Planning Board Worksession No.8: Parklawn South, Executive Boulevard and Montrose North Districts
Prior Worksessions

- **January 27**: Focused on transportation analysis and staging recommendations in the Draft Plan.

- **February 9**: Reviewed the Executive Boulevard District and associated economic feasibility analysis for some properties.

- **February 16**: A joint meeting with the Rock Spring Master Plan on school issues within the Walter Johnson Cluster.

- **February 23**: Reviewed the Rockville-Pike Montrose North District and revisited five properties in the Executive Boulevard district.

- **March 9**: Reviewed the Randolph Hills district and Parklawn South district, and addressed industrial issues and multifamily residential issues.

- **April 20**: Reviewed the updated Highway Capacity Manual (HCM) analysis and revised staging recommendations.

- **May 4**: Reviewed the Urban Design Guidelines.
Today's worksession is focused on revisiting a segment of Parklawn South, Executive Boulevard, and a segment of Rockville Pike-Montrose North.
Draft Plan Recommendations

**Residential:** 6,000 dwelling units

**Non-Residential:** 3 million sq.ft.

Approximately 60% of the new residential development and more than 50% of new non-residential development recommended in the 2010 White Flint Plan.

Does not reflect all of the floating zones possibilities.
Height and Density Framework

- Tallest heights in the area remain around White Flint Metro Station.
- Focus development around the Western Workaround and along Rockville Pike.
- Recommend heights and density compatible with adjacent developing properties, and transitioning down to neighboring residential communities.
Parklawn South

- Nicholson Court
- Parklawn Drive
- Randolph Hills Shopping Center

Diagram showing the location of Parklawn South with surrounding areas marked as:
- Randolph Square
- Parklawn Drive
- Randolph Hills Shopping Center
- Nicholson Court
Industrial Analysis

### Market Analysis

<table>
<thead>
<tr>
<th>White Flint II Industrial District: Market Performance Indicators¹</th>
<th>WFII Industrial District</th>
<th>County (Industrial)</th>
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</thead>
<tbody>
<tr>
<td><strong>Occupancy</strong></td>
<td></td>
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<tr>
<td>Occupancy Rate</td>
<td>90.50%</td>
<td>89.50%</td>
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<tr>
<td>5-Year Occupancy Rate Change</td>
<td>4.70%</td>
<td>1.50%</td>
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<tr>
<td><strong>Rent</strong></td>
<td></td>
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<tr>
<td>Rent per SF</td>
<td>$13.12</td>
<td>$12.34</td>
</tr>
<tr>
<td>5-Year Rent PSF Change</td>
<td>2.00%</td>
<td>2.10%</td>
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<tr>
<td><strong>Absorption</strong></td>
<td></td>
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<tr>
<td>Annual Net Absorption Rate</td>
<td>2.20%</td>
<td>1.00%</td>
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<tr>
<td><strong>Utilization</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of Underutilized Land²</td>
<td>7.20%</td>
<td>33.7</td>
</tr>
</tbody>
</table>

Source: CoStar Group, Inc.

¹ Industrial space measured in the County include only buildings classified as industrial and flex space.
² Planning professionals often consider properties with an improvement-to-land ratio below one to be underutilized and more likely to be redeveloped or improved over time.

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**March 9 Worksession**

**Conclusions**

- Strong market; vacant space accommodates future demand
- Diverse businesses; many provide valuable down-county services
- Facilities match the needs of industrial tenants
- Older facilities keep rents low, although could benefit from reinvestment

**Land Use Recommendations**

- Maintain IL zoning for majority of industrial district
- Providing additional density (within existing uses) could encourage reinvestment for some properties
- Retail zoning classifications possible for properties with established retail presence
- Limit new residential uses in the district
Parklawn South

Existing Land Area
- 90 acres of IL zoned properties

Draft Plan Recommendation
- 79.4 acres of IL zoned properties
Parklawn South

Planning Board Recommendations

Randolph Hills and Nicholson Court areas
- Approximately 46.03 acres

Floating Commercial Residential Town (CRT)
- 1.5 FAR-Pedestrian/bike bridge
- 2.0 FAR-MARC station
Retain industrial base zone
Parklawn South

Pickford Enterprises

Land Area: 4.88 acres
Existing FAR: 0.65

Draft Plan Recommendation
- IL 1.0 H-50 zone

Planning Board Recommendations
- IL 1.0 H-50 zone (Base)
- CRT 1.5 zone- H-75 (Floating)
- CRT 2.0 zone-H-75(Floating)

Pickford proposal
- IL zone at 1.5 FAR
- Height: 75 feet
- Zoning text amendment for residential uses

Recommendations
- Retain industrial base with floating zone options.
- Include mixed-use industrial features in the Urban Design guidelines.
- Provide additional guidance in the Sector Plan, including public benefits such as support for small businesses.
Prior Planning Board Worksessions

February 9
- Highlights of prior office studies (ULI and adaptive reuse)
- Overview of Executive Boulevard and financial analysis. Discussions regarding height and density for properties. The Board made no decisions.

February 23
- Revisit for a portion of Executive Boulevard (6100, 6110, 6116, 6120-6120 Executive Boulevard and 2115 East Jefferson).
- Recommended the floating CRT zone, while adjusting the base EOF.
Executive Boulevard District – Building Heights
## Economic Analysis

### Development Programs – Willco and Eagle Bank

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

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

Initial 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

- Initial miscalculation in construction cost (brought to our attention by Willco in March) results in lower amended residual value
  - However, overall conclusions remain unchanged

<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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<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>
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<tr>
<td>Cost of Public Benefits</td>
<td>$(78)</td>
<td>$(9)</td>
<td>$(7)</td>
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<tr>
<td>Residual Value</td>
<td>$257</td>
<td>$(4)</td>
<td>$(16)</td>
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<tr>
<td>(Amended) Cost of Development</td>
<td>$(742)</td>
<td>$(191)</td>
<td>$(95)</td>
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<tr>
<td>(Amended) Residual Value</td>
<td>$125</td>
<td>$(4)</td>
<td>$16</td>
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## Economic Feasibility

### Willco Response

<table>
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<tr>
<th>Market Factors</th>
<th>Product Type</th>
<th>Staff Assumption</th>
<th>Willco Assumption</th>
<th>Staff Comments</th>
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<tbody>
<tr>
<td>Rents</td>
<td>Office, Retail</td>
<td>$35 PSF (O)</td>
<td>$30 PSF (O)</td>
<td>New office can achieve higher rents than current. Retail rents conservative but in range.</td>
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<tr>
<td></td>
<td></td>
<td>$41 PSF (R)</td>
<td>$30 PSF (R)</td>
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<tr>
<td>Vacancy Rate</td>
<td>Office, Retail</td>
<td>5% (O)</td>
<td>10% (O)</td>
<td>5% typically represents stabilized occupancy, especially Metro-proximate</td>
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<tr>
<td></td>
<td></td>
<td>5% (R)</td>
<td>10% (R)</td>
<td></td>
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<tr>
<td>Market &quot;Cap&quot; Rate</td>
<td>Multifamily</td>
<td>4.75%</td>
<td>5.50%</td>
<td>Fed interest rate increases &amp; slowdown in market sector</td>
</tr>
<tr>
<td>Rate of Return</td>
<td>Multifamily</td>
<td>6.25%</td>
<td>7.25%</td>
<td>Commensurate with cap rate (1.5%-2.5% higher)</td>
</tr>
<tr>
<td>Construction Cost</td>
<td>Multifamily</td>
<td>$170 PSF</td>
<td>$200 PSF</td>
<td>$200 PSF on high end of range</td>
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<tr>
<td></td>
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</tbody>
</table>
## Executive Boulevard-North

<table>
<thead>
<tr>
<th>Property</th>
<th>Land Area</th>
<th>Draft Plan Recommendation</th>
<th>Property owner recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Willco (6001, 6003, 6011 Executive Blvd)</td>
<td>21.9 acres</td>
<td>CR 2.5 C1.0 R2.0 H200</td>
<td>CR 3.0 C1.5 R2.5 H200</td>
</tr>
<tr>
<td>Kaiser Lab-6111 Executive Blvd</td>
<td>4 acres</td>
<td>EOF 0.75 H75</td>
<td>EOF 0.75 H75</td>
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<tr>
<td>Greater Washington Jewish Federation-6101 Executive Blvd</td>
<td>3.02 acres</td>
<td>CR 2.5 C1.0 R2.0 H200</td>
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</tr>
<tr>
<td>The Executive Office Condos</td>
<td>6.66 acres</td>
<td>EOF 0.75 H75</td>
<td>_</td>
</tr>
</tbody>
</table>

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

### February 9 and 23 Recommendation
- Willco
- Office Condos
- Kaiser Lab
Executive Boulevard-South

Luxmanor Elementary and Park

6120-6130
6116
6110
6100

2115 East Jefferson

Eagle Bank

Guardian

Peel Properties

Old Georgetown Road (MD 187)

Tilden Lane

Neilwood Drive
Executive Boulevard-South

Planning Board Review (February 9 and 23)

Properties
- 6000, 6006 and 6010 Executive Boulevard

Existing Zone
- EOF 0.75 H100 T

Recommended Zone
- CRT 2.0 C1.0 R1.5 H150

<table>
<thead>
<tr>
<th>Property</th>
<th>Land Area</th>
<th>Plan Recommendation</th>
<th>Property owner recommendation</th>
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</thead>
<tbody>
<tr>
<td>Guardian Realty-6000 Blvd</td>
<td>6.7 acres</td>
<td>CRT 2.0 C1.0 R1.5 H150</td>
<td>CR 2.5 C2.25 R2.25 H200</td>
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<tr>
<td>Peel Properties-6006 Blvd</td>
<td>5.15 acres</td>
<td>CRT 2.0 C1.0 R1.5 H150</td>
<td>CRT 2.5 C2.0 R2.25 H150</td>
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<tr>
<td>Eagle Bank-6010 Blvd</td>
<td>5.38 acres</td>
<td>CRT 2.0 C1.0 R1.5 H150</td>
<td>CRT 2.0 C1.0 R1.5 H150</td>
</tr>
</tbody>
</table>
Executive Boulevard-South

Properties
- 6100, 6110, 6116, 6120-6130 Executive Boulevard and 2115 East Jefferson

Revised Zoning Recommendation
- EOF 1.25 H-100

Revised Floating Zone Option
- CRT 1.5 R1.0 C1.25 H-100

<table>
<thead>
<tr>
<th>Property</th>
<th>Land Area</th>
<th>Existing Square Feet</th>
<th>Existing FAR</th>
<th>Existing Zone</th>
</tr>
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<tbody>
<tr>
<td>6100 Executive Blvd</td>
<td>4.42 acres</td>
<td>150,934 sq.ft.</td>
<td>0.78</td>
<td>EOF 0.75 H100 T</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>
<td>EOF 0.75 H100 T</td>
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<tr>
<td>6116 Executive Blvd</td>
<td>4.83 acres</td>
<td>217,109 sq.ft.</td>
<td>1.03</td>
<td>EOF 0.75 H100 T</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>
<td>EOF 0.75 H100 T</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>
<td>EOF 0.75 H100 T</td>
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</table>
6120-6130 Executive Boulevard

- Two vacant office buildings
- New tenant (ABT) moving into a building in 2018
- Recommendation: CRT 1.5 R1.0 C1.25 H-100 (Floating)
## School Impacts and Residential Development

<table>
<thead>
<tr>
<th></th>
<th>Elementary</th>
<th>Middle</th>
<th>High</th>
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<tbody>
<tr>
<td>White Flint 2 Sector</td>
<td>329</td>
<td>139</td>
<td>189</td>
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<tr>
<td>Plan in the Walter</td>
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<tr>
<td>Johnson Cluster*</td>
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<tr>
<td>Additional Executive</td>
<td>79</td>
<td>33</td>
<td>45</td>
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<tr>
<td>Boulevard</td>
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<tr>
<td>Revised Walter</td>
<td>408</td>
<td>172</td>
<td>234</td>
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<tr>
<td>Johnson Total</td>
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<tr>
<td>White Flint 2 Sector</td>
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<td>38</td>
<td>48</td>
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<td>Plan in the Downcounty</td>
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<tr>
<td>Consortium*</td>
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<tr>
<td>Total White Flint 2</td>
<td>499</td>
<td>210</td>
<td>282</td>
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<td>Sector Plan Schools</td>
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<table>
<thead>
<tr>
<th>Public Hearing Draft Recommendation</th>
<th>Dwelling Units</th>
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<tr>
<td>Residential Development</td>
<td>5,938</td>
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<tr>
<td>Additional Executive Boulevard</td>
<td>1,231</td>
</tr>
<tr>
<td>Total</td>
<td>7,169</td>
</tr>
</tbody>
</table>

*Assumption: 90% of the residential development are multifamily; 10% are townhouses and latest generation rates for the Southwest area (June 2016)*
Executive Boulevard District – Easement and Setbacks

Existing and prior requirements

- Stormwater and Sanitary Easement
- Setback requirements from the I-3 Zone
Executive Blvd South Buffer

Block outline per Western Workaround Re-alignment

Staff Recommendation
- Retain the 100 ft setback associated with the platted easement to provide a buffer to single family community to the south for properties west of 6000 Executive Blvd.
- Provide space for the recommended WF2 Ped-Bike Path outside the 100 ft buffer
- Encourage retaining as much tree coverage as possible
- Provide a 75 ft buffer along the southern edge of 6000 Executive Blvd
- Recommended ped-bike path can be located within the buffer at this property only.
**Green Acres School Access Road**

**PB Recommendation**
Provide street connection from Montrose Parkway via 2101 E Jefferson entrance
- Location would utilize existing Montrose Parkway access point to 2101 E Jefferson St
- Potential disruption to existing 2101 E Jefferson St SWM facilities and dedicated access from Montrose Parkway
- If public street, would require dedication from 2101 and 2115 E Jefferson St

**AG-Monument Proposal (6120-6130 Executive Boulevard)**
Shared entrance with 6120 from Executive Blvd and driveway access to school through shared property line
- If rezoned as requested, access driveway would be provided as part of future redevelopment
- Most driveway needed for this alternative exists, so connection could be provided independent of redevelopment
- Ped-Bike connection adjacent to the existing tree buffer could be provided also as part of future redevelopment

**Existing School Access Drive**
- Both existing entrance and exit are from Danville Drive

**Staff Recommendation**
- AG proposal would be sufficient to provide additional access to the school
Executive Boulevard District – Building Heights

Neilwood Drive

Executive Blvd.

Stream

Buffer

R-200

Sight Line Study – Executive Blvd. South
Rockville Pike-Montrose North
Wilgus Property

Land: 13.34 acres
- Area A: 6.35 acres
- Area B: 3.77 acres
- Area C: 3.2 acres

Zoning by Areas
- Area A: EOF 1.5 H-75 and EOF 3.0 H-100
- Area B: CRT C0.25 R0.25 H-35 and R-200
- Area C: R-200

Existing Zoning

Draft Plan Recommended Zoning
Rockville Pike-Montrose North
Wilgus Property

Public Hearing Testimony and New Emails

Cherington Homeowners Association and residents
- Supportive of retaining the as a linear park.
  - Development south of the Cherington would fundamental change the area.
  - Significant benefits of nature, including wooded area.
- Supportive of the step down in building heights.
- Supportive of mixed-use development east of Stonehenge Place.
- Against commercial development west of Stonehenge Place
- Concern about cut-through traffic from the extension of Stonehenge Place to Montrose Road.
Rockville Pike-Montrose North

Wilgus Property

Property Owner

- Additional FAR and height above the Draft Plan recommendations.
- Property has extensive frontages and is surrounded by commercial and mixed-uses.
- Relocate the proposed linear park since the linear area is a poor choice for a park.
- No school site.
- Townhouses would be compatible with the Cherington.
Value of Ecosystem Services

- Water Supply
- Water Quality
- Air Quality
- Carbon Sequestration
- Wildlife Habitat
- Erosion Reduction
- Urban Heat Island Amelioration
- Mental Health Benefits
- Visual Buffer
Rockville Pike-Montrose North

Existing Environmental Resources

Montrose Parkway East
Wilgus Redevelopment
Kaiser Lab
Executive Boulevard
White Flint 2 Forest Area

Concerns from Arborist’s Report – Wilgus Property

Concern
- “To maximize the natural benefits of a forest, recreational opportunities need to be limited” and vice-versa

Response
- We agree. Our primary goal is to preserve forest areas where feasible, but enhance the forest’s value to the community by introducing limited, and compatible, recreation in a park setting. We seek to balance forest preservation and provision of appropriate recreational opportunities.

Concern
- Fill areas

Response
- We are only looking to preserve part of Area C. Apparent fill areas are minimal.
White Flint 2 Forest Area

Concern

- Health and sensitivity of tuliptrees

Response

- Tuliptrees are the most common tree in Montgomery County, including throughout Montgomery County Parks. We have many recreational facilities near tuliptrees. There is a danger associated with any large tree, of any species, any where they occur.
- Tuliptrees can be sensitive to root compaction. The park should be planned to limit root compaction to trees.
- The trees were assessed by a Parks Department arborist on 5/17. Most trees appear to be in good health. Many have invasive vines that should be removed. All trees on the site should be assessed for health. It is possible that a few may need to be removed.
White Flint Forest Area

- White Flint has some of the lowest forest canopy cover in Montgomery County
- Benefits unlikely to be recaptured in White Flint if existing forest is lost
White Flint Woods at Montrose Pkwy and E. Jefferson, 1951
White Flint 2 Forest Area

Concern
- Use of forest as homeless encampment

Response
- The forest in Area C is not the portion favored by use by the homeless, because most of the area is visible from the road on one side and the townhouses on the other. Management to remove invasive species will make the understory area more visible. The Department of Parks management approaches for this kind of park include incorporating CPTED principles for safety.

Concern
- The forest is not sustainable

Response
- Any urban forest requires management; but, with proper management, this forest should be sustainable.

Concern
- The energy expended to create the forest preserve will outweigh the environmental benefits.

Response
- Staff disagrees.
White Flint 2 Forest Area

Concern
- This area is not suitable as a park

Response
- This area fits a new park paradigm highlighted in the recent PROS Plan. The designation would be an Urban Wooded Park. This kind of park recognizes the need to provide natural areas near people in more urban settings. It anticipates the kind of maintenance that we acknowledge will be needed. This kind of park responds to an identified and growing need. Creating this kind of park here will allow us to implement this new design.
Wilgus Property – Public Hearing Draft Density (2.0)
Rockville Pike-Montrose North
Wilgus Property

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<th>Land Area</th>
<th>Property Owner</th>
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<td>Area A: 6.35 acres</td>
<td>CRT-3.0 C1.5 R3.0 H-200</td>
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<tr>
<td>Area B: 3.77 acres</td>
<td>CRT 2.5 C1.5 R2.0 H-150</td>
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<tr>
<td>Area C: 3.2 acres</td>
<td>CRT 1.25 C0.0 R1.25 H-50</td>
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February 21, 2017

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<th>Land Area</th>
<th>Revised Recommendations</th>
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<tr>
<td>Area A: 6.35 acres</td>
<td>CR 2.0 C1.0 R1.5 H200</td>
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<tr>
<td>Area B: 3.77 acres</td>
<td>CR 2.0 C0.25 R1.5 H-75</td>
</tr>
<tr>
<td>Area C: 3.2 acres</td>
<td>CRN 0.75 C0.0 R0.75 H-50</td>
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Future Worksession

June 8, 2017