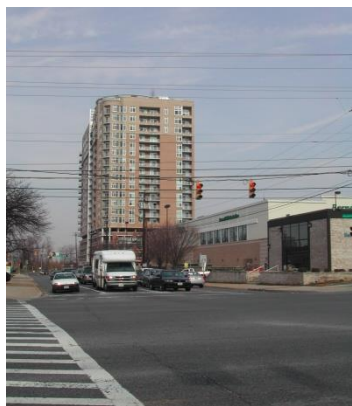
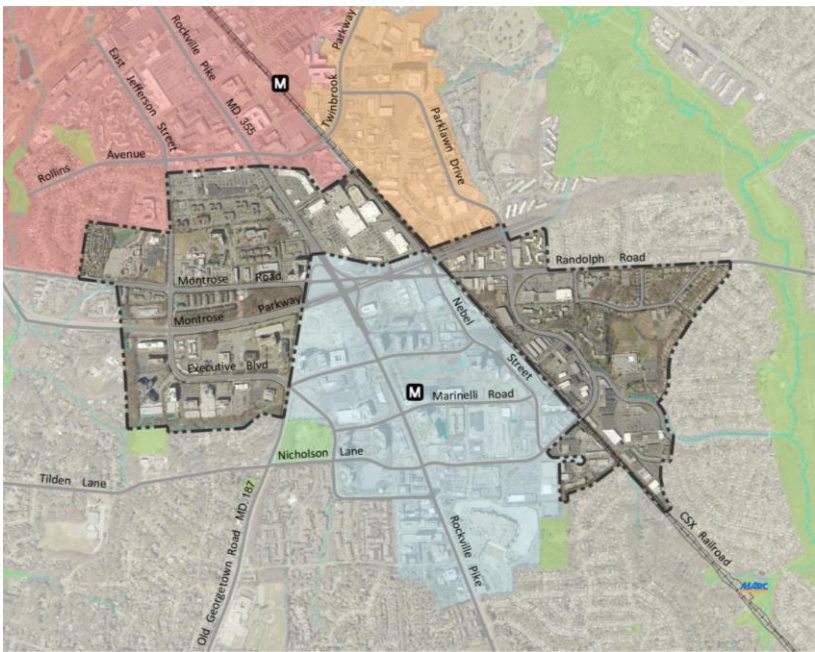
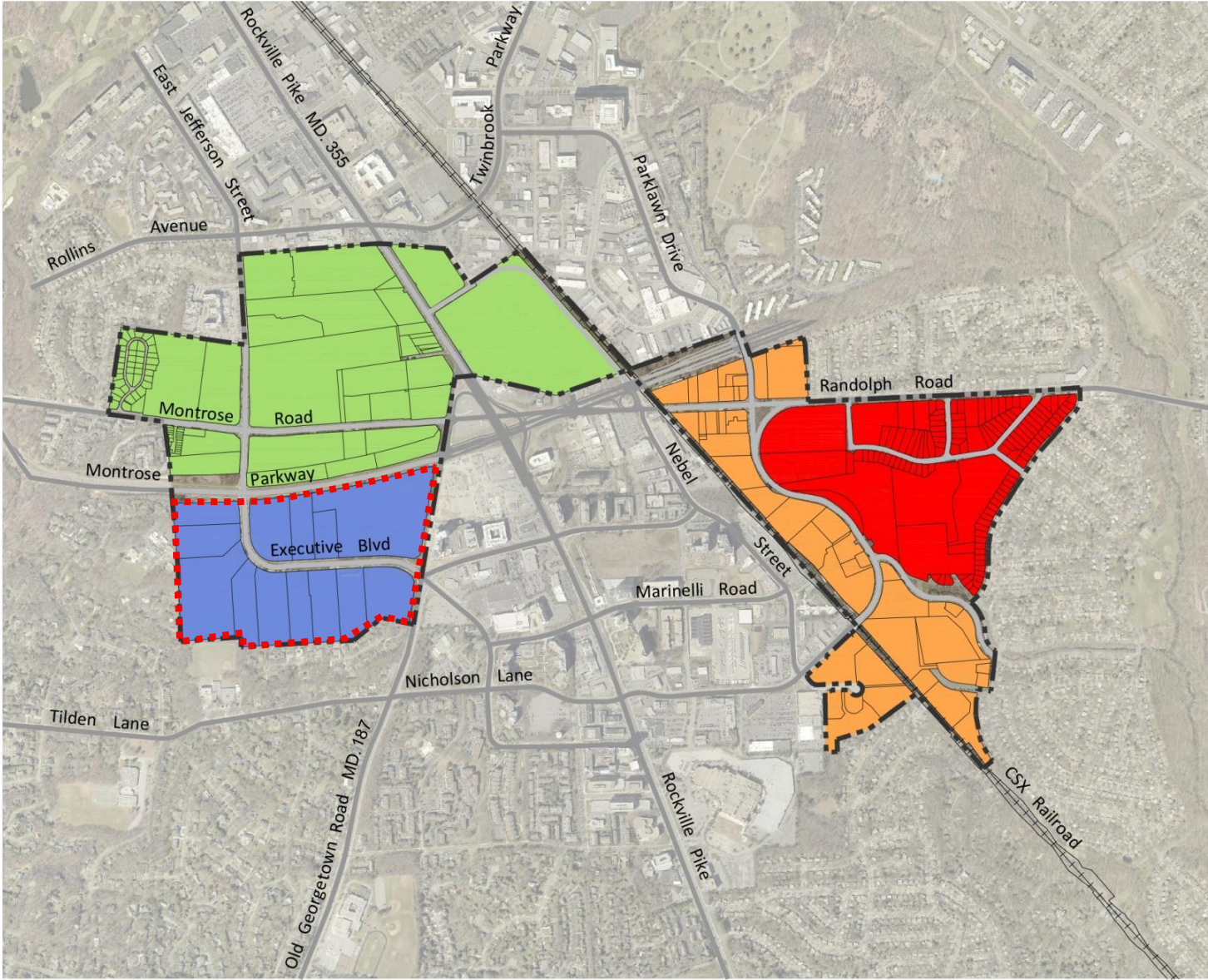


Planning Board Worksession No.2: Executive Boulevard District



Worksession Overview



- White Flint 2 Sector Plan Boundary
- Executive Boulevard
- Rockville Pike-Montrose North
- Randolph Hills
- Parklawn South

Today’s worksession is focused on the Executive Boulevard District.

- Prior office studies
- ULI and Bolan Smart

Existing Conditions

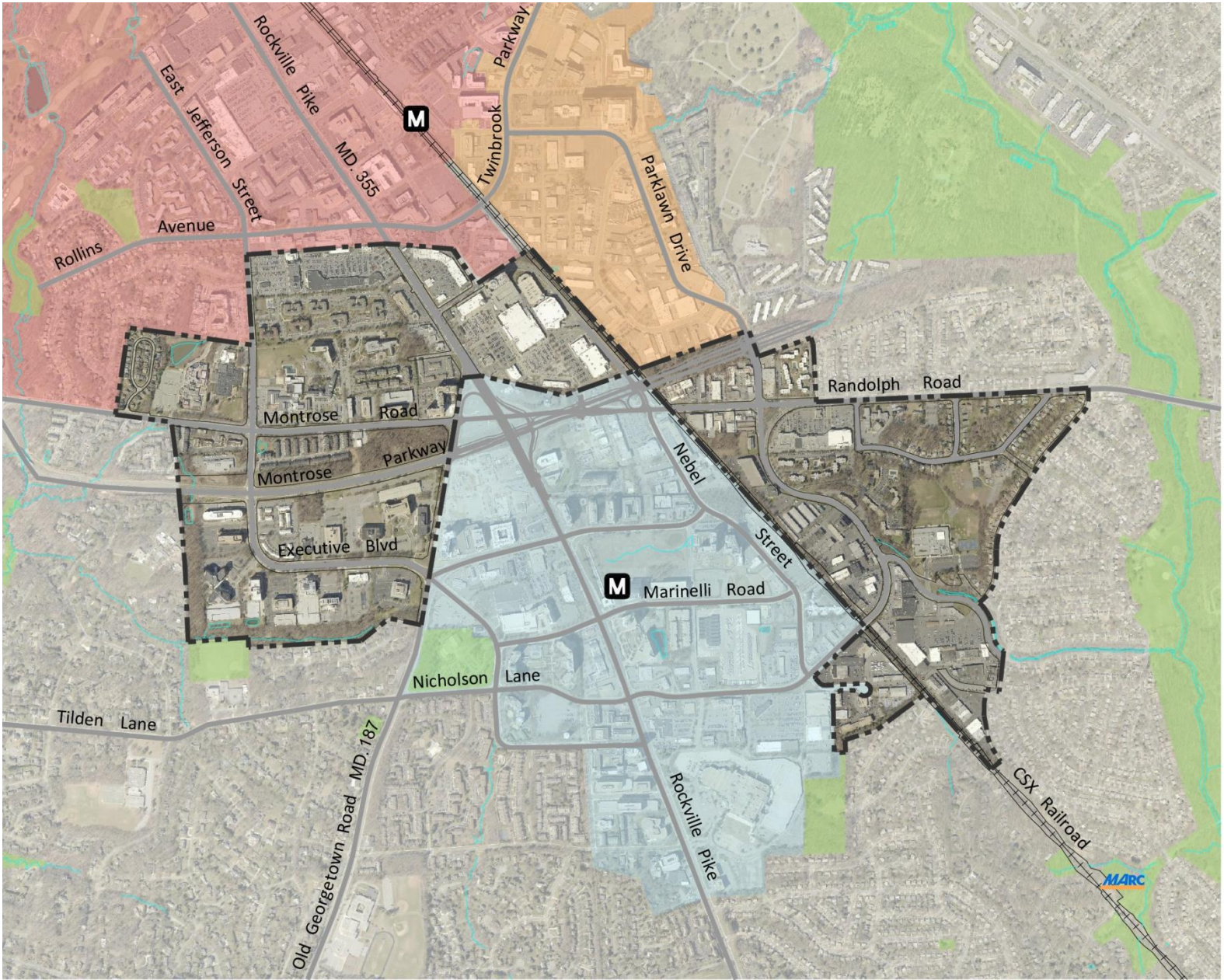
Framework and Context

Urban Design

Economic Feasibility

Draft Plan Recommendations

Plan Area



- White Flint 2 Sector Plan Boundary
- 2010 White Flint Sector Plan
- City of Rockville
- 2009 Twinbrook Sector Plan
- Parkland
- M Metro Station
- MARC Garrett Park MARC Station



Background: ULI Technical Assistance Panel

Key recommendations:

- Accelerate implementation of new Metrorail station entrance.
- Implement the planned Old Georgetown Road and Executive Boulevard realignment (Western Workaround).
- Leverage and link to the White Flint recreation loop for walking and biking.
- Introduce Bikeshare as a multimodal connector.
- Introduce convenience retail for office works and future residents, including coffee shops, cafes, drug store, dry cleaners.
- Decrease perceived distances between office building entrances and the street by encouraging small retail spaces, pop-up amenities (food truck, parklets) and outdoor seating.
- Embrace and enhance the ample green spaces, including mature trees and landscaping, already present.
- Leverage and link Executive Boulevard office park to Pike & Rose's identity.
- Create a consistent signage and streetscape park to reinforce new identity for office parks.



Executive Boulevard Framework Plan

Background: Adaptive Reuse Study

The Executive Boulevard, with a few special exceptions, continue to be too valuable for prospective office use to either be converted to other uses or outright demolished.

Current and pending office vacancies in these submarkets (Executive Blvd and Rock Spring) are more concentrated in the Class A type buildings serving large corporate users; not so much in Class B and C buildings. Class B and C buildings, including some Class A buildings, have and can default to more of a regional or local service office function, anchored by the still premium central location, and made more attractive by a tenant value equation compared to competing locations and newer buildings.

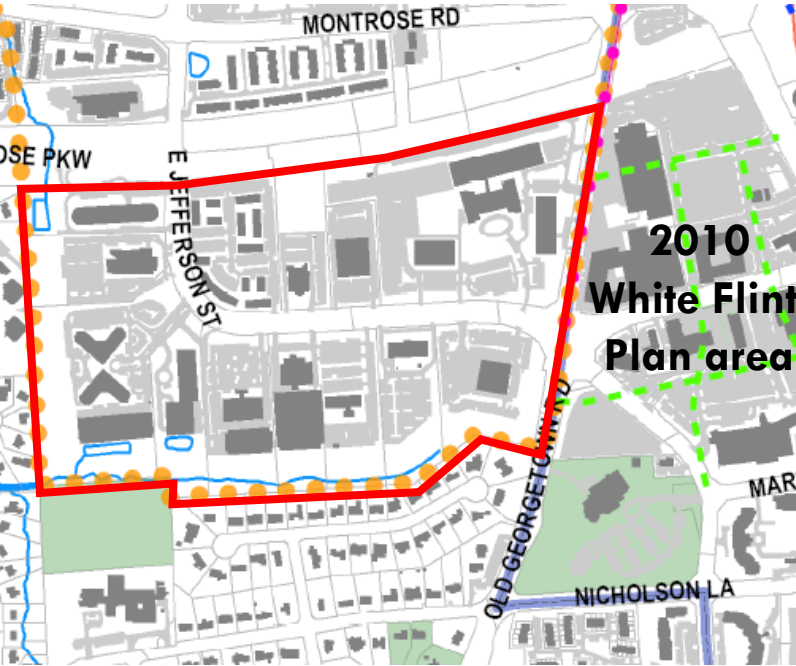
Future competitiveness of the Executive Boulevard submarket:

- Positive energy finally flowing from the immediately adjacent Pike & Rose.
- Implementation and completion of transportation upgrades (Western Workaround/new Metrorail entrance).
- Retenancing/reenergizing the large three building Executive Plaza office complex recently vacated by NCI, reflecting in part recent landlord investment in building improvements.
- Updated EB property improvements, including significant new mixed-use construction likely at the two gateway sites flanking the eastern entrance to EB.

Existing Conditions



Existing Conditions



1992 Master Plan

- No specific land use recommendations for this area (I-3 Zone)

Executive Boulevard

- 91 acres

Existing Development

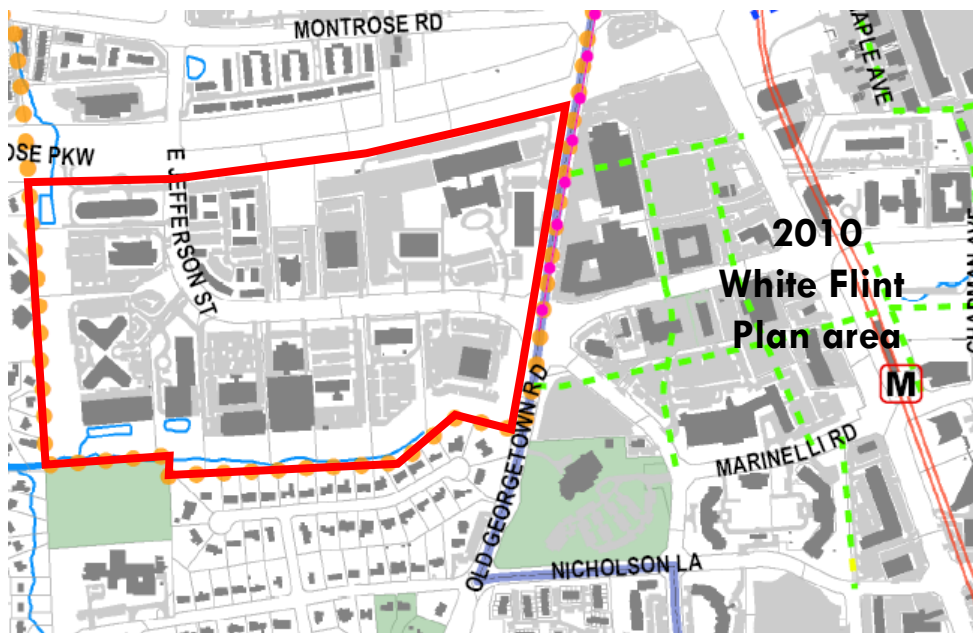
- 2.3 million sq.ft

Adjacent to the Luxmanor residential community; Pike & Rose/Gables/Western Workaround

Neilwood Creek and wooded area



Office Market Highlights



Class A: More than 50% of existing inventory

Vacancy Rate

- 29% (2015)
- NCI move created a spike in vacancy rate

Variety of users, including health care (Kaiser Mid-Atlantic Headquarters and Lab, John Hopkins Community Physicians), NIH, and institutional organizations.

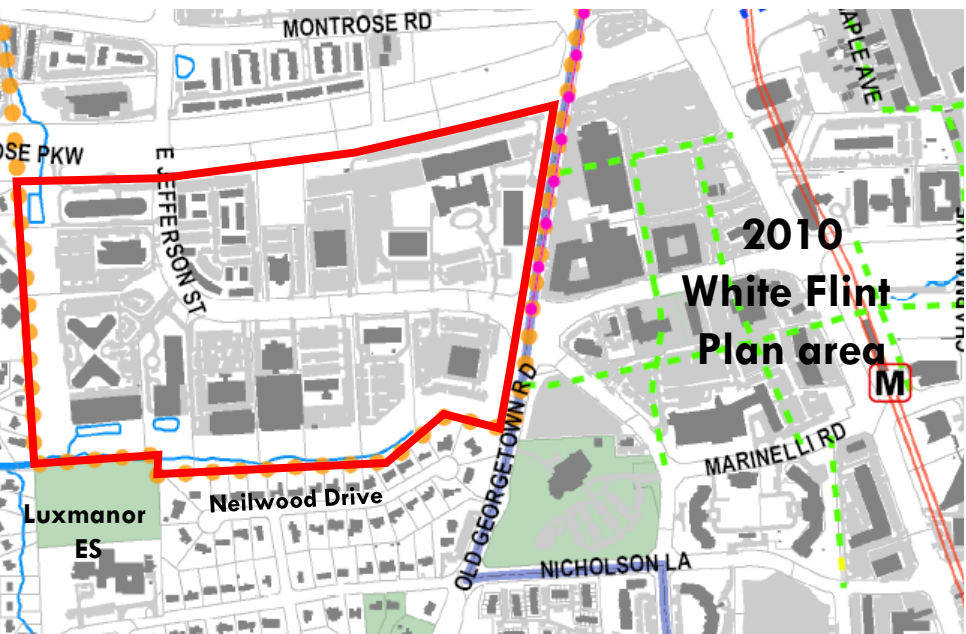
Rents: \$27 + per sq.ft.



Office Buildings



Luxmanor Residential Neighborhood



Neilwood Drive



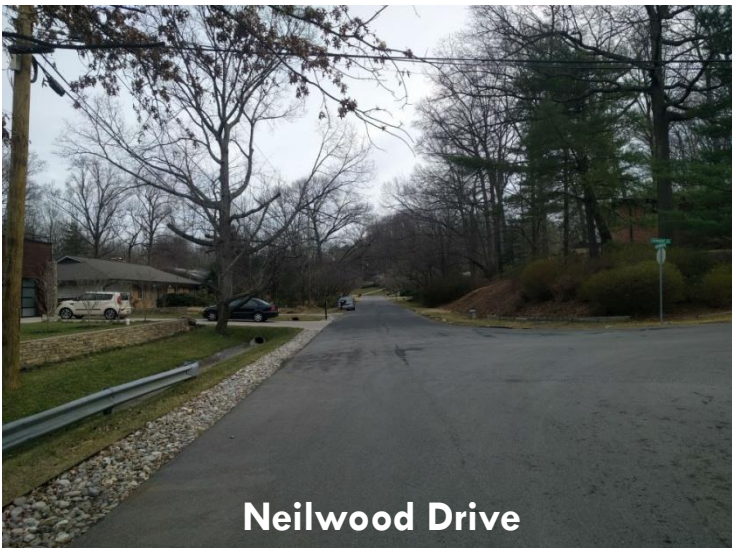
Neilwood Drive



Luxmanor Local Park

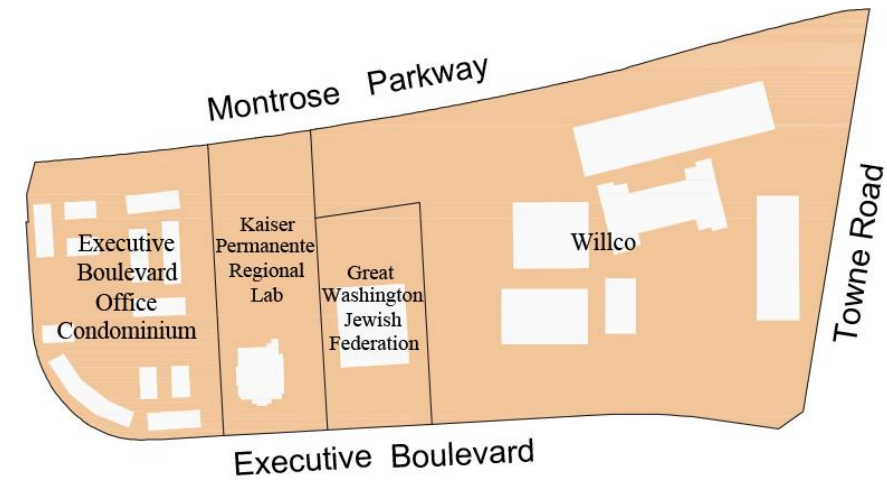


Neilwood Drive

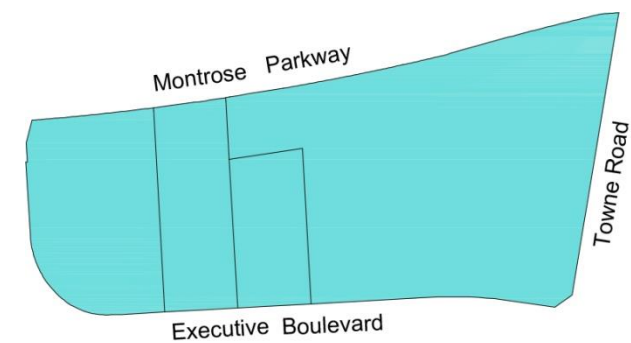


Neilwood Drive

Executive Boulevard-North



Key Properties



EOF Employment Office
EOF 0.75, H-100' T

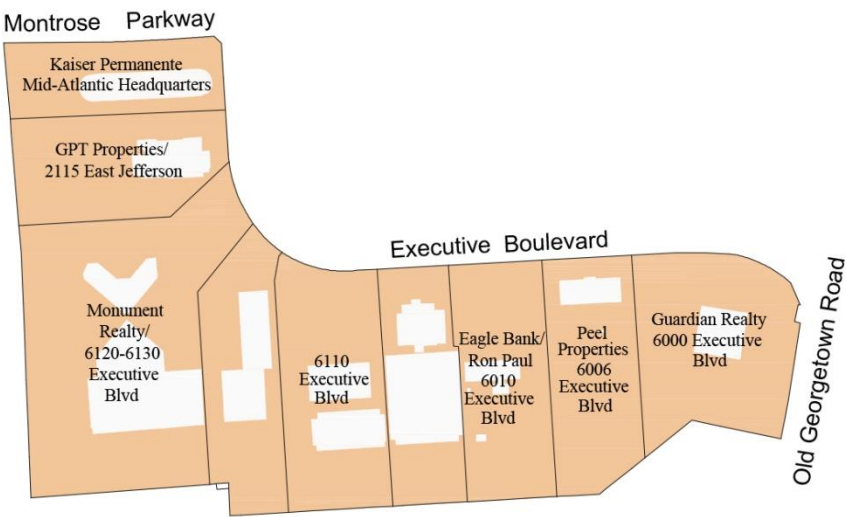
Existing Zoning

Property	Land Area	Existing Square Feet	Existing FAR
Willco-6001, 6003, 6011 Executive Blvd	21.90 acres	522,000 sq.ft.	0.55
Kaiser Lab-6111 Executive Blvd	4 acres	22,808 sq.ft.	0.13
Greater Washington Jewish Federation-6101 Executive Blvd	3.02 acres	87,388 sq.ft.	0.66
The Executive Office Condos	6.66 acres	133,596 sq.ft.	0.46

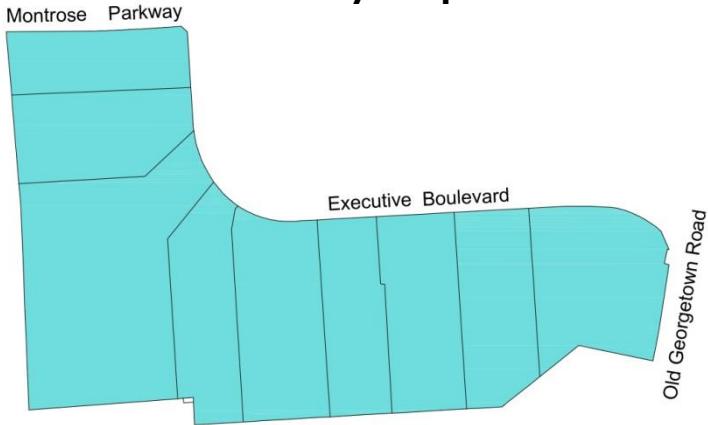


Executive Boulevard-South

Property	Land Area	Existing Square Feet	Existing FAR
Guardian Realty-6000 Executive Blvd	6.78 acres	141, 429 sq.ft.	0.48
Peel Properties-6006 Executive Blvd	5.15 acres	48, 600 sq.ft.	0.21
Eagle Bank-6010 Executive Blvd	5.38 acres	100, 126 sq.ft.	0.42
6100 Executive Blvd	4.42 acres	150,934 sq.ft.	0.78
6110 Executive Blvd	6.23 acres	215, 552 sq.ft.	0.79
6116 Executive Blvd	4.83 acres	217,109 sq.ft.	0.97
Monument Realty-6120-6130 Executive	12.91 acres	354,840 sq.ft.	0.63
GPT properties-2115 East Jefferson	5.48 acres	139,006 sq.ft.	0.58
Kaiser Permanente Mid-Atlantic-2101 East Jefferson	4.14 acres	237, 910 sq.ft.	1.32



Key Properties

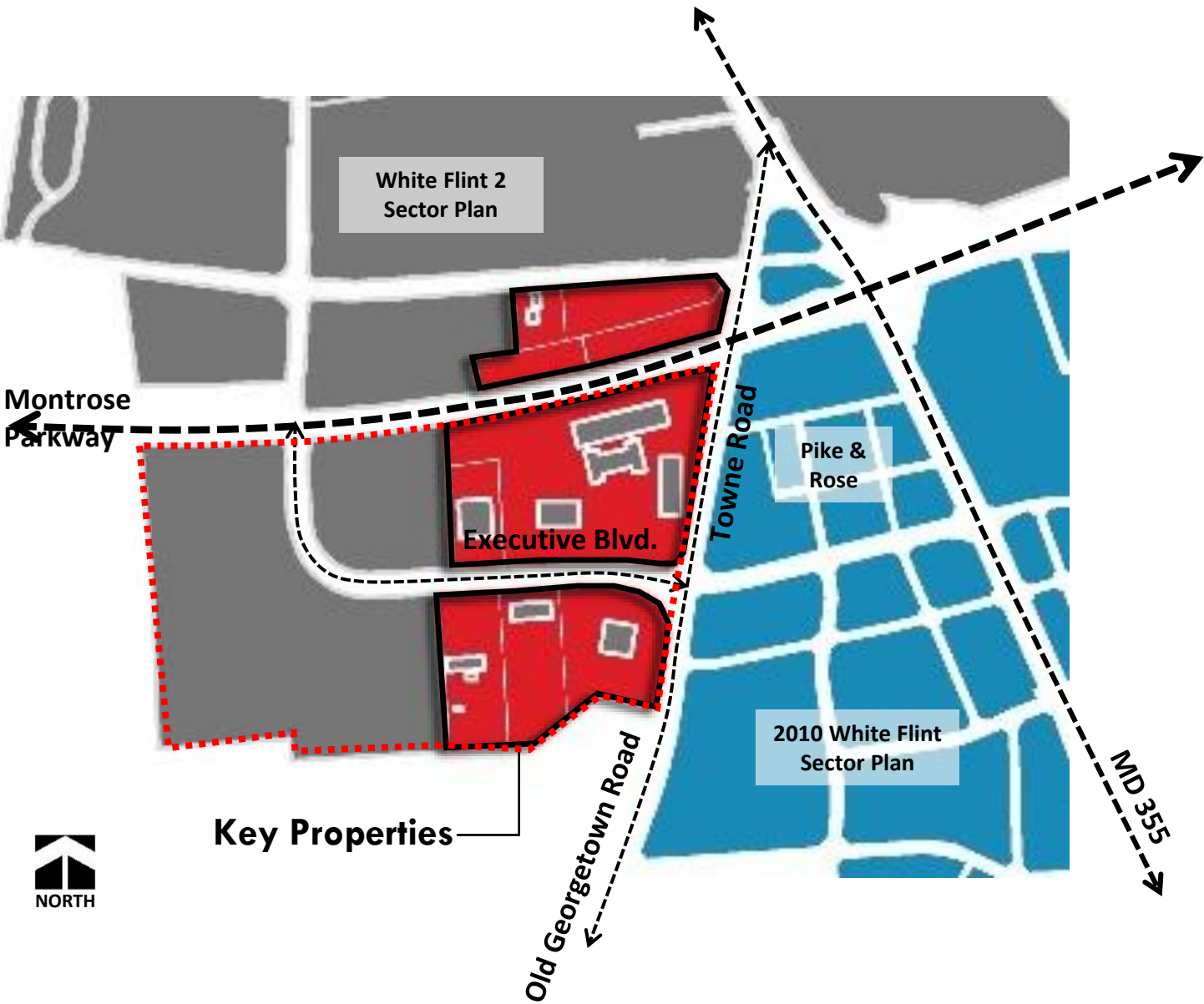


EOF Employment Office
EOF 0.75, H-100' T



Existing Zoning

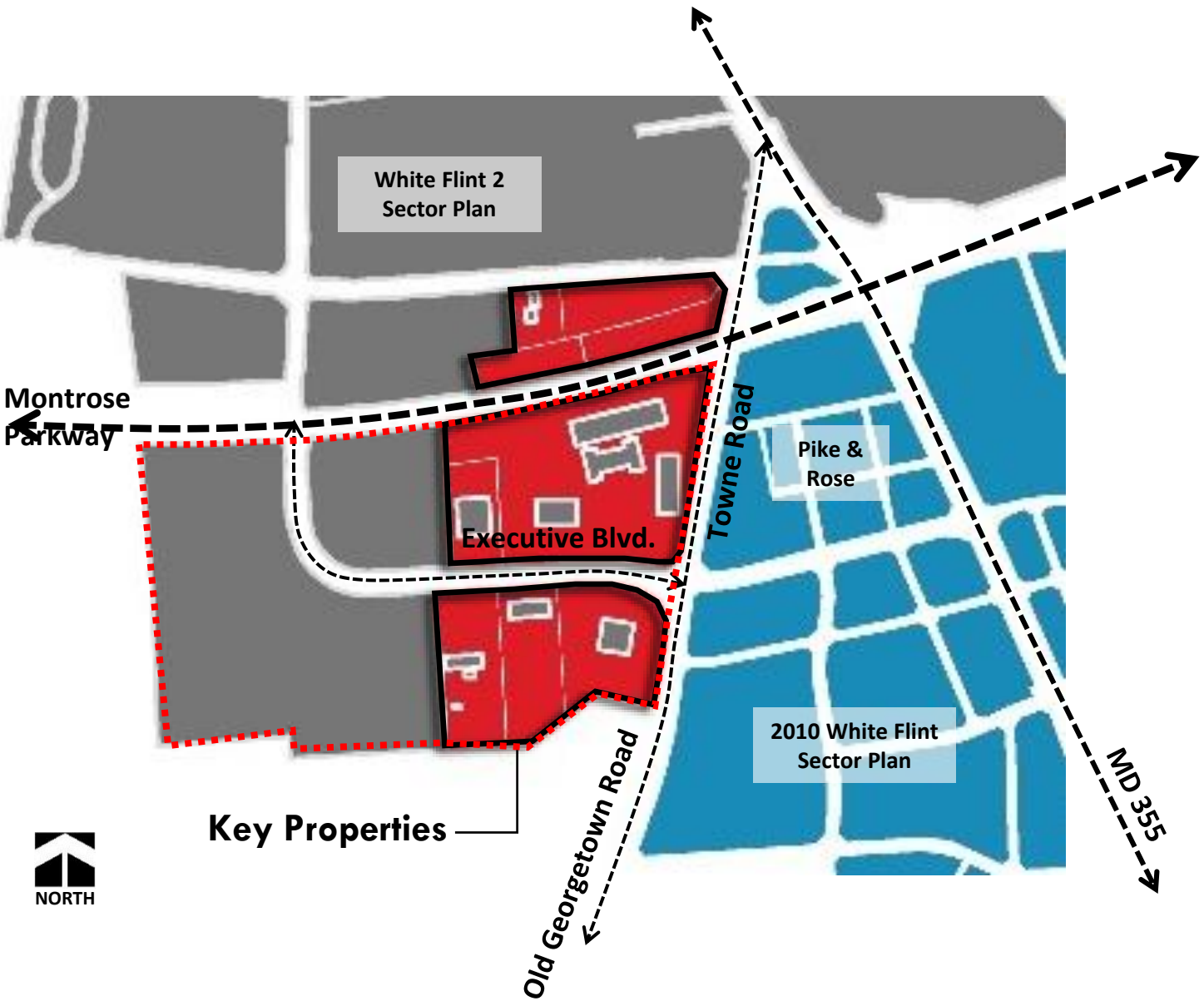
Public Hearing Draft Recommendations



Recommendations:

- Focus redevelopment to support ongoing County priorities, such as the realignment of Executive Blvd. and Old Georgetown Road.
- New development should enhance Executive Boulevard for pedestrians and introducing street activating uses and open spaces for public use.
- Introduce new uses that complement existing remaining uses, and that take advantage of existing natural resources.

Public Hearing Draft Recommendations

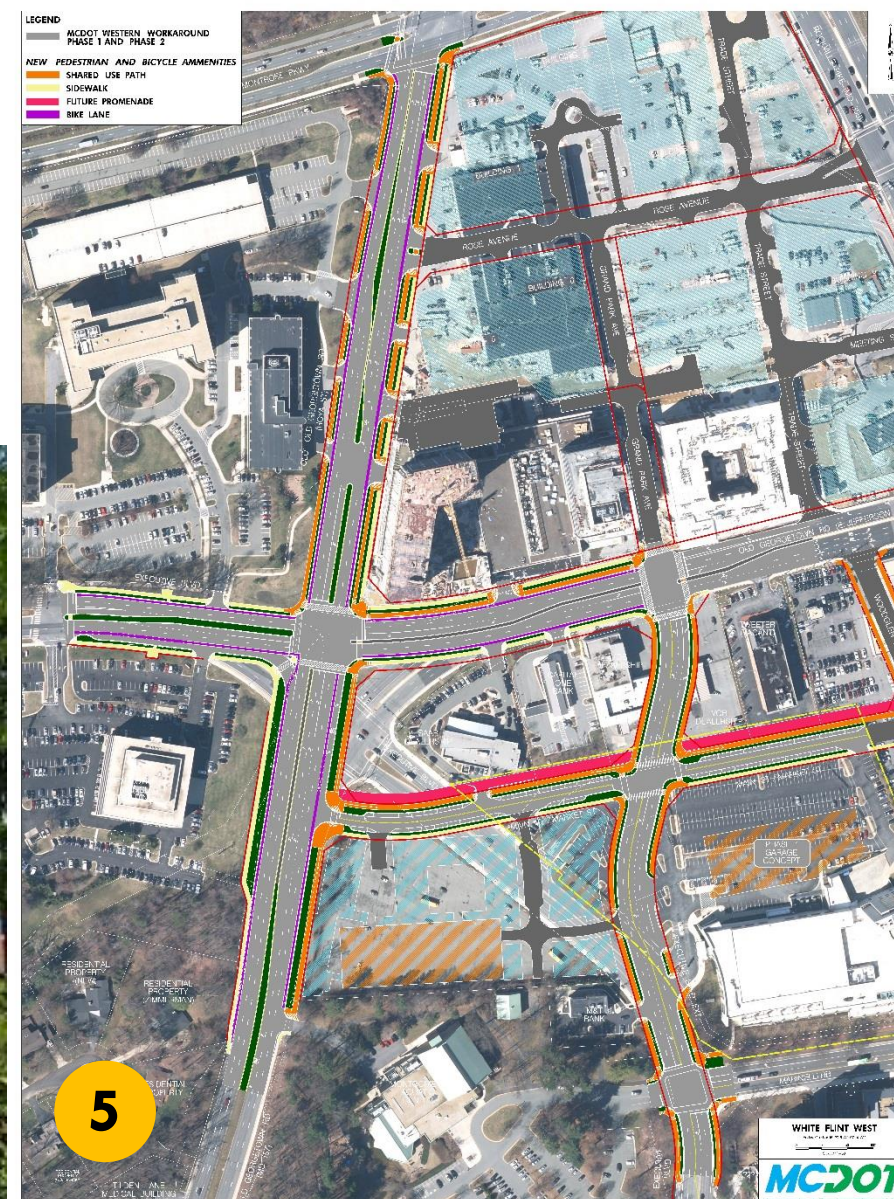


Recommendations:

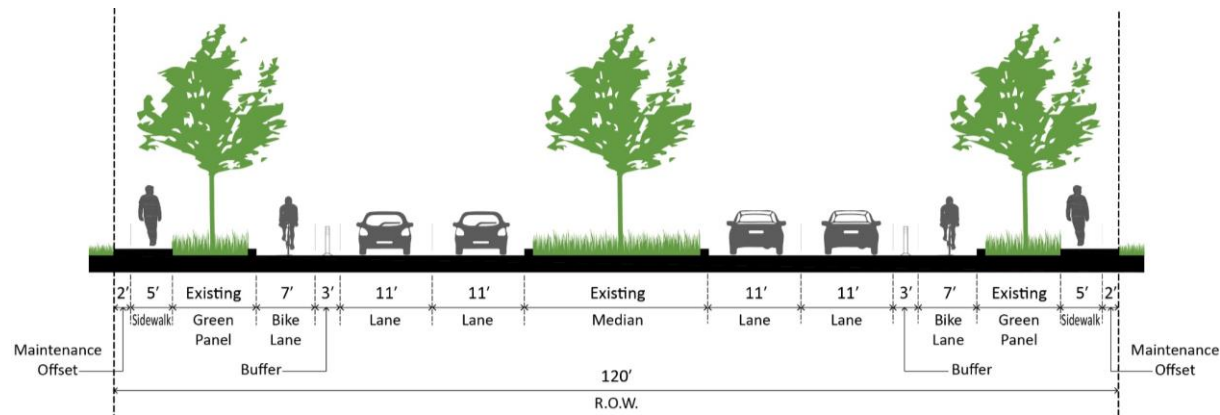
- Infill development; primarily residential with some non-residential development
- Zoning approach reflect mixed use

Urban Design Priorities

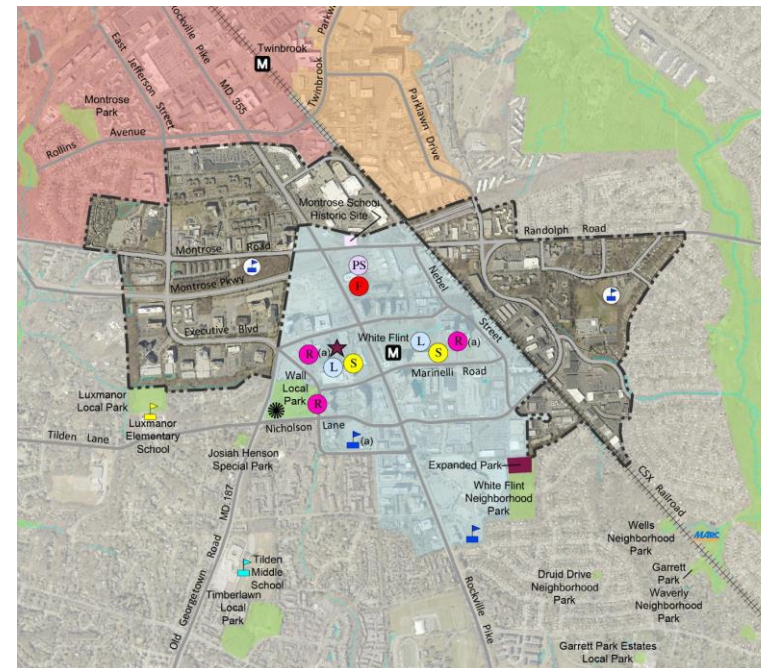
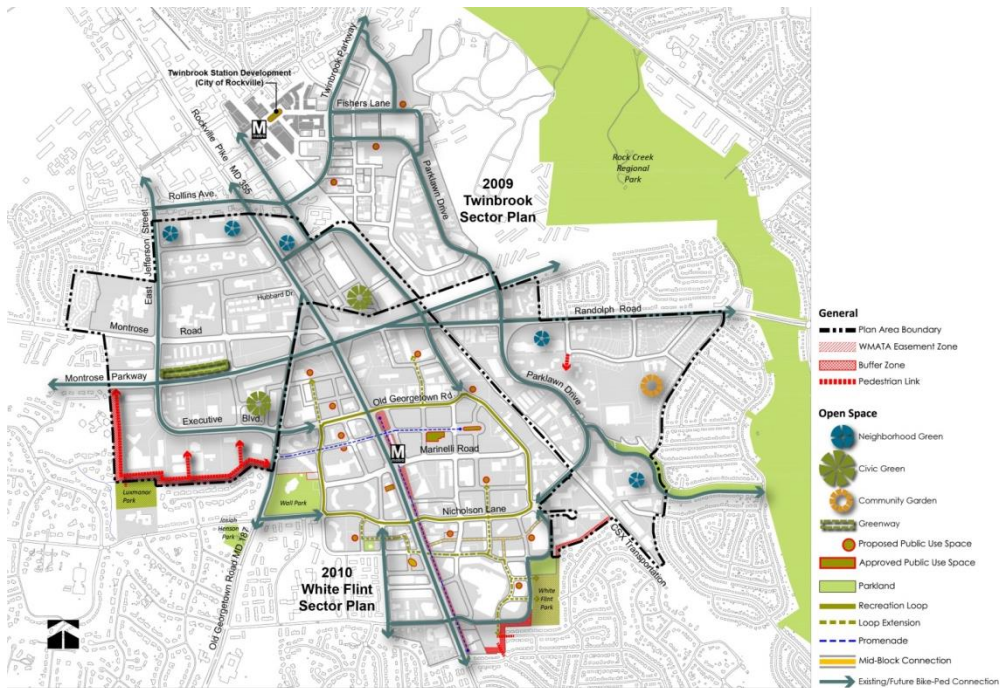
1. Improve Executive Boulevard for pedestrians
2. Preserve existing green buffers between this district and residential communities to the south and west
3. Establish pedestrian connections between Executive Boulevard and adjacent residential community
4. Promote development that creates urban fabric and provides substantial open spaces for public use
5. Support the establishment of a local grid of streets (western workaround)



Public Hearing Draft Recommendations

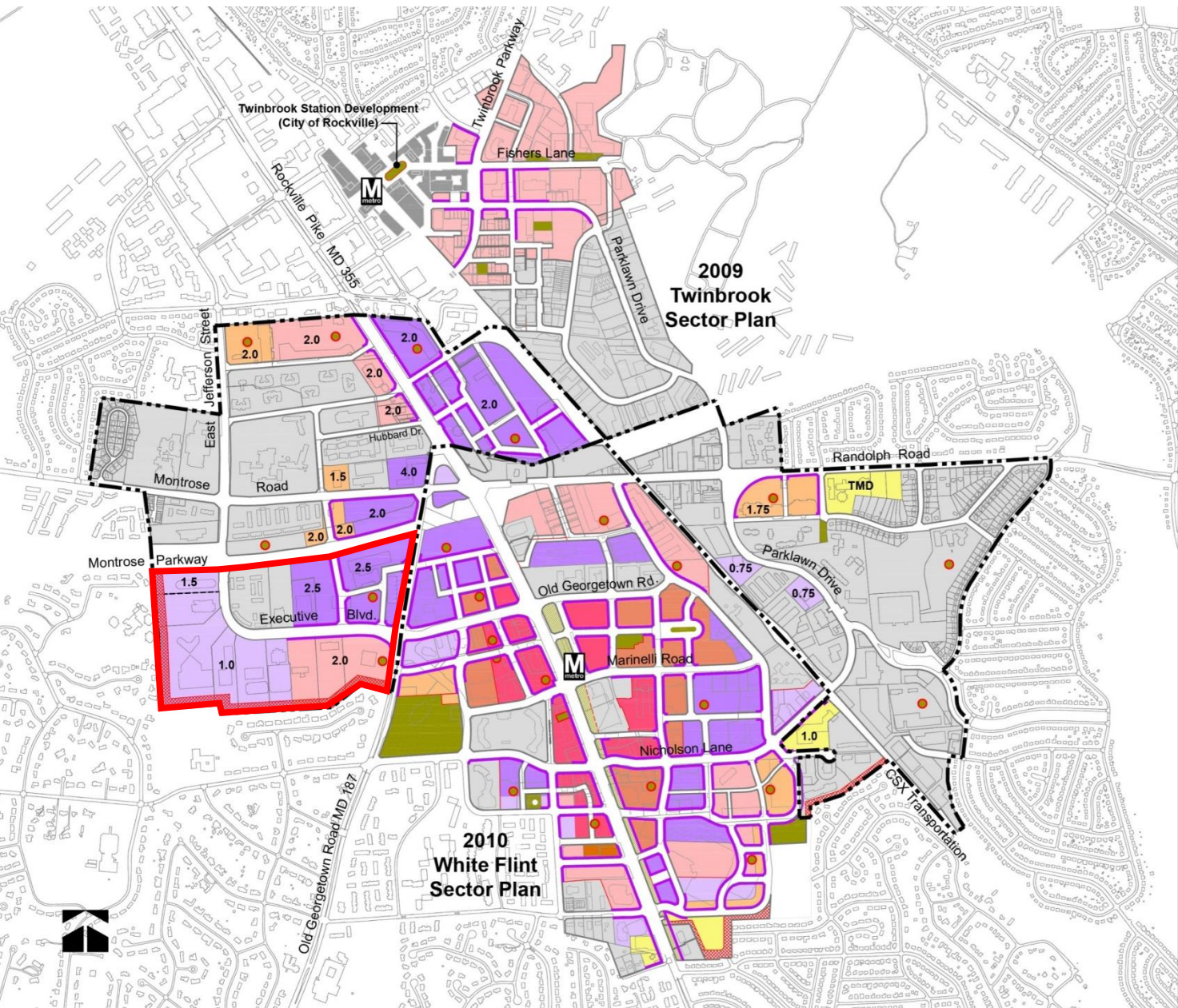


Protected Bikelane



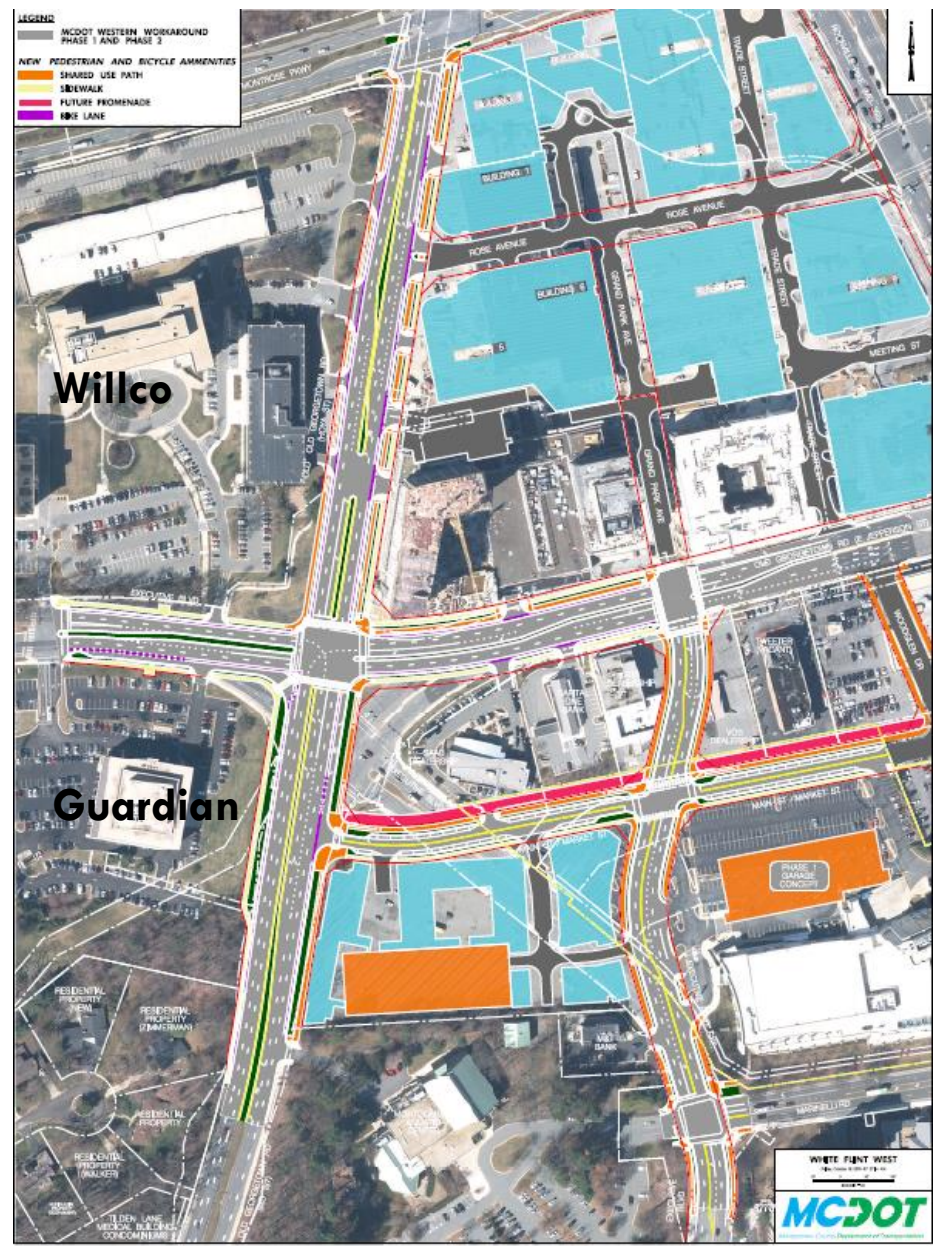
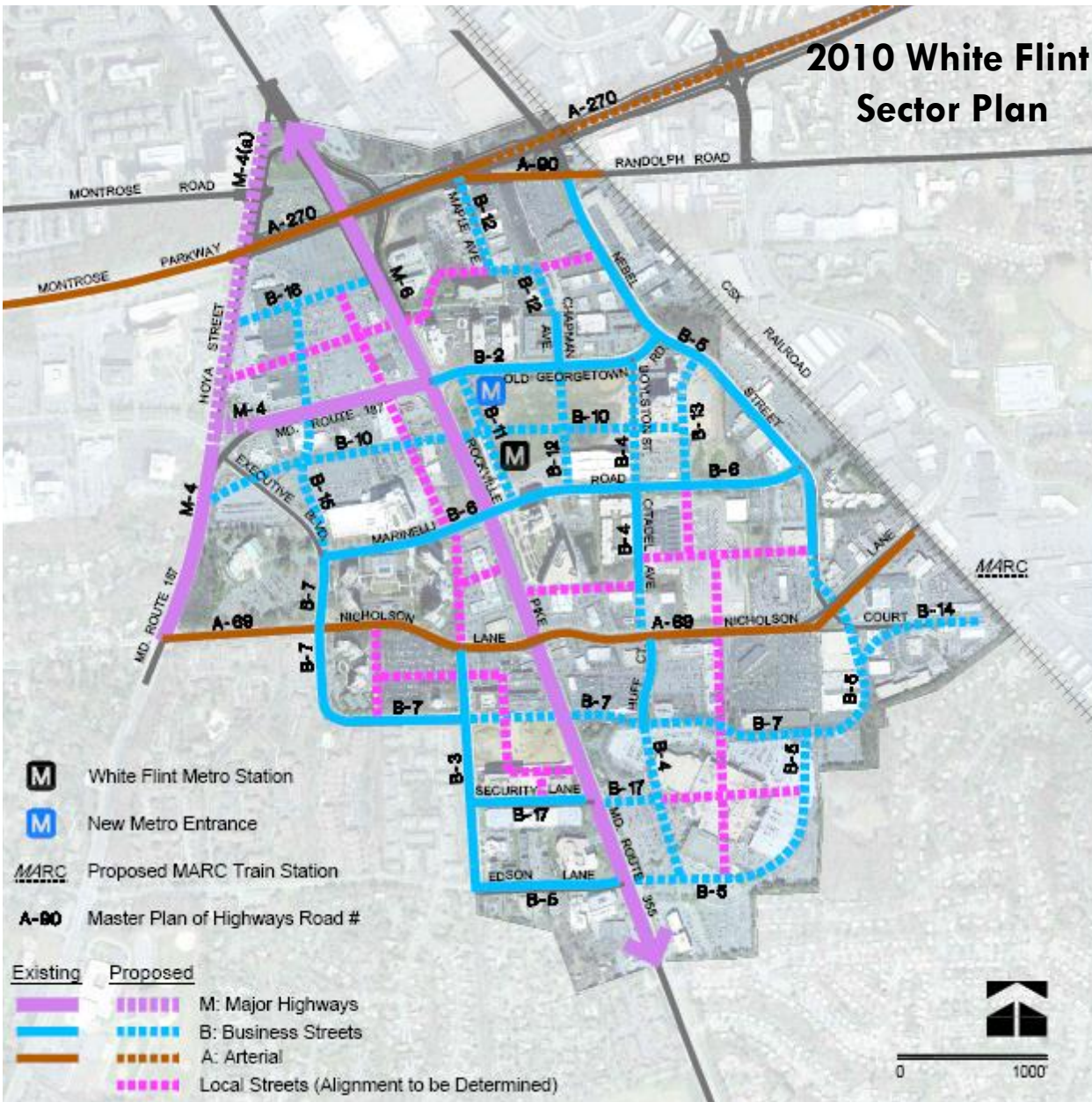
New elementary school

Framework



2010 WF Plan and distance to Metro

Framework



Economic Analysis

Economic analysis on two properties in Executive Boulevard

- Willco (6001, 6003, 6011 Executive Boulevard)
- Eagle Bank (6010 Executive Boulevard)

Purpose

- Understand redevelopment economics on Executive Boulevard
- Assess development feasibility with FAR and heights
 - Owner preferred concepts
 - Planning team preferred zoning
- Balance redevelopment opportunities with growth capacity



6001, 6003, 6011 Executive Boulevard



6010 Executive Boulevard

Economic Analysis

Development Programs – Willco and Eagle Bank						
	Zoning	Development Program (SF)				
		Residential (DU)	Retail (SF)	Office (SF)	Hotel (Rooms)	Total
Willco Property						
Owner Preferred Development Concept	CR-3.0, H-200'	1,750	157,500	442,000	150	2,424,500
		1,875	171,000	302,000	150	2,423,000
Planning Team Preferred Zoning	CR-2.0*, H-200'	1,426	129,245	292,704	118	1,907,108
Eagle Bank Property						
Owner Preferred Development Concept	CR-2.0, H-150'	117	25,213	327,039	N/A	469,646
Planning Team Preferred Zoning	CR-2.0, H-120'*	117	25,213	327,039	N/A	469,646

* Initial analysis was conducted prior to amended FAR and height recommendations

Economic Analysis

Residual Value Analysis approach

Residual Value =

Market Value of Project (at build-out)

LESS

Cost of Development (e.g. construction, soft costs, required return on investment)

LESS

Cost of Public Benefits (e.g. impact fees, MPDUs, open space)

LESS

Cost of land (if not yet acquired) or **Change in Land Value** (if owned)

- For redevelopment to occur, Residual Value >= Total value of existing improvements lost

Economic Feasibility

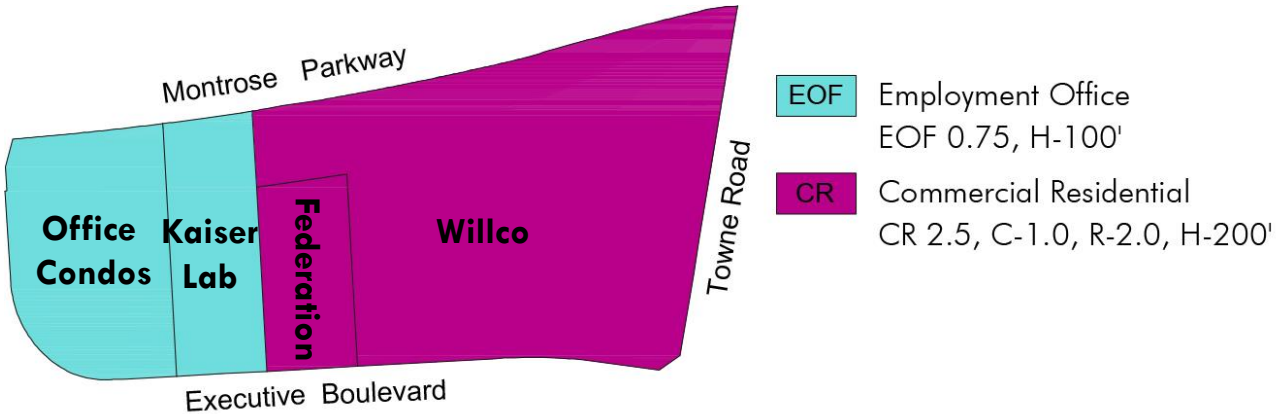
Findings

- Densities contemplated by Planning Team would likely be feasible for owners’ preferred vision of significant infill development while keeping existing buildings intact
 - Relatively large positive residual value at build-out
- Rents unable to support new office construction at this time
 - Consider greater residential FAR, or expect delayed redevelopment of commercial
- Site constraints on Eagle Bank property warrant height increase to fit program in building envelope
 - Height recommendation increased to owner’s request (150’)

Residual Value Proforma Analysis: Willco and Eagle Bank (in millions)			
Estimates	Willco	Eagle Bank	Eagle Bank (w/o new office)
Total Value of Project	\$927	\$193	\$114
Cost of Development	\$(610)	\$(191)	\$(95)
Cost of Public Benefits	\$(78)	\$(9)	\$(7)
Estimated Change in Land Value	\$18	\$4	\$4
Residual Value	\$257	\$(4)	\$16

Executive Boulevard-North

Property	Public Hearing Draft	Property owner recommendation
Willco (6001, 6003, 6011 Executive Blvd	CR 2.5 C1.0 R2.0 H200	CR 3.0 C1.5 R2.5 H200
Kaiser Lab-6111 Executive Blvd	EOF 0.75 H75	EOF 0.75 H75
Greater Washington Jewish Federation-6101 Executive Blvd	CR 2.5 C1.0 R2.0 H200	—
The Executive Office Condos	EOF 0.75 H75	—



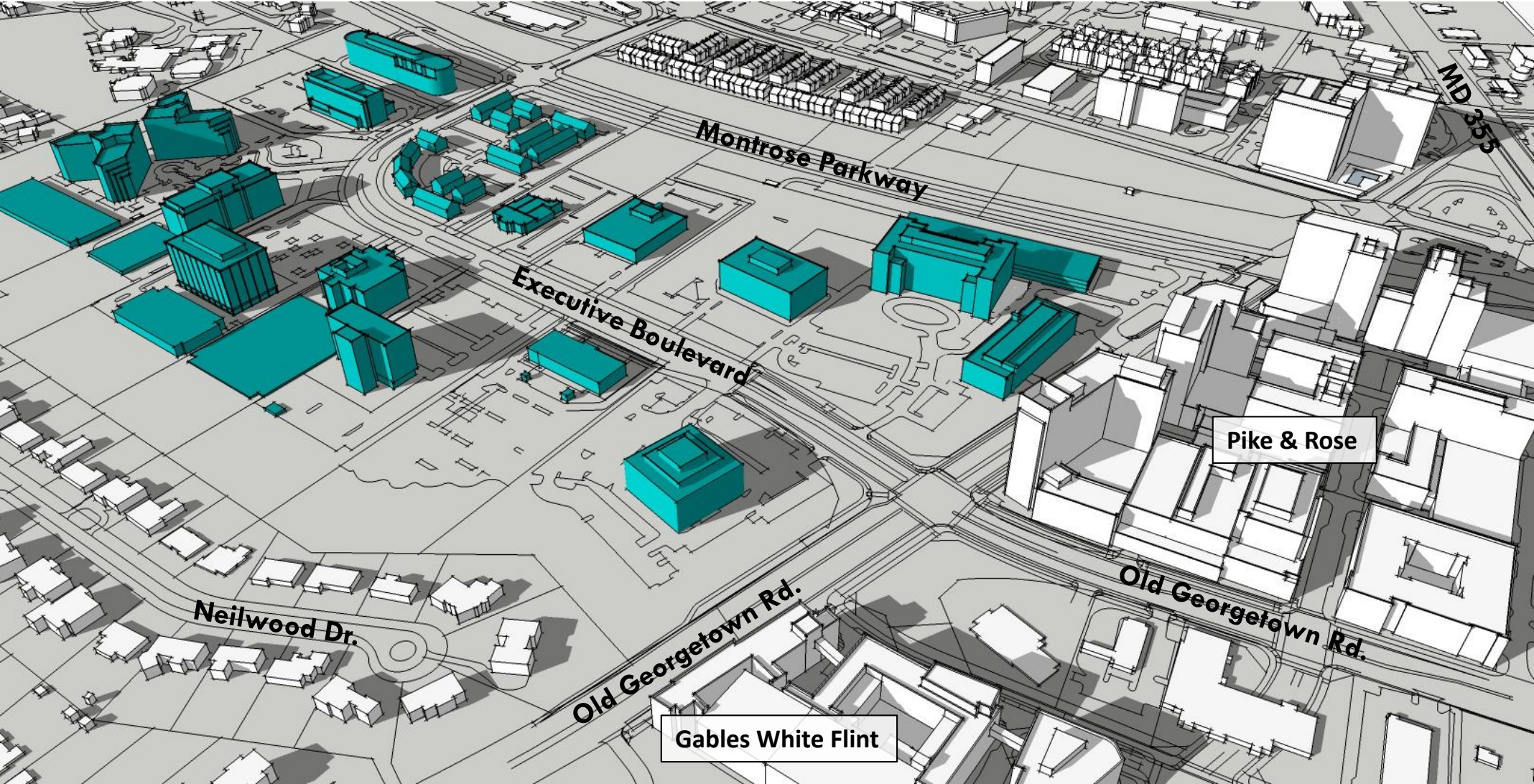
Public Hearing Draft Recommendation



Executive Boulevard-South



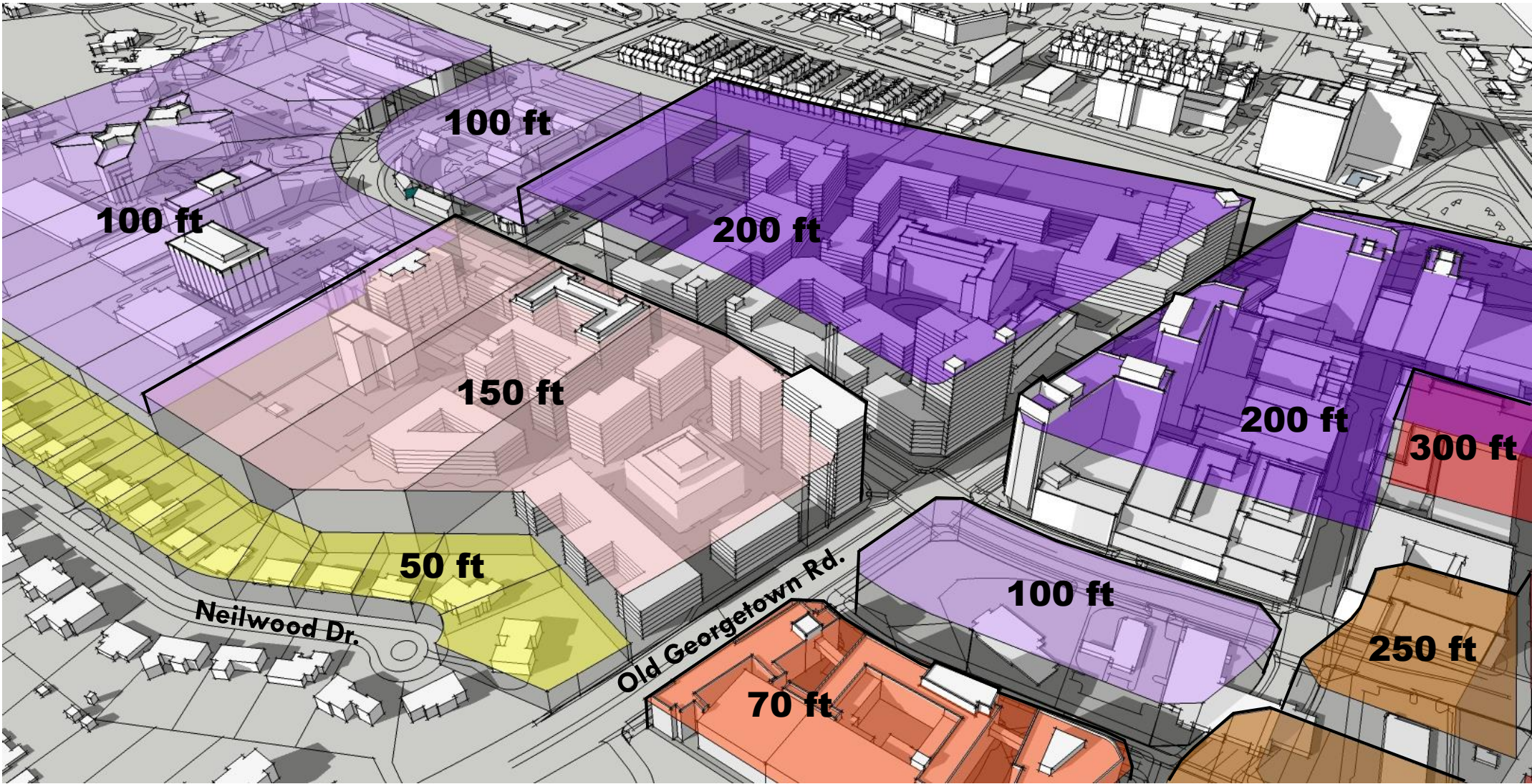
Executive Boulevard District – Existing Properties



Executive Boulevard District – Potential Development

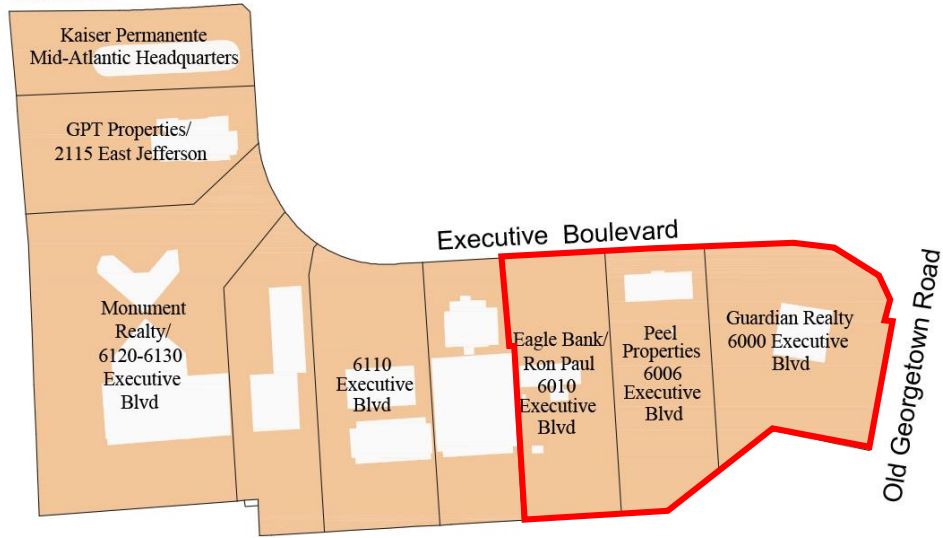


Executive Boulevard District – Building Heights

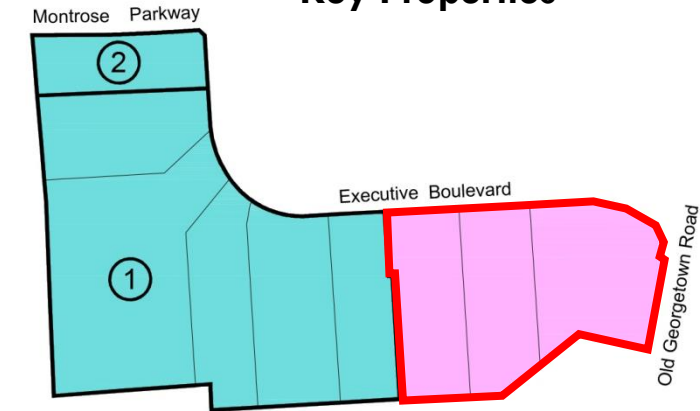


Executive Boulevard-South

Montrose Parkway



Key Properties



EOF Employment Office

1 EOF 1.0, H-100'

2 EOF 1.5, H-100'

CRT Commercial Residential Town

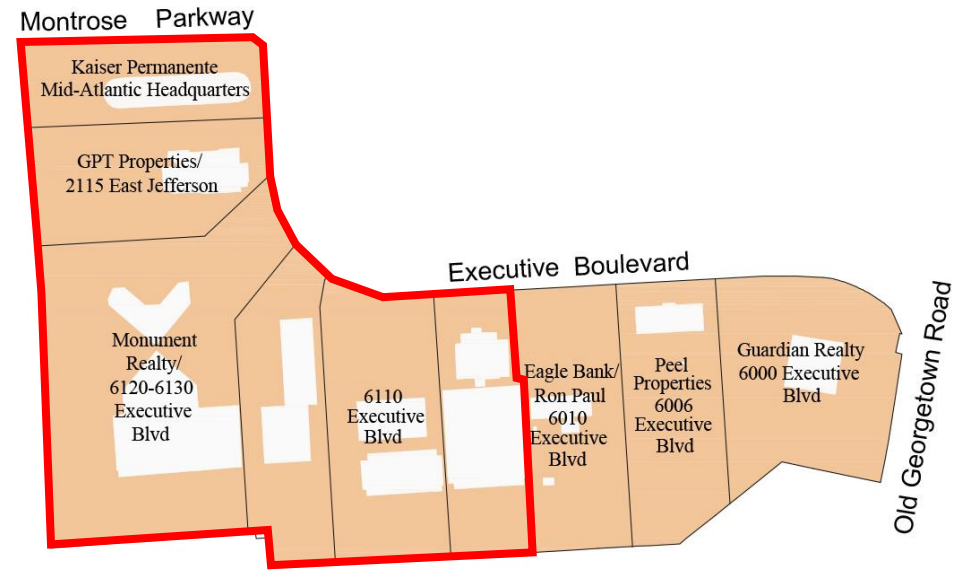
CRT 2.0, C-1.0, R-1.5, H-120'



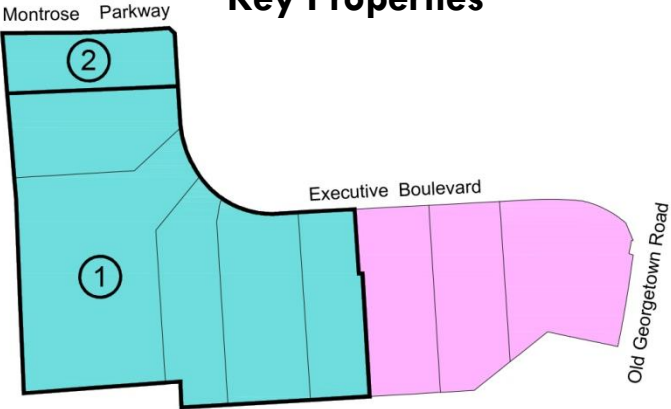
Not to Scale

Property	Public Hearing Draft	Property owner recommendation	Revised Recommendation
Guardian Realty-6000 Executive Blvd	CRT 2.0 C1.0 R1.5 H-120	CR 2.5 C2.25 R2.25 H-200	CRT 2.0 C1.0 R1.5 H150
Peel Properties-6006 Executive Blvd	CRT 2.0 C1.0 R1.5 H-120	CRT 3.0 C-2.5 R3.0 H-150	CRT 2.0 C1.0 R1.5 H-150
Eagle Bank-6010 Executive Blvd	CRT 2.0 C1.0 R1.5 H-120	CRT 2.0 C1.0 R1.5 H-150	CRT 2.0 C1.0 R1.5 H-150

Executive Boulevard-South



Key Properties



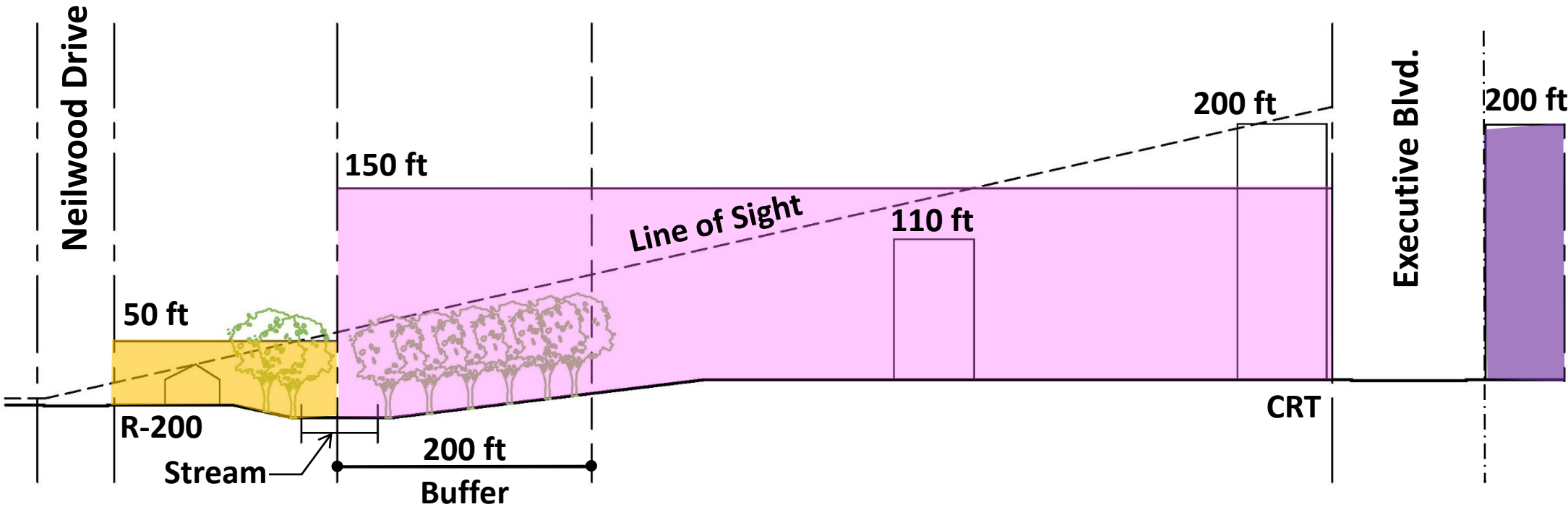
- EOF Employment Office
- CRT Commercial Residential Town
- 1 EOF 1.0, H-100'
- 2 EOF 1.5, H-100'



Not to Scale

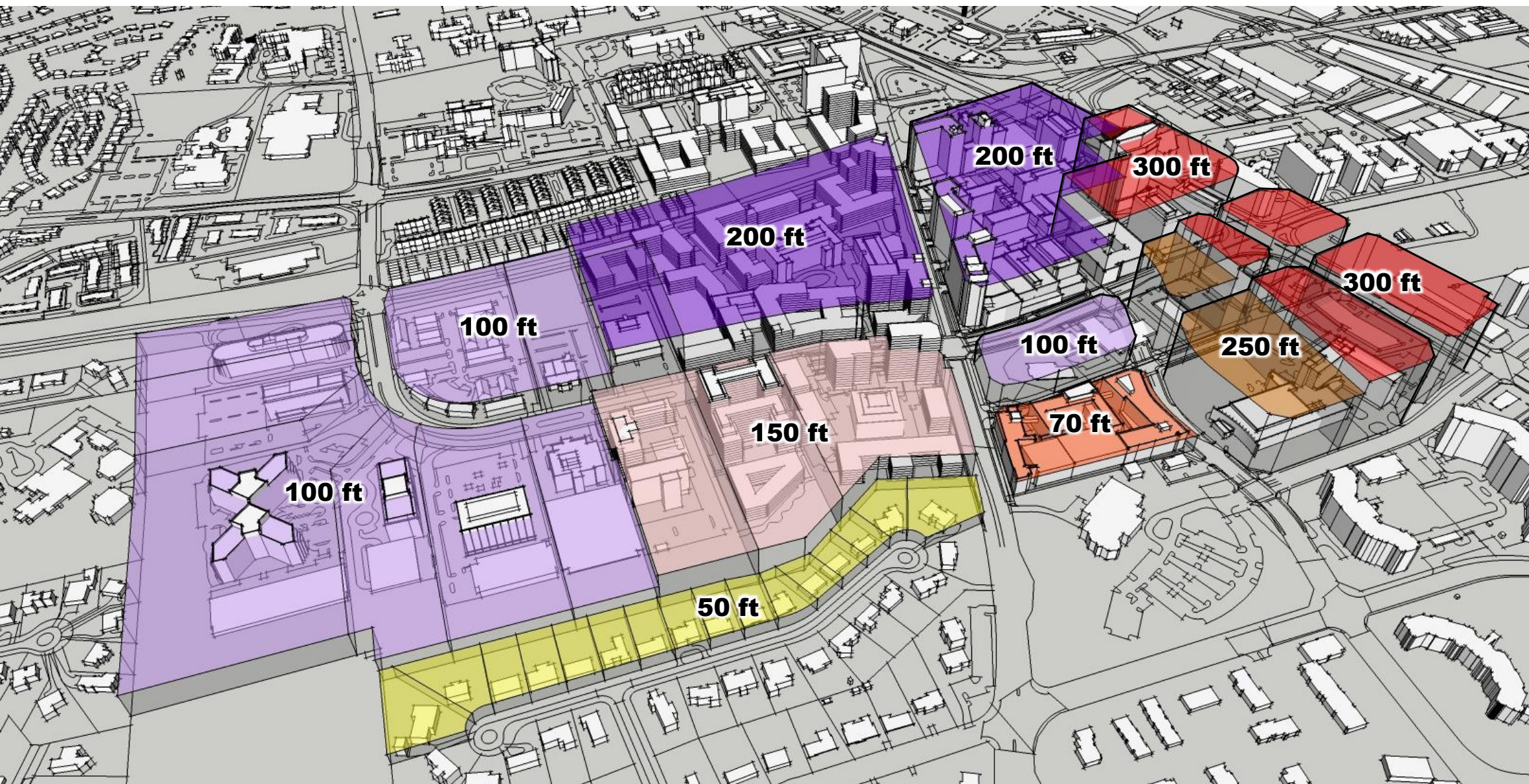
Property	Public Hearing Draft	Property owner recommendation
6100 Executive Blvd	EOF 1.0 H-100	-
6110 Executive Blvd	EOF 1.0 H-100	-
6116 Executive Blvd	EOF 1.0 H-100	-
Monument Realty- 6120-6130 Executive	EOF 1.0 H-100	CR 1.0 C1.0 R1.0 H100
GPT properties- 2115 East Jefferson	EOF 1.0 H-100	CR 1.5
Kaiser Permanente Mid-Atlantic-2101 East Jefferson	EOF 1.5 H-100	EOF 1.5 H-100

Executive Boulevard District – Building Heights



Sight Line Study – Executive Blvd. South

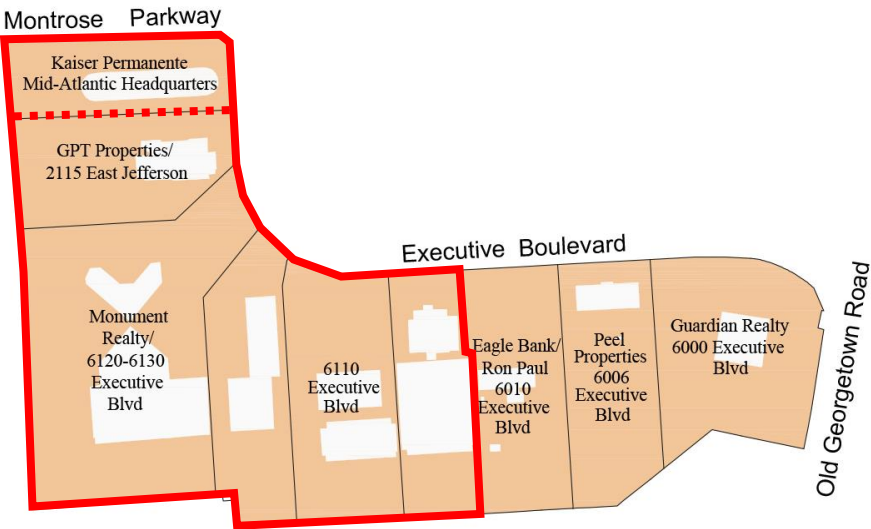
Executive Boulevard District – Building Heights



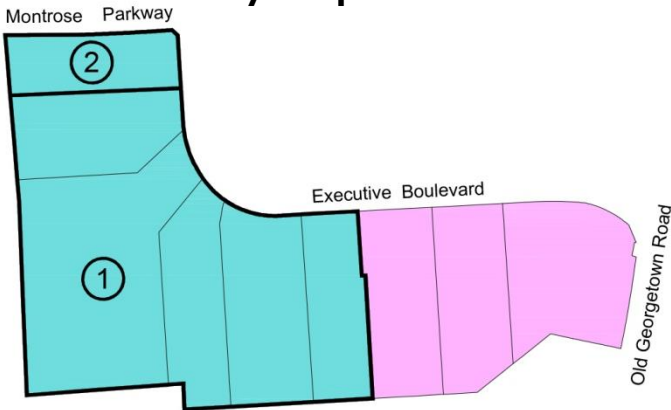
Executive Boulevard-South

Land area: 33. 91 acres (excluding Kaiser Headquarters)
Development: 1.07 million sq.ft
Average FAR: 0.75

Any additional residential development must consider the impacts on the Walter Johnson Cluster. A floating CRT zone would permit other Executive Boulevard South properties to redevelop in the future.



Key Properties



EOF Employment Office

① EOF 1.0, H-100'

② EOF 1.5, H-100'

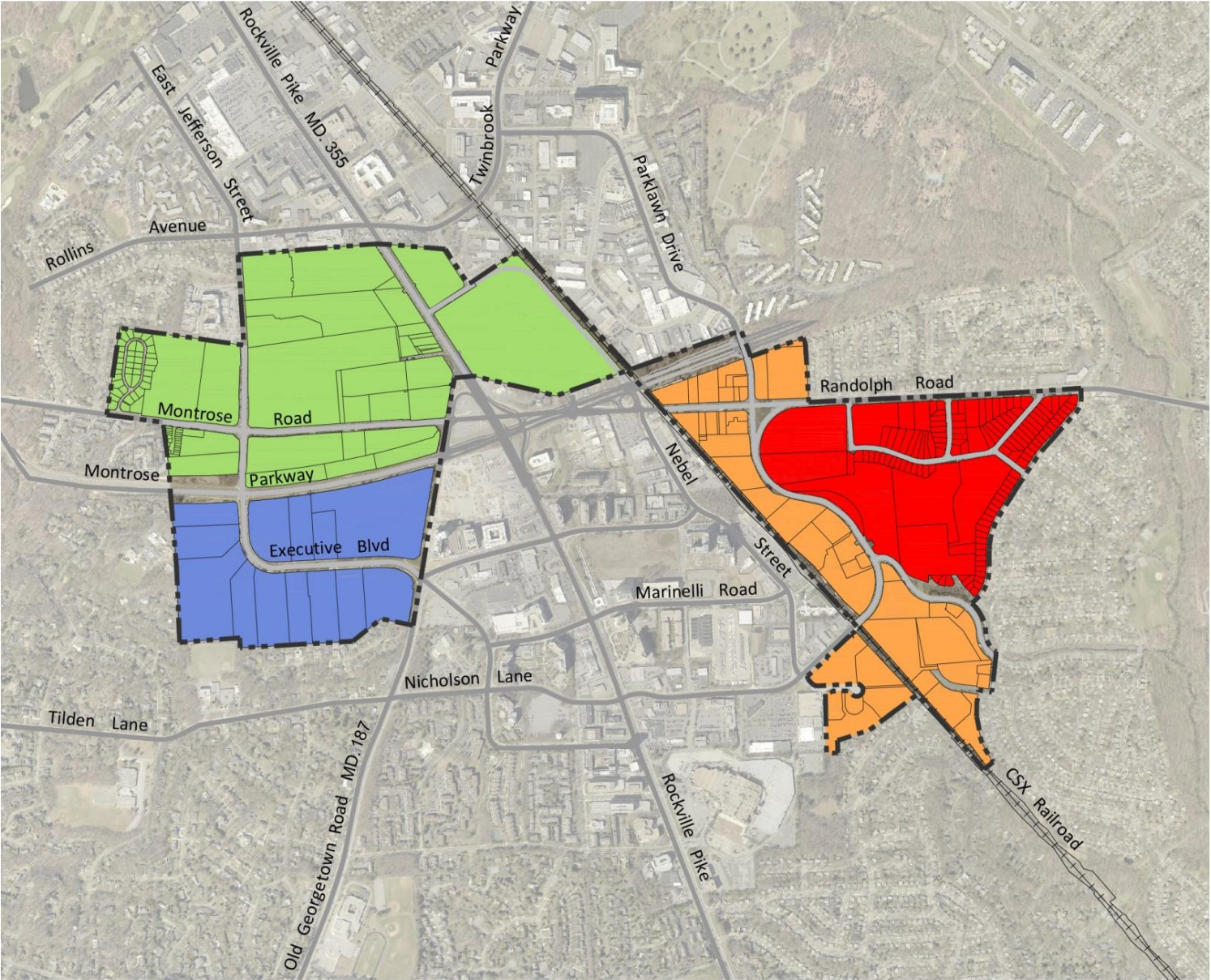
CRT Commercial Residential Town

CRT 2.0, C-1.0, R-1.5, H-120'



Not to Scale

Next Worksession



- White Flint 2 Sector Plan Boundary
- Executive Boulevard
- Rockville Pike-Montrose North
- Randolph Hills
- Parklawn South

February 16: Walter Johnson Cluster with MCPS
(Joint meeting with Rock Spring Master Plan)

February 23: Next White Flint 2 worksession (Rockville Pike-Montrose North/Parklawn South/Randolph Hills)