Forest Glen / Montgomery Hills Market Analysis

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Executive Summary

The Forest Glen/Montgomery Hills Study Area, which incorporates frontage properties along Georgia Avenue from the northern edge of Downtown Silver Spring to Dennis Avenue, comprises a range of strip commercial and office uses. The surrounding neighborhoods (the Primary Market Area (PMA) include a mix of single-family houses, townhouses, condominiums and apartments that benefit from access to one of the county's primary thoroughfares, the Forest Glen Metro station and the Beltway (I-495). Compared to countywide residents, PMA residents are slightly older, living in somewhat smaller households with higher incomes, slightly less likely to own their homes, and much more focused in white-collar professions.

Holy Cross Hospital provides an important anchor for economic activity. The Study Area has an estimated 6,800 employees in addition to roughly 4,300 staff at Holy Cross. As of the time of this report, the Study Area includes 176 businesses with 46 percent in offices (primarily healthcare providers), 38 percent providing personal and business services and 16 percent retailers, including 16 restaurants.

The State Highway Administration (SHA) is evaluating alternative packages of improvements to reduce traffic conflicts and improve traffic flow while greatly enhancing provisions for pedestrians and bicyclists. Current plans include wider sidewalks, a cycle track, a pedestrian underpass to create a second Metro station entrance on the east side of Georgia Avenue, better crosswalks, upgraded pedestrian lighting and other streetscape improvements.

Commercial Market Conditions and Potentials

Montgomery Hills is most competitive for convenience/neighborhood retail (e.g., grocery stores and drugstores), restaurants and local services. It lacks the critical mass of stores to compete for shoppers goods retailers, those that sell apparel, furniture, home furnishings and other goods typically sold in department stores. The recent replacement of Staples with Aldi's provides a strong draw for area customers, and Snider's Super Foods has a loyal customer base. Area restaurants offer a variety of ethnic cuisines as well as pizza, delicatessen fare, bagels and ice cream. Some of the businesses are in aging buildings that could use physical upgrades to better meet the needs of modern retailers. However, there are few vacancies.

Given the vast array of competitive retailers from Downtown Silver Spring to Westfield Wheaton shopping center, market area residents seem able to meet most of their shopping needs through existing retailers. Unmet demand that might be available to new Study Area retailers include a small pharmacy or wellness retail operation and a fast casual restaurant. Accommodating a fast casual restaurant would be difficult today given the lack of frontage properties with sufficient land to provide the vast amounts of parking required by such operations.

On-line retailing, over-leveraged retail chains with excessive debt levels and changing consumer tastes are disrupting traditional retailing. Introduction of self-driving vehicles will further facilitate home delivery, probably accelerating the move to on-line retailing. In the midst of these shifts, the most successful bricks-and-mortar retail stores are those that can provide convenience, customer service and/or an experience not available on-line. Eating and drinking places have a particular advantage in today's retail world.

The Study Area office market is dominated by medical office space attracted by Holy Cross Hospital's presence. The 16 office buildings with 198,000 square feet of space were built almost exclusively prior to 1970 with a few renovated or built in the late 1970s or early 1980s. In spite of the aging stock, vacancy rates are quite low. Nationally, physicians are shifting from independent practices to working directly for hospitals or other major healthcare organizations, reducing the demand for space in independent medical office buildings, which may require a re-purposing of some of the existing medical office space over time. New models emphasize clinics and wellness centers focused on preventative healthcare.

Other office tenants in the Study Area tend to focus on neighborhood services such as insurance and real estate agents. The non-medical office space is leased on the strength of its accessibility and low rents; some owners are reporting challenges in filling vacancies due to the condition of some of the older commercial structures and the lack of dedicated parking. Technology is allowing some local-population-serving businesses to operate without traditional office space, somewhat reducing the office demand.

There is limited opportunity for new office space in the Study Area. The one potential would be for a small co-working space where tenants share access to conference rooms, office equipment and other technology.

Residential Market Conditions and Potentials

Though focused on commercial properties, this analysis also considered residential development opportunities due to the drive toward mixed-use development. The wider market area that includes both Downtown Silver Spring and Downtown Wheaton have shown rapid development of multi-family apartments over the past decade, adding 1,757 new units in 2014 alone. Absorption/occupancy of the apartment stock has kept pace with new construction, evidencing the demand for well-located apartments with access to Metro stations. Opportunities exist for new rental housing, including accessory dwelling units developed on lots with existing single-family houses. Development of new for-sale housing has been more limited, due primarily to the lack of developable sites. The rapid price escalation among existing units demonstrates the strong demand for ownership housing. Future market potentials are summarized in the following table.

Residential Demand, 2017-2037		
	Near-Term 2018-2027	Long-Term 2028-2037
For-Sale		
Single-family attached	275	250
Condominiums	75	50
Subtotal	**350**	**300**
Rental		
Apartments	450	350
Age-restricted units	250	300
Accessory units	50	50
Subtotal	**750**	**700**
Total	**1,100**	**1,000**

Note: Production may be constrained by site availability.
Source: Partners for Economic Solutions, 2018.

Development Opportunities

The proposed SHA roadway, pedestrian and bicycling infrastructure improvements would greatly enhance the public realm, providing a setting for mixed-use development. Land and building acquisitions to allow right-of-way expansion may disrupt four properties, creating redevelopment opportunities. The right-of-way widening also may significantly impact existing businesses by taking away storefront parking that they depend on for attracting convenience shoppers. Business owners expressed concerns that the loss of parking could force them to relocate or close, particularly in the west side of the 9300 block of Georgia Avenue, but also in the Tudor-style shopping center at Seminary Road and on the east side of the 9400 block of Georgia Avenue. Mitigation strategies will be needed to support these businesses.

The shifts in retail and office markets would suggest long-term redevelopment opportunities; however, there are many reasons why property owners may not consider redevelopment in the near to mid term:

- site constraints, including shallow frontage lots;
- the high costs of new development;
- the opportunity costs of lost rent in tearing down existing leased buildings;
- the owners' appetite to take on the multitude of development risks;
- lack of development expertise and financial resources; and

- a difficult development approvals process that lacks certainty and predictability.

Though old and not suited to the needs of modern retailers, several of the area's older buildings still have viable uses and additional useful life before they will be redevelopment candidates.

In the near term, the best redevelopment candidates are:

- the Forest Glen Metro station, which could be redeveloped for 300 to 400 residential apartments at a much higher density than current zoning allows in order to fund replacement of commuter parking; and
- 9801 Georgia Avenue, the Forest Glen Medical Center, which could be replaced with various combinations of ground floor retail, residential, a modest amount of office, and quality open space/common areas or dense townhouse or multi-family residential development.

In the longer run—and assuming implementation of the SHA plan— redevelopment opportunities could include the east side of the 9500 block of Georgia Avenue if the right-of-way widening requires taking the existing office building, and the Seminary Road properties, including Snider's Super Foods and possibly other properties in the adjacent Tudor-style shopping center depending on future shifts in retailing. The 9500 block would be suitable for a three- to four-story apartment building or possibly a single-tenant office building.

Recommended Strategies

Strategies recommended to encourage private reinvestment and a transition to more sustainable mixed-use development in a pedestrian-friendly environment include:

- re-zoning of key opportunity sites for greater density to take advantage of Metro accessibility;
- public investments in public realm improvements led by the SHA transportation upgrades;
- low-interest loans and small grants for architectural services to incentivize façade improvements;
- small business technical assistance;
- construction-period strategies to support local businesses during the SHA construction; and
- marketing and advocacy efforts undertaken by a business association and nearby residents.

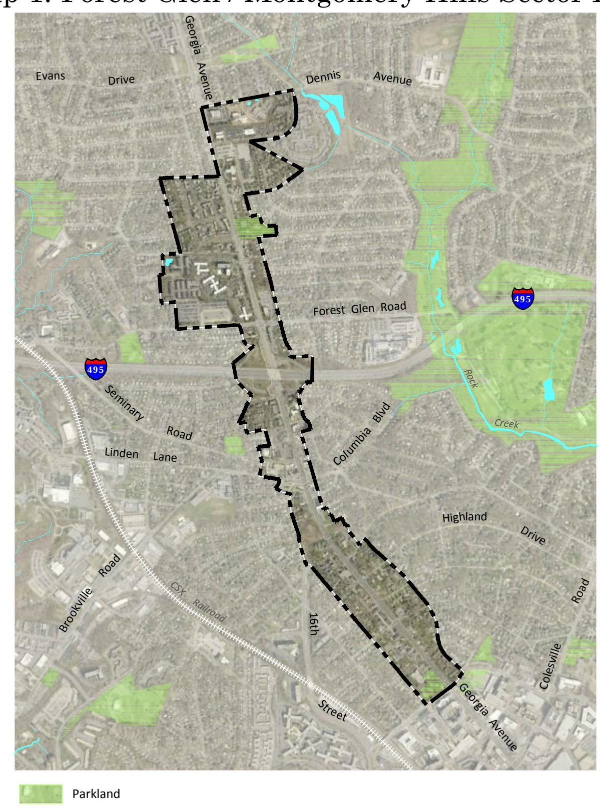
I. Introduction

The Montgomery County Planning Department is embarking on a detailed plan for the Forest Glen/Montgomery Hills portion of the Georgia Avenue corridor. This market analysis is intended to inform that planning process as to market conditions, future prospects, real estate opportunities and economic issues facing area stakeholders.

Planning Framework

The Study Area incorporates primarily frontage properties extending 2.1 miles along Georgia Avenue (MD 97) from Spring Street on the northern edge of Downtown Silver Spring to Dennis Avenue in Wheaton (Map 1).

Map 1. Forest Glen / Montgomery Hills Sector Plan



The southern portion of the corridor – between Spring Street and 16th Street – is primarily residential and institutional. North from the 16th Street intersection to the Capital Beltway (I-495), the corridor is dominated by neighborhood- and auto-oriented retail and office development with a relatively new townhouse development in the southwest quadrant of the Beltway interchange. North of the Beltway are the Forest Glen Metro station with a Park-and-Ride lot and residential development along the west side. The east side includes five medical office buildings and four churches. Although outside of the Study Area, Holy Cross Hospital is a large employer located five blocks to the east on Forest Glen Road.

To date, the corridor has been shaped almost exclusively to meet the needs of automotive traffic. MD 97 is one of the county's most heavily traveled major highways, linking Olney, Glenmont and Wheaton to Silver Spring and the District of Columbia. Carrying over 70,000 vehicles per day, the corridor is a major commuting route. Accommodating the heavy volume of traffic entering and exiting the Beltway generates significant weaving and the potential for multiple accidents. The Beltway ramps accessed from northbound and southbound Georgia Avenue generate significant back-ups and conflicts. Left turns are restricted on Georgia Avenue during rush hours, creating inconveniences for shoppers and other patrons of local businesses.

Roadway Improvement Plans

The North and West Silver Spring Master Plan (2000) and the Forest Glen Sector Plan (1996) both adopted vision statements that called for conversion of Georgia Avenue to "a landscaped urban boulevard with a center median and wide, unobstructed, tree-lined sidewalks." The Maryland State Highway Administration (SHA) is currently analyzing potential design alternatives to create a better sense of place for Montgomery Hills while enhancing, pedestrian and bicyclist mobility and safety.

SHA presented multiple alignments and cross sections to the community and the Planning Board. The response was to prioritize pedestrian comfort and safety over vehicular throughput. The preferred alternative to the Planning Board (5b) includes four travel lanes southbound, three to four travel lanes northbound and a 17-foot-wide grass median to replace the existing reversible center turn lane. See SHA information on the following link: http://apps.roads.maryland.gov/WebProjectLifeCycle/ProjectInformation.aspx?projectno=MO2242115

Wider sidewalks on both sides of Georgia Avenue and a new signal at Flora Lane would better accommodate bicyclists and pedestrians. Left turns would be included at four intersections. The ramp to southbound 16th Street would shift south to the signalized intersection with northbound 16th Street. Sidewalks would be provided on both sides of Georgia Avenue. The preferred alternative presented to the Planning Board estimated impacts to businesses on either side, which could affect available street and on-site parking, gas station pumps and existing buildings.

In 2016, the Montgomery County Planning Department recommended and the Planning Board demonstrated support for Alternative 5b with some additional suggestions including the following: a new traffic signal at Flora Lane; a two-way separated bike lane on the west side of Georgia Avenue; a 10-foot shared-use path on Forest Glen Road, the Forest Glen pedestrian tunnel under Georgia Avenue, and aesthetic upgrades to the infrastructure.

Conceptually, this alternative could include dislocation of five buildings, including an office building at Flora Lane, three gas stations and a car wash. The Planning Board selected this as the preferred alternative, but the State Highway Administration continues to review all alternatives and has not selected a preferred alternative. On-going planning efforts are considering ways to reduce the alternative's impacts on existing businesses. Also impacted in Alternative 5b would be on-street parking spaces along the east side of the 9400 block of Georgia Avenue in front of Silver Spring Jewelry and La Casa del Mofongo. The property acquisitions, coupled with the upgraded appearance and performance of the roadway and public realm, may offer the opportunity for long-term redevelopment of portions of existing structures.

Urban Design Framework

The *Georgia Avenue Study: An Urban Design Framework* (2008) reviewed the full length of Georgia Avenue to provide a cohesive urban design approach and strategy. The study calls for 1) focusing major growth at Metro station areas, 2) reinforcing the corridor as a housing resource, 3) focusing on transit and non-motorized mobility, and 4) creating an attractive green boulevard through design excellence and sustainability. Concentrating development near the Metro stations allows the interstitial areas to remain healthy residential communities that provide a clear edge and separation between mixed-use centers.

Report Organization

This analysis explores the market support for existing and future land uses to provide guidance to the Sector Plan. Coupled with detailed review of study area properties and discussions with business and property owners, this analysis forms the basis for land use concepts and implementation strategies.

The remainder of the report is organized in five sections:

- Existing conditions, including an inventory and evaluation of existing businesses and land uses in the corridor as well as an evaluation of existing land use conditions;
- Commercial market conditions and potential by land use;

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- Residential market conditions and potentials;
- Strengths, Weaknesses, Opportunities and Challenges (SWOC);
- Opportunities analysis for new development/redevelopment in the study area;
- Strategies and recommendations for redevelopment, preservation and growth.

II. Existing Conditions Assessment

The Study Area encompasses 229 acres within two central communities: Montgomery Hills and Forest Glen. Montgomery Hills and Forest Glen residential communities consist of strong, affluent single-family neighborhoods with a few higher-density apartment complexes north of the Beltway. These two communities, separated by the Beltway, consist of several commercial nodes of activity serving many local residents and drawing customers from other sections of Montgomery County and beyond.

Land Use Profile

The Montgomery Hills storefronts are near full occupancy with many long-time businesses. These highly visible commercial properties include multiple owners on small, shallow parcels with space not currently configured for modern retailing. Many of the commercial properties were constructed in the 1960s and 1970s with varying degrees of reinvestment and renovation. Properties along the eastern side of Georgia Avenue south of the Beltway, struggle with inadequate parking for customers and users. Western Georgia Avenue businesses battle with traffic congestion due to backups and left-turn restrictions.

Both Montgomery Hills and Forest Glen offer competitive locations for businesses along Georgia Avenue. At the time of this report, the roughly 176 businesses consist of 46 percent office space users (including 42 percent in healthcare), 38 percent or 62 service businesses and the remaining businesses include general retail with 16 restaurants (inventory in Appendix A). The established base of businesses south of the Beltway in Montgomery Hills include Snider's, Goldberg's Bagels, Woodside Deli, Tropical Ice Cream and Mayflower. Chain retailers include CVS, Armand's Chicago Pizzeria, and several auto-oriented gas / service stations. As would be expected, businesses providing day-to-day services are the area's mainstay, consisting of Citibank, five dry cleaners, UPS, six hair/nail salons and two beer and wine stores. In total, Study Area businesses employ 1,400 workers with the majority (53 percent) in the healthcare industry[1]. Some of the stores could benefit from new signage and/or façade upgrades.

Holy Cross Hospital has a major influence in the Forest Glen community, occupying not only a 14-acre campus but also satellite operations. The hospital employs roughly 4,300 staff with a total of 1,575 community-based physicians throughout Montgomery County. Within the Forest Glen community, Holy Cross's presence includes the hospital, physician

[1] Source: Quarterly Census of Employment and Wage data for 2017.

office building, radiation treatment center and community resource center. This large institutional anchor has led to a clustering of approximately 80 medical and other health-related businesses.

Access to reliable and frequent transit service creates an asset many communities use to transform market dynamics. For the Forest Glen community, the more limited impact of the eight-acre Metro station reflects the hidden nature of the station, lack of good pedestrian connections, impact of the nearby Beltway and limited supply of nearby land for new development. The Forest Glen Metro station is nestled into a residential community with minimal visibility from Georgia Avenue. Data from WMATA shows lower than typical daily usage with average daily ridership estimates of 2,181 and only 80 percent utilization of the roughly 600 parking spaces.

The high volume of traffic along Georgia Avenue provides visibility for businesses from drive-by commuters, but the road width and traffic speed impede local pedestrian and bicycle access to shopping and service operators. The public realm is relatively harsh and sterile with narrow sidewalks and utility poles interfering with pedestrian and bicycle movements. The Beltway bifurcates the neighborhood with some pedestrians reluctant to use the existing walkway under the Beltway.

Stakeholder Input

PES reached out to nearly two dozen property and business owners along the Montgomery Hills / Forest Glen corridor to engage the business community and understand specific concerns about existing conditions. PES discussed customer base, tenancy trends, general business climate, potential for future investment and proposed public sector improvements incorporating State Highway Administration plans. This outreach included a series of face-to-face interviews with business operators at their business location, telephone interviews and email exchanges. These businesses included the retail and service sectors: restaurants, neighborhood goods, shoppers goods, personal and business service providers. A cross section of property owners responded to outreach efforts, offering another perspective on the business environment.

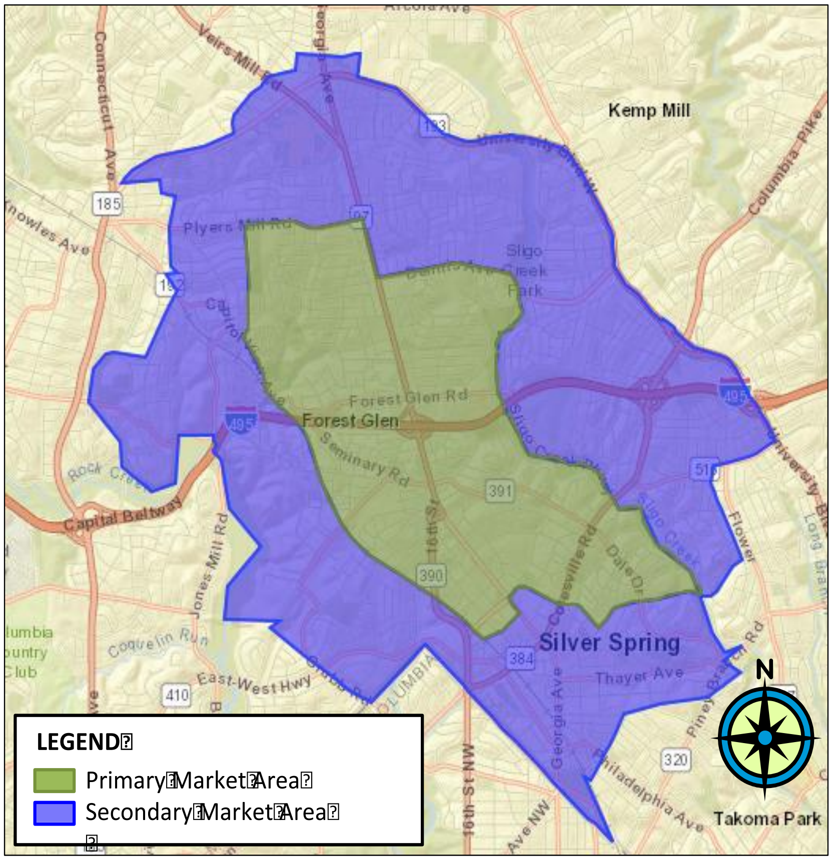
In general stakeholders reported a stable business environment with high visibility and accessibility as the critical site selection criteria. Property owners detailed concerns about parking constraints impacting leasing potential for both first floor retail and second floor commercial use. Business and property owners along the east side of Georgia Avenue used the alley access for loading as well as employee parking when available and reported less concerns about congestion. Along the west side of Georgia Avenue this feedback suggested more concerns with morning commuter and off-peak traffic and access to properties. Finally, all restaurants reported local patronage as well as regional patrons.

Demographic Profile

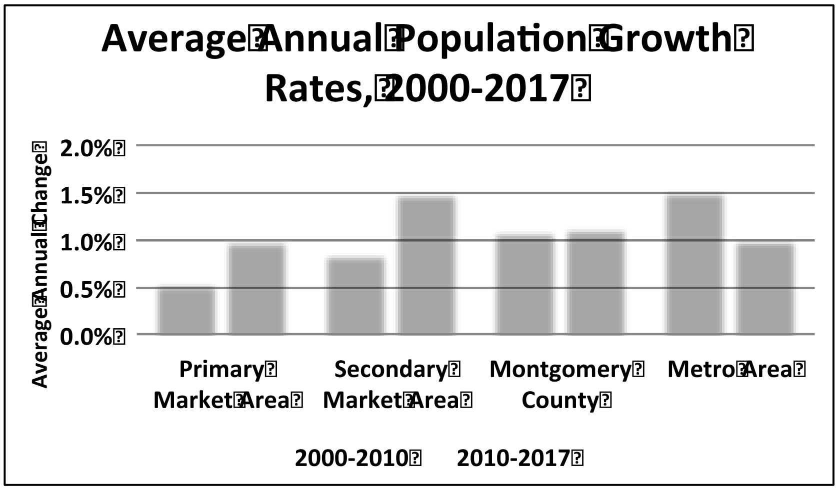
In considering the demographics of nearby residents, the analysis focuses on two areas: the immediately surrounding neighborhoods – the Primary Market Area (PMA); and the Secondary Market Area (SMA) – the next ring of neighborhoods (shown on Map 2). The demographic profile provides relevant information for the residential and commercial analysis. The Primary Market Area residents represent between 40 to 60 percent of the corridor's business base, depending on the type of business. While pass-by traffic delivers customers to several auto-oriented businesses, most of the retailers interviewed for this analysis point to the nearby neighborhoods as their primary customer base. These residents have relatively easy access to the corridor's businesses, often using local roads to avoid Georgia Avenue's congestion. It should be noted that some businesses cater more to drive-thru traffic (gas stations, car washes, etc.) while many of the food and beverage providers attract regional and local customers. Those businesses able to attract from a larger trade area may have higher sales per square foot and longevity in the marketplace. Shown on Map 1, the market area boundaries are defined by drive times of less than 10 minutes, access routes and neighborhood/Census tract boundaries.

Meleket owner- Abe Bayu
"Our customers come from as far away as Virginia and from a few blocks away in the neighborhood."

Map 2. Primary and Secondary Market Area



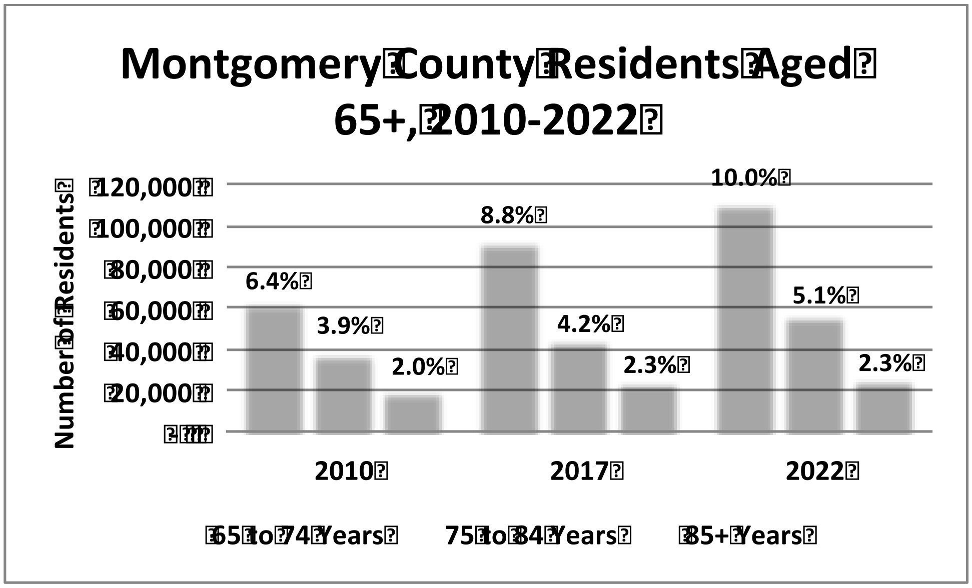
The SMA includes neighborhoods beyond the PMA that also provide retail and service customers to study area businesses but at a lower rate. SMA boundaries are influenced by drive times and the geographic patterns of competitive retail and business districts. These neighborhoods' proximity to other commercial centers makes the residents more likely to split their patronage between study area businesses and other competitors. The SMA is limited in its reach to the north and west by the presence of major retail centers in Wheaton and Bethesda.



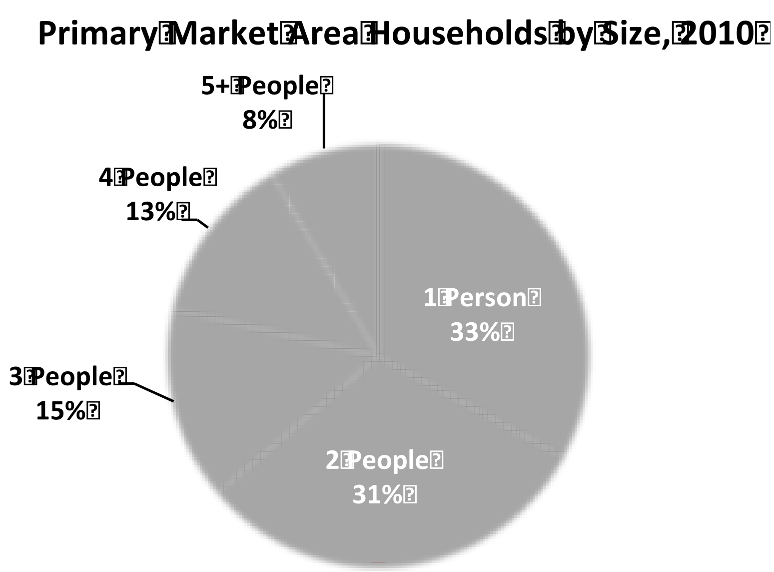
The PMA encompasses just under 21,000 residents in 8,600 households[2]; another 55,600 residents inhabit the SMA in 23,900 households. The PMA population base has grown more slowly than that of the county as a whole due to its built-up nature and limited supply of land for development. In contrast, the SMA population has expanded more rapidly, growing by 11 percent from 2010 to 2017 with the addition of 2,500 new households, as shown in Table C-1. This reflects primarily the extensive apartment development occurring in downtown Silver Spring.

The PMA residents are slightly older with a median age of 40.5 years as compared with 39.5 years in the county as a whole and 37.0 years in the Washington Metro Region, as shown in Appendix C-2. SMA residents with a median age of 36.4 years include a much higher share of 25- to 44-year olds. Residents aged 65 and over represent 15.8 percent of the PMA households, a somewhat higher rate than in the county and much higher than in the region or the SMA. ESRI projects that this portion of the county population will increase from 15.3 percent of the county's population in 2017 to 17.4 percent in 2022 with the aging of the "baby boom" generation. (See Appendix Table C-3.)

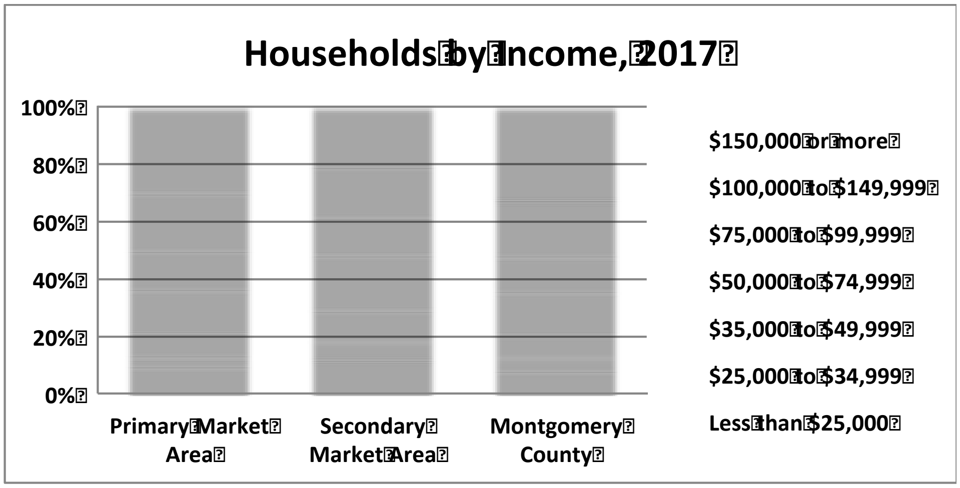
[2] Estimated by ESRI, a national demographics provider.



PMA households are relatively small with an average of 2.4 persons as compared with 2.7 persons countywide. This reflects the relatively larger share of persons living alone who account for almost one-third of households along with another 31 percent with two persons, as shown in Appendix Table C-4. Only 8.4 percent of PMA households have five persons or more despite the large number of single-family houses in the area. SMA households are even smaller with an average of 2.33 persons.

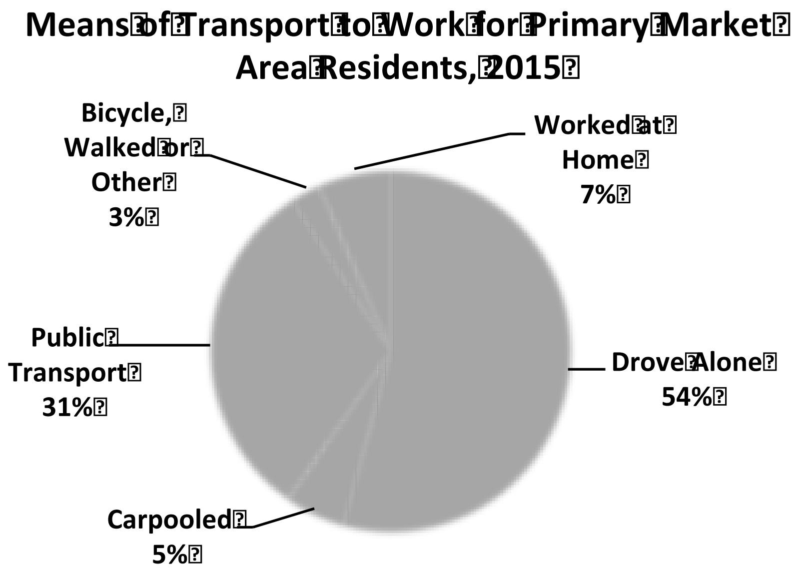


Just over three-fifths of PMA households own their own homes, a significant decline from the 64.1 percent of owners in 2010. (See Appendix Table C-5.) The ratio is reversed in the SMA with 63.2 percent of households renting. PMA households have a median household income of $99,100, equal to 97 percent of the county's median income and 104 percent of the region's median, as shown in Appendix Table C-6. Given the high share of renters and younger households among SMA households, the median income is $76,400. Apartment construction has expanded the renter share of households across the region.



Fifty-three percent of PMA households were headed by individuals aged 45 to 74 in 2015 (Appendix Table C-7) as compared with 45 percent of SMA households and 54 of county households. Three-quarters of these households were homeowners, based on 2010 data (Appendix Table C-8). That compares with 60 percent of SMA households in the same age range. Appendix Table C-9 provides information on the share of owner households by income. As one would expect, the data show that the share of owners increases directly with household income, from 34 percent of PMA households with incomes between $50,000 and $75,000 to 68 percent of those with incomes between $100,000 and $150,000 and 89 percent of households with incomes of at least $150,000.

By occupation PMA residents are overwhelming concentrated in white-collar occupations (78 percent of all employed residents), as shown in Appendix Table C-10. By industry, 63 percent of employed residents work in the Services industry, which ranges from personal and household services to medical, educational and legal services (Appendix Table C-11). In terms of commutation patterns, many more PMA residents used public transit (31 percent) than did county residents (16 percent) in 2015. Sixty percent commuted by automobile or truck, including 54 percent who drove alone in 2015. Fully 6.5 percent of PMA residents worked at home, as shown in Appendix Table C-12.


Means of Transport to Work for Primary Market Area Residents, 2015
Bicycle, Walked or Other 3%
Worked at Home 7%
Public Transport 31%
Drove Alone 54%
Carpooled 5%

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III. Commercial Market Potential

In assessing the potential for future commercial development, the following section focuses on both the retail and office market including medical office space.

As with many aging strip shopping centers and retail districts, Montgomery Hills has been shaped by its historic patterns of commercial development along its major thoroughfares. Though parts of the local retail offerings were developed as cohesive shopping centers under single management, other facilities were developed piecemeal with multiple landowners and business tenants. Those patterns – retail development on relatively small and shallow lots held by multiple owners and constrained by nearby residential uses – will continue to influence future uses and redevelopment potentials. Though some of the older buildings do not offer the space configurations and parking that today's retailers and office tenants are seeking, the disparate interests of different owners will likely complicate land assembly and redevelopment of modern spaces.

Retail Market

The success of retail in any market area depends on the income levels and spending patterns of the area residents, workers and visitors. It is crucial to understand the dollars available and how area customers spend their disposable income. Such indicators determine the need for specific types of retail and services based on consumer preferences.

Retail analysis breaks retailers into three main categories:

- Neighborhood goods and services, which includes grocery stores and drugstores;
- Shoppers goods, which includes the type of merchandise typically sold in a department store – general merchandise, apparel and accessories, furniture and furnishings, electronics, sporting goods, books, and other miscellaneous types of retail (also known as GAFO); and
- Eating and drinking, which includes the full range of fast food, carry-outs and sit-down restaurants and bars.

Customers choose retail opportunities based on convenience not only as it relates to their place of residence but also where they work. Customers are mobile and will travel to locations with multiple shopping alternatives and a cluster of stores to meet their retail needs. Typically, neighborhood shopping areas have very limited offerings of general merchandise, apparel and accessories, furniture and home furnishings, and other shoppers goods. These are goods for which most consumers like to comparison shop, considering choices from several clothing stores, for example. This desire for convenient comparison shopping was the driving force in the creation of downtown business districts and then shopping malls. Few neighborhood business districts can support the number and variety of stores required to offer that comparison-shopping opportunity. Both Wheaton and Downtown Silver Spring offer major clusters of shoppers-goods retailers and regular and discount department stores, preempting the potential for any significant shoppers goods retailers in Montgomery Hills and Forest Glen.

Given that reality, this analysis focuses on the area's retail opportunities in convenience goods and eating and drinking. While there may be opportunities for individual stores selling general merchandise, apparel and accessories, furniture and furnishings, or other shoppers goods, those opportunities depend on the individual retailer's marketing strength and reputation rather than the size of the market.

The Montgomery Hills commercial node blends convenience retail, restaurants, a few boutique retail operations, and other established businesses. A review of key anchor stores provides a measure of the potential success. For Montgomery Hills, the opening of the new Aldi's grocery store provided a new anchor for the existing cluster of businesses at the Seminary Place shopping center. Aldi's attracts price-conscious shoppers from a wide swath of Montgomery County and close-in District of Columbia. Other anchors that attract customers from beyond the immediate area include the long-time Goldberg's Bagels, Academy Dog Training, Woodside Deli, La Casa del Mofongo and other restaurants.

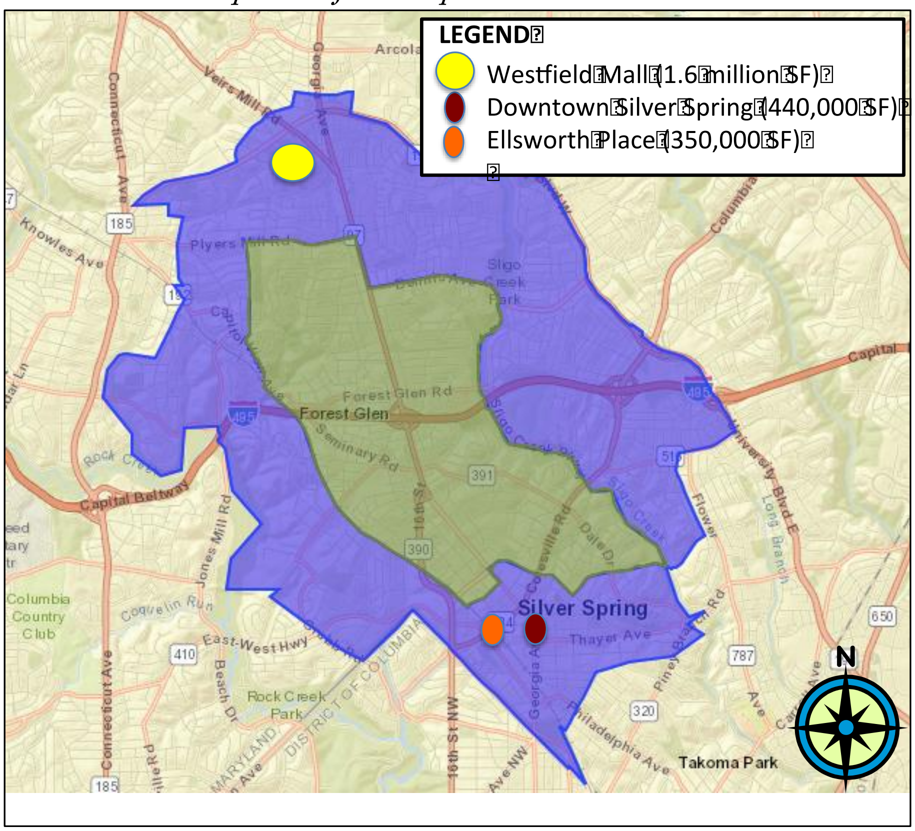
The stores along Seminary Place and on the eastern side of Georgia Avenue are in structures dating from the 1920s through the 1960s. The small shops serve the local population primarily selling carry-out food, liquor, cellphones, jewelry, hair styling and urban fashion. Churches occupy at least two storefronts. Some of these retailers are under-capitalized and operating in buildings that are in only fair condition with inadequate options for loading. These inadequacies limit the buildings' ability to attract national/regional retailers.

Academy Dog Training owner reports a desire to stay in the community with the potential to expand kennel operations in nearby industrial areas.

Competitive Environment

Historically, the retail offerings in Montgomery Hills served as the center of the community and provided a wide range of merchandise. The suburbanization of retail and the development of regional shopping centers, such as Westfield Mall, in the 1960s expanded residents' options for stores offering clothing, accessories, furniture, and other shoppers goods, leaving primarily independent stores that cater to the day-to-day needs of nearby residents along Georgia Avenue south of the Beltway and some with a unique draw that attracts customers from a broader geography. Other large clusters with clothing, accessories and restaurants opened in urban locations like nearby Silver Spring.

Map 3. Major Competitive Retail Centers



Retail Demand

PES analyzed retail demand to consider the current and future potentials for retail space within the Montgomery Hills and Forest Glen communities. The demand for retail facilities relates to the ultimate sales potential, estimated based on expenditures by residents and workers within reasonable proximity as well as commuters and other customers from beyond the market areas. Baseline data on total retail demand by retail category for the PMA and SMA are shown in Appendix Table C-13 and C-14. These tables show annual expenditures by residents of the two market areas.

Montgomery Hills retailers "capture" only a share of residents' expenditures as actual sales. The amount of expenditures captured in the Montgomery Hills retail node varies by category of retail goods based on the competition and the strength of the existing stores. Capture rates measure the share of potential expenditures that come to an individual store or shopping area from each market source (i.e., residents, workers or commuters). Local retailers generally capture a relatively high share of PMA residents' spending on neighborhood goods (e.g., drugstore items and groceries) because most consumers do not need to travel far to find the types of food and goods they are seeking. Consumers need to purchase such goods more frequently and value convenience.

The 6,800[3] employees in the study area represent an additional market for area retailers. The International Council on Shopping Centers frequently conducts surveys of how much office workers spend during the day while at or near work. In general, most office workers' spending near their offices is on groceries, eating and drinking and health and personal care. Most of their other shopping occurs near their homes, in major shopping centers and on vacation.

Commuters and other travelers along Georgia Avenue also shop with Montgomery Hills retailers. Retailers interviewed along the west side of Georgia Avenue estimated a higher percent of their business is generated by commuters, though that is somewhat constrained by the ban on left turns at most intersections. Aside from gas stations, most retailers along the eastern side of Georgia Avenue did not indicate reliance on commuter customers. A few of the area's restaurants have a regional reputation that draws customers from beyond the PMA and SMA. The potential expenditures of people who do not live or work in the area are termed "inflow" and are measured as an incremental amount based on total sales to residents.

The following table details the total amount of demand from these PMA and SMA residents, local office workers and inflow from commuters and patrons from outside the area by retail category that can be captured in the Montgomery Hills retail node. The underlying capture rates are shown in Appendix Tables C-15 and C-16. They consider the nature and market appeal of study area retailers in comparison with competitive shopping areas where residents might otherwise shop.

[3] This count excludes Holy Cross Hospital employees because they generally have limited time to go out at lunch and are not within easy walking distance of Montgomery Hills retailers.

Table 2. Retail Demand by Category, 2017				
Retail Category	Residential Demand	Worker Demand	Inflow Demand	Total Expenditure Potential
Neighborhood Goods & Services	$98,817,100	$4,140,980	$10,921,500	$113,879,580
Eating and Drinking	$8,315,000	$1,630,440	$2,861,700	$12,807,140
General Merchandise	$2,045,100	$12,578	$139,500	$2,197,178
Subtotal Expenditure Potential	**$109,177,200**	**$5,783,998**	**$13,922,700**	**$128,883,898**
Source: ESRI, Retail Marketplace Profile: ICSC; Partners for Economic Solutions, 2018.				

Table 3 compares total potential expenditures from residents, workers and visitors captured by area retailers (i.e., total demand) with actual sales by local retailers to identify opportunities for additional retail space by category. If the total demand exceeds the corridor retail sales, the result is an unmet demand or "retail gap". It should be noted however, that the unmet demand may be insufficient to support a new store based on store-specific criteria. Table 3 excludes general merchandise categories as the study area has minimal appeal for such retailers due to the lack of the opportunity for comparison shopping.

Table 3. Unmet Retail Demand by Category, 2017			
Industry Group	Total Demand	Current Retail Sales	Retail Gap
Neighborhood Goods and Services			
Grocery Stores	$84,251,200	$27,997,200	$56,254,000
Specialty Food Stores	$569,700	$473,700	$96,000
Beer, Wine & Liquor Stores	$3,552,000	$1,500,000	$2,052,000
Health & Personal Care Stores	$25,506,700	$15,717,200	$9,789,500
Total Neighborhood Goods and Services	**$113,879,580**	**$45,688,100**	**$68,191,480**
Eating and Drinking			
Restaurant and Eating Places	$12,637,000	$9,547,500	$3,089,500
Special Food Services	$101,600	$1,644,000	-$1,542,400
Drinking Places - Alcoholic Beverages	$68,500	$0	$68,500
Total Eating and Drinking	**$12,807,100**	**$11,191,500**	**$1,615,600**
Source: ESRI, Retail Marketplace Profile; ICSC; Partners for Economic Solutions, 2018.			

Overall, there is demand for neighborhood goods and services not being met by existing retailers. The 2017 grocery sales data do not reflect the new Aldi's, which is now meeting an estimated $11 million of the unmet demand.[4] Other than groceries, the most significant category of unmet need is health and personal care stores. There is also some limited unmet demand for restaurants. However, at least in the near term, trends for the redevelopment of shopping centers highlight the preferences to shop at centers that also offer fast-casual dining and carry-out options. While the ability of these small commercial nodes to capture this retail potential is constrained by the limited availability of land in the near term, opportunities to facilitate high impact retail infill listed below may be key.

New unmet demand exists in the following store types:

- Small pharmacy or wellness retail operation 14,000 sf
- Fast casual dining within existing shopping centers 3,000 sf

The PMA has the requisite demographics to support and attract additional chain retailers and restaurants. However, it does not offer the physical sites and parking typically required by chain restaurants. A typical Panera[5], for example, would require 75 parking spaces (roughly equal to the number of spaces provided for Aldi's). They also prefer outparcels with visibility to the street. On the west side of Georgia Avenue, those outparcels are occupied by a gas station and car wash, preempting key parcels.

It is important to remember that retailers' site selection criterion reflect specific factors, including items such as population density, educational attainment and an adequate site or building space. At this time, credit retailers find both Montgomery Hills and Forest Glen area meet some of their site selection requirements but those new retailers tend to be drawn to the western side of Georgia Avenue with deeper lots and more modern retail configuration.

Montgomery Hills also has the competitive disadvantage of sitting between two strong restaurant clusters in Downtown Silver Spring and Downtown Wheaton. These business districts have much better daytime activity and lunchtime demand. Traffic congestion also dissuades some potential retailers and restaurants from locating in the Study Area.

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[4] Statista, "Sales per store of the leading supermarkets in the United States in 2017 (in million U.S. dollars)." Accessed at https://www.statista.com/statistics/197905/2010-sales-per-store-of-supermarkets-in-the-us/

[5] Assumes 5,000 square feet of space, 2,500 square feet of patron space and an 800 square-foot outdoor space.

Retail Transition

The retail landscape continues to shift nationally with disruptions to the marketplace persisting. E-commerce, which represents five percent of the total US retail sales in 2017, continues to grow as technology improves on-line retailers' ability to guarantee same-day delivery. As delivery networks develop and delivery options improve, e-commerce will likely continue to expand, exerting competitive pressures on most retailers. The Montgomery Hills Staples store closed in part because of the shift to on-line purchasing. Convenience goods retailers will likely become more susceptible to competition in the mid-term as shoppers' habits continue to change. Shoppers still frequent grocery stores but for a changing mix of goods that emphasizes fresh and prepared foods. Successful brick and mortar retailers need to offer more than goods and services by incorporating good customer service, experiences and solutions to customer problems. Eating and drinking places have a particular advantage in offering both food and the opportunity for socializing.

Evidence suggests that future retailers increasingly will seed out locations with outside activity generators and quality public open space. Those retailers able to build on existing generators within Montgomery Hills and Forest Glen will further benefit from proposed SHA streetscape improvements. In addition, the possibility to develop more green space intermittently along the Georgia Avenue corridor could improve the urban retail environment.[6]

Office Market

The commercial office market in the Montgomery Hills and Forest Glen section of Montgomery County offers a good location with great access to transportation networks. Holy Cross Hospital acts as a key institutional anchor generating demand for medical office, particularly in Forest Glen. Montgomery Hills' office space demand reflects primarily neighborhood office users, such as insurance agents.

The Montgomery County office market consists of 72.7 million square feet of space with a 13-percent vacancy rate, based on CoStar data shown in Appendix Table D-1. Office rents in the county average $27 to $29 per square foot. Within Montgomery County, negative absorption of 331,000 square feet of office space since 2013 reflects both the removal of obsolete inventory, a move toward greater efficiency in space utilization, and limited demand for new office products over the last five years. While working in traditional office

[6] World Green Building Council, "Health, Wellbeing and Productivity in Retail: The Impact of Green Buildings on People and Profit", 2016.

space flourished for decades, it is likely the way we work will continue to transition to informal work environments, constraining the demand for new office space.

The Silver Spring office submarket defined by CoStar uses the Beltway as the northern border and most accurately represents trends in the central business district of Silver Spring with more than 7.2 million square feet of space and a vacancy rate of 10 percent. The Silver Spring submarket mirrors closely Montgomery County trends with similar rental rates and negative absorption trends of 71,700 square feet over the last five years, as summarized in Appendix Table C-1.

Based on CoStar data, the Study Area has 16 office buildings with a total of 198,000 square feet of office space. The majority of this office space is located north of the Beltway comprised of stand-alone buildings along Medical Park Drive and Forest Glen Road. The office space south of the Beltway consists primarily of second-floor office space, with retail storefronts on the ground floor. A review of the 16 buildings shows that more than half – approximately 55 percent of the office space – was built in the 1960s and another 38 percent constructed prior to 1960, as shown in Appendix Table D-2. Classing of commercial space helps to properly evaluate existing supply by differentiating buildings by physical condition and operating performance. Class A represents those buildings that command the highest rents, and Class C represents those properties in average condition receiving lower than average rents. As a result of the buildings' age and limited private investment in some cases, all offices in the Study Area are classified as Class B or C. Only a few buildings were renovated or constructed in the late 1970s and early 1980s. No new construction of office space has occurred in the Study Area in the last three decades.

Medical office space represents the largest share of Study Area office space with roughly 130,000 square feet in five major buildings along Georgia Avenue between Forest Glen Road and Dennis Avenue. Due to the proximity to Holy Cross Hospital, special zoning provisions allowed medical office buildings in what were otherwise residential communities. The remaining space represents space for small, service-type firms, such as tax preparers and insurance agents.

Vacancies are low at 3.5 percent, compared with the 5-percent standard for healthy markets. Rents generally range from $16 to $22 per square foot for non-medical spaces, rents, well below those achieved in Downtown Silver Spring. The area offers affordable spaces for small businesses, spaces that are often difficult to find in larger, newer buildings where the emphasis is on attracting large tenants

Mr. Ramon- property owner
"Office tenants on the second floor use the County's parking lot and that helps me keep the space occupied."

needing 5,000 square feet or more. The corridor's older buildings can offer space at much lower rents than can newly constructed buildings due to high construction costs. These prevailing rents do not support the cost of building new office space. Free parking is available for some tenants, though others depend on County Parking District lots.

Interviews with area property owners noted challenges in filling vacancies due to the condition of older commercial structures and the lack of dedicated parking. Some of this downward shift in demand also reflects the waning need for traditional office space and the ability to conduct neighborhood-related business activities over the Internet.

Healthcare Office Demand

Office tenancy within the Forest Glen community is dominated by local population-serving businesses, almost exclusively medical and dental services. The presence of Holy Cross Hospital has attracted medical practitioners who have privileges there, aggregating into five medical office buildings. Convenience of hospital proximity coupled with the presence of suitable office space gives the area particular advantages for this market segment. This is one of three major clusters of medical practices in the county – others are in Bethesda and Shady Grove for proximity to other hospitals.

Medical office space demand is transitioning as the health care industry shifts from doctors working in profitable private practices with hospital privileges to hospital employees, known as hospitalists. These hospitalists work full-time providing acute care for hospitalized patients in hospitals as opposed to running independent practices and leasing or owning separate real estate. Over the last decade rapid growth in the use of hospitalists has impacted the ability for private practices to compete for talented doctors. As a result, private practices and their demand for independent medical office space near hospitals is waning somewhat. Exceptions exist for specialists that require immediate access to hospitals such as orthopedists, but benefit from a separate office space for additional outpatient care. Holy Cross Hospital recently developed a medical office building to accommodate such practices on the hospital campus.

The Affordable Care Act and revisions to Medicare / Medicaid compensation practices are pushing hospitals to control costs by reducing hospital admissions and shortening stays. The next round of cost controls focuses on reducing the overall costs of care, putting a premium on preventative medicine and wellness services. These trends impact land use decisions by large healthcare providers.

Recent Trends

In recent years some healthcare providers have shifted from traditional real estate campus options to smaller mixed-use communities in which ambulatory care centers mix with urgent care, rehabilitation services, and/or women's health operations in conjunction with health-related retail operations. Americans increased their use of urgent care clinics by 19 percent and their use of retail clinics for medical care by 76 percent from 2010 to 2015.[7]

By using a mixed-use model, healthcare organizations provide care delivery within residential communities or in close proximity to their patients, increasing their outreach. In Bryn Mawr, Pennsylvania, the Whitehall Community for seniors created a village setting with hospital clinical services, as well as retail, restaurants, and townhomes in 2012. In many new mixed-use communities, healthcare becomes one component but not the anchor element and certainly not the owner of the real estate development. Many healthcare organizations are opting for leases within such mixed-use developments, particularly in areas where a high share of the population is over the age of 65.

Holy Cross Hospital has a lease in the Elizabeth Square senior development in Silver Spring, which provides wellness activities and a clinic co-located with County recreational facilities. Holy Cross Hospital's potential for expansion in the Forest Glen area would be limited to smaller outposts of preventative medical service operations as a tenant in a larger mixed-use project rather than as a single-user owned operation.

Over time, Forest Glen's medical office space will likely need to transition to accommodate a wider variety of tenants and activities. Redevelopment opportunities may emerge.

Office Opportunities

In the near term, market demand suggests only slight modifications to existing office space with renovations to continue support of existing tenant base. The less expensive office space options for office users in renovated storefronts or second-floor space above the storefronts represent a key supply for start-up businesses and those price-sensitive office users interested in close proximity to the residential base and the access provided by the Beltway and Georgia Avenue.

In Montgomery Hills, shared-use offices that allow tenants to share access to conference rooms, WiFi, printers, copiers and other technology could be attractive to cost-sensitive

[7] Bentle, Kyle "Visits to urgent care and retail clinics on the rise" **Chicago Tribune,** Oct 9, 2015. Accessed at http://www.chicagotribune.com/ct-visits-to-urgent-care-and-retail-clinics-on-the-rise-20151008-htmlstory.html

small businesses and to local entrepreneurs working from their homes. Many of today's emerging businesses are willing to change from typical office space to more affordable non-traditional working environments. Shared workspace with shared equipment and space provides enhanced flexibility and saves costs. These types of co-working environments most familiar in emerging technology centers offer a model for other small businesses as well.

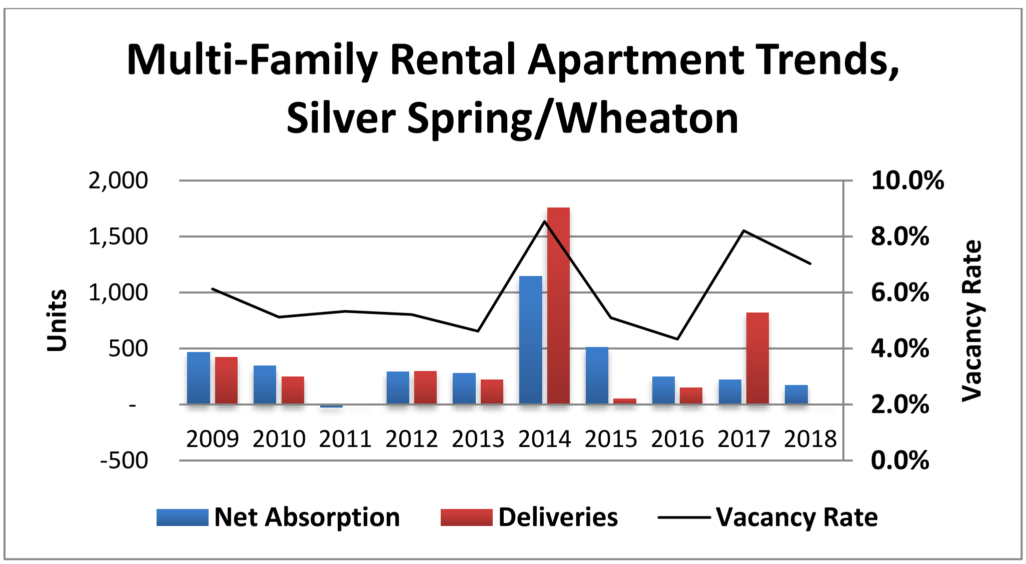
IV. Residential Market Potential

Though the primary focus of this study is the market for using the commercial properties that front along Georgia Avenue, the shifts in the commercial markets and the drive toward mixed-use development require consideration of residential market potentials as well.

Historic residential development trends in Study Area have been quite limited by the small supply of available developable properties. To get a better indication of potential demand and discern multi-family residential market conditions and development trends, this analysis looked at a wider area that represented key competitive multi-family properties that would be considered by prospective tenants. Shown on Map 4 on the following page, the market area included Forest Glen, Downtown Silver Spring, Wheaton and East Silver Spring, concentrations of multi-family housing within roughly one mile of a Metro station.

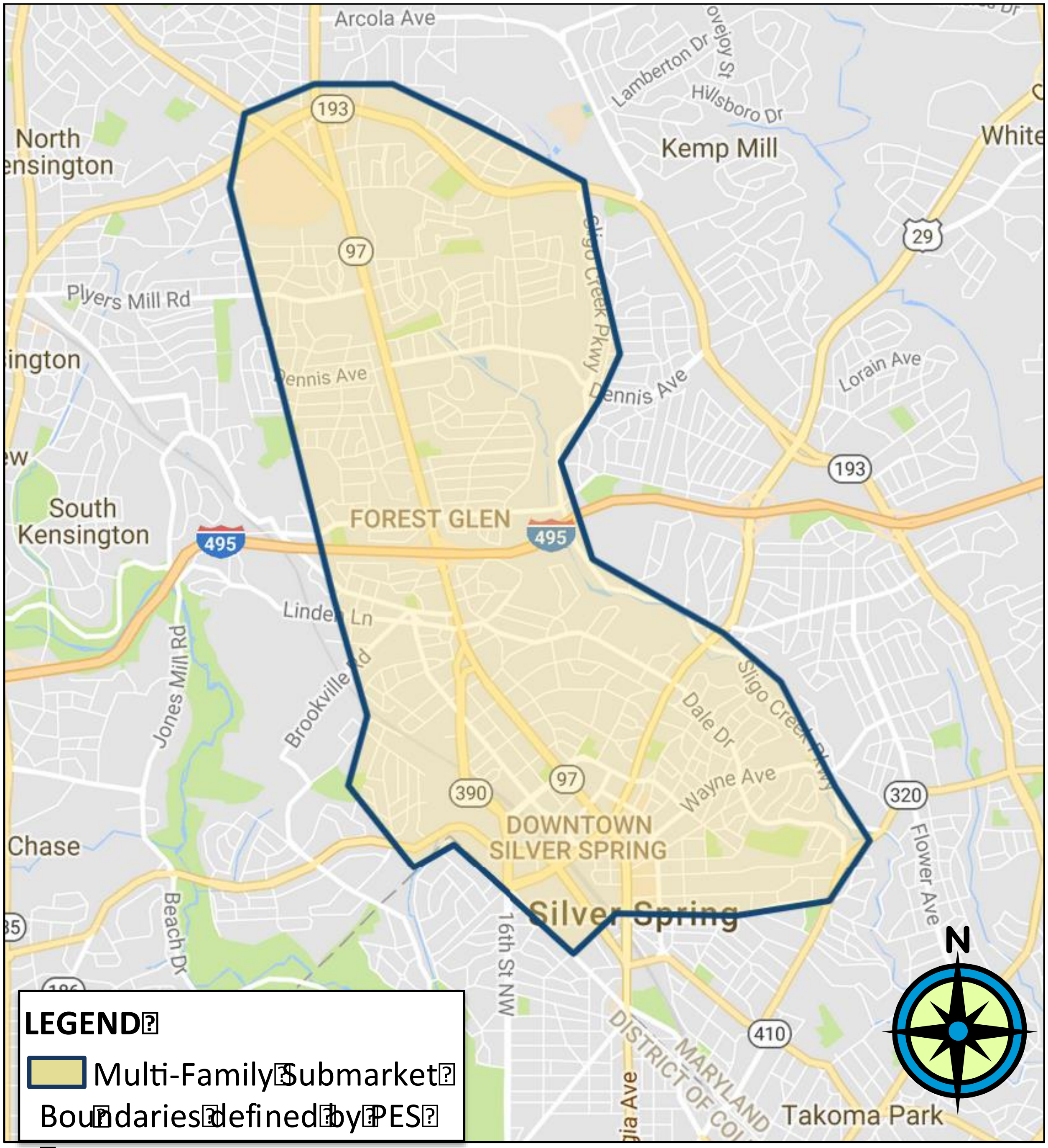
Rental Housing

Over the last 10 years, net absorption[8] in this larger market area averaged just over 500 units per year. The year-by-year pace has varied from a low of 61 to a high of 1,245 units, largely tied to the number of available new units. Appendix Table D-3 provides historic trend data.



[8] Increase in the number of occupied units.

Map 4. Competitive Multi-Family Environment



Multi-family construction has ebbed and flowed with relatively low construction rates during the Great Recession after delivery of 421 new units in 2009. Deliveries of 1,757 new units in 2014 led to a lull until those units were absorbed; 819 units were subsequently added in 2017. From 2010, the vacancy rate has been close to 5.0 percent, indicating market equilibrium between supply and demand. The rate increased to 8.5 percent in 2014 with the massive addition of new units, but high levels of net absorption brought the rate back down to 5.1 percent in 2015. The large number of new units in 2017 has caused the vacancy rate to rise again to 8.2 percent, yet each supply expansion has been associated with increased net absorption.

Demonstrating the importance of proximity to Metro and location within a vibrant mixed-use community, roughly 70 percent of the development activity has been focused in Downtown Silver Spring.

The study area includes three apartment complexes with a total of 388 units. One of these apartment complexes – Forest Glen Apartments – is owned by Montgomery Housing Partnership, a non-profit housing developer. Built between 1947 and 1948, their rents are somewhat lower than those of newer developments, averaging $1,431 per month or $1.69 per square foot. Occupancies are high, averaging 98.3 percent.

Competing with the Study Area for future demand are 10 new multi-family projects in the Sliver Spring CBD with a total of 6,992 units approved, of which 4,732 are unbuilt (as of the time of this report). Planned developments in the CBD include Ripley East and Studio Plaza now under construction as well as approved projects: The Blairs; Falkland Chase; Ripley II; Elizabeth Square; and three smaller developments. The Study Area itself has no multi-family developments planned.

The Great Recession had a large impact on all households as incomes fell and household budgets tightened, making rental-housing options more attractive. In a 2013 national survey conducted by Hart Research Associates, roughly 54 percent of respondents stated "renting has become more appealing given the country's economic situation".

Currently the national rental market is on an upswing attracting both Millennials and Baby Boomers. Most often, newly forming households of Millennials are one- and two-person households without children, which impacts housing unit demand greatly. These smaller households gravitate toward smaller units with more amenities and often seek rental opportunities instead of homeownership. A 2015 survey by the Urban Land Institute Terwillinger Center for Housing showed that of "the 63 percent of Millennials who plan to move in the next five years, about 40 percent say they expect to move to multifamily housing."[9] While many of the younger Millennials are committed to living in vibrant urban locations, others seek housing in a more quiet setting with good transit access.

For-Sale Housing

The Montgomery Hills and Forest Glen residential communities were built primarily in the 1940s and 1950s. The homes are occupied by many long-time residents as well as more recent homebuyers drawn by easy access to quality housing, neighborhoods and schools, amenities, Downtown Silver Spring and the Beltway.

Recent development near the Forest Glen Metro station has focused on townhouse development, consistent with the area zoning and height limitations. The Forest Glen Station subdivision offered large townhouses built in 2003-2004 as the only new residential offering in the Study Area.

Existing single-family houses in Forest Glen East and West sold for an average price of $515,000 or $327 per square foot during the last 12 months. Townhomes sold during the same period of time averaged $327,500 or $569 per square foot for three-bedroom homes. Inside the Beltway, houses in the Woodside neighborhood west of Georgia Avenue sold for an average of $574,600 during 2017, with an average of 1,744 square feet at $329 per square foot. In the Woodside Forest / Park neighborhoods east of Georgia Avenue, the houses are somewhat larger with an average size of 1,986 square feet selling for an average of $717,000 or $339 per square foot from January 2017 to February 2018.

Americana Finnmark, a 1967 condominium development just north of the Forest Glen Metro station, enjoys high resale values generally ranging from $173,000 to $189,000 ($190 to $205 per square foot) for one-bedroom apartments and $225,000 to $275,000 ($215 to $225 per square foot) for two-bedroom apartments.

Market demand is high for new residential development in the corridor, particularly north of the Beltway with easy access to the Metro station. Demand is constrained primarily by the limited supply of suitable sites and the negative aspects of living along a high-volume thoroughfare subject to significant congestion.

[9] Daily Real Estate News, "Should Boomers Worry about Millennials' Housing Shift?" June 2013.

Accessory Dwelling Units

Housing that facilitates intergenerational living is becoming increasingly popular. According to a 2016 survey by John Burns Real Estate Consulting, 44 percent of home shoppers in a group of 20,000 hoped to accommodate their elderly parents, and 42 percent planned to accommodate their adult children.

National household trends show preferences for roommates, living within larger family groups (multi-generational) and return of young adults to their family homes. Research from the Pew Research Center shows that 19 percent of Americans lived in multi-generational family households in 2014[10], a trend accelerated during the Great Recession with young adults moving back into their family homes. Almost 23 percent of adults aged 85 and older lived in multi-generational housing compared with 23.6 percent of adults aged 25 to 34.

The adaptation of the existing single-family housing stock in both Forest Glen and Montgomery Hills to incorporate mother-in-law suites and income-producing flats will likely gain momentum as Accessory Dwelling Unit zoning allows. Currently the zoning ordinance allows one accessory apartment on each single-family lot provided the primary dwelling unit is owner-occupied, one on-site parking space is provided, a unit inside the primary dwelling unit cannot exceed 1,200 square feet or 50 percent of the total floor area, an addition cannot exceed 800 square feet, the unit is not located within 500 feet of another accessory apartment (except with a conditional use application), and the total number of adult occupants in the ADU is limited to two. The ordinance would facilitate more accessory units if the on-site parking requirement and the minimum distance between units were removed. Encouraging additional accessory units could provide more affordable housing options for several target audiences and boost the density within these two communities.

Senior Housing

While independent living communities often accept residents aged 55 and over, experience indicates that many people under the age of 70 consider themselves too young to live in "elderly" housing. Most homeowners who are physically and mentally able to maintain their own homes show great preference to stay in their long-time homes rather than downsize and relocate to an apartment in a senior community. Most are unwilling to

[10] Pew Research Center, "A record 60.6 million Americans live in multigenerational households," April 5, 2018. Accessed at http://www.pewresearch.org/fact-tank/2018/04/05/a-record-64-million-americans-live-in-multigenerational-households/.

consider moving until the death of a spouse, a physical injury or other infirmity makes it difficult to continue living in their house.

Older residents willing to move from their single-family homes often prefer homes built on a single level, with nearby amenities such as retail, health care and community recreational assets. These community recreational assets do not need to be tailored to their specific age cohort, such as a senior community center.

The Great Recession and the housing crisis greatly curtailed development activity of senior housing. Seniors whose houses fell in value were often “trapped” by mortgages that exceeded the value of their homes. The low housing prices that accompanied the collapse of the housing market wiped out a share of the accumulated wealth of many homeowners. In response, seniors remained in their homes longer than they might have otherwise rather than accept a low house sales price. With the recovery of the local housing market, more seniors are increasingly considering downsizing, particularly those over the age of 70.

New senior housing could find market support from nearby communities particularly given proximity to quality health care. A partnership with Holy Cross Hospital to provide wellness community services in a mixed-use project platform may offer a natural way to provide services with a familiar neighborhood healthcare service.

Residential Conclusions

Prospective homebuyers consider a range of choices when selecting the appropriate housing unit for their needs. Beyond location, these factors include, but are not limited to, the price and housing unit sizes, design and other factors. Research suggests Millennials (born between 1981 to 2000) and Baby Boomers (born 1946 to 1964) are increasingly seeking more walkable communities with easy access to amenities and are willing to accept smaller housing units in urban neighborhoods. The market has not been able to meet the multi-family demand for housing around the Forest Glen Metro due to site and zoning constraints. These zoning constraints generally restrict density to small-lot single-family detached development.

Target clientele for new residential development in the Study Area include several potential customer types including, but not limited to, young singles and couples, young families, Holy Cross employees and downsizing Baby Boomers. Millennials represent the largest age cohort of new buyers and renters, many of whom may be interested in new units within a quality mixed-use environment. The oldest Millennials (entering their third decade) tend to shift their housing preferences as many form households and have children.

Millennials account for 34 percent of all homebuyers, and they prioritize convenience in home selection and will accept less space with more amenities as opposed to previous generations' willingness to endure longer commutes for more space.[11] Townhouse development in a walkable community with easy access to the Forest Glen Metro station would be very competitive for this target audience. Given current demographic trends, prevailing household incomes and neighborhood attributes unique to the broader community (e.g., proximity to other neighborhoods, accessibility, nature of retail and close in location to downtown Silver Spring, etc.), the optimal ownership housing mix should focus on three-bedroom townhouses, which support intergenerational and Millennial family housing. A major new townhouse development is currently planned for the Lyttonsville area proximate to the new Purple Line station.

The success of rental communities in the local area and the limited supply of newly constructed rental options supports a mixture with more rental units as the optimum tenure for the Study Area. These rental communities should be mid- to higher density, particularly those in closer proximity to Metro. Five-story wood-frame construction with structured parking can achieve as much as 100 units per acre. High-rise development could reach even higher densities, but the significantly higher costs of steel and concrete construction could be prohibitively expensive in this market, particularly with underground parking.

"Missing middle" housing includes more dense housing options than the traditional suburban style single-family detached house. Duplexes, triplexes, rowhomes with multiple units and small buildings with less than 10 apartments or condominiums offer opportunities for compatible infill development in single-family neighborhoods. These types of products offer smaller units and fill in gaps in the residential market offering. As Millennials place a high emphasis on walkability and community, these missing middle options on in-fill properties within Forest Glen could help densify the neighborhood. Although missing middle housing to date has not been extensively developed within the county, it would nevertheless be a compatible housing type for the neighborhood and be supported by market demand.

An estimated 2,523 households within the SMA and PMA combined are aged 75 to 84 – prime age for moving into seniors housing. Of these households nearly 1,000 are current homeowners. An additional 437 homeowners aged 85 or over, many of whom own their homes free and clear. This demand will grow over the next decade as more Baby Boomers age into their 70s.

[11] National Association of Realtors 2017 Home Buyer and Generational Trends.

Our market estimates suggest that new residential development could include 35 to 40 new for-sale townhouses annually and 60 to 75 rental units annually, shown in Table 1 based on tenure and product category.   Many of these residential products should incorporate new product offerings not currently provided in the marketplace, including missing middle residential development and higher density residential options on the Metro station site. The following table represents residential demand for units in the Study Area, which may be constrained or delayed by the availability of development sites.

Table 1. Residential Demand, 2017-2037

	Near-Term 2018-2027	Long-Term 2028-2037
For-Sale		
Single-family attached	275	250
Condominiums	75	50
Subtotal	**350**	**300**
Rental		
Apartments	450	350
Age-restricted units	250	300
Accessory units	50	50
Subtotal	**750**	**700**
Total	**1,100**	**1,000**

Note: Production may be constrained by site availability.
Source: Partners for Economic Solutions, 2018.

PES
Partners for
Economic Solutions

V. SWOC Analysis

Based on review of Study Area conditions, coupled with inputs from business and property owners, the following SWOC summarizes the Study Area's strengths, weaknesses, opportunities and challenges.

Strengths

- Location and access via Georgia Avenue (and the Beltway)
- High traffic volume (72,000 Average Daily Trips in 2017) creates visibility and drive-by customer base
- Strong and growing market base of affluent surrounding neighborhoods and higher-density apartment complexes provide local customers – 8,600 households in the Primary Market Area and 23,900 households in the Secondary Market Area
- Holy Cross Hospital and associated business demand – 68 physicians' and dentists' offices and other healthcare providers
- Established base of businesses
    - Unique locals – some with a regional draw – Snider's, Goldberg's Bagels, Woodside Deli, Tropical Ice Cream, La Casa del Mofongo, Meleket (11 restaurants)
    - Chains not duplicated within close proximity – CVS, Armand's Chicago Pizzeria, gas stations
    - Day-to-day services – two beer/wine, Citibank, five cleaners, UPS, six hair/ nail salons
- Addition of Aldi's – new to the market
- Forest Glen Metro station and Beltway underpass
- Desirable neighborhoods generate residential market demand
- Twelve religious institutions in nine locations
- SHA commitment to Georgia Avenue improvements
- Availability of lower-cost office space for small businesses – 130,000 square feet of medical office space plus 68,000 square feet of other office space, enjoying 96.5-percent occupancy
- Roughly 1,400 employees, including 53 percent in healthcare
- 31 percent of nearby residents use public transit to commute to work

Weaknesses

- Congestion and driver confusion and potential for accidents, backups at car wash
- Left-turn restrictions
- Parking – not as much adjacent parking as in other modern shopping districts
- Difficult egress from business parking lots
- Significant retail competition from Downtown Silver Spring and Wheaton, including neighborhood-serving businesses as well as retail goods
- Limited unmet retail demand
- Harsh, sterile public realm with narrow sidewalks and utility poles inhibiting pedestrians and bicyclists
- Pedestrian and bicycle access is difficult and dangerous
- Run-down appearance of some businesses
- Employee clusters are separated from retail and restaurant opportunities, requiring a car to access
- Parcel configurations are relatively shallow, inhibiting reuse potentials
- Aging buildings that don't meet modern retailing standards
- High turnover of retailers on east side of Georgia Avenue
- Poor visibility for uses behind the Shell station and car wash
- Alley east of Georgia Avenue is partially restricted by parked cars

Opportunities

- SHA rebuilding of Georgia Avenue
    - Beautification, conflict reduction, better accommodations for pedestrian and bicycles, restoring left turns
- Available redevelopment sites created by SHA acquisitions
- Metro station area development / 9801 Georgia Avenue – Forest Glen Medical Center, and potential site at 9513-9525 Georgia Avenue
- Aging population (750 PMA households with householders aged 75 or older) and Holy Cross Hospital's presence could support new senior housing
- Market support for a new restaurant and small pharmacy or wellness retail operation
- Better marketing and promotion could encourage more local spending by nearby residents
- Façade improvements would allow some local retailers to attract more customers
- Potential for a small co-working office hub
- Purple Line could attract more residents to the market areas

- Some residential infill and redevelopment opportunities in adjoining neighborhoods, including newer housing types such as Accessory Dwelling Units or “Missing Middle” housing
- Additional affordable housing units to accommodate residents across a broader range of incomes
- Residential redevelopment potential for older garden apartments
- Ride-sharing (e.g., Uber, Lyft) and autonomous vehicles could reduce parking demand in the long term

Challenges

- Growing traffic volumes between 75,000 to 93,000 ADT in 2040 under the No-Build Alternative
- Displacement of businesses with SHA acquisitions, loss of affordable commercial space
- Loss of parking spaces due to SHA improvements
- High opportunity costs of demolishing leased retail/office space constrains the financial feasibility of redevelopment and property owners’ interest
- Small parcels with limited depth constrain redevelopment opportunities
- Negative aspects of living along a high-volume thoroughfare may moderate new residential development
- Constraints on Holy Cross Hospital development at Forest Glen and its expansion in Germantown could shift energy away from the area
- Shift away from small private medical practices may dampen demand for medical office space
- Aging buildings inhibit businesses’ ability to compete
- Some existing owners’ reinvestment impeded by rents and market demand limits
- Increasing competition from e-commerce may further reduce demand for bricks and mortar retail space
- High cost of ownership housing ($600,000 median sales price of single-family houses sold in last year) and newly constructed townhouses in 2017 sold for a median price of $620,000
- Regulatory restrictions impede creation of new, infill housing types, such as Accessory Dwelling Units
- Modest supply of missing middle housing limits opportunities for new homeowners
- Construction period disruptions from SHA improvements

VI. Opportunity Analysis

This opportunity analysis focuses on Study Area market opportunities and potential development scenarios that foster redevelopment/reinvestment, preservation, and growth.

Montgomery Hills and Forest Glen benefit from:

- superior auto accessibility;
- the Forest Glen Metro station;
- favorable demographics;
- a base of both established and new businesses; and
- Holy Cross Hospital's presence and employee base.

The Study Area's ability to take full advantage of its assets has been constrained by the traffic congestion, the sterile public realm and hostile pedestrian environment, and aging buildings, some of which are not well maintained.

Going forward, the business areas' future will depend, in part, on their ability to capitalize on shifts in the marketplace and making wise redevelopment choices at key sites.

Dynamic Shifts in the Marketplace

In coming years, the Study Area will be impacted by changes in transportation, physical infrastructure improvements, and demographic and economic shifts.

Transportation

Historically, commercial activity developed along Georgia Avenue in both Montgomery Hills and Forest Glen reflected the dominance of private vehicle ownership, suburban housing development and commuting patterns. Most of the business and property owners interviewed are relatively well satisfied with their business facilities and operations. They both benefit and suffer from the volume of Georgia Avenue traffic, having located in the area to take advantage of its accessibility, visibility and surrounding customer base.

Transportation improvements proposed along Georgia Avenue, enhancements to the pedestrian and bicycle infrastructure, increased ride-sharing and the introduction of both the Purple Line and autonomous vehicles will all transform the future land use opportunities.

SHA Improvements

The mid-term opportunities for redevelopment could be greatly impacted by the State Highway Administration roadway improvements and land acquisitions along Georgia Avenue. Improvements that reduce automotive traffic conflicts could enhance auto access to local businesses. More importantly, steps to safely accommodate pedestrians and bicycles will help to change the environment and allow greater patronage by nearby residents.

Public space investments that would accompany SHA improvements to Georgia Avenue would transform the pedestrian and bicycle experience in the Study Area. Wider sidewalks, crosswalks, upgraded pedestrian lighting, shade trees and street furniture would encourage greater pedestrian and cyclist activity and patronage of local restaurants and stores. These SHA improvements could further support business diversification. The pedestrian underpass from the Forest Glen Metro station below Georgia Avenue would greatly improve the east-west pedestrian connections in Forest Glen. The volume and speed of Georgia Avenue traffic deters pedestrians from crossing the street, limiting the Metro station's economic spin-off.

Land Acquisitions and Business Displacement

As with all roadway improvements, the construction period would impose short-term disruptions, snarling traffic and periodically inhibiting access to individual businesses. Pro-active strategies will be needed to assist businesses through this transition period.

In the alternatives currently being studied, expansion of the roadway to accommodate wider sidewalks and a cycle track and to improve the functioning of key intersections would likely require SHA purchases of roadway frontage, impacting selected properties. These acquisitions could create the occasion for new private investment and redevelopment with the assemblage of several parcels. However, those opportunities would not come without a cost. The SHA investments would inflict costs on some existing businesses and properties that should be considered and mitigated as possible.

Preliminary plans suggest the SHA improvements could include land acquisitions that affect four properties, including three of the Study Area's five gas stations:

- the BP station at 9475 Georgia Avenue would lose some of its front footage, requiring relocation of gas pumps.
- the Shell station at 9510 Georgia Avenue also would lose some front footage, requiring relocation of a shed and possibly gas pumps.

- the W Express service station at 9301 Georgia Avenue would lose much of its front frontage, requiring relocation of gas pumps and possibly leaving the facility inoperable.
- 9513-9525 Georgia Avenue, a small office building at Flora Lane built to the sidewalk, may need to be acquired to allow street and sidewalk widening as well as relocation of Flora Lane to provide a better crosswalk, replacing the traffic light at the Beltway ramps.

A link to preliminary plans can be found in the link below.
http://apps.roads.maryland.gov/WebProjectLifeCycle/ProjectInformation.aspx?projectno=MO2242115

Parking Losses

Road widening would likely affect additional businesses though not to the point of business displacement. Removing existing parking spaces can be quite problematic for businesses in an auto-oriented business district. The availability of convenient parking can be critical to businesses that compete on the basis of their convenience. Parking space removal is proposed for three key areas:

- The improvements to the Seminary Road intersection could eliminate the Georgia Avenue entrance to the Tudor-style shopping center's parking lot (Citibank and other stores), shifting access to an entrance from Seminary Road. The owner of the building occupied by Citibank expressed serious concern about losing that convenient entrance and a couple of parking spaces from a use that depends on convenient access and easy short-term parking.

- Loss of curb parking in front of the buildings on the east side of the 9400 block of Georgia Avenue could affect the availability of convenient parking for a number of small businesses. There is a County parking lot at the end of the block that may provide sufficient parking, but business owners are concerned about shortages during peak shopping times.

- If Georgia Avenue is widened to the west between Seminary Lane and 16th Street, the cluster of small retailers (Goldberg's New York Bagels, Tropical Ice Cream, etc.) in the 9300 block could lose 10 parking spaces, almost half of their already very limited parking. Business owners warn that the parking loss could force them to relocate or close. The single remaining row of parking would not support the full array of existing businesses. Topographic constraints would likely prevent construction of additional parking to the rear on Columbia Boulevard parcels that are zoned for single-family residential use. Use of the County parking lot on Seminary Lane is not a good option for southbound drivers who would be past the turn before realizing there was no parking available and would have no easy way to circle back to the lot. The current use is likely to continue in place. The returns are too high to justify demolition, and the lot is too shallow to allow for a larger replacement building. The most likely future would be continued operation as a smaller retail strip center with demolition of two stores to compensate for the lost parking. Another option would involve a shift in tenancy to destination uses, such as a karate school, that would benefit from the Georgia Avenue visibility but whose regular customers could be educated to use the County parking lot on Seminary Road.

Convenience retail is quite vulnerable to a lack of convenient parking. Any failure to mitigate these parking losses could adversely impact several existing businesses.

Purple Line

The new Purple Line will provide new east-west transit access across Montgomery and Prince George's counties. A station will be located on 16th Street on Spring Center's former site opposite Summit Hills Apartments, just under one mile south of the Study Area at the southern edge of the PMA. Some PMA and SMA residents will be able to walk to the new Purple Line station, increasing the value and appeal of their homes. The Study Area is unlikely to benefit directly from the Purple Line given its distance, though Spring Garden, a restaurant displaced from Spring Center by the transit construction, has relocated to Seminary Road.

New commercial development is proposed to replace Spring Center at the new Purple Line station in the future. That development could present new competition to Study Area businesses, though probably without significant negative impacts given the site's size limitations.

Autonomous Vehicles

The adoption and spread of autonomous vehicles will happen in stages over the next 10 to 20 years as the technology improves, incremental costs go down, consumer acceptance increases and existing conventional cars are replaced, though the speed of the transition may be faster or slower than expected. Adoption of autonomous vehicles will likely occur first in the logistics and transport field with the ever-increasing shipping demand created by e-commerce. With driverless vehicles, the cost of home delivery would be reduced, likely accelerating the shift to e-commerce.

Ride-sharing (e.g., Uber and Lyft) will likely shift over time to rely on autonomous vehicles. Experts expect that the cost of autonomous vehicles will limit the number of individual households that will own their own car. Rather, they will turn to fleets of autonomous vehicles owned and maintained by ride-sharing companies and/or other people's vehicles accessed through a ride-sharing app. That lower cost of operating without a driver could result in greater traffic congestion as autonomous vehicles replace personal vehicles, and/or the driverless cars could provide a valuable "last-mile" service to deliver residents from their homes to Metro stations.

While these are long-term transitions in the marketplace, they could significantly reduce the need for parking in both commercial and residential developments. That suggests that the supply of parking, particularly within the Montgomery Hills neighborhood, may not need to be expanded but only maintained. In the future, redevelopment could make better use of land currently devoted to surface parking.

Fleets with their own maintenance operations and facilities, coupled with a shift to electric vehicles, will likely reduce the future need for gas stations. This long-term transition could open up redevelopment sites in the Study Area.

Office Space Use Changes

Despite the high level of office vacancies throughout Montgomery County, new buildings at Metro stations can typically compete effectively for office tenants. However, the Forest Glen Metro station area lacks the agglomeration of activity that many office tenants are seeking. As the businesses compete for employees, they are placing greater emphasis on mixed-use activity centers supported by restaurants, retail and specialized business service operations (e.g., accountants, FedEx).

With the exception of Holy Cross Hospital, few reasons exist for traditional office space users to locate in the Study Area other than to serve the local resident base. The best candidates for locating in the area are physicians, dentists, other medical care providers, insurance agents, realtors and other similar service providers. Increasingly, though, some of these neighborhood-office users are serving their customers via the Internet and no longer require space to store papers. That makes it easier to work out of co-working space, personal residences or informal public spaces, reducing the need for traditional leased office space.

The use of freelancers has increased significantly over the past decade, creating a "gig economy" where people act as entrepreneurs and sell their services to multiple clients. Peer-to-peer networks are emerging to facilitate connections between businesses and potential contractors. Rather than locate within the employer's office space, these freelancers also often work from their home, from a coffee shop or a co-working space.

High market vacancy rates affect the market's potential to support new office development. As landlords offer larger incentive packages and/or reduce rents to fill up vacant buildings, the economics make it more difficult for the development to "pencil out" with rents high enough to cover the development costs and provide a high enough return to attract investors. Current Montgomery Hills and Forest Glen office rents are not high enough to justify new office construction.

Many of the older office buildings in both Montgomery Hills and Forest Glen are reaching the end of their useful life and require significant investment to avoid obsolescence. Particularly vulnerable to market shifts are those commercial buildings located in Montgomery Hills with limited dedicated parking and ground-floor retail space dependent on low rents to attract tenants.

Shifting Retail Markets

This is a time of rapid change in retail markets with increasing competition from e-commerce. The Study Area retailers, dominated by convenience retailers, have a local service orientation that makes them somewhat less vulnerable to redundancy. Business operators relying on commuters report stable business conditions. Restaurants have the advantage of providing an experience while meeting the day-to-day needs of their customers. They are benefiting as well from the expansion of web-based delivery options, allowing them to serve additional home-based customers. The most recent additions to the Montgomery Hills retail base have been specialty, niche restaurants able to draw customers from a larger geography. While food outlet chains continue to seek out new locations, Montgomery Hills is constrained in its ability to capture this portion of the market.

In light of the many rapid changes occurring in the retail industry, caution should be used in planning and developing new retail space.

Aging Population

Market dynamics suggest an increase in demand for senior housing, particularly focused in walkable communities with transit, wellness and retail amenities. The PMA includes 1,300 residents aged 75 and older. An additional 2,000 households are headed by individuals aged 65 to 74. Many of these residents are long-time homeowners interested in remaining in their homes. Ride-sharing and autonomous vehicles could make that more possible by helping seniors get around without driving oneself.

After age 75 or 80, it may become less practical to remain in their homes given issues with stairs and house/yard maintenance, leading older residents to consider downsizing to independent senior living apartments or condominiums. Though they move out of their single-family homes, many may desire to remain in the neighborhood to stay close to friends, family, church, doctors and other valued relationships.

Holy Cross Hospital's presence could help support new senior housing. The Hospital is partnering with Montgomery County in the Elizabeth Square project in Silver Spring, providing wellness and healthcare activities within a seniors housing complex. The residents will enjoy access to preventative health care services, while the Hospital pursues its goals of reducing the need for and cost of healthcare.

Affordable Housing Needs

The high costs of housing in Montgomery County point to significant needs for additional affordable housing in Silver Spring. Equitable development goals argue for greater availability of affordable housing in locations with good access to transit. Efficient and affordable access to jobs is critical to families' long-term ability to achieve economic progress and stability. Almost 30,000 Montgomery County households or more than 23 percent of all renter households in the county are spending half or more of their income for housing as compared with the typical affordability standard of 30 percent of income for gross rent.

Opportunities for affordable housing development should be incorporated into the Study Area's redevelopment through both non-profit affordable housing development (one of the apartment complexes is owned by a non-profit housing developer, who may consider preserving or even expanding affordable units) and inclusion of affordable units in private market-rate housing developments under the Moderately-Priced Dwelling Unit program.

Constraints on Redevelopment

The fact that a higher and better use exists for a property does not ensure that redevelopment will occur. Redevelopment decisions consider at least six factors:

- Profit potential associated with the new development: potential profitability depends on the supportable market rents or prices, the scale of development that can be accommodated on the site, the cost of the land, and "hard" (bricks-and-mortar construction costs) and "soft" (e.g., architectural and engineering fees, financing, real estate taxes) development costs.

- Site assembly: the potential to assemble parcels of sufficient size to accommodate future demand.
- Opportunity costs: the value of the existing operations. How much rent or operating income will be foregone during the redevelopment?
- Appetite for risk: the property owner's willingness to incur the risks inherent in any redevelopment project, such as unexpected costs, a delay in leasing the new space or receiving a lower-than-expected rent.
- Expertise and resources: the owner's development expertise and financial resources – both equity and the ability to secure financing.
- Regulatory environment: the zoning provisions that apply to the property and the predictability and ease of approvals affect the owner's willingness to pursue redevelopment.

Property and business owners come in all varieties with different backgrounds, experiences and resources. They may be more or less willing to take on development risks, sometimes depending on their age and family situation. Some are passive investors happy to collect rents, while others are in wealth-building mode driven to maximize the value of their property with a use(s) that will provide a steady flow of future rents or a near-term profit from sale of the redeveloped site. Some will never be interested in development but only in selling their business or property. Their willingness to sell may depend on the condition of the existing building (e.g., continued use may no longer make sense once the roof needs to be replaced), their children's interest in continuing the family business, their health and other interests, or their need for cash to meet other needs.

In the interim before redevelopment, older properties can serve a distinct economic purpose in making available space at lower rents than those required to support the costs of new construction. Low-rent spaces can be very important to small businesses, particularly start-ups as they develop the track record, customer base and resources needed to grow. Though old and not suited to the needs of modern retailers, several of the area's older buildings still have viable uses and additional useful life before they will be redevelopment candidates.

Opportunity Site Development Scenarios

Some Study Area properties are good candidates for near-term redevelopment by virtue of their market potentials, the status of the existing buildings and the owners' interest. We believe that two sites have particular potential whether or not the SHA improvements proceed:

- the Forest Glen Metro Station; and
- 9801 Georgia Avenue, the Forest Glen Medical Center.

In the longer run, two additional sites would be good redevelopment candidates:

- the small office building at 9513-9525 Georgia Avenue if taken for roadway improvements and nearby W Express service station; and
- Snider's Super Foods on Seminary Road if Snider's were to close in the future.

In the near- and mid-term, these last two properties are likely to remain in their current use until an outside event, such as SHA acquisition, disrupts those uses.

Forest Glen Metro Station

The Washington Metropolitan Area Transit Authority (WMATA) owns eight acres of land at the Metro station. The property is zoned R-60, which allows single-family residential development with a minimum lot size of 6,000 square feet and a maximum of 7.26 units per acre. Even with a zoning change to allow commercial uses, the site is not competitive for retail or office development.

The Forest Glen Metro station has an average of 2,181 daily riders, one of the lowest ridership levels of stations in the Metro system. WMATA estimates that 46 percent of those riders walk to the station, suggesting a high share of riders live within the Primary Market Area. At this low level, the Metro ridership would not justify retail development. The Beltway and Georgia Avenue limit the number of potential walk-in customers. The site's lack of visibility from Georgia Avenue and the impact of congestion on turns from Georgia Avenue onto Forest Glen Road would limit the appeal to drive-by customers.

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Site Size	8 acres; 3.6 acres for reuse
Ownership	Single
Zoning	R-60
Adjacent Uses	Residential

WMATA selectively engages in joint venture developments with private partners across several of their underutilized Metro stations, where a developer commits to replace all or a majority of commuter parking spaces under their proposed development program. Under current zoning, the 3.6-acre parking lot on the western portion of this site, the most likely redevelopment parcel, could only support 26 townhouses. If WMATA required a private developer to replace all existing 596 parking spaces in a new parking structure at the Forest Glen Metro, the total cost would likely exceed $15 million, or roughly $575,000 per permitted unit, which is far in excess of the value of land.

To support a parking replacement cost of that magnitude, the property would need to be developed at a much larger scale. With a change in zoning, a five-story apartment building on the site – most likely wood-frame construction – could support 360 to 380 units with a parking ratio of 0.8 to 0.9 spaces per unit. That would allow an internal parking structure surrounded on four sides by apartments on roughly half of the site with an attached U-shaped building on the other half of the site creating a large interior courtyard. The U-shaped portion of the building could have double-loaded apartments (opening off both sides of the corridor) while the portion surrounding the garage would be single-loaded with apartments on only one side of the corridor.

The Forest Glen Metro station is well-positioned for future multi-family development, particularly for rentals designed for young households aged 30 to 40. This age group typically has a high household formation rate. While that also is an age of shifting more to homeownership, the economics of homeownership in the DC metro area and the households' high levels of personal debt and preference to maintain flexibility and avoid the burdens of home maintenance will continue to push many households to remain renters.

Based on rent levels for newly constructed units near the Silver Spring Metro station, new apartments at the Forest Glen Metro station should be able to command monthly rents of $2.10 to $2.20 per square foot even with a 10-percent discount for the differences in amenities and jobs within walking distance. For an average unit of 850 square feet, that would translate into an average rent of $1,785 to $1,870 per month.

The replacement parking could be accommodated in a three-story parking structure on the eastern parking lot north of the Kiss 'n' Ride lot. Replacing less than 100 percent of the existing commuter parking spaces could reduce the cost burden and incentivize redevelopment.

9801 Georgia Avenue

The Forest Glen Medical Center located at 9801 Georgia Avenue represents a prime redevelopment opportunity with 3.98 acres in six contiguous parcels. The 31,600 square-foot structure, originally built in 1966, offers significant surface parking on a large lot with roughly 350 feet of frontage on Georgia Avenue and adjacent residential uses. Historically leased to area doctors associated with the nearby Holy Cross Hospital, the medical office building is reaching the end of its useful life when the cost of required maintenance and upgrades exceeds the building's value.

Its current R-60 zoning calls for single-family residential development with a minimum lot size of 6,000 square feet and a maximum of 7.26 units per acre. The property is located at Forest Glen Road just north of the Beltway interchange across Georgia Avenue from the Forest Glen Metro station. The County Council recently included funding in the Capital Improvement Plan budget for construction of a pedestrian tunnel under Georgia Avenue for a second Metro station entrance on the property. A higher-intensity mix of uses than allowed by current zoning would take much better advantage of these major transportation infrastructure improvements.

Site Size	3.98 acres
Ownership	Single
Zoning	R-60
Adjacent Uses	Residential

Though the demand for medical office space for independent physicians' practices is waning, the building houses roughly 26,800 square feet of medical office tenants, some of whom will want to remain in the area. Holy Cross Hospital has developed medical office space and a new tower on its campus and has no plans to expand its facilities. However, it does lease space off-campus to conduct wellness programs aimed at helping seniors and other patients to improve their health and avoid health care costs and hospitalizations. A wellness village concept, similar to the one in the Elizabeth Square project in Silver Spring, would be a very appropriate component of a new mixed-use development on the site.

The retail market analysis indicated an unmet demand for a pharmacy and other health-related retailers. These uses could be accommodated on the site as part of the wellness village. With the new Metro entrance, pedestrian traffic should increase somewhat, providing visibility and possible patrons for a coffee shop that would give the local community a gathering place within walking distance. Unlike the site at the Forest Glen Metro station, retailers on this site also could attract some auto-based customers. That said, retail use would be a small ancillary use, involving 3,000 to 10,000 square feet of space.

There also may be potential to create co-working office space as one component of a mixed-use development.

A seniors independent living development would make good use of the site, allowing the nearby neighborhoods' older households to remain living in the area after downsizing from their single-family houses. The development's location at the Metro station entrance would have a strong marketing advantage for seniors who no longer drive or prefer to access the region's many attractions and amenities via transit. The market could support 100 to 150 units for seniors.

Such a mixed-use development with seniors housing, medical office space, wellness center, a small retail component and possibly co-working space or some combination of those uses would be one option for the site. It would need to step down to a lower height along its northern and eastern borders to respect the neighboring single-family residential use. Incorporation of quality common areas and open space within the development would help generate additional synergy among the project's mix of uses.

Other options could include

- dense (20+ units per acre) three- or four-story townhouses with parking in individual garages;
- a five-story multi-family development wrapping a parking garage, possibly paired with townhouses along Woodland Drive; or
- possibly an institutional user.

9513-9525 Georgia Avenue Office Building/W Express Service Station

The owner of the existing office building is interested in pursuing building expansion and development of a small parking deck on the existing parking lot. Such an investment would be impractical if the building were to be taken for roadway widening in the next 10 years.

If the SHA improvements require taking properties along the east side of Georgia Avenue, the 9500 block could become available for redevelopment. The office building's configuration would militate against removing a portion of the building while maintaining the rest of the structure. Joined together with the W Express service station site, the properties would create a 0.73-acre parcel of land bounded by Georgia Avenue, Flora Lane, the alley and White Oak Drive with an additional 0.39-acre parking lot parcel between the alley and Woodland Drive. (The proposed relocation of Flora Lane could reduce the footprint somewhat.) The property between Georgia Avenue and the alley is zoned CRT-1.5 C-1.5 R-0.5 H'-45 that allows a development with an FAR up to 1.5 including residential use up to 0.5 FAR and a maximum height of 45 feet. The site between the alley and Woodland Drive is zoned R-60 with a minimum lot size of 6,000 square feet and a maximum of 7.26 units per acre.

Today's market conditions would best support an apartment building to take advantage of the site's proximity to the Metro station and to the Woodside Forest neighborhood. The site has the advantage of a grade change of roughly 30 feet from Georgia Avenue to Woodland Drive. The grade change would make it possible to build structured parking at a significant cost discount from building a traditional parking garage. Roughly 60 parking spaces could be tucked under the eastern edge of the apartment building with an entrance from the alley. At a ratio of 0.8 parking spaces per unit, the ratio typical of the current market, that parking could support up to 75 units. Such a development would require a zoning change but would respect the current height limit of 45 feet.

Under the current zoning, potential uses would include retail use, an institutional use or possibly a build-to-suit office for a single tenant. The block's location bracketed by a church and the Beltway to the north, gas stations to the south and Georgia Avenue traffic to the west isolates it from other retail activity. An auto-oriented retail use could be attracted to the vacant site; however, it would not represent highest and best use, particularly for a property within a quarter mile of a Metro station. A user such as the Meditation Museum or an engineering firm that preferred to own its own building might be attracted by the accessible location with a clean site, particularly when coupled with the potential for more parking on the existing parking lot.

Site Size	0.73 acre on Georgia; 0.39 acre on Woodland
Ownership	Two owners
Zoning	CRT-1.5 C-1.5 R-0.5 H-45; R-60
Adjacent Uses	Residential, church and school

Snider's Super Foods Site

The Snider's property involves a site of 0.89 acres with a 12,000 square-foot building. If, in the future, the grocery store competition got to the stage where the independent retailer could no longer operate profitably, the site could become available for redevelopment. Potential uses could include a free-standing fast casual restaurant, townhouses or missing middle housing, such as quad-plexes or eight-plexes.

Site Size	0.89 acre
Ownership	One owner
Zoning	CRT-0.75 C-0.75 R-0.25 H-45
Adjacent Uses	Fire station, retail centers, auto repair, dry cleaner

Properties to the east in the Tudor-style shopping center could potentially be added to the Snider's property for a larger redevelopment. The larger consolidated site could accommodate a five- to six-story multi-family building with structured parking. However, the multiple owners and recent investments by new owners would complicate that consolidation effort significantly.

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VII. Recommended Strategies

Following are recommended strategies to help realize the Study Area's opportunities, including land use and regulatory changes, public investments, economic incentives, and business support services.

Land Use and Regulatory Changes

Study area opportunity sites could support infill redevelopment to provide a more pedestrian-friendly environment with increased connectivity and more residents to support and keep viable the existing small, local business base, and possibly expand retail offerings. More intensive development proximate to the Forest Glen Metro station would provide a built-in source of additional Metro system riders. These additional Metro system riders also would boost the sales of existing retail operations and catalyze further redevelopment. Existing plans and the zoning code that implements those plans limit the Metro station and Forest Glen Medical Center properties to single-family housing. Effective redevelopment of these sites will depend on changing their land-use designations and zoning from moderate-density single-family residential use to a significantly higher-density mixed-use zone. Replacement of surface parking lots and aging buildings require sufficient density to financially justify the removal of existing uses and the cost of structuring parking. The plan should recognize and respond to this financial reality.

Given the time and cost involved in rezoning an individual property, the zoning map should be amended pro-actively with the plan's adoption. Appropriate zoning that would allow by-right development would reduce the complexity, cost and uncertainty inherent in the development approval process and encourage redevelopment.

Public Investment

The public space improvements in the SHA's preliminary concepts include many valuable enhancements to the pedestrian environment and public realm. Those improvements would greatly enhance pedestrians' and cyclists' experiences and safety while changing the area's image as an aging commercial strip dominated by auto-oriented uses. The enhanced public realm and pedestrian environment coupled with reduced auto conflicts would greatly improve Montgomery Hills' and Forest Glen's ability to compete for shoppers, business tenants and residents.

The County should encourage SHA to move forward with the Georgia Avenue improvements, completing the engineering plans in the near future and funding the improvements as soon as funding will allow. Finalizing the plans would provide property owners with adequate notice as to the likelihood of future parcel acquisitions. Reducing the uncertainty as to their future properties would allow property and business owners to make better-informed decisions on possible property improvements.

The County should invest in landscape improvements, street furniture, public art and other public realm enhancements to complement the SHA's transportation upgrades.

Economic Incentives

The physical condition of some of the Study Area's small businesses impacts potential customers' perceptions of the businesses' appeal and quality. Low-interest loans to upgrade their facades would be an effective incentive for private reinvestment in protecting the area's economic future. Coupled with small grants for architectural services to ensure quality design, those façade improvements could revitalize the area's small businesses and the residential neighborhoods behind them.

Business Support

Small Business Assistance

Montgomery County partners with several organizations that provide technical assistance to local businesses on an on-going basis. These include the Latino Economic Development Corporation, the Maryland Small Business Development Center, SCORE and the Maryland Women's Business Center. In addition, the County partners with local community banks, non-profits and Community Development Investment Funds to provide a range of lending options. These banks match Montgomery County Government deposits, effectively doubling the funds available for small business loans. The County contracts with Life Asset and the Latino Economic Development Corporation to fund microloan programs for small businesses in Montgomery County. Montgomery County also provides a grant to Impact Silver Spring which supports worker-owned cooperatives for local residents to self-fund businesses.

Entrepreneurs interested in pioneering businesses in Montgomery Hills typically come to the neighborhood based on the availability of affordable space with high visibility due to traffic levels along Georgia Avenue. These entrepreneurs need streamlined approval, permitting, and licensing processes; as well as access to technical assistance from accounting, law, and marketing professionals. Montgomery County's Small Business Assistance Program needs to be connected to these small businesses to further their growth in the local community.

Within Montgomery Hills many of the long-time property owners own just one or a few commercial properties. These less sophisticated property owners interested in redevelopment or significant upgrades to existing buildings place a high priority on predictability, certainty and speed. Surprises and delays can undermine the feasibility and profitability of desired redevelopment / reinvestment. Specifically, three commercial property owners within Montgomery Hills requested access to a County staff person to assist with these types of proposed projects.

The Montgomery County Department of Permitting Services (DPS) offers preliminary design consultations and a Case Management Program to assist with the permitting process. An application for a preliminary design consultation is available on the DPS web site. Acceptance into the Case Management Program is contingent on a written request from the applicant with a detailed description of the project.

All businesses that are building or renovating space in Montgomery County have access to the resources mentioned above. The County has many professional services providers that are focused on working with small businesses. Connections can be made through the organizations that provide technical assistance and also through the many local Chambers of Commerce available to the business community.

Construction-Period Strategies

Construction of the Georgia Avenue roadway, cycle track and sidewalk improvements inevitably will disrupt day-to-day business operations. SHA and the County should take deliberate efforts to assure maintenance of access, parking and visibility for local businesses. Marketing and signage that alerts customers and drivers to the fact that the businesses are open and accessible during construction will be important to helping them maintain their customer levels.

Marketing and Advocacy

Montgomery Hills businesses could benefit from a more cohesive image and identity for the area. Signage, banners and other gateway features could improve awareness of the business district among drivers passing through the area. Cooperative marketing with one another, and with the Silver Spring Chamber and the Regional Services Center could help raise awareness of the available offerings and variety. The area's social media presence could be enhanced through relationships with local bloggers and listservs. Individual stores or restaurants could be highlighted in a series of blogs to alert nearby residents to their presence and quality.

With the County's many competing needs and priorities at play, it is imperative that residents, business owners, community stakeholders and politicians support and advocate for the revitalization initiatives. The community needs to speak with one voice to accelerate the Study Area improvements. Successful revitalization projects need champions who will struggle through the setbacks and stay focused on the project's completion. Most effective is leadership that combines champions from both the community and the County.

Most revitalization efforts must deal with roadblocks and setbacks that require persistence to resolve. Such persistence is best provided by a combination of local business owners and nearby residents who live with the issues on a day-to-day basis and have shown the commitment and resilience required to become community leaders.

The business community would benefit from organizing to advocate for County investment and to undertake other smaller initiatives, such as small-scale beautification efforts. In the County's larger business districts – Bethesda, Silver Spring, Wheaton – Urban District staff provide promotion, marketing and clean and safe services funded through a special assessment on commercial properties within the district. Montgomery Hills may lack the scale of businesses to support such staff and services. More appropriate would be a business association that meets bi-monthly, encouraging local entrepreneurs and operators to cooperate in support of common goals.

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Appendices

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Appendix A- Stakeholder Feedback Overall Themes

In general, stakeholder feedback represented stable business operators, long-time owners and others that recently invested in commercial activity along Georgia Avenue in both Forest Glen and Montgomery Hills. These stakeholders reported a strong customer base both in the local residential community, commuters, and out-of-area customers drawn to specific business services and restaurants. These stakeholders overwhelmingly supported the highly accessible nature of the corridor as key to their economic vitality. Concerns fluctuated based on business or property owner interest but included congestion, parking and accessibility during peak travel periods as well as further impacts from road configuration changes. The following image represents many of the sentiments stakeholders repeated over the course of meetings and direct interviews.

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Appendix B. Business Inventory

Table B-1. Study Area Business Inventory		
SIC Code	Business Name	Street Address
East Side of Georgia Avenue South of the Beltway		
866107	WOODSIDE SYNAGOGUE	9001 GEORGIA AVE
734922	MAID BRIGADE	9019 GEORGIA AVE
821101	GRACE EPISCOPAL DAY SCHOOL	9115 GEORGIA AVE
866107	GRACE EPISCOPAL CHURCH	GEORGIA AVE/1607
874899	TOTAL AUDIO VISUAL SYSTEMS	9301 GEORGIA AVE
569909	ESTHER BEAUTY	9309 GEORGIA AVE
721201	DRY CLEAN DIRECT LLC	9315 GEORGIA AVE
723102	FANTASY NAIL SPA INC	9321 GEORGIA AVE
581209	WOODSIDE DELI RESTAURANT/G K Z INC	9329 GEORGIA AVE
554101	EXXON	9331 GEORGIA AVE
899999	MARINO'S MULTISERVICES	9419 GEORGIA AVE
738900	SIGNS SERVICES	9419 GEORGIA AVE
444902	GLOBAL CARGO	9419 GEORGIA AVE
411903	AMERICA LIMOUSINE & BUS SVC/AIRPORT	9419 GEORGIA AVE
152139	CUSTOM DESIGN & ALTERATIONS	9419 GEORGIA AVE
152144	AMERIGAL CONSTRUCTION CO	9419 GEORGIA AVE
734922	ANA'S HOUSEKEEPING SVC INC	9419 GEORGIA AVE
594409	SILVER SPRING JEWELRY & FACTORY	9421 GEORGIA AVE
581208	SANTO POLLO	9423 GEORGIA AVE
866107	ROCADE DE LOS SIGLOS	9425 GEORGIA AVE
	VACANT	9427 GEORGIA AVE
581208	HUNAN CITY	9429 GEORGIA AVE
599930	TROPICAL LAGOON AQUARIUM	9431 GEORGIA AVE
	NUCLOUDVAPE - CLOSED	9433 GEORGIA AVE
481207	METRO PCS	9439 GEORGIA AVE
581208	LA CASA DEL MOFONGO	9441 GEORGIA AVE
593200	FAMOUS PAWN BROKERS	9443 GEORGIA AVE
554101	BELTWAY CAR CARE - BP	9475 GEORGIA AVE
554101	W EXPRESS GAS STATION	9501 GEORGIA AVE
866107	IGLESIOS DE DIOS MINISTERIAL	9513 GEORGIA AVE
753801	HARRY'S AUTO EXPRESS detailing	9517 GEORGIA AVE
472402	RINIS TRAVEL SVC INC	9517 GEORGIA AVE
871100	MARYLAND PHOTOGRAMMATIC	9519 GEORGIA AVE
723106	LISA'S HAIR SALON	9523 GEORGIA AVE
860000	MEDITATION MUSEUM	9525 GEORGIA AVE
653100	REALTY CONNECTION	9525 GEORGIA AVE

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Table B-1. Study Area Business Inventory (Continued)		
SIC Code	Business Name	Street Address
East Side of Georgia Avenue North of the Beltway		
870000	JT SERVICES & ACCOUNTING	9525 GEORGIA AVE
738000	RIGHTAWAY TAG & TITLE	9525 GEORGIA AVE
760000	ASIESMIGENTE TV LLC/BIENSTAR	9525 GEORGIA AVE
641112	ALLSTATE INSURANCE	9525 GEORGIA AVE
861102	INTERNATIONAL MONTESSORI SCTY	9525 GEORGIA AVE
472402	DINORA'S TRAVEL LLC	9525 GEORGIA AVE
890000	THE INCREDIBLE GIRLS	9525 GEORGIA AVE
811100	JOSEPH A TREVINO & ASSOCIATES	9525 GEORGIA AVE
866107	CATHEDRAL OF GOD'S ARMIES	9525 GEORGIA AVE
152103	JANDRES CONTRACTING LLC	9525 GEORGIA AVE
866107	CALVARY LUTHERAN CHURCH	9545 GEORGIA AVE
866107	CHRIST DEAF LUTHERAN CHURCH	9545 GEORGIA AVE
821103	AUBURN SCHOOL	9545 GEORGIA AVE
804922	LITTLE LEAVES BEHAVIORAL SVC	9545 GEORGIA AVE
866107	MONTGOMERY HILLS BAPTIST CHURCH	9727 GEORGIA AVE
866107	FIRST BAPTIST CHURCH	9727 GEORGIA AVE
866107	SALEM GOSPEL MINISTRIES	9727 GEORGIA AVE
999977	AFRICAN EDUCARE MISSION GROUP	9727 GEORGIA AVE
804918	THE NUTRITIONAL THERAPY INSTITUTE	9801 GEORGIA AVE
804918	REHABILITATION SERVICES LLC	9801 GEORGIA AVE
801101	DR. HENRY MILLER, DDS	9801 GEORGIA AVE
801101	ADVANCED CARDIOLOGY CARE	9801 GEORGIA AVE
801101	DR SHYAMSUNDER RAJAN	9801 GEORGIA AVE
801101	VEIN HEALTH CENTER OF MARYLAND	9801 GEORGIA AVE
801101	DR SURESH K GUPTA	9801 GEORGIA AVE
801101	DR. ANURADHA ARUN	9801 GEORGIA AVE
801101	DR. KENNETH R CLORE	9801 GEORGIA AVE
801101	VEMURY MERLYN	9801 GEORGIA AVE
802101	DR. HAROLD LANDIS FAMILY DENTISTRY	9801 GEORGIA AVE
833102	PINNACLE SPEECH THERAPY /	9801 GEORGIA AVE
801101	DR. ALI REZAZADEH, UROLOGY	9801 GEORGIA AVE
804918	WHITTLES PHYSICAL THERAPY	9801 GEORGIA AVE
801101	DR. KEWAL K SHARMA, FAMILY PRACTICE	9801 GEORGIA AVE
802101	DR. MURRAY D SYKES, DDS	9801 GEORGIA AVE
801101	DR. EVITA G JAMES, FACOG & ASSOC	9801 GEORGIA AVE
801101	DR. CLARA CHAN, MD, PC	9801 GEORGIA AVE
801101	OB GYN WOMENS CARE	9801 GEORGIA AVE
804101	WHEATON CHIROPRACTIC	9801 GEORGIA AVE
801101	DR. NARIEMAN NIK, FACS	9801 GEORGIA AVE
801101	ST. PAUL & BIDDLE MEDICAL ASSOCIATES /	9801 GEORGIA AVE

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Table B-1. Study Area Business Inventory (Continued)		
SIC Code	Business Name	Street Address
East Side of Georgia Avenue North of the Beltway		
811103	SHARMA LAW GROUP	9911 GEORGIA AVE
802101	KIND & GENTLE DENTAL CARE	10101 GEORGIA AVE
866107	ST JOHN THE EVANGELIST	10103 GEORGIA AVE
866109	SISTERS OF IMMACULATE HEART	10201 GEORGIA AVE
801128	MININBERG & FECHTER	10301 GEORGIA AVE
801101	CHILDREN FIRST PEDIATRICS	10301 GEORGIA AVE
804918	FOREVER FIT PHYSICAL THRPY	10301 GEORGIA AVE
801101	PRIMARY CARE OF SILVER SPRING	10301 GEORGIA AVE
801101	DR. ANITA PILLAI-ALLEN,	10301 GEORGIA AVE
801101	COMPREHENSIVE NEUROLOGY SERVICES,	10301 GEORGIA AVE
802101	DR. ALICE C BASSFORD, DDS FAMILY	10301 GEORGIA AVE
801101	DR. BERNARD A HECKMAN, PA	10301 GEORGIA AVE
801101	DR. PENNY L BISK	10301 GEORGIA AVE
804918	ACCESSIBLE PHYSICAL THERAPY GROUP	10301 GEORGIA AVE
801101	OSER & TAUBER	10301 GEORGIA AVE
801101	ASTHMA & ALLERGY CTR	10301 GEORGIA AVE
801101	DR. MARVIN R MARK	10301 GEORGIA AVE
591200	PHARMACY	10313 GEORGIA AVE
801101	DR. ANNE EA CONSTANTINO	10313 GEORGIA AVE
802101	DR. TERRY SWEENEY, DDS, PA	10313 GEORGIA AVE
802101	A & H ASSOC FAMILY & COSMETIC	10313 GEORGIA AVE
801101	DR. ALAN R WEINSTOCK	10313 GEORGIA AVE
801101	ASHOK L GOWDA M D ORTHOPAEDIC	10313 GEORGIA AVE
804201	VISUAL EYES	10313 GEORGIA AVE
801101	BLANKEN PODIATRY GROUP	10313 GEORGIA AVE
801101	CAPITAL WOMENS CARE	10313 GEORGIA AVE
801101	DR DARRYN BAND, OB/GYN	10313 GEORGIA AVE
802101	DR. CHRISTINE LEE KIM, DDS	10313 GEORGIA AVE
801101	DR ERIC JW CHOE, UROLOGY	10313 GEORGIA AVE
801101	ADVANCED NEIGHBORHOOD PEDIATRICS	10313 GEORGIA AVE
801101	DERM ASSOCIATES	10313 GEORGIA AVE
801101	DISCOVERY PEDIATRICS	10313 GEORGIA AVE
802101	HORN FAMILY DENTISTRY	10313 GEORGIA AVE
801101	COMPREHENSIVE WOMENS HEALTH	10313 GEORGIA AVE
West Side of Georgia Avenue North of the Beltway		
651303	THE FIELDS OF SILVER SPRING	2103 HILDAROSE DR
651303	BELVEDERE APARTMENTS	2107 BELVEDERE BLVD
651303	FOREST GLEN APARTMENTS	9920 GEORGIA AVE
651301	AMERICANA FINNMARK CONDOMINIUM	9900 GEORGIA AVE
839905	JSSA JEWISH SOCIAL SVC	9900 GEORGIA AVE
736103	JSSA EMPLOYMENT & CAREER SVC	9900 GEORGIA AVE

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Table B-1. Study Area Business Inventory (Continued)		
SIC Code	Business Name	Street Address
West Side of Georgia Avenue South of the Beltway		
801104	MINUTECLINIC = CVS	9520 GEORGIA AVE
591205	CVS/PHARMACY	9520 GEORGIA AVE
554101	BELTWAY SHELL AUTO CARE	9510 GEORGIA AVE
754201	MONTGOMERY HILLS CAR WASH	9500 GEORGIA AVE
721201	SEMINARY CLEANERS	9468 GEORGIA AVE
444902	POST EXPRESS	9466 GEORGIA AVE
	VACANT	9462 GEORGIA AVE
594409	GOLD PLUS JEWELRY	9460 GEORGIA AVE
514937	SEMINARY BEER WINE & DELI	9456 GEORGIA AVE
581222	DOMINO'S - Closing	9450 GEORGIA AVE
East Side of Georgia Avenue North of the Beltway		
541105	ALDI'S	9440 GEORGIA AVE
723106	JALAL BARBERING	9448 GEORGIA AVE
721201	PRESTIGE - EXCEPTIONAL FABRICARE	9420 GEORGIA AVE
723102	SNIDER'S NAIL SALON	9416 GEORGIA AVE
	VACANT OFFICE	9414 GEORGIA AVE
723106	DJAMA HAIR BRAIDING GALLERY	9410 GEORGIA AVE
602101	CITIBANK	9400 GEORGIA AVE
554101	GEORGIA AVENUE EXXON	9336 GEORGIA AVE
790000	VICTORY KARATE	9332 GEORGIA AVE
514937	SPRING BEER & WINE	9330 GEORGIA AVE
581208	GOLDBERG'S BAGELS	9328 GEORGIA AVE
581208	ANDY'S RESTAURANT	9326 GEORGIA AVE
540000	TROPICAL ICE CREAM	9324 GEORGIA AVE
723102	FANTASY NAILS	9322 GEORGIA AVE
721201	LEEMANS CLEANERS	9320 GEORGIA AVE
573407	COMPUTER SKILLS CTR	9300 GEORGIA AVE
835101	LOVING CARE EARLY LEARNING CTR	9300 GEORGIA AVE
866107	THE LIGHT OF THE WORLD CHURCH	9300 GEORGIA AVE
Seminary Road		
720000	PSYCHIC	1903 SEMINARY RD
581208	MAYFLOWER CHINESE RESTAURANT	1905 SEMINARY RD
581208	MELEKET ETHIOPIAN RESTAURANT	1907 SEMINARY RD
581222	ARMAND'S CHICAGO PIZZERIA	1909 SEMINARY RD
804101	ROSSIE'S ENTERPRISES CERTIFIED - Notary	1911 SEMINARY RD
	VACANT	1913 SEMINARY RD
581208	SPRING GARDEN (Coming)	1919 SEMINARY RD
75201	ACADEMY DOG TRAINING	1921 SEMINARY RD
753701	LEE'S TRANSMISSIONS	1921 SEMINARY RD
541105	SNIDER'S SUPER FOODS	1936 SEMINARY RD

Table B-1. Study Area Business Inventory (Continued)

SIC Code	Business Name	Street Address
Seminary Road		
922404	SILVER SPRING FIRE DEPT-OFC	1945 SEMINARY RD
912103	SILVER SPRING VOLUNTEER FIRE	1945 SEMINARY RD
Seminary Place		
721906	PRECISION IMPERIAL GOWN RESTORATION	1910 SEMINARY PL
Medical Park Drive		
801101	LADAS EYE GROUP	2101 MEDICAL PARK DR
801101	ORTHOPAEDIC SPECIALISTS	2101 MEDICAL PARK DR
809921	WOMEN'S WELLNESS PARTNERS LLC	2101 MEDICAL PARK DR
801101	STEVEN A BURGER PA	2101 MEDICAL PARK DR
599979	HEARING HEALTH USA	2101 MEDICAL PARK DR
801101	DR JULIE K FOX	2101 MEDICAL PARK DR
801104	DC RETINA	2101 MEDICAL PARK DR
801101	WONG FAMILY PRACTICE	2101 MEDICAL PARK DR
801101	UNIVERSAL CHIROPRACTIC	2101 MEDICAL PARK DR
807129	CLINICAL RADIOLOGISTS	2101 MEDICAL PARK DR
801101	HOLY CROSS RADIATION TREATMENT	2101 MEDICAL PARK DR
801101	MONTGOMERY VASCULAR CARE	2101 MEDICAL PARK DR
807129	HOLY CROSS HOSPITAL CANCER INSTITUTE	2101 MEDICAL PARK DR
Dennis Avenue		
801101	PUBLIC HEALTH	2000 DENNIS AVE
912103	MONTGOMERY COUNTY GOVERNMENT	2000 DENNIS AVE
912103	MONTGOMERY COUNTY HEALTH SVC	2000 DENNIS AVE
Other Addresses		
152144	UM CONSTRUCTION CORP	2101 HILDAROSE DR
177105	ALEGRIA CONCRETE	10205 DOUGLAS AVE
821101	ST JOHN THE EVANGELIST SCHOOL	10201 WOODLAND DR
874825	LUMEN CATECHETICAL CONSLNTS	10008 WOODLAND DR
874201	AMERICAN BUSINESS INC	2201 KIMBALL PL
616201	MORTGAGE AMERICA BANKERS	DARCY GREEN PL
720000	RINALDI FUNERAL SERVICE	9241 COLUMBIA BLVD
170000	AIRWAYS UNLIMITED	9305 COLUMBIA BLVD

Source: InfoGroup, 2017; Partners for Economic Solutions, 2018.

Appendix C. Data Tables

Table C-1. Population and Household Trends, 2000-2017								
	Primary Market Area [1]		Secondary Market Area [2]		Montgomery County		Metro Area [3]	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Population								
2000	18,530		46,008		873,383		4,837,430	
2010	19,568		50,089		971,777		5,636,232	
2017	20,953		55,578		1,051,391		6,066,221	
2000-2017 Change	2,423	13.1%	9,570	20.8%	178,008	20.4%	1,228,791	25.4%
2000-2010 Change	1,038	5.6%	4,081	8.9%	98,394	11.3%	798,802	16.5%
2010-2017 Change	1,385	7.1%	5,489	11.0%	79,614	8.2%	429,989	7.6%
Households								
2000	8,004		19,387		324,576		1,815,193	
2010	8,073		21,337		357,086		2,094,033	
2017	8,626		23,855		382,620		2,235,094	
2000-2017 Change	622	7.8%	4,468	23.0%	58,044	17.9%	419,901	23.1%
2000-2010 Change	69	0.9%	1,950	10.1%	32,510	10.0%	278,840	15.4%
2010-2017 Change	553	6.8%	2,518	11.8%	25,534	7.2%	141,061	6.7%

Note:[1] Primary Market Area includes Census Tracts 28.00, 29.00, 39.01, 40.00. [2] Secondary Market Area includes the following Census Tracts 23.03, 24.02, 25.00, 26.01, 26.02, 27.00, 30.00, 31.00, 36.02, 38.00, 39.02 and Census Block Groups 22.002, 22.003, 24.011, 41.001, and 41.002. [3]Metro area includes the District of Columbia; the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park; and Arlington, Calvert, Charles, Clarke, Culpeper, Fairfax, Fauquier, Frederick, Jefferson, Loudoun, Montgomery, Prince George's, Prince William, Rappahannock, Spotsylvania, Stafford and Warren counties.

Source: ESRI, Community Profile, 2017; Partners for Economic Solutions, 2017.

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Table C-2. Population by Age, 2017								
	Primary Market Area[1]		Secondary Market Area[2]		Montgomery County		Metro Area[3]	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Population by Age								
0 to 19 Years	4,899	23.4%	12,184	21.9%	262,234	24.9%	1,550,188	25.6%
20 to 24 Years	1,075	5.1%	3,598	6.5%	57,783	5.5%	397,093	6.5%
25 to 34 Years	2,865	13.7%	10,694	19.2%	140,144	13.3%	914,000	15.1%
35 to 44 Years	2,912	13.9%	8,833	15.9%	141,661	13.5%	857,642	14.1%
45 to 54 Years	2,915	13.9%	7,343	13.2%	147,290	14.0%	857,143	14.1%
55 to 64 Years	2,975	14.2%	6,376	11.5%	141,547	13.5%	747,098	12.3%
65 to 74 Years	2,011	9.6%	3,967	7.1%	92,161	8.8%	456,197	7.5%
75 to 84 Years	874	4.2%	1,649	3.0%	44,506	4.2%	200,023	3.3%
85 Years and over	427	2.0%	934	1.7%	24,065	2.3%	86,837	1.4%
Total	**20,953**	**100.0%**	**55,578**	**100.0%**	**1,051,391**	**100.0%**	**6,066,221**	**100.0%**
Median Age	**40.5**		**36.4**		**39.5**		**37.0**	

Note:[1] Primary Market Area includes Census Tracts 28.00, 29.00, 39.01, 40.00. [2] Secondary Market Area includes the following Census Tracts 23.03, 24.02, 25.00, 26.01, 26.02, 27.00, 30.00, 31.00, 36.02, 38.00, 39.02 and Census Block Groups 22.002, 22.003, 24.011, 41.001, and 41.002. [3]Metro area includes the District of Columbia; the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park; and Arlington, Calvert, Charles, Clarke, Culpeper, Fairfax, Fauquier, Frederick, Jefferson, Loudoun,
Source: ESRI, Demographic and Income Profile, 2017; Partners for Economic Solutions, 2017.

Table C-3. Population by Age, 2010-2022						
	Montgomery County					
	2010		2017		2022	
Age	Number	Percent	Number	Percent	Number	Percent
Population by Age						
0 to 19 Years	252,557	26.0%	262,234	24.9%	265,048	24.0%
20 to 24 Years	54,031	5.6%	57,783	5.5%	55,632	5.0%
25 to 34 Years	132,393	13.6%	140,144	13.3%	151,313	13.7%
35 to 44 Years	140,565	14.5%	141,661	13.5%	154,284	13.9%
45 to 54 Years	153,481	15.8%	147,290	14.0%	142,859	12.9%
55 to 64 Years	118,981	12.2%	141,547	13.5%	144,695	13.1%
65 to 74 Years	62,541	6.4%	92,161	8.8%	110,811	10.0%
75 to 84 Years	37,797	3.9%	44,506	4.2%	56,443	5.1%
85 Years and Over	19,431	2.0%	24,065	2.3%	25,425	2.3%
Total Population	**971,777**	**100.0%**	**1,051,391**	**100.0%**	**1,106,510**	**100.0%**
Median Age	**38.4**		**39.5**		**40.2**	
	Metro Area[1]					
	2010		2017		2022	
Age	Number	Percent	Number	Percent	Number	Percent
0 to 19 Years	1,489,839	26.4%	1,550,188	25.6%	1,602,224	24.7%
20 to 24 Years	375,733	6.7%	397,093	6.5%	379,702	5.8%
25 to 34 Years	861,925	15.3%	914,000	15.1%	994,999	15.3%
35 to 44 Years	848,059	15.0%	857,642	14.1%	944,419	14.5%
45 to 54 Years	861,857	15.3%	857,143	14.1%	842,020	13.0%
55 to 64 Years	633,923	11.2%	747,098	12.3%	805,686	12.4%
65 to 74 Years	324,024	5.7%	456,197	7.5%	566,372	8.7%
75 to 84 Years	167,434	3.0%	200,023	3.3%	257,634	4.0%
85 Years and Over	73,438	1.3%	86,837	1.4%	98,133	1.5%
Total Population	**5,636,232**	**100.0%**	**6,066,221**	**100.0%**	**6,491,189**	**100.0%**
Median Age	**36.1**		**37.0**		**37.7**	

Note:[1]Metro area includes the District of Columbia; the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park; and Arlington, Calvert, Charles, Clarke, Culpeper, Fairfax, Fauquier, Frederick, Jefferson, Loudoun, Montgomery, Prince George's, Prince William, Rappahannock, Spotsylvania, Stafford and Warren counties.
Source: ESRI, Demographic and Income Profile; Partners for Economic Solutions, 2017.

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Appendix Table C-4. Households by Size, 2010								
	Primary Market Area [1]		Secondary Market Area [2]		Montgomery County		Metro Area [3]	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Households by Size								
1 Person	2,659	32.9%	7,565	35.5%	89,264	25.0%	564,320	26.9%
2 People	2,492	30.9%	6,623	31.0%	108,694	30.4%	631,453	30.2%
3 People	1,195	14.8%	3,096	14.5%	60,216	16.9%	346,210	16.5%
4 People	1,046	13.0%	2,318	10.9%	54,728	15.3%	299,770	14.3%
5 People	392	4.9%	952	4.5%	25,435	7.1%	143,550	6.9%
6 People	164	2.0%	414	1.9%	10,451	2.9%	60,823	2.9%
7+ People	125	1.5%	369	1.7%	8,298	2.3%	47,907	2.3%
Total Households	**8,073**	**100.0%**	**21,337**	**100.0%**	357,086	**100.0%**	**2,094,033**	**100.0%**
Average Household Size	**2.40**		**2.33**		**2.70**		**2.64**	

Note:[1] Primary Market Area includes Census Tracts 28.00, 29.00, 39.01, 40.00. [2] Secondary Market Area includes the following Census Tracts 23.03, 24.02, 25.00, 26.01, 26.02, 27.00, 30.00, 31.00, 36.02, 38.00, 39.02 and Census Block Groups 22.002, 22.003, 24.011, 41.001, and 41.002. [3]Metro area includes the District of Columbia; the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park; and Arlington, Calvert, Charles, Clarke, Culpeper, Fairfax, Fauquier, Frederick, Jefferson, Loudoun, Montgomery, Prince George's, Prince William, Rappahannock, Spotsylvania, Stafford and Warren counties.
Source: 2010 U.S. Census; Partners for Economic Solutions, 2017.

Appendix Table C-5. Households by Tenure, 2000-2017								
	Primary Market Area [1]		Secondary Market Area [2]		Montgomery County		Metro Area [3]	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Tenure, 2000								
Owner	5,003	62.5%	8,709	44.9%	241,331	74.4%	1,157,071	63.7%
Renter	3,001	37.5%	10,678	55.1%	83,245	25.6%	658,122	36.3%
Tenure, 2010								
Owner	5,172	64.1%	9,498	38.1%	241,331	67.6%	1,347,855	64.4%
Renter	2,901	35.9%	11,839	61.9%	115,755	32.4%	746,178	35.6%
Tenure, 2017								
Owner	5,225	60.6%	9,809	36.8%	250,417	65.4%	1,392,683	62.3%
Renter	3,401	39.4%	14,046	63.2%	132,203	34.6%	842,411	37.7%

Note:[1] Primary Market Area includes Census Tracts 28.00, 29.00, 39.01, 40.00. [2] Secondary Market Area includes the following Census Tracts 23.03, 24.02, 25.00, 26.01, 26.02, 27.00, 30.00, 31.00, 36.02, 38.00, 39.02 and Census Block Groups 22.002, 22.003, 24.011, 41.001, and 41.002. [3]Metro area includes the District of Columbia; the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park; and Arlington, Calvert, Charles, Clarke, Culpeper, Fairfax, Fauquier, Frederick, Jefferson, Loudoun, Montgomery, Prince George's, Prince William, Rappahannock, Spotsylvania, Stafford and Warren counties.
Source: ESRI, 2017; Partners for Economic Solutions, 2017.

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Table C-6. Households by Income, 2017								
	Primary Market Area[1]		Secondary Market Area[2]		Montgomery County		Metro Area[3]	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Household Income								
Less than $25,000	887	10.3%	3,050	12.8%	33,353	8.7%	237,954	10.5%
$25,000 to $34,999	303	3.5%	1,497	6.3%	18,122	4.7%	116,251	5.1%
$35,000 to $49,999	707	8.2%	2,579	10.8%	30,666	8.0%	190,059	8.4%
$50,000 to $74,999	1,292	15.0%	4,573	19.2%	55,980	14.6%	337,312	14.9%
$75,000 to $99,999	1,156	13.4%	3,089	12.9%	47,324	12.4%	300,758	13.2%
$100,000 to $149,999	1,748	20.3%	4,192	17.6%	75,236	19.7%	469,052	20.7%
$150,000 or more	2,533	29.4%	4,875	20.4%	121,939	31.9%	619,646	27.3%
Total	**8,626**	**100.0%**	**23,855**	**100.0%**	**382,620**	**100.0%**	**2,271,032**	**100.0%**
Median Household Income	**$99,108**		**$76,410**		**$102,580**		**$95,156**	

Note:[1] Primary Market Area includes Census Tracts 28.00, 29.00, 39.01, 40.00. [2] Secondary Market Area includes the following Census Tracts 23.03, 24.02, 25.00, 26.01, 26.02, 27.00, 30.00, 31.00, 36.02, 38.00, 39.02 and Census Block Groups 22.002, 22.003, 24.011, 41.001, and 41.002. [3]Metro area includes the District of Columbia; the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park; and Arlington, Calvert, Charles, Clarke, Culpeper, Fairfax, Fauquier, Frederick, Jefferson, Loudoun, Montgomery, Prince George's, Prince William, Rappahannock, Spotsylvania, Stafford and Warren counties.

Source: U.S. Census Bureau, 2011-2015 American Community Survey (ACS); Partners For Economic Solutions, 2017.

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Table C-7. Householders by Age, 2015								
	Primary Market Area[1]		Secondary Market Area[2]		Montgomery County		Metro Area[3]	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age of Householder								
Less than 25 years	193	2.1%	1,271	5.0%	8,488	2.1%	69,680	3.1%
25 to 34 years	1,486	16.5%	5,663	22.3%	55,623	13.9%	382,057	16.8%
35 to 44 years	1,584	17.6%	5,089	20.0%	74,198	18.5%	444,228	19.6%
45 to 54 years	1,620	18.0%	4,452	17.5%	75,387	18.8%	465,425	20.5%
55 to 64 years	1,649	18.3%	3,926	15.4%	78,333	19.5%	435,440	19.2%
65 to 74 years	1,482	16.4%	3,094	12.2%	61,118	15.2%	287,426	12.7%
75 years and over	1,003	11.1%	1,952	7.7%	47,911	11.9%	186,776	8.2%
Total	**9,017**	**100.0%**	**25,447**	**100.0%**	**401,058**	**100.0%**	**2,271,032**	**100.0%**

Note: [1]Primary Market Area includes Census Tracts 28.00, 29.00, 39.01, 40.00. [2] Secondary Market Area includes the following Census Tracts 23.03, 24.02, 25.00, 26.01, 26.02, 27.00, 30.00, 31.00, 36.02, 38.00, 39.02 and Census Block Groups 22.002, 22.003, 24.011, 41.001, and 41.002. [3]Metro area includes the District of Columbia; the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park; and Arlington, Calvert, Charles, Clarke, Culpeper, Fairfax, Fauquier, Frederick, Jefferson, Loudoun, Montgomery, Prince George's, Prince William, Rappahannock, Spotsylvania, Stafford and Warren counties.

Source: U.S. Census Bureau, 2011-2015 American Community Survey (ACS); Partners For Economic Solutions, 2017.

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Table C-8. Tenure by Age of Householder, 2010								
	Primary Market Area[1]				Secondary Market Area[2]			
	Owner		Renter		Owner		Renter	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age of Householder								
15 to 24 years	17	0.3%	198	6.8%	37	0.4%	1,049	9.0%
25 to 34 years	426	8.2%	902	31.1%	1,094	11.5%	4,077	35.1%
35 to 44 years	1,011	19.6%	539	18.6%	2,093	22.0%	2,492	21.5%
45 to 54 years	1,276	24.7%	433	14.9%	2,290	24.1%	1,777	15.3%
55 to 64 years	1,317	25.5%	370	12.7%	2,094	22.0%	1,302	11.2%
65 to 74 years	615	11.9%	216	7.4%	1,043	11.0%	582	5.0%
75 to 84 years	358	6.9%	138	4.8%	565	5.9%	326	2.8%
85 years and over	149	2.9%	108	3.7%	288	3.0%	-	0.0%
Total	**5,169**	**100.0%**	**2,904**	**100.0%**	**9,504**	**100.0%**	**11,605**	**100.0%**
	Montgomery County				Metro Area[3]			
	Owner		Renter		Owner		Renter	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
15 to 24 years	1,123	0.5%	7,045	6.1%	9,633	0.7%	62,625	8.4%
25 to 34 years	19,438	8.1%	32,393	28.0%	142,397	10.6%	227,014	30.4%
35 to 44 years	44,603	18.5%	26,401	22.8%	280,451	20.8%	163,746	21.9%
45 to 54 years	64,112	26.6%	20,807	18.0%	353,527	26.2%	130,397	17.5%
55 to 64 years	55,955	23.2%	12,361	10.7%	292,583	21.7%	79,107	10.6%
65 to 74 years	30,523	12.6%	6,251	5.4%	158,766	11.8%	39,375	5.3%
75 to 84 years	18,061	7.5%	5,560	4.8%	81,278	6.0%	26,672	3.6%
85 years and over	7,650	3.2%	4,803	4.2%	28,949	2.1%	17,513	2.3%
Total	**241,465**	**100.0%**	**115,621**	**100.0%**	**1,347,584**	**100.0%**	**746,449**	**100.0%**

Note:[1] Primary Market Area includes Census Tracts 28.00, 29.00, 39.01, 40.00. [2] Secondary Market Area includes the following Census Tracts 23.03, 24.02, 25.00, 26.01, 26.02, 27.00, 30.00, 31.00, 36.02, 38.00, 39.02 and Census Block Groups 22.002, 22.003, 24.011, 41.001, and 41.002. [3]Metro area includes the District of Columbia; the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park; and Arlington, Calvert, Charles, Clarke, Culpeper, Fairfax, Fauquier, Frederick, Jefferson, Loudoun, Montgomery, Prince George's, Prince William, Rappahannock, Spotsylvania, Stafford and Warren counties.

Source: U.S. Census Bureau, 2011-2015 American Community Survey (ACS); Partners For Economic Solutions, 2017.

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Table C-9. Tenure by Household Income, 2015								
	Primary Market Area[1]				Secondary Market Area[2]			
	Owner		Renter		Owner		Renter	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Household Income								
Less than $25,000	235	25.9%	673	74.1%	614	17.5%	2,886	82.5%
$25,000 to $34,999	106	32.2%	223	67.8%	359	21.4%	1,317	78.6%
$35,000 to $49,999	238	47.7%	261	52.3%	516	22.0%	1,826	78.0%
$50,000 to $74,999	404	33.6%	800	66.4%	893	23.8%	2,852	76.2%
$75,000 to $99,999	815	61.8%	504	38.2%	1,284	42.5%	1,740	57.5%
$100,000 to $149,999	1,117	67.5%	538	32.5%	2,778	55.9%	2,189	44.1%
$150,000 or more	2,104	88.5%	274	11.5%	3,825	79.9%	963	20.1%
Total	**5,019**	**60.5%**	**3,273**	**39.5%**	**10,269**	**42.7%**	**13,773**	**57.3%**
	Montgomery County				Metro Area[2]			
	Owner		Renter		Owner		Renter	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Household Income								
Less than $25,000	12,815	36.7%	22,077	63.3%	77,596	32.5%	161,325	67.5%
$25,000 to $34,999	7,781	43.2%	10,239	56.8%	46,474	40.2%	69,116	59.8%
$35,000 to $49,999	14,594	45.4%	17,573	54.6%	85,896	45.5%	102,908	54.5%
$50,000 to $74,999	27,259	51.5%	25,682	48.5%	173,317	53.4%	151,112	46.6%
$75,000 to $99,999	28,525	62.6%	17,019	37.4%	174,389	62.4%	104,885	37.6%
$100,000 to $149,999	52,445	74.1%	18,326	25.9%	312,521	72.8%	116,961	27.2%
$150,000 or more	98,235	88.6%	12,665	11.4%	481,879	86.2%	77,278	13.8%
Total	**241,654**	**66.2%**	**123,581**	**33.8%**	**1,352,072**	**63.3%**	**783,585**	**36.7%**

Note:[1] Primary Market Area includes Census Tracts 28.00, 29.00, 39.01, 40.00. [2] Secondary Market Area includes the following Census Tracts 23.03, 24.02, 25.00, 26.01, 26.02, 27.00, 30.00, 31.00, 36.02, 38.00, 39.02 and Census Block Groups 22.002, 22.003, 24.011, 41.001, and 41.002. [3]Metro area includes the District of Columbia; the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park; and Arlington, Calvert, Charles, Clarke, Culpeper, Fairfax, Fauquier, Frederick, Jefferson, Loudoun, Montgomery, Prince George's, Prince William, Rappahannock, Spotsylvania, Stafford and Warren counties.

Source: U.S. Census Bureau, 2011-2015 American Community Survey (ACS); Partners For Economic Solutions, 2017.

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Table C-10. Employed Population Aged 16 and Over by Occupation, 2017								
	Primary Market Area[1]		Market Area[2]		Montgomery County		Metro Area[3]	
Industry/ Occupation	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Employed Residents by Occupation								
White Collar	9,282	77.7%	25,073	75.0%	419,068	73.5%	2,310,926	71.0%
Management, Business, Financial	2,676	22.4%	6,887	20.6%	121,444	21.3%	703,042	21.6%
Professional Services	4,862	40.7%	13,038	39.0%	194,995	34.2%	960,173	29.5%
Sales	609	5.1%	2,240	6.7%	46,183	8.1%	266,896	8.2%
Administrative Support	1,147	9.6%	2,908	8.7%	56,446	9.9%	380,815	11.7%
Services	1,541	12.9%	5,282	15.8%	92,366	16.2%	533,791	16.4%
Blue Collar	1,123	9.4%	3,042	9.1%	58,726	10.3%	410,108	12.6%
Farming, Forestry, Fishing	-	0.0%	33	0.1%	570	0.1%	6,510	0.2%
Construction, Extraction	287	2.4%	1,137	3.4%	22,236	3.9%	139,957	4.3%
Installation, Maintenance, Repair	167	1.4%	234	0.7%	9,693	1.7%	71,606	2.2%
Production	215	1.8%	501	1.5%	9,693	1.7%	58,587	1.8%
Transportation, Material Moving	430	3.6%	1,103	3.3%	16,535	2.9%	130,193	4.0%
Total	**11,946**	**99.9%**	**33,431**	**99.9%**	**570,160**	**100.0%**	**3,254,825**	**100.0%**

Notes:[1] Primary Market Area includes Census Tracts 28.00, 29.00, 39.01, 40.00. [2] Secondary Market Area includes the following Census Tracts 23.03, 24.02, 25.00, 26.01, 26.02, 27.00, 30.00, 31.00, 36.02, 38.00, 39.02 and Census Block Groups 22.002, 22.003, 24.011, 41.001, and 41.002.
[3]Metro area includes the District of Columbia; the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park; and Arlington, Calvert, Charles, Clarke, Culpeper, Fairfax, Fauquier, Frederick, Jefferson, Loudoun, Montgomery, Prince George's, Prince William, Rappahannock, Spotsylvania, Stafford and Warren counties.
Source: ESRI, Community Profile, 2017; Partners for Economic Solutions, 2017.

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Table C-11. Employed Population Aged 16 and Over by Industry, 2017								
	Primary Market Area[1]		Secondary Market Area[2]		Montgomery County		Metro Area[3]	
Industry/ Occupation	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Employed Residents by Industry								
Agriculture/Mining	12	0.1%	67	0.2%	1,140	0.2%	13,019	0.4%
Construction	406	3.4%	1,738	5.2%	31,929	5.6%	205,054	6.3%
Manufacturing	287	2.4%	635	1.9%	15,964	2.8%	94,390	2.9%
Wholesale Trade	131	1.1%	234	0.7%	6,842	1.2%	39,058	1.2%
Retail Trade	466	3.9%	2,407	7.2%	41,622	7.3%	266,896	8.2%
Transportation/Utilities	323	2.7%	702	2.1%	14,824	2.6%	123,683	3.8%
Information	454	3.8%	1,003	3.0%	14,254	2.5%	78,116	2.4%
Finance/Insurance/Real Estate	705	5.9%	1,571	4.7%	37,631	6.6%	201,799	6.2%
Services	7,550	63.2%	20,426	61.1%	346,087	60.7%	1,812,938	55.7%
Public Administration	1,613	13.5%	4,647	13.9%	59,867	10.5%	419,872	12.9%
Total	**11,946**	**100.0%**	**33,431**	**100.0%**	**570,160**	**100.0%**	**3,254,825**	**100.0%**

Notes:[1] Primary Market Area includes Census Tracts 28.00, 29.00, 39.01, 40.00. 2 Secondary Market Area includes the following Census Tracts 23.03, 24.02, 25.00, 26.01, 26.02, 27.00, 30.00, 31.00, 36.02, 38.00, 39.02 and Census Block Groups 22.002, 22.003, 24.011, 41.001, and 41.002.
[3]Metro area includes the District of Columbia; the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park; and Arlington, Calvert, Charles, Clarke, Culpeper, Fairfax, Fauquier, Frederick, Jefferson, Loudoun, Montgomery, Prince George's, Prince William, Rappahannock, Spotsylvania, Stafford and Warren counties.
Source: ESRI, Community Profile, 2017; Partners for Economic Solutions, 2017.

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Table C-12. Means of Transportation to Work, 2015								
	Primary Market Area[1]		Secondary Market Area[2]		Montgomery County		Metro Area[3]	
Workers 16 and Over	Employed Residents	Percent	Employed Residents	Percent	Employed Residents	Percent	Employed Residents	Percent
Means of Transportation								
Car, Truck, or Van	6,787	59.7%	19,970	61.3%	400,620	75.2%	2,335,390	76.0%
Drove alone	6,169	54.3%	16,760	51.4%	348,478	65.4%	2,026,519	66.0%
Carpooled	618	5.4%	3,210	9.8%	52,142	9.8%	308,871	10.1%
Public Transportation (excluding taxicab)	3,531	31.1%	9,544	29.3%	84,264	15.8%	435,136	14.2%
Walked	228	2.0%	1,023	3.1%	11,394	2.1%	98,689	3.2%
Taxicab , Motorcycle, Bicycle, Other	82	0.7%	539	1.7%	6,745	1.3%	51,034	1.7%
Worked from Home	742	6.5%	1,522	4.7%	29,723	5.6%	151,059	4.9%
Total	**11,370**	**100.0%**	**32,598**	**100.0%**	**532,746**	**100.0%**	**3,071,308**	**100.0%**

Note:[1] Primary Market Area includes Census Tracts 28.00, 29.00, 39.01, 40.00. [2] Secondary Market Area includes the following Census Tracts 23.03, 24.02, 25.00, 26.01, 26.02, 27.00, 30.00, 31.00, 36.02, 38.00, 39.02 and Census Block Groups 22.002, 22.003, 24.011, 41.001, and 41.002. [3]Metro area includes the District of Columbia; the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park; and Arlington, Calvert, Charles, Clarke, Culpeper, Fairfax, Fauquier, Frederick, Jefferson, Loudoun, Montgomery, Prince George's, Prince William, Rappahannock, Spotsylvania, Stafford and Warren counties.

Source: U.S. Census Bureau, 2011-2015 American Community Survey (ACS); Partners For Economic Solutions, 2017.

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Table C-13. Primary Market Area Sales and Expenditures by Retail Category, 2017					
NAICS	Industry Group	Demand (Retail Potential)	Primary Market Area[2]	Retail Gap	Number of Businesses
Neighborhood Goods and Services					
445	Food & Beverage Stores	$85,443,713	$29,970,893	$55,472,820	5
4451	Grocery Stores	$71,325,307	$27,997,209	$43,328,098	4
4452	Specialty Food Stores	$4,236,605	$473,684	$3,762,921	1
4453	Beer, Wine & Liquor Stores	$9,881,801	$1,500,000	$8,381,801	-
446, 4461	Health & Personal Care Stores	$27,990,288	$15,717,234	$12,273,054	5
	Total Neighborhood Goods and Services	**$113,434,001**	**$45,688,127**	**$67,745,874**	**10**
Eating and Drinking					
722	Food Services & Drinking Places	$52,490,235	$11,191,484	$41,298,751	21
7225	Restaurant and Eating Places	$49,287,846	$9,547,520	$39,740,326	18
7223	Special Food Services	$1,613,265	$1,643,964	-$30,699	3
7224	Drinking Places - Alcoholic Beverages	$1,589,124	$0	$1,589,124	-
	Total Eating and Drinking	**$52,490,235**	**$11,191,484**	**$41,298,751**	**21**
Shoppers Goods (General Merchandise, Apparel and Accessories, Furniture and Furnishings and Other Shoppers Goods (GAFO)					
452	General Merchandise Stores	$75,837,953	$0	$75,837,953	-
448	Clothing & Clothing Accessories Stores	$34,344,660	$2,869,578	$31,475,082	9
442	Furniture & Home Furnishings Stores	$16,965,410	$4,360,546	$12,604,864	4
443	Electronics & Appliance Stores	$18,745,427	$9,658,945	$9,086,482	7
451	Sporting Goods, Hobby, Book & Music Stores	$14,302,337	$5,793,103	$8,509,234	6
453	Miscellaneous Store Retailers	$17,328,705	$12,850,633	$4,478,072	9
	Total Shoppers Goods	**$177,524,492**	**$35,532,805**	**$141,991,687**	**35**

Source: ESRI, Retail Marketplace Profile, 2018; Partners for Economic Solutions, 2018.

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NAICS	Industry Group	Demand (Retail Potential)	Retail Sales	Retail Gap	Number of Businesses
Table C-14. Secondary Market Area Sales and Expenditures by Retail Category, 2018					
Neighborhood Goods and Services					
445	Food & Beverage Stores	$188,921,177	$288,103,424	-$99,182,247	67
4451	Grocery Stores	$158,378,407	$261,361,376	-$102,982,969	49
4452	Specialty Food Stores	$9,421,204	$3,638,998	$5,782,206	7
4453	Beer, Wine & Liquor Stores	$21,121,566	$23,103,050	-$1,981,484	11
446, 4461	Health & Personal Care Stores	$60,127,682	$83,909,224	-$23,781,542	38
	Total Neighborhood Goods and Services	**$249,048,859**	**$372,012,648**	**-$122,963,789**	**105**
Eating and Drinking					
722	Food Services & Drinking Places	$114,516,870	$167,038,447	-$52,521,577	236
7225	Restaurant and Eating Places	$107,473,192	$159,943,102	-$52,469,910	230
7223	Special Food Services	$3,551,110	$6,905,114	-$3,354,004	5
7224	Drinking Places - Alcoholic Beverages	$3,492,568	$190,231	$3,302,337	1
	Total Eating and Drinking	**$114,516,870**	**$167,038,447**	**-$52,521,577**	**236**
Shoppers Goods (General Merchandise, Apparel and Accessories, Furniture and Furnishings and Other Shoppers Goods (GAFO)					
452	General Merchandise Stores	$165,994,529	$338,718,907	-$172,724,378	21
448	Clothing & Clothing Accessories Stores	$73,869,567	$119,118,345	-$45,248,778	92
442	Furniture & Home Furnishings Stores	$36,194,545	$12,576,330	$23,618,215	13
443	Electronics & Appliance Stores	$39,751,258	$53,320,303	-$13,569,045	24
451	Sporting Goods, Hobby, Book & Music Stores	$30,784,663	$70,771,719	-$39,987,056	20
453	Miscellaneous Store Retailers	$37,081,641	$43,830,992	-$6,749,351	64
	Total Shoppers Goods	**$383,676,203**	**$638,336,596**	**-$254,660,393**	**234**

Source: ESRI, Retail Marketplace Profile, 2018; Partners for Economic Solutions, 2018.

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Table C-15. Estimate of Study Area Retail Demand and Supply, 2017						
NAICS	Industry Group	PMA Resident Demand	Study Area Capture Rate	Captured PMA Demand	Total Captured PMA & SMA Demand	PMA Existing Supply
Primary Market Area (PMA) Neighborhood Goods and Services						
445	Food & Beverage Stores					
4451	Grocery Stores	$71,325,307	60%	$42,795,200	$74,470,900	$27,997,209
4452	Specialty Food Stores	$4,236,605	10%	$423,700	$517,900	$473,684
4453	Beer, Wine & Liquor Stores	$9,881,801	20%	$1,976,400	$3,032,500	$1,500,000
446, 4461	Health & Personal Care Stores	$27,990,288	70%	$19,593,200	$20,795,800	$15,717,234
	Total Neighborhood Goods and Services	**$113,434,001**		**$64,788,500**	**$98,817,100**	**$45,688,127**
PMA Eating and Drinking						
722	Food Services & Drinking Places					
7225	Restaurants and Eating Places	$49,287,846	10.0%	$4,928,800	$8,153,000	$9,547,520
7223	Special Food Services	$1,613,265	6.0%	$96,800	$96,800	$1,643,964
7224	Drinking Places - Alcoholic Beverages	$1,589,124	3.0%	$47,700	$65,200	$0
	Total Eating and Drinking	**$52,490,235**		$5,073,300	$8,315,000	**$11,191,484**
PMA General Merchandising						
452	General Merchandise Stores	$75,837,953	0.0%	$0	$0	$0
448	Clothing & Clothing Accessories Stores	$34,344,660	1.0%	$343,400	$712,700	$2,869,578
442	Furniture & Home Furnishings Stores	$16,965,410	1.0%	$169,700	$169,700	$4,360,546
443	Electronics & Appliance Stores	$18,745,427	2.0%	$374,900	$374,900	$9,658,945
451	Sporting Goods, Hobby, Book & Music Store	$14,302,337	3.0%	$429,100	$429,100	$5,793,103
453	Miscellaneous Store Retailers	$17,328,705	1.0%	$173,300	$358,700	$12,850,633
	Total Shoppers Goods	**$177,524,492**		$1,490,400	$2,045,100	**$35,532,805**
Secondary Market Area Retail Demand and Supply Details						
SMA Neighborhood Goods and Services						
445	Food & Beverage Stores					
4451	Grocery Stores	$158,378,407	20.0%	$31,675,700		
4452	Specialty Food Stores	$9,421,204	1.0%	$94,200		
4453	Beer, Wine & Liquor Stores	$21,121,566	5.0%	$1,056,100		
446, 4461	Health & Personal Care Stores	$60,127,682	2.0%	$1,202,600		
	Total Neighborhood Goods and Services	**$249,048,859**		**$34,028,600**		
SMA Eating and Drinking						
722	Food Services & Drinking Places					
7225	Restaurant and Eating Places	$107,473,192	3.0%	$3,224,200		
7223	Special Food Services	$3,551,110	0.0%	$0		
7224	Drinking Places - Alcoholic Beverages	$3,492,568	0.5%	$17,500		
	Total Eating and Drinking	**$114,516,870**		$3,241,700		
SMA General Merchandise						
452	General Merchandise Stores	$165,994,529	0.0%	$0		
448	Clothing & Clothing Accessories Stores	$73,869,567	0.5%	$369,300		
442	Furniture & Home Furnishings Stores	$36,194,545	0.0%	$0		
443	Electronics & Appliance Stores	$39,751,258	0.0%	$0		
451	Sporting Goods, Hobby, Book & Music Store	$30,784,663	0.0%	$0		
453	Miscellaneous Store Retailers	$37,081,641	0.5%	$185,400		
	Total Shoppers Goods	**$383,676,203**		**$554,700**		

Source: ESRI, Retail Marketplace Profile; Partners for Economic Solutions, 2017.

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Table C-16. Workers Retail Demand, 2017							
		Workers Demand				Study Area Capture Rate	Worker Expenditure Potential
NAICS	Industry Group	Number of Workers	Weekly Spending	Annual Spending	Total Demand		
Neighborhood Goods and Services							
445	Food & Beverage Stores						
4451	Grocery Stores	6,800	$21.58	$1,144	$7,777,400	30%	$2,333,220
4452	Specialty Food Stores	6,800	$0.00	$0	$0	5%	$0
4453	Beer, Wine & Liquor Stores	6,800	$12.00	$636	$4,324,800	5%	$216,240
446, 4461	Health & Personal Care Stores	6,800	$22.08	$1,170	$7,957,600	20%	$1,591,520
	Total Neighborhood Goods and Services	**6,800**	**$51.07**	**$2,554**	**$17,363,800**		**$4,140,980**
Eating and Drinking							
722	Food Services & Drinking Places						
7221	Full-Service Restaurants	6,800	$15.08	$799	$5,434,800	30%	$1,630,440
7223	Special Food Services	6,800		$0	$0	0%	$0
7224	Drinking Places - Alcoholic Beverages	6,800	$0.00	$0	$0	0%	$0
	Total Eating and Drinking		**$15.08**	**$799.24**	**$5,434,800.00**	30%	**$1,630,440**
General Merchandise							
452	General Merchandise Stores						
448	Clothing & Clothing Accessories Stores	6,800	$7.83	$415	$2,821,900	0.0%	$0
442	Furniture & Home Furnishings Stores	6,800					
443	Electronics & Appliance Stores	6,800	$8.93	$473	$3,218,400	0.0%	$0
451	Sporting Goods, Hobby, Book & Music Sto	6,800	$3.49	$185	$1,257,800	1.0%	$12,578
453	Miscellaneous Store Retailers	6,800					
	Total Shoppers Goods	**6,800**	**$56.68**	**$2,834**	**$19,271,200**		**$12,578**

Source: International Council of Shopping Centers; Partners for Economic Solutions, 2018.

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Appendix D. Real Estate Trends Tables

Table D-1. Office Space Trends, Montgomery County, 2000-November 2017							
Year	Inventory: Buildings	Inventory: Square Feet	Total Vacancies: Square Feet	Total Vacancies: Percent	Net Absorption in Square Feet	Square Feet Delivered	Gross Rent
2000	194	7,027,879	1,017,099	14.5%	29,085	-	$24.77
2001	194	7,027,879	1,162,159	16.5%	- 145,060	-	$24.33
2002	194	7,027,879	1,013,231	14.4%	148,928	-	$23.30
2003	192	7,143,971	637,609	8.9%	491,714	556,670	$24.76
2004	195	7,384,971	651,393	8.8%	227,216	241,000	$24.02
2005	193	7,355,841	338,884	4.6%	283,379	-	$23.74
2006	193	7,355,841	329,076	4.5%	9,808	-	$26.32
2007	194	7,361,341	419,349	5.7%	- 84,773	5,500	$28.62
2008	189	7,294,200	683,879	9.4%	- 331,671	-	$31.14
2009	190	7,315,497	730,216	10.0%	- 25,040	21,297	$28.79
2010	191	7,365,497	863,928	11.7%	- 83,712	50,000	$27.98
2011	190	7,350,497	803,823	10.9%	45,105	-	$28.74
2012	186	7,315,976	754,443	10.3%	14,859	-	$27.78
2013	185	7,300,132	743,783	10.2%	- 5,184	-	$27.50
2014	185	7,300,132	705,166	9.7%	38,617	-	$28.14
2015	184	7,293,224	750,295	10.3%	- 52,979	-	$27.81
2016	183	7,278,692	733,010	10.1%	2,753	-	$28.38
Nov-17	183	7,278,692	785,940	10.8%	- 52,930	-	$29.39
2007-November 2017 Change							
Amount	-11	- 82,649	366,591	5.1%	- 534,955	76,797	$0.77
Percent	-5.7%	-1.1%	87.4%	89.5%			2.7%
Sources: CoStar, 2017; Partners for Economic Solutions, 2017.							

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Table D-2. Study Area Office Trends, 2000-November 2017							
	Inventory		Total Vacancies		Net Absorption in Square Feet	Square Feet Delivered	Gross Rent per Square Foot
Year	Buildings	Square Feet	Square Feet	Percent			
2000	16	198,002	10,320	5.2%	-3,713	0	$18.90
2001	16	198,002	6,500	3.3%	3,820	0	$20.05
2002	16	198,002	4,705	2.4%	1,795	0	$23.20
2003	16	198,002	8,217	4.1%	-3,512	0	$28.24
2004	16	198,002	3,270	1.7%	4,947	0	$27.00
2005	16	198,002	6,645	3.4%	-3,375	0	$27.84
2006	16	198,002	4,628	2.3%	2,017	0	$29.96
2007	16	198,002	6,437	3.3%	-1,809	0	$28.76
2008	16	198,002	7,339	3.7%	-902	0	$29.34
2009	16	198,002	9,442	4.8%	-2,103	0	$31.02
2010	16	198,002	10,420	5.3%	-978	0	$29.65
2011	16	198,002	6,896	3.5%	3,524	0	$31.84
2012	16	198,002	11,244	5.7%	-4,348	0	$26.56
2013	16	198,002	7,594	3.8%	3,650	0	$24.76
2014	16	198,002	15,566	7.9%	-7,972	0	$27.27
2015	16	198,002	12,849	6.5%	2,717	0	$26.86
2016	16	198,002	7,549	3.8%	5,300	0	$23.93
Nov-17	16	198,002	6,986	3.5%	563	0	$29.27
2007-November 2017 Change							
Amount	-	-	549	0.3%	-2,358	0	$0.51
Percent	0.0%	0.0%	8.5%	8.5%			1.8%

Source: CoStar, 2017; Partners for Economic Solutions, 2017.

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Table D-3. Multi-Family Rental Trends, Silver Spring/Wheaton, 2001-1st Quarter 2018							
	Inventory		Total Vacancies		Net Absorption in Units	Units Under Construction	Units Delivered
Year	Buildings	Units	Units	Percent			
2001	58	9,854	343	3.5%	- 18	-	-
2002	58	9,854	423	4.3%	- 80	-	-
2003	58	9,854	497	5.0%	- 75	223	-
2004	59	10,077	659	6.5%	62	243	223
2005	60	10,320	588	5.7%	314	-	243
2006	60	10,320	596	5.8%	- 7	-	-
2007	60	10,320	619	6.0%	- 23	420	-
2008	60	10,587	722	6.8%	164	668	324
2009	62	11,008	675	6.1%	468	247	421
2010	63	11,255	577	5.1%	345	295	247
2011	63	11,255	600	5.3%	- 23	778	-
2012	64	11,550	602	5.2%	294	1,316	295
2013	65	11,772	544	4.6%	280	1,809	222
2014	71	13,529	1,155	8.5%	1,147	201	1,757
2015	72	13,581	692	5.1%	513	676	52
2016	73	13,730	595	4.3%	246	1,218	149
2017	76	14,549	1,194	8.2%	223	737	819
1st Qtr '18	76	14,549	1,023	7.0%	171	1,297	-
2008-1st Quarter 2018 Change							
Number	16	3,962	301	0.2%	3,828	9,242	4,286
Percent	26.7%	37.4%	41.7%	3.1%			
Source: CoStar, 2018; Partners for Economic Solutions, 2018.							

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