



Bethesda Implementation Advisory Committee meeting 2/3/22; 8:15am; Hybrid

Co-chair Amanda Farber opened the meeting and invited Parks' Brenda Sandberg to present on Veteran's Park Civic Green Implementation Plan. Sandberg was joined in discussion by Parks Deputy Director Miti Figueredo.

The following are slides presented by Parks during the meeting:

Veteran's Park Civic Green – Implementation

Disposition of Land Assets

- Propose to sell land for fair-market value to interested party
- Expect to recoup all acquisition and associated costs into the PIP account
- Planning Department** will require public open space (privately owned) along Norfolk Avenue as part of any development approvals to meet BDP design goals, including:
 - Green, welcoming entry from Wisconsin Avenue into Woodmont Triangle
 - Connection between existing and future open spaces/public parks, including Veteran's Park and Cheltenham Park

REAL ESTATE MANAGEMENT 5

Veteran's Park Civic Green: Implementation Plan Update Briefing – Bethesda IAC

February 3, 2023

M-NCPPC Montgomery Parks

Veteran's Park Civic Green – Implementation

Montgomery Parks is Dedicated to Creating the Veteran's Park Civic Green

- One of three Civic Greens recommended in the BDP
- Major civic gathering space to serve the Woodmont Triangle area
- Concept as green, activated space to complement hardscape of Veteran's Park
- Provide location for special events, concerts, festivals, programming, play, and casual use
- BDP and Bethesda Design Guidelines **allow flexibility in location** of Civic Green

REAL ESTATE MANAGEMENT 2

Veteran's Park Civic Green – Implementation

Next Steps to Create Veteran's Park Civic Green

- Parks believes Option 3 (Design Guidelines) is best location for the future Civic Green
- Implementation will occur through the parkland acquisition and/or development approvals

Option 3

REAL ESTATE MANAGEMENT 4

Veteran's Park Civic Green – Implementation

Initial Implementation Efforts

- Used an **innovative approach** for a public agency to create public parkland: acquired land to use as a negotiating asset to create the desired public park
- Invested \$9.6 Million into two parcels to leverage creation of the Civic Green via land exchanges, easements, or other real estate transactions
- Conducted feasibility analyses and negotiated with adjacent property owners for two years

Result of Initial Efforts

- Unable to turn land asset into a Civic Green that fully realized the goals and vision of the Bethesda Downtown Plan
- Not feasible to create envisioned public park on this block due to multiple physical, financial and property ownership constraints
- Conversion of owned land directly into less-than-ideal park would be cost prohibitive and not meet the goals of the BDP (no connection to Veteran's Park, small size, can't host special events, etc.)

REAL ESTATE MANAGEMENT 3

- Veterans' Park Civic Green is changing direction now. It's one of three priority civic gathering spaces and should be green while providing space for special events, concerts and casual use. The Bethesda Downtown Plan and Design Guidelines allow flexibility. Parks decided to buy land that may or may not be park, to use it as an asset. Parks invested in two parcels to get leverage, negotiating their purchase for about two years. Eventually they realized they could not turn it into a civic green as envisioned due to physical, financial, and property ownership issues. It is a small space on a busy corner. Parks decided it was time to move on and try another location, specifically option 3 (see slide 2), which obtaining four properties adjacent to the existing park. This can be done through acquisition and/or development approvals. Parks has already reached out to some of these properties.
- Parks proposes to sell, to recoup their costs, the two properties already purchased, for which they will get a minimum of \$9.6 million from the adjacent property owner/developer (Novel Bethesda project). This doesn't negate the need for the developer to meet the design goals for a green area, but it will not be a civic green on that corner – there will be a green entryway but not a park.
- The PIP is not meant to be the only source of funding for green space and parks in downtown Bethesda. Parks has done a lot in Bethesda not funded by the PIP. They will spend at least \$5-6 million in the next few years to rehab and improve Parks within the CBD, and have already spent funds on at least 15-20 sites within walking distance of the CBD. There is also significant progress in PIP money and other sources for the Farm Women's Market and Capital Crescent Civic greens. The FWM has been approved by the Council for \$2.5 million toward the undergrounding of parking. The Capital Crescent Civic Green design and development will be funded by the PIP. The land sale proceeds from Novel Bethesda will go back into the PIP for these civic greens and to acquire other properties for the Veterans' Park Civic Green.
- There is about \$19.4 million coming to the PIP from approved site plans, with \$14.3 million contributed to date. Right now there is a \$1.5 million cash balance and another \$5.1 million that has been approved by the Planning Board. Payments are made upon approval of the first above-ground permits. There are development plans in the pipeline that may have about \$4 million in required PIP.
- Parks has an agreement in principle with the Novel Bethesda developer. The closing date is confidential. Even though Parks is carrying the properties, it is not losing money. The negotiated sale price takes into account the current value of the property. There are two tenants Parks has retained; if they leave, it is very expensive to bring the properties up to code. Parks cannot condition a development approval on the developer payment

- Sandberg agreed that Bethesda needs parks, but it's not possible to buy, tear down, and build quickly. If Parks is able to buy all four of the properties in option 3, it takes at least three years to design and fund.
- Parks was asked if they would do this again and responded "Probably not." Deputy Director Figueredo commented that it was something they had never done before, they were trying to be innovative and leverage it. The master plan created an expectation for a park there. Asked if the Planning Board had any role in deciding to sell the properties, Figueredo said no, that these responsibilities have been delegated to staff.
- It was suggested that Parks could have shared its goals with the members of the IAC, who might have used their relationships to "help loosen the skids." But Sandberg noted that the confidentiality of land acquisition negotiations is essential and is based on state law. Nobody in the public has any right to know during negotiations, because having outsiders involved can destroy a negotiation. Once a deal is reached Parks takes the deal to the Planning Board in open session. Figueredo added that it goes first to the Board in closed session before it is finalized, the Board discusses it, and usually the following week they vote in open session. She noted that if it's publicly known that Parks is trying to buy a property, imagine what it would do to the price – it would make it impossible for Parks to buy. However, if members have information that would be helpful to Parks, they are welcome to share it with Parks. The public only learned about the decision by Parks to sell the parcels because the developer stated such during a meeting.
- A question was raised about whether Parks ever used eminent domain to obtain properties. Sandberg could not recall that ever happening during her 23 years at Parks.
- What about leaving Veterans' Park as it is? The businesses that face the park help attract people. If there's a desire for something different, create a better streetery on Norfolk Avenue rather than acquiring more properties (note: BUP is planning to do this using funds from the Amenity Fund).
- Returning to the issue of the two properties purchased and now being offered for sale to the developer, it was noted that the Planning Board resolution approving the purchase says either a park will be provided there or Parks will do a land swap – but neither of these things are happening. And it appears there may have never been an intention to put a park on that block. Figueredo stated that it is incorrect that there was never an intention to put a park there, but Parks controls only about a quarter of the block. With a land swap or sale there could be a park that Parks thought was good. The public had input through the master plan and design guidelines. Public input is important to Parks but in real estate negotiations there is no public process. Sandberg urged the IAC to read the memo that Parks prepared for the Planning Board prior to its consideration of the purchase, saying it makes it quite clear that Parks is buying the land as an asset that may or may not end up being a park, and that is effectively a land swap.

- The discussion moved to ALARF funds that are meant to be returned by the state for its use of the land at the Capital Crescent Civic Green location for Purple Line construction, but the amount and timing are uncertain. Sandberg noted that it has to be worked out moving forward, given the changes in Purple Line timing and then the need for staging to construct the tunnel. The ALARF payment will include a piece of land, the easternmost property the state bought on Montgomery Avenue (Parks hopes to work its way down the 10-11 other private properties and acquire what they can), and cash, but the cash is not earmarked for Bethesda. The ALARF funding also helps Parks buy properties in less expensive areas.
- It is undetermined whether Parks will get additional rent from the state for using the Capital Crescent Civic Green land for more years than originally planned. Sandberg said the appraisal is being redone and if there is a higher value the payment will be higher. There is a question about the structure of the contract allowing the state to use the land because usually temporary easements pay fixed amounts based on rent for a year. Parks needs to be proactive about asking for more money now while there is leverage – not after the project is complete.
- Regarding Battery Lane Park, Sandberg commented that Parks has tried for decades to buy two lots of interest but the owners have no interest in selling.
- Richard Hoyer – His father’s family owned the building at other corner. Veterans Park is highly successful because of context. He is very concerned that we talk in terms of context. The park benefits from the businesses that face it. On other side of Woodmont is the old, curved building where Starbucks is located. The slip-lane could be removed and Norfolk realigned. A bump out could be added in front of Starbucks similar to what was done in front of old Barnes and Noble / Anthropologie. He suggested Parks should look into colocation, maybe a community services amenity to further activate the area. Parks should also look at what space could be provided using Norfolk Ave.
- IAC Co-chairs reminded the group that DOT and BUP currently have a survey open for Norfolk Ave streetery / shared street, but that today may be the last day for the survey.
- IAC members encouraged Parks leadership staff to use resources and expertise of IAC in making implementation decisions regarding Parks in Bethesda.
- Co-Chair Matt Gordon listed the status of upcoming projects:
 - Battery Lane Site C Site Plan- February 16, 2023 PB
 - 7340 Wisconsin Ave Sketch Plan Amendment, Preliminary Plan Amendment and Site Plan- February 16, 2023

- 4824 Edgemoor Preliminary Plan and Site Plan Amendments- March 16, 2023
- 7126 Wisconsin Sketch Plan Amendment, Preliminary Plan and Site Plan- March 30, 2023

New business: Jack Alexander requested a presentation from DOT about bike lane usage at the next IAC meeting, including whether bike counters are present at different locations and the data collected.

Attendees

Jack Alexander, IAC

MaryBeth Avedisian, IAC

Stacey Band, IAC

Jad Donohoe, IAC

Amanda Farber, IAC

Michael Fetchko, IAC

Joyce Gwadz, IAC

Matt Gordon, IAC

Dedun Ingram, IAC

Andy O'Hare, IAC

Chris Smith, IAC

Naomi Spinrad, IAC

Stephanie Dickel, Planning

Cashielle Nelson, Planning

Henry Coppola, Parks

Miti Figueredo, Parks

Darren Flusche , Parks

Hyojung Garland, Parks

Brenda Sandberg, Parks

Thomas Dant, BCCRSC

Pete Fosselman, BCC RSC

Cindy Gibson, Councilmember Friedson's Office

Ken Hartman, County Executive's Office

Richard Hoyer, public

Fox5, media