts recommend or where such success has occurred.

The plan mentions making Silver Spring into "a premier office market, with a special focus on start-ups, associations, and government agencies." But this is unrealistic and perhaps not financially feasible for property owners. Most associations are not as financially healthy as corporations and will likely be looking for lower-cost office space. Latest reports are that the Federal government is shrinking, not expanding its office footprint. And start-up companies are typically looking for low-cost office space. These do not sound like options that would create a "premier" office market.

Likewise, the recommendation to "Encourage the conversion of obsolete office space to other uses (short-term or long-term),including residential (condominiums or rentals), hotels/hospitality centers, healthcare facilities, laboratory/research facilities, education facilities, and non-profit service centers" does not necessarily support the vision of Silver Spring as one of "the region's premier office markets." Nor does considering "an incentive for property owners with underutilized street level retail spaces to build and fit out the space for a retail incubator managed by a mission-oriented non-profit organization in which entrepreneurs can try new retail concepts." Who bears the cost of this incentive? Is this something that the Planning Staff has discussed with County government officials? Or with any of the property owners having such spaces?

The suggestion that "Downtown North will build on the connection between the state-of-the-art South County Regional Recreation and Aquatic Center and the world-renowned United Therapeutics campus to create a unique health- and health-sciences- focused district" is interesting, but, again, there are no concrete ideas about how this plan is going to accomplish attracting more health-science businesses to this area. Did staff talk with experts at United Therapeutics about what kinds of businesses would be interested in relocating in this area and how to attract them?

The draft plan talks of "expanding the Metro Center District as commercial center." But this is the "district" in which the former Discovery headquarters building is located. And, despite its proximity to the Metro, its existing park and green space, and its accessibility to the new cycle track, it has not attracted more than one tenant. How do planners expect turn around this situation?

The draft plan mentions "Increasing zoning flexibility and incentivizing additional height and FAR" in Downtown North. That's a good thing. But it won't necessarily help the oft-mentioned ground floor retail. The retail spaces on Cameron have been vacant for many years. Clearly, there isn't enough daytime street traffic to support retail in these locations. While the plan hopes that improving the public realm will revitalize the commercial market, the reality is that parks don't bring shoppers. Neither do wide sidewalks that don't have businesses along them. Unless there is a solid strategy for attracting a for-profit office market to these and other locations, ground floor retail will not survive.

A number of recommendations made in the draft plan simply won't work. Expanding the development site at Colesville Road and Georgia Avenue to include the adjacent two-story commercial property for a signature mixed-use development has been suggested. Many would agree that this is a laudable idea, since having a two-story commercial building so close to a Metro station doesn't make sense. But these properties are privately-owned, and while this idea has been floated numerous times over the years, the owners have not been interested in coming together. This situation also exists with the individual low-rise buildings along Colesville Road between Georgia Avenue and Fenton Street and on the Sherwin-Williams paint site along Georgia. How does the planning staff propose to incentivize property owners to come together now? Did they speak with the owners? Did they ask them?

The draft plan also includes a number of desirable, but aspirational recommendations that would come at a large financial cost. A pedestrian and bicycle connection from East-West Highway to the western terminus of Silver Spring Avenue in the Ripley District and a "world class arrival center" around the

Metro station are nice ideas, but who would pay for the cost of these? Additional lighting and other safety improvements in the tunnel and Colesville underpass would be welcome safety and security additions. It appears that the Planning Department expects that future developers would bear the financial burden of building these, something we will address in the next paragraph. But there is another cost, the cost of upkeep, particularly for something like lighting maintenance. Sadly, it is not unusual for Montgomery County to find the necessary capital dollars to build things, but not be willing to allocate the resources for continued upkeep and maintenance.

We assume that staff expects that the cost of some of these infrastructure improvements would be borne by those who undertake future development, either by providing the benefits on site or paying into a fund for the benefit of the broader community. However, we believe that public infrastructure is a public responsibility and should not be added to the already high cost of private development. Oftentimes, these public amenities come at the expense of the property owner. Widened sidewalks and streets reduce the commercial footprint or remove areas for business to occur along the street, all making the project less financially viable and less likely to occur. While we agree that an appropriate mix of affordable housing will assure that many who work in our community can afford to live here, the recommended increases for expanding density and height for optional method development projects (minimum of 15% MPDUs) is not financially feasible. Likewise, the recommendation to require up to 30% MPDUs, along with the income thresholds, in public/private partnerships is not realistic. Silver Spring is not Bethesda. The cost of constructing a building is the same in both communities, but the market rental rates are not. The return on investment takes longer to achieve in Silver Spring because the rents are lower. This reality makes it even more unrealistic to expect developers in Silver Spring to absorb the cost of all these extras that benefit the public at large.

A major concern: Why is public utility infrastructure not considered public benefits, the cost of which should be borne by the public? It is not unusual for a project to be halted or delayed because the developer was being asked to subsidize the cost of providing not only the infrastructure needed by the project, but also public infrastructure that should have been kept up using public dollars. For example, the current WSSC sewer moratorium on Colesville Road has halted any development at the corner of Colesville Road and Georgia Avenue because the entire cost of something that should have been kept up using public dollars is too much for one developer to absorb into the costs of its project. Planners spend much time addressing things like the availability of traffic capacity, bike lanes, and pedestrian access. Why not also consider sewer capacity because of its limitations on land use.

Another issue we must raise: In the draft plan, a major priority of the Planning Department is increasing bike lanes and trails in Silver Spring and decreasing accessibility for autos. Based on observations by many of our business owner members, the existing bike lanes, about which they complain, are rarely, if ever, used. This subjective data is not accepted by the Planning Department or the County's Department of Transportation. Therefore, we are exploring an effort to undertake a life-in-the-day count to assess usage of this project that has come at a large cost to the County.

Something we can support: While we question whether the draft plan's emphasis on providing more green space will help to bring more business and economic prosperity to Silver Spring, we do support one recommendation in this category. We agree that Jesup Blair Park should be both a gateway to Silver Spring from Washington D.C. and a unique destination in the downtown. This effort is long overdue and it is something that the Montgomery County Parks Department can undertake immediately. The Parks Department owns the property. It is public space. The improvements can and should be included in the Parks Department Capital Budget and paid for with public funds to benefit the public.

In our comments to the Planning Board, we recommended that it direct staff to refocus portions of the draft plan to place “Business and Commerce” among the plan’s stated goals and to provide clear and concrete details about how its other recommendations will bring increased business, jobs, and economic prosperity to Silver Spring. We need more large employers to make sure that our small businesses survive. We want our “unique retail market,” celebrated in the plan, to survive. But it won’t survive without daytime economy. We need that oft referenced “ground floor retail” to thrive, but it won’t without a vibrant daytime economy brought about by commercial office development. Yes, the pandemic has, in many ways, changed the way we work, but not everyone is going to be working from home. Many have already headed back to the office, evidenced by the number of cars we are seeing on major arteries during rush hour times. We want a thriving, vibrant, and welcoming Silver Spring, where everyone – business owners, employees, residents, visitors, patrons – want to live, work, and play, and run a business. We see none of these issues addressed in the draft that the Council is now considering.

A final note: This plan was developed in the midst of a worldwide pandemic that changed the face of Silver Spring in many ways. As we have outlined in this document, we do not believe that planners have considered key factors that have created a new reality for our community and our economy. It is clear to us that many of the assumptions made by the plan drafters, and the Planning Board members, do not reflect current market realities, and that future market conditions will not support the development that will be required to achieve the plan’s goals. For example, where is the evidence that “improving the public realm” will bring back the businesses so critical to a vibrant community and to the County’s economy? We don’t see this in the plan that the Council is now considering. Indeed, the draft plan raises far more questions than answers about the future of Silver Spring.

For all these reasons, we strongly urge the Council to reject the draft in its entirety, or at the very least, send it back to the Planning Board with instructions to address these issues and adjust the plan accordingly. If Council is determined to adopt a plan at this time, then, at the very least, we urge you to direct the Planning Board to include a mechanism for the plan to be reviewed and quickly revised through the Master Plan Amendment process, should future circumstances warrant.

We thank you for your consideration of our concerns, comments, and suggestions. We would be happy to discuss this at your convenience.

United Therapeutics
CORPORATION

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Silver Spring, MD 20910
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March 6, 2022

Via Electronic Mail
The Honorable Gabe Albornoz, President
Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue, 4th Floor
Rockville, Maryland 20850

Re: Silver Spring Downtown and Adjacent Communities Plan

Dear Council President Albornoz and Members of Council:

On behalf of United Therapeutics Corporation ("United Therapeutics"), a public benefit corporation, this letter represents our written testimony concerning the Planning Board Draft of the Silver Spring Downtown and Adjacent Communities Plan (the "Plan").

As we previously conveyed to the Planning Board during its public hearing on December 2, 2021, and in our subsequent letter dated December 22, 2021, United Therapeutics shares the Planning Board's and the Planning Department's passion and enthusiasm for Silver Spring. We genuinely appreciate the efforts that have gone into updating the Plan's recommendations for the community that has served as our home since our founding. Our business relies on our ability to attract the best and brightest minds of the biopharma world. We can imagine a future in which the economic vibrancy and amenity rich fabric of Silver Spring are an asset in this effort.

Unfortunately, "vibrancy" has not always been our experience in the Central Business District or Downtown over our many years in the area. The almost total absence of commercial office development in the last decade (except for the United Therapeutics campus), the departure of Discovery and other major businesses, and the ever-shrinking footprint of government facilities, has only exacerbated a historic problem of a lack of daytime commercial activity.

Combined with the challenges of the County's regulatory process (*i.e.,* its timing, complexity, uncertainty, inconsistency, and cost), we are concerned that several elements of the Plan could work against potential future growth and reinvestment in the broader Silver Spring market, whether by United Therapeutics or others. More specifically, the Plan proposes:

(1) To add new development procedures and reviews in Silver Spring, thereby increasing the time, expense and effort associated with entitlements;

(2) To increase right of way demands that nibble away land from already constrained urban sites;

(3) To impose costs in order to increase insufficient mapped zoning heights, rather than mapping appropriate heights at the outset; and

(4) To reduce previously available public benefit elements that help facilitate development related to transit and encourage hiding vehicles in parking structures.

How these recommendations will further the Plan's objective to incentivize a 50% growth in jobs in Silver Spring in the coming years is unclear, and we fear they may serve only to further dis-incentivize commercial development in an already challenging market.

We strongly suggest that the Plan be used as an opportunity to facilitate and accelerate economic growth. As a result, we note particular concerns with the following Plan recommendations (which may be contrary to those objectives):

- Green Loop Route and Required Elements. Certainly, pedestrian and bicycle-friendly infrastructure can bring certain benefits to a community, and we support the general concepts for them identified in the Plan. However, as with many issues, the devil is in the details. We are particularly concerned that the frontage improvements necessary to implement the Green Loop in the Downtown North District will negatively affect our facilities, operations, and safety.

  Our business, like others in the Silver Spring Downtown, requires safe, accessible, and functional access for parking, loading, and deliveries. Yet, being located in an urban area, there are limits to our ability to provide additional roadway, streetscape, and landscape elements on our sites while also ensuring that drivers can get in and out of our facilities safely and efficiently. Implementing the Green Loop in the Downtown North District, in close proximity to our buildings, can be foreseen to create a significant risk of pedestrian and vehicle conflicts, while further eating away at our already constrained spaces.

  Avoiding what we experienced with the implementation of the existing Spring Street bike lanes is critical to United Therapeutics. The original installation was not coordinated with approved, adjacent site plans, and this created dangerous conditions. While changes ultimately were made to mitigate these dangerous conditions, these only occurred after several months of coordinated advocacy. We would like to work with your staff to identify an alternative route that achieves the infrastructure goals of the Plan, without negatively impacting our company and the safety of those around us or those who visit us.

- Exclusion of Public Benefit Options. The optional method of development in the County's Commercial/Residential Zones is predicated on the concept that public amenities must be provided to support higher densities at locations where the County has determined growth to be appropriate. As reflected in the Zoning Ordinance, the County Council has legislatively determined the amount of public benefits that will be required for development based on applicable zoning and tract size or maximum density, but not the type of benefits to be provided from applicable categories. Rather, applicants are free to select public benefits from a menu of approved options that the County Council has already determined to be desirable and worthy to serve as incentives.

Despite the established public policy embodied in those benefits, the Plan proposes to exclude two currently approved public benefit options – Transit Proximity and Structured Parking – from the list of possible benefits for which projects in Silver Spring can be awarded public benefits points. Using the Master Plan to override the Council's prior legislative determinations about public amenities that can qualify for public benefits points is not appropriate, and we oppose this recommendation. If a project qualifies for public benefit points by virtue of providing such elements, it does so in accordance with the Council's original determination that such elements are desirable and should be incentivized at the location where the zone is applied. As they have been applied in Silver Spring since the CR zones were mapped in 2014, and have helped achieve development since that time in locations proximate to transit and with vehicle parking hidden.

Furthermore, removing potential public benefit options in Silver Spring – where market conditions already present significant challenges for growth and reinvestment – takes away potential incentives that might otherwise serve to attract new development to the area. A better approach would be for the Plan to allow for the full range of public benefit options for Silver Spring projects, thereby ensuring that every potential tool for growth remains available for utilization in this community.

- BHIZ Boundaries in Downtown North District. Given the anticipated long life of the Plan, it is not inconceivable that a future redevelopment opportunity could emerge for the block bounded by Georgia Avenue, Spring Street, and Cameron Street in the immediate vicinity of the United Therapeutics campus. However, this block is not included in the proposed Building Height Incentive Zone ("BHIZ"), nor is the proposed mapped zoning uniform as one approaches Spring Street. For example, the Plan recommends that our property at 1110 Spring Street receive a different mapped zoning designation than the immediately adjacent County public parking garage.

  To the extent that the Plan encourages redevelopment of underutilized parcels in the Downtown North District (including existing public parking garages) and seeks to incentivize additional height and density at strategic locations, we believe that the BHIZ should be extended in this block at least to Planning Place (if not to Spring Street). The Plan should also recommend mapped densities and heights for properties adjacent to the garage site that are equivalent to that of the garage site. These changes could be meaningful in facilitating a broader range of possibilities for assemblage and redevelopment of this block, should future opportunities emerge.

- Green Cover. In seeking to address urban heat islands, the Plan recommends that Optional Method projects strive for 35% green cover. This would be achieved by an intense green roof or tree canopy cover on the ground floor, or a combination of both. This is a laudable goal, given the tree-less character of many urban redevelopment sites. But again, the devil is in the details, and balance must be exercised.

  Urban redevelopment that seeks to cure past ills of narrow sidewalks and lack of stormwater management, coupled with setbacks to allow adequate glazing for light and views, places a premium for intense usage of the remaining land area. Assuming green cover is achieved solely through canopy at ground level, an additional 35% of the property gets removed from the potential building envelope, thus further compressing the footprint and necessitating movement upward to achieve intended density. If doing so requires use of the BHIZ process, that adds to the cost of a project. In any event, the building configuration becomes captive of the canopy area.

  The Plan may intend to address this dilemma of physical conflicts by making achievement of 35% permissive rather than mandatory. But to assure that the permissive intent is understood over the life of the Plan, the language needs to be strengthened, so as to clearly make the goal an aspirational effort, not a compulsory minimum for reviewers to competitively exceed. The Plan recommendation states on p. 147:

  > "Encourage a minimum of 35% green cover on Optional Method Development projects ....." (Emphasis added.)

  The term "encourage" establishes an aspirational target that must be adjusted to project circumstances. "Encourage" does not imply an inflexible minimum requirement to be achieved in every instance. The intent of the former needs to be clear, so as to avoid evolving into the latter.

- Future Amendments. We note that the Plan is being advanced at a time of tremendous social, economic, and political uncertainty, when the long-term impacts of the pandemic on our community's future are not yet fully understood. Given that the Plan applies to one of the County's major commercial centers and likely will have a very long life (potentially for decades), we believe that it is vitally important for the Plan to build in a means to correct course if its recommendations do not bear fruit. This could be accomplished by including specific provisions to support future amendments, should circumstances warrant. The Plan could also recommend establishing a program for the ongoing monitoring of development and growth metrics, with periodic evaluations by the Planning Department and the Planning Board to ensure that outcomes are unfolding as

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United Therapeutics
CORPORATION

- anticipated. We would be pleased to discuss ideas for such measures in more detail with Planning Department staff, if that would be useful.

We thank you for your consideration of our views in this letter and in our oral remarks. We look forward to continued participation in the Plan review and approval process. Please do not hesitate to let us know if you have any questions.

Sincerely,

A. Halpert

Avi Halpert
Vice President
Corporate Real Estate

cc: The Honorable Evan Glass
The Honorable Andrew Friedson
The Honorable Tom Hucker
The Honorable Will Jawando
The Honorable Sidney Katz
The Honorable Nancy Navarro
The Honorable Craig Rice
The Honorable Hans Reimer
Ms. Pamela Dunn
Ms. Atara Margolies

1.

SSDAC PRO FORMA SUMMARY

Consider the following simple analysis using the assumptions provided by PES. The density allowed in the base case is 5.0 FAR, and any additional density must be paid for by a CIF Contribution and/or satisfy the requirements set forth by the BHIZ for additional height.

SSDACP Pro-Forma Summary

	Base Case (Max FAR 5.0)	CIF Contribution (Up to 175')	CIF Contribution & BHIZ Add'l Height
Tract	50,000	50,000	50,000
Typical Floorplate	26,000	26,000	26,000
Additional Floors % of Typical Floorplate			72%
Max FAR	5.00	N/A	N/A
FAR Achieved	5.00	7.80	11.92
Height of Level 1	15'	15'	15'
Height of Additional Floors	11'	11'	11'

Space Planning for Different Scenarios

	Base Case (Max FAR 5.0)			CIF Contribution (Up to 175')			CIF Contribution & BHIZ Add'l Height		
Floor	Height (Ft)	Cumulative Height	Floorplate	Height (Ft)	Cumulative Height	Floorplate	Height (Ft)	Cumulative Height	Floorplate
26							11	290	18,720
25							11	279	18,720
24							11	268	18,720
23							11	257	18,720
22							11	246	18,720
21							11	235	18,720
20							11	224	18,720
19							11	213	18,720
18							11	202	18,720
17							11	191	18,720
16							11	180	18,720
15				11	169	26,000	11	169	26,000
14				11	158	26,000	11	158	26,000
13				11	147	26,000	11	147	26,000
12				11	136	26,000	11	136	26,000
11				11	125	26,000	11	125	26,000
10	11	114	16,000	11	114	26,000	11	114	26,000
9	11	103	26,000	11	103	26,000	11	103	26,000
8	11	92	26,000	11	92	26,000	11	92	26,000
7	11	81	26,000	11	81	26,000	11	81	26,000
6	11	70	26,000	11	70	26,000	11	70	26,000
5	11	59	26,000	11	59	26,000	11	59	26,000
4	11	48	26,000	11	48	26,000	11	48	26,000
3	11	37	26,000	11	37	26,000	11	37	26,000
2	11	26	26,000	11	26	26,000	11	26	26,000
1	15	15	26,000	15	15	26,000	15	15	26,000
Total	**114**		**250,000**	**169**		**390,000**	**290**		**595,920**

Assuming an 82% efficiency, the largest high-rise building can yield roughly 647 units. Considering the current construction costs, Silver Spring's market rents, and market purchase price per FAR SF, a developer requiring a 5.50% current return on cost (NOI / Total Development Costs) would need a $17.2 million NOI to justify building a new project (note that this simple analysis does not consider the current financing environment of rising interest rates and lender requirements for a construction loan).

A brand-new Class A building would achieve premium rents to other product currently on the market, so the below analysis has market rents of $3.15 per RSF. At 100% market rate, this hypothetical building would produce $18.3 million in residential income. Assuming an aggressive Operating Expense ratio of 30% (this ratio is low and likely unachievable), a 100% market rate building would generate an NOI of

$13.9 million, which is **$3.3 million short** of the necessary required NOI for a developer to move forward with this hypothetical project.

SSDAC Development - Pro-Forma Summary	
Total Units	647
Total Construction Costs per Unit (Excl. Land)	$473,000
Total Construction Costs (Excl. Land)	$306,031,000
Current Density Allowed	250,000
Market Purchase Price per FAR SF (Based on Comps)	$20.00
Market Purchase Price	$5,000,000
Additional Density	345,920
CIF Payment ($ per Additional Density SF)	$5.00
CIF Payment	$1,729,600
Total Purchase Price	$6,729,600
Total Project Costs	$312,760,600
Required Return on Cost	5.50%
NOI Needed	$17,201,833
Multifamily Market Rent per RSF	$3.15
Total Multifamily RSF	485,989
Total Rent at 100% Market Rate Units	$18,370,399
OpEx Ratio	30%
NOI	**$12,859,280**

Unfortunately, the analysis suggests that a project of this scale will not be feasible with the inclusion of any MDPUs, let alone paying for additional density.

EXHIBIT 1

Comparable Land Sales

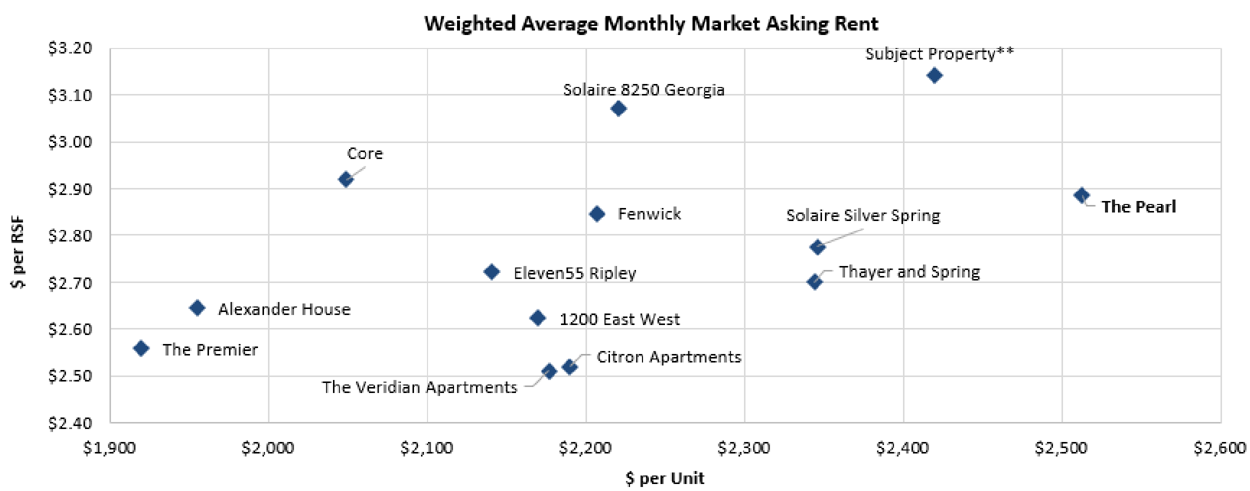
Property Name	8250 Georgia Ave	Solaire 8200 Dixon	Thayer and Spring
Transaction Date	May-13	Oct-19	Feb-19
Construction Status	Delivered	Under Constr	Delivered
Total Purchase Price	$10,200,000	$7,700,000	$6,800,000
Property GSF	470,000	400,000	400,000
Price per FAR SF	**$21.70**	**$19.25**	**$17.00**
Units	338	403	399

EXHIBIT 2

Downtown Silver Spring Rent Comps - Submarket Breakdown

Property Name	Submarket Name	Year Built	Number Of Stories	Number Of Units	Avg Unit SF	Avg Asking/Unit	Avg Asking/SF
Downtown Silver Spring							
Solaire 8250 Georgia	Downtown Silver Spring	2019	20	338	723	$2,221	$3.07
Core	Downtown Silver Spring	2017	16	292	702	$2,049	$2.92
The Pearl	Downtown Silver Spring	2017	14	284	871	$2,513	$2.88
Fenwick	Downtown Silver Spring	2014	6	311	775	$2,207	$2.84
Solaire Silver Spring	Downtown Silver Spring	2012	16	295	845	$2,346	$2.77
Eleven55 Ripley	Downtown Silver Spring	2014	21	379	786	$2,141	$2.72
Thayer and Spring	Downtown Silver Spring	2019	10	399	868	$2,344	$2.70
Alexander House	Downtown Silver Spring	1992	16	305	739	$1,955	$2.64
1200 East West	Downtown Silver Spring	2010	15	247	827	$2,170	$2.62
The Premier	Downtown Silver Spring	2014	14	160	750	$1,920	$2.56
Citron Apartments	Downtown Silver Spring	2013	4	222	869	$2,190	$2.52
The Veridian Apartments	Downtown Silver Spring	2009	15	457	867	$2,177	$2.51
The Bennington	Downtown Silver Spring	2004	15	223	863	$2,026	$2.35
The Galaxy	Downtown Silver Spring	2012	5	195	785	$1,768	$2.25
Affinity on Georgia	Downtown Silver Spring	2013	9	210	872	$1,961	$2.25
The Cameron	Downtown Silver Spring	2009	15	325	890	$1,993	$2.24
The Blairs	Downtown Silver Spring	1968	16	1,397	1,016	$2,102	$2.07
Kanso Silver Spring	Downtown Silver Spring	2008	12	151	890	$1,829	$2.05
Lenox Park	Downtown Silver Spring	1992	16	407	1,136	$2,160	$1.90
Comp Set Average		2008	13	347	846	$2,109	$2.52

EXHIBIT 3



2.

The office building described in the data provided resemble a real project – useful for comparison.

Our site is about 70,600 sf compared to the test site's 50,000 sf.

Our building is 219,700 sf (office floors above parking) compared to the test building at 250,000 sf and 175' height.

For the test the analysis postulated that the building will lease to a single tenant for $33.50/ sf NNN. That $33.50 is the constant in the model.

That $33.50/sf rent is the real question: can we afford (finance) to build our project at a $33.50/sf lease rate, fully occupied, with no rental income lost to vacancies?

Back in 2010 we received a $36Million ($93.55) to build. This included 3 levels of underground parking and 5 levels of structured parking in the building. There was no demolition expense to remove an existing building. After a dozen years that $36Million construction budget has surely grown. The $33.50 lease rate given in the test problem would provide annual lease revenue of $7,359,950 for our 219,700 sf building.

If it doesn't make sense to build the "Base Case" then it doesn't do any good to test the two expanded scenarios:

1.) same 175' height but 6.2 FAR = 313,000 sf building, at additional one-time up-front CIF cost of $315,000 for the additional 63,000 sf;
2.) 263' with purchased extra height limit, with 9.9 FAR = 495,000 sf building, at additional one-time up-front CIF extortion cost of $1,225,000 for an additional 245,000sf above the base case.

Both cases are built on the assumption that the $33.50/sf lease rate will provide enough margin to cover the $5/sf proposed "Connectivity and Infrastructure Fund" (CIF) assessment levy.

Our basic problem is insufficient confidence that we could finance a building on $33.50/sf whether it's 250,000 sf, 313,000 sf, or 495,000 sf.

What is your impression of the lease rate that is generally accepted as expected to cover the cost of high rise office construction? $30? $35? $40? $45?