Planning Board Worksession No.2: Executive Boulevard District
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
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 workers 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.
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).
- Retenanting/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

- Montrose Parkway
- Willco
- Guardian Realty
- Peel Properties
- Jewish Federation
- Kaiser Lab
- Eagle Bank
- Executive Office
- Condos
- Old Georgetown Road (MD 187)
- Executive Boulevard
- East Jefferson
- 2010 White Flint Sector Plan
- 6100
- 6110
- 6116
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

- Luxmanor Local Park
- Neilwood Drive
- Neilwood Drive
- Neilwood Drive
# Executive Boulevard-North

## Key Properties

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

**Existing Zoning**

- Willco
- Executive Office Condos
- Kaiser Lab
# Executive Boulevard-South

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

- New parks, path, and connections to existing local park
- New elementary school

Protected Bikelane
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
## Development Programs – Willco and Eagle Bank

<table>
<thead>
<tr>
<th></th>
<th>Zoning</th>
<th>Development Program (SF)</th>
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</thead>
<tbody>
<tr>
<td></td>
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<td>Residential (DU)</td>
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<tr>
<td>Willco Property</td>
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<tr>
<td>Owner Preferred Development Concept</td>
<td>CR-3.0, H-200'</td>
<td>1,750</td>
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<td>Planning Team Preferred Zoning</td>
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<td>1,426</td>
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<tr>
<td>Eagle Bank Property</td>
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<tr>
<td>Owner Preferred Development Concept</td>
<td>CR-2.0, H-150'</td>
<td>117</td>
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<tr>
<td>Planning Team Preferred Zoning</td>
<td>CR-2.0, H-120**</td>
<td>117</td>
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</tbody>
</table>

* 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 $\geq$ 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)

<table>
<thead>
<tr>
<th></th>
<th>Estimates</th>
<th>Willco</th>
<th>Eagle Bank</th>
<th>Eagle Bank (w/o new office)</th>
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</thead>
<tbody>
<tr>
<td>Total Value of Project</td>
<td>$927</td>
<td>$193</td>
<td>$114</td>
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<tr>
<td>Cost of Development</td>
<td>$(610)</td>
<td>$(191)</td>
<td>$(95)</td>
<td></td>
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<tr>
<td>Cost of Public Benefits</td>
<td>$(78)</td>
<td>$(9)</td>
<td>$(7)</td>
<td></td>
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<tr>
<td>Estimated Change in Land Value</td>
<td>$18</td>
<td>$4</td>
<td>$4</td>
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<tr>
<td>Residual Value</td>
<td>$257</td>
<td>$(4)</td>
<td>$16</td>
<td></td>
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</tbody>
</table>
## Executive Boulevard-North

<table>
<thead>
<tr>
<th>Property</th>
<th>Public Hearing Draft</th>
<th>Property owner recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Willco (6001, 6003, 6011 Executive Blvd)</td>
<td>CR 2.5 C1.0 R2.0 H200</td>
<td>CR 3.0 C1.5 R2.5 H200</td>
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<tr>
<td>Kaiser Lab-6111 Executive Blvd</td>
<td>EOF 0.75 H75</td>
<td>EOF 0.75 H75</td>
</tr>
<tr>
<td>Greater Washington Jewish Federation-6101 Executive Blvd</td>
<td>CR 2.5 C1.0 R2.0 H200</td>
<td>—</td>
</tr>
<tr>
<td>The Executive Office Condos</td>
<td>EOF 0.75 H75</td>
<td>—</td>
</tr>
</tbody>
</table>

**Public Hearing Draft Recommendation**

- **Willco**: CR 3.0 C1.5 R2.5 H200
- **Kaiser Lab**: EOF 0.75 H75
- **Office Condos**: EOF 0.75, H-100'
- **Greater Washington Jewish Federation**: CR 2.5, C-1.0, R-2.0, H-200'

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**Executive Boulevard**

- **Montrose Parkway**
- **Executive Boulevard**
- **Towne Road**

**Legend**

- **EOF**: Employment Office
  - EOF 0.75, H-100'
- **CR**: Commercial Residential
  - CR 2.5, C-1.0, R-2.0, H-200'

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Executive Boulevard District – Existing Properties
Executive Boulevard District – Potential Development

- 6010 Executive Blvd.
- 6006 Executive Blvd.
- 6003 Executive Blvd.
- Pike & Rose
- Gables White Flint
- Monrovia Parkway
- Old Georgetown Rd.
- Old Georgetown Rd.
- Neilwood Dr.
Executive Boulevard District – Building Heights
Executive Boulevard-South

**Property** | **Public Hearing Draft** | **Property owner recommendation** | **Revised Recommendation**
--- | --- | --- | ---
Guardian Realty-6000 Executive Blvd | CRT 2.0 C 1.0 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 C 1.0 R1.5 H-120 | CRT 3.0 C-2.5 R3.0 H-150 | CRT 2.0 C1.0 R1.5 H150
Eagle Bank-6010 Executive Blvd | CRT 2.0 C 1.0 R1.5 H-120 | CRT 2.0 C1.0 R1.5 H-150 | CRT 2.0 C1.0 R1.5 H150
Executive Boulevard-South

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<tr>
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<th>Property owner recommendation</th>
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<tbody>
<tr>
<td>6100 Executive Blvd</td>
<td>EOF 1.0 H-100</td>
<td>-</td>
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<td>6110 Executive Blvd</td>
<td>EOF 1.0 H-100</td>
<td>-</td>
</tr>
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<td>EOF 1.5 H-100</td>
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Executive Boulevard District – Building Heights

Sight Line Study – Executive Blvd. South
Executive Boulevard District – Building Heights

- 200 ft
- 150 ft
- 100 ft
- 70 ft
- 50 ft
- 250 ft
- 300 ft
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.
Next Worksession

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)