technical appendix • june 2009

Takoma/Langley Crossroads

sector plan

montgomery county planning department
the maryland-national capital park and planning commission
MontgomeryPlanning.org

Appendix 2 Quality of Life

Market Analysis

The following market analysis and the data it draws on cover the Sector Plan Study Area, which includes Montgomery and Prince George's County and the City of Takoma Park.

Staff from Montgomery and Prince George's Counties and the City of Takoma Park worked with consultants PB PlaceMaking (PB) and Basile Baumann Prost Cole & Associates (BBPCA). Funded by Prince George's County, these consultants provided recommendations for alternative concepts, land use, density, community outreach, and urban design. Montgomery County provided staff, translation services, and transportation analysis. The results of the transportation analysis completed by Montgomery County served as the basis for the market analysis and feasibility study conducted by BBPCA.

Two analyses—market viability and financial viability—were performed to determine the redevelopment potential in the Takoma/Langley Crossroads Sector Plan area.

Their study determined that in addition to the existing 167,000 square feet of office space, 850,000 square feet of retail space, and 5,600 dwelling units, the Sector Plan market area could support an additional:

- 340,000 square feet of office space with transit, and 70,000 without
- 460,000 square feet of retail space with transit, and 230,000 without
- 2,800 residential units with transit, and 1,400 without

Due to overcrowding and the demand for additional affordable housing within the community, the study estimated that an additional 2,000 residential units could be supported but would require financial subsidy.

While this additional density was allocated proportionally across the entire Plan area, it was concentrated in the areas nearest the proposed Transit Center and Purple Line stations to further the Plan's TOD goals.

Although the construction of the Purple Line serves as the primary catalyst, the market study determined that a minimum 2.0 FAR would be required to encourage redevelopment.

bbpc ASSOCIATES

MEMORANDUM

July 30, 2008

To: David Holden, PB Placemaking

From: Kate Shiflet, BBPC

Re: **Takoma Langley Crossroads**

Refined Market & Financial Evaluations (DRAFT)

1.0 Overview

Basile Baumann Prost Cole & Associates was tasked with performing two key types of analyses related to redevelopment potential in the Takoma Langley Crossroads sector plan area: 1) market viability; and 2) financial viability.

This includes an evaluation of the market potential for residential, office, and retail development that could occur in the Takoma Langley Crossroads study area based on current trends as well as the enhanced market potential associated with transit.

The evaluation also includes analysis of pro forma financial feasibility to test the likelihood that various FAR and density levels might catalyze redevelopment (e.g. demolition and rebuilding).

2.0 Market Viability of Redevelopment

To provide a market-based check on designs for the Takoma Langley Crossroads Sector Plan Study Area, BBPC identified potential redevelopment opportunities under two scenarios:

1. If transit is not added in the Study Area
2. If transit is added

2.1 Economic Impacts of Transit Centers

The introduction of transit - whether heavy rail, light rail, bus rapid, etc. - has generally been found to have a positive impact on the economic viability of communities. To identify the potential redevelopment opportunities associated with the addition of transit in the Takoma Langley Crossroads, BBPC performed a nationwide review of the quantitative and qualitative impacts of transit centers on nearby properties.

This review included assessment of numerous studies that have identified impacts associated with heavy rail, light rail, and bus rapid transit. The review also included evaluation of qualitative, anecdotal evidence provided to BBPC by the nation's foremost experts on transit as part of a survey conducted in 2007.

Most of the quantitative evidence regarding the economic impacts of transit is focused on the impacts of heavy rail and light rail, for which there are several long-standing systems from which to assess long-term impacts. Quantitative evidence regarding the impacts of bus rapid transit is less well-documented.

Key findings from BBPC's review of the quantitative and qualitative impacts of transit centers on nearby properties include:

- **Enhanced retail expenditures and sales** - transit riders spend an estimated $0.03 to $1.30 per rider on retail goods and services at businesses close to transit. Sales volumes increased as much as 33 percent in communities analyzed.
- **Increased lease rates** - several studies documented enhanced lease rates post-implementation of transit improvements, likely resulting from enhanced retail expenditures and property values. Increases in studies consulted were upwards of 65 percent.
- **Property values** - values of properties near transit tended to be 2 to 25 percent higher than values of similar properties not adjacent to transit.

Takoma Langley Crossroads - Preliminary Market Potential

- **Occupancy rates** - studies indicated that occupancy rates were 4 percent higher in properties served by transit compared to properties not served by transit.
- **Image/visibility** - transit enhancement was associated with improvements to commercial image, transforming once declining urban and suburban areas to more vibrant commercial centers.
- **New development** - survey respondents estimated that transit often redistributes regional growth that would have occurred elsewhere towards areas adjacent to transit. Respondents estimated station areas (e.g. those areas within walking distance of transit) could capture a large share of regional growth (with the midpoint of responses at 40 percent). These respondents indicated that it was not necessarily transit per se that was responsible for the redistribution of growth, but land use policies supportive of higher densities and intensities near transit (as well as policies discouraging growth in other areas of the region not served by transit).

Based on this literature, BBPC estimates that the Takoma Langley Crossroads area has a strong opportunity to capture a larger share of the growth that occurs in surrounding Prince George's and Montgomery Counties. We estimate the area could increase its share of the counties households and firms to a modest 1 to 3 percent; however, this increase is predicated on changes in land use policies to support higher densities and intensities in this area. Further, we believe sales volumes can increase more rapidly to meet the increased demand for services provided by new households and firms as well as by new transit riders. We have not differentiated between various modes of transit and the impacts they may have on redevelopment opportunities, since we believe land use policies will have a more significant impact on redevelopment potential than transit mode.

2.2 Current Market Conditions and Future Trends

Both current market conditions and future trends were evaluated to identify these opportunities, including:

- The Takoma-Langley Crossroads Study Area's current share of surrounding market areas in terms of office, retail, and residential space
- Projected market area growth of households, jobs, and retail spending
- Trends in the attractiveness premium households, firms, and shoppers place on transit-based communities

These conditions and trends were used to identify reasonable potential future shares of surrounding market area household, job, and retail spending growth that the Takoma-Langley Crossroads Study Area may attract - both if transit is added, and if it is not.

2.3 Preliminary Estimates

Our preliminary estimates, covered in detail in the table on the next page, suggest that the Study Area could by 2028 add:

- 340,000 square feet of office space with transit, and 70,000 without
- 460,000 square feet of retail space with transit, and 230,000 without
- 2,800 residential units with transit, and 1,400 without

These development opportunities would be in addition to the existing 167,000 square feet of office space, 850,000 square feet of retail space, and 5,600 dwelling units.

The 2,800 residential units that could be added with transit do not include the pent-up demand for affordable housing presented by existing residents living in overcrowded dwellings. We estimate that, if given the chance to rent affordable units, these residents would demand an additional 2,000 units (effectively bringing the current mix of units closer to code).

Exhibit 2.1: Estimated & Projected Development - Takoma Langley Crossroads, 2008 to 2028
Existing, Net New, and Total Future Potential

Existing Development					
Office (SF)	167,000				
Retail (SF)	850,000				
Residential (DU)*	5,600				
	5 Years (2008 to 2013)	10 Years (2008 to 2018)		20 Years (2008 to 2028)	
	Without Transit	Without Transit	With Transit	Without Transit	With Transit
Market Absorption (Net New Space)					
Office (SF)	20,000	30,000	100,000	70,000	340,000
Retail (SF)	50,000	110,000	160,000	230,000	460,000
Residential (DU)	300	700	1,000	1,400	2,800
Total Potential Future (Net + Existing)					
Office (SF)	187,000	197,000	267,000	237,000	507,000
Retail (SF)	900,000	960,000	1,010,000	1,080,000	1,310,000
Residential (DU)	5,900	6,300	6,600	7,000	8,400

Source: BBPC, 2008

More detailed explanations of market opportunities by use are provided below.

2.4 Office

Currently, the Study Area features an estimated 167,000 square feet of office space and 1,000 jobs, roughly 2 percent of office space and office-based jobs in Montgomery & Prince George's Counties (identified as the market areas within which the study area is most likely to compete for new and expanding firms). The two counties are projected to experience healthy office-based employment growth over the next few decades.

Exhibit 2.2: Projected Job Growth Montgomery & Prince George's Counties (2008 to 2028)

	Net New Jobs
5 Years (2008 to 2013)	26,000
10 Years (2008 to 2018)	53,000
20 Years (2008 to 2028)	113,000

1/ Assumes 1.2 percent annual increase in office-based employment, based on office-based job growth through 2014 identified by the Maryland Department of Labor

Our top assumptions include:

- Without the introduction of transit, it is fair to assume current conditions will continue, and the Study Area will maintain its fair share of office space and office-based employment growth at 2 percent
- Most of the firms likely to grow or locate in this area are professional service firms catering to the local population (e.g. lawyers, doctors, medical practitioners and others focusing on the nice market of recent immigrants)
- The Purple Line, by introducing a major amenity and expanding access to the regional labor pool, could catalyze a different sort of office growth in the Study Area and attract larger, regionally-oriented firms
- Also, since the Purple Line could stimulate higher-density residential and retail development (thereby attracting more residents and retail firms), transit could contribute to accelerated growth of firms that serve local

residents and retail businesses (e.g. professional service firms and local financial institutions)

Exhibit 2.3: Takoma Langley Crossroads Potential Office Growth (2008 to 2028)
Based on Various Capture Rates of Two County Job Growth

	Job Capture Rate		Net New Jobs		Net New Office Space (1/)	
	Without Transit	With Transit	Without Transit	With Transit	Without Transit	With Transit
5 Years (2008 to 2013)	0.2%	-	50	-	20,000	-
10 Years (2008 to 2018)	0.2%	0.6%	110	320	30,000	100,000
20 Years (2008 to 2028)	0.2%	1.0%	230	1130	70,000	340,000

1/ Assumes 300 square feet per employee

Net new office space by 2018 (roughly timing of the introduction of the new line) could result in one to two pioneering projects in the realm of 50,000 to 100,000 square feet (to accommodate several medium sized employers). Such development could serve as a catalyst for future expansion in a relatively untested market (as far as attracting regional office employers), and should focus on build to suit opportunities to minimize risk.

2.5 Residential

There are currently an estimated 5,400 households in the study area (according to Census-based estimates). BBPC estimates that the effective number of households (that is, the number of households that would be present if over-crowding was not an issue) would be closer to 7,400 (about 1.4 times higher than the current estimate, based on research provided by The Community Foundation for the National Capital Region). BBPC used the effective number of households rather than Census-based as a benchmark with which to project future demand. Effectively, the study area's households represent 1.1% of the households in Montgomery and Prince George's Counties

Exhibit 2.4: Projected Household Growth
Montgomery & Prince George's Counties
(2008 to 2028)

	Net New HH
5 Years (2008 to 2013)	29,000
10 Years (2008 to 2018)	60,000
20 Years (2008 to 2028)	125,000

1/ Assumes 0.9 percent annual increase in households, based on household growth through 2014 identified by ESRI (a census-based demographic estimation and projection service)

In identifying residential opportunities, we assume that:

- Without transit, it is safe to assume the Study Area will maintain its fair share of households at 1.1 percent (taking overcrowding into account)
- The capture of future household growth in the two counties could increase with transit, since many singles, young couples, students, and older couples would likely appreciate the chance to live in walking distance of a transit hub
- This accelerated household growth could support several large housing developments in ten years and twenty years (with demand ramping up over the second ten year period - from 2018 to 2028), eventually resulting in the net addition of 2,800 (on top of the existing 5,400 - for a total of 8,200 dwellings)

Exhibit 2.5: Takoma Langley Crossroads Potential Housing Growth (2008 to 2028)
Based on Various Capture Rates of Two County Household Growth

	Household Capture Rate		Net New HH		Net New Dwelling Units (1/)	
	Without Transit	With Transit	Without Transit	With Transit	Without Transit	With Transit
5 Years (2008 to 2013)	1.1%	-	300	-	300	-
10 Years (2008 to 2018)	1.1%	1.7%	700	1,000	700	1,000
20 Years (2008 to 2028)	1.1%	2.2%	1,400	2,800	1,400	2,800

1/ Assumes 300 square feet per employee

We recommend that a small proportion of these units - one to two dozen - should be offered as live-work housing to cater to a specialized niche of micro-business owners/entrepreneurs likely to want to live in the Study Area where they operate their business.

The pent-up demand for housing provided by overcrowded housing units presents additional support for new housing, in that these residents would likely choose less crowded quarters if given an affordable alternative. We estimate such pent-up demand would support another 2,000 units, which would likely have to be subsidized given these residents' limited financial capacity. On top of the 8,200 market-rate dwellings (existing and future), this 2,000 would bring the total dwelling count in the Study Area to 10,200.

2.6 Retail

Currently, the Study Area's retail businesses capture an estimated 17 percent of all retail sales made in the International Corridor trade area (defined as all the land within an easy 5-minute drive of the Crossroads, which includes the residences of most of the businesses' most frequent customers).

Exhibit 2.6: Projected Retail Spending Growth International Corridor Trade Area (1/) (2008 to 2028)

	Net New Retail Spending (2/)
5 Years (2008 to 2013)	$1,067 M
10 Years (2008 to 2018)	$1,145 M
20 Years (2008 to 2028)	$1,318 M

1/ Trade area is defined as the 5-minute driveshed surrounding the Crossroads
2/ Assumes 1.4 percent annual increase in retail spending, in line with projected growth in households and household incomes in the trade area

We assume that:

- The Study Area is likely to maintain its current share of future Trade Area retail expenditures (e.g. demand) if transit is not added
- However, with the introduction of the Purple Line and the potential addition of many more households and firms (and associated retail spending), Study Area businesses could increase their capture of Trade Area retail spending (slowly over the first ten years, and more dramatically once the Purple Line is introduced and a critical mass of customers are added).

Exhibit 2.7: Takoma Langley Crossroads Potential Retail Growth (2008 to 2028)
Based on Various Capture Rates of Trade Area Retail Spending Growth

	Retail Spending Capture Rate		Net New Sales		Net New Retail Square Feet (1/)	
	Without Transit	With Transit	Without Transit	With Transit	Without Transit	With Transit
5 Years (2008 to 2013)	17%	-	$12 M	-	50,000	-
10 Years (2008 to 2018)	17%	26%	$26 M	$38 M	110,000	160,000
20 Years (2008 to 2028)	17%	34%	$55 M	$110 M	230,000	460,000

1/ Assumes $240 sales productivity per square foot, in line with standards identified in ULI's Dollars & Cents of Shopping Centers

3.0 Financial Viability of Redevelopment

While market conditions will dictate when and to what degree the Takoma Langley Crossroads can expand its office, residential, and retail base, financial conditions will impact whether or not individual property owners and developers will choose to (re)develop properties.

To test the financial viability of redevelopment in the Takoma Langley Crossroads, BBPC performed an analysis of the financial returns possible from the redevelopment of *three demonstration sites* at various floor area ratios (FARs). Two different scenarios were identified for each demonstrated site: 1) the current property owner maintains ownership and redevelops the site; and 2) the current property owner sells the property to another developer, who then redevelops the site. FARs tested ranged from 1.0 to 4.0.

Scenarios	
Scenario 1	Property Owner Develops
Scenario 2	Property Owner Sells

3.1 Key Assumptions

For all three demonstration sites, BBPC used the following assumptions to determine the internal rate of return (IRR) for both scenarios:

New Development Rent Assumptions

Use	Cost PSF	Type
Residential	$18.00	
Office	$32.14	NNN
Retail	$32.14	NNN

Parking Assumption

Retail	1 space : 200 SF
Office	1 space : 250 SF
Residential	2 spaces : 1 unit

Existing Rent

Use	Cost PSF	Type
Residential	$15.60	
Office	$25.00	NNN
Retail	$25.00	NNN

Financing Assumptions

Construction Rate	8.00%
LTV	70%
Loan Fee	2.00%
Permanent Rate	7.00%
Term (Years)	30
Cap Rate Sale	9.00%

In general, developers seek a leveraged internal rate of return (IRR) roughly 12 to 15 percentage points higher than the return available from safe investments such as Treasury Bills. With current ten-year treasury bills providing 5 percent returns, BBPC has assumed that a leveraged IRR of 17 to 20 percent will be required at minimum in order for developers to pursue redevelopment.

3.2 Demonstration Site #1: Commercial Node at University Boulevard & New Hampshire Avenue

The table below illustrates the intended program mix based off of various FAR levels ranging from 1.0 - 4.0 and a fixed land size of 545,807 SF. The proposed redevelopment program mix is to include 35% retail, 5% office and 60% residential.

Program Mix						
Use			**SF**			**Mix**
Retail	191,032	286,549	382,065	573,097	764,130	*35%*
Office	27,290	40,936	54,581	81,871	109,161	*5%*
Residential	327,484	491,226	654,968	982,453	1,309,937	*60%*
Building SF	545,807	818,711	1,091,614	1,637,421	2,183,228	*100%*
Land SF	545,807	545,807	545,807	545,807	545,807	
FAR	**1.00**	**1.50**	**2.00**	**3.00**	**4.00**	

Based off of the above program mix and fixed land size, the following tables illustrates leveraged IRRs possible under varying FARs given current and projected future market conditions as well as required parking requirements based on Prince George's County Ordinance. Returns are significantly lower for developers than property owners who choose to redevelop because of the high cost of land acquisition (estimated based on the current income generated by properties).

IRR		
	Scenario 1	**Scenario 2**
FAR	**IRR**	**IRR**
1.0	22.62%	9.42%
1.5	25.09%	13.48%
2.0	26.48%	16.18%
3.0	28.02%	19.66%
4.0	28.84%	21.83%

Parking Requirement	
FAR	Spaces
1.0	1,719
1.5	2,579
2.0	3,439
3.0	5,158
4.0	6,877

From this analysis, it appears that Scenario 1 (in which current owners take on redevelopment) would result in acceptable return levels at every FAR. However, if these owners chose to sell their properties, lower IRRs would result, and a minimum FAR of 2.0 would be required to achieve the target 17 percent IRR.

3.3 Demonstration Site #2: Commercial Node at Riggs Road

The table below illustrates the intended program mix based off of various FAR levels ranging from 1.0 - 4.0 and a fixed land size of 300,564 SF. The proposed redevelopment program mix is to include 35% retail, 5% office and 60% residential.

Program Mix						
Use			**SF**			**Mix**
Retail	105,197	157,796	210,395	315,592	420,790	*35%*
Office	15,028	22,542	30,056	45,085	60,113	*5%*
Residential	180,338	270,508	360,677	541,015	721,354	*60%*
Building SF	300,564	450,846	601,128	901,692	1,202,256	*100%*
Land SF	300,564	300,564	300,564	300,564	300,564	
FAR	**1.00**	**1.50**	**2.00**	**3.00**	**4.00**	

Based off of the above program mix and fixed land size, the following tables illustrates leveraged IRRs possible under varying FARs given current and projected future market conditions as well as required parking requirements based on Prince George's County Ordinance.

IRR		
	Scenario 1	**Scenario 2**
FAR	**IRR**	**IRR**
1.0	21.18%	9.56%
1.5	23.92%	13.60%
2.0	25.53%	16.31%
3.0	27.31%	19.77%
4.0	28.28%	21.93%

Parking Requirement	
FAR	Spaces
1.0	947
1.5	1,420
2.0	1,894
3.0	2,840
4.0	3,787

From this analysis, it appears that Scenario 1 (in which current owners take on redevelopment) would result in acceptable return levels at every FAR. However, if these owners chose to sell their properties, lower IRRs would result, and a minimum FAR of 3.0 would be required to achieve the target 17 percent IRR.

3.4 Demonstration Site #3: Residential/Multi-Family Node Near Historic Mansion

The table below illustrates the intended program mix based off of various FAR levels ranging from 1.0 - 4.0 and a fixed land size of 1,065,042 SF. The proposed redevelopment program mix is to include 10% retail and 90% residential.

Program Mix						
Use			**SF**			**Mix**
Retail	106,504	159,756	213,008	319,513	426,017	*10%*
Office	0	0	0	0	0	*0%*
Residential	958,538	1,437,807	1,917,076	2,875,613	3,834,151	*90%*
Building SF	1,065,042	1,597,563	2,130,084	3,195,126	4,260,168	*100%*
Land SF	1,065,042	1,065,042	1,065,042	1,065,042	1,065,042	
FAR	**1.00**	**1.50**	**2.00**	**3.00**	**4.00**	

Based off of the above program mix and fixed land size, the following tables illustrates leveraged IRRs possible under varying FARs given current and projected future market conditions as well as required parking requirements based on Prince George's County Ordinance.

IRR		
	Scenario 1	**Scenario 2**
FAR	**IRR**	**IRR**
1.0	17.14%	7.22%
1.5	18.87%	10.82%
2.0	19.84%	12.90%
3.0	20.88%	15.46%
4.0	21.44%	16.99%

Parking Requirement	
FAR	Spaces
1.0	2,450
1.5	3,674
2.0	4,899
3.0	7,349
4.0	9,798

From this analysis, it appears that Scenario 1 (in which current owners take on redevelopment) would result in acceptable return levels at every FAR. However, if these owners chose to sell their properties, lower IRRs would result, and a minimum FAR of 4.0 would be required to achieve the target 17 percent IRR.

4.0 Summary Conclusions

According to BBPC's preliminary assessment, the following may be concluded:

- Property owners would incur acceptable rate of returns if they choose to remain owners and redevelop at all FAR levels ranging from 1.0 - 4.0.
- If property owners decide to sell, developers would require a FAR ranging from 2.0 - 4.0 in order to incur an acceptable rate of return (contingent upon location and program mix).
- Returns to property owners are higher than returns to developers because of the estimated high cost of land acquisition in the Takoma Langley Crossroads. The high acquisition costs are attributable to the economic health of existing commercial and multi-family properties, which exhibit very high occupancy levels and strong rental rates.
- There is no guarantee that existing property owners will redevelop, and if FAR levels are set below 2.0, developers may require financial incentives to pursue redevelopment.
- Since land acquisition costs are high, assistance with land assembly could prove a strong incentive for redevelopment.
- Structured parking adds significant costs to redevelopment, and is assumed to be provided by the property owner or developer at each FAR level. Incentives to reduce the cost of structured parking could enhance the financial viability of redevelopment at lower FAR levels.

The following table provides a detailed explanation of site specific market opportunities by land use (office, residential, and retail). It provides a methodology for estimating the total amount of development that may be built in the TLC Sector Plan Study Area under a set of assumptions, including land use laws and policies (e.g., zoning), traffic standards, and environmental constraints in both Montgomery and Prince George's Counties. Additionally, the table illustrates how the TLC Sector Plan allocated the roughly 35 percent of the total proposed density apportioned to the Montgomery County Sector Plan area. The 35 percent is based on the percentages of the Study Area located within Montgomery County and the City of Takoma Park.

Takoma/Langley Crossroads Yield Analysis by Traffic Area Zone*

Residential Uses (units)
Non Residential Uses (square feet)

	TAZ		Multifamily	Single Family Detached		Office	Retail	Hotel	Institutional
	Prince George's								
	667		967			179,767	179,767		
	668		413						
	669		2,861	27		109,159	559,711		54,000
	670		835	23		35,088	92,325		
	691		818	142			164,265		
	693		822			35,676	138,553		
		Subtotal	6,716	192		359,690	1,134,621		54,000
	Montgomery County								
	32301		123	209					
	32302		25				20,092		
	32303		191			28,717	43,075		
	32304		505			164,984	164,984		
	32305		141	35			43,288		
	32306		134	92			29,011		
	32500		712	10			100,950	80,000	
	32501		468			90,365	99,039		
			46				18,785		
		Subtotal	2,345	346		284,066	519,224	80,000	
		Total	9,061	538		643,756	1,653,845	80,000	54,000
							2,431,601		

* See Appendix 6 Connectivity, Figure 1

Economic Development Incentive Toolkit

Revitalization and Small Business Programs

- Division of Business Empowerment provides business development services to small and minority owned businesses based in the County.
- Small Business Revolving Loan Fund provides loans to acquire fixed assets, contract financing, expansion capital, and/or to finance the acquisition or construction of real estate (gross revenues of less than $5,000,000 annually and have less than 75 employees. The average size of the Program assistance is $5,000-$100,000, with maximum terms up to five years and collateral is required).
- Economic Development Fund offers assistance to private employers in targeted industries to either retain jobs already in the County or attract new jobs to the County.
- Technology Growth Fund provides gap financing for emerging technology-based companies with innovative products or services.
- Microenterprise Fund is scheduled to begin in 2008 in partnership with the State to provide loans to small and minority firms with annual revenues of $250,000 or less and five or fewer employees. Loans are given at a maximum $15,000 with terms of three years or less.
- Mentorship Program was piloted in 1991, and originally designed to provide outreach to start-up companies owned by minorities, females, and disabled persons. DED expanded the program’s scope in 1993 to include existing businesses.
- Local Business Reserve Program allows local small businesses to bid for select Montgomery County contracts.

Tax Credits

- Takoma Park/Long Branch Enterprise Zone Tax Credits available to businesses choosing to locate in these areas. The special tax credit incentives are designed to spur redevelopment in State-defined Enterprise Zones. The Real Estate Property Tax Credit in Downtown Silver Spring is a ten-year property tax credit on newly constructed or renovated facilities. The Employment Tax Credits for creating new full-time jobs in Silver Spring, Wheaton, and Long Branch is a $1,000 income tax credit per newly created job. In addition, businesses hiring economically disadvantaged employees to fill newly created positions in the Enterprise Zone are eligible for a $6,000 income tax credit per new job over a three-year period.
- Green Tape Zone facilitates issuance of building permits for commercial construction in the Enterprise Zone involving new construction additions, structural alterations, or changes in use.
- Focus Area Tax Credits are available to businesses locating in a focus area within Takoma Park/Long Branch enterprise zones.
- New Jobs Tax Credit are real and personal property tax credits for businesses occupying at least 5,000 square feet and having at least 25 individuals in new permanent full-time positions, within a 24-month period in new or expanded premises.

Schools and Public Facilities

Public Facilities

An essential element in creating a successful mixed-used development as livable place is a complete framework of public facilities and amenities. Public parks, schools, community centers, police and fire services, and emergency services are fundamental to support the creation of a mixed-use district.

This Plan proposes new public amenities and facilities, including new parks and open spaces, an urban library, bicycle paths, and public use spaces that support the district's growth. These new facilities will contribute to a livable and walkable environment that is a desirable place to live, work, and play for existing and future residents and employees.

The Takoma Park Neighborhood Park and Takoma Park Recreation Center are existing public facilities within the Plan area. Takoma Academy and the Langley Park Recreation Center are some of the public and community facilities near the Plan area.

Objectives

- Encourage a diversity of public facilities in the district, including recreation and activity centers, child daycare centers, religious institutions and emergency services.
- Integrate public facilities into mixed-use buildings throughout the district.
- Provide new services that support elderly care and child care services.
- Use the optional method provisions for the inclusion of public facilities and amenities in the Plan area redevelopment projects.

Public Schools

There are no schools located within the Plan area. Area children are a part of the Downcounty Consortium (DCC) which consists of five high schools—Montgomery Blair, Albert Einstein, John F. Kennedy, Northwood, and Wheaton—and students rank their preference among the five schools. DCC high schools have focused their efforts on building smaller learning communities within the high schools that serve a very diverse student population residing in the Wheaton/Silver Spring area. Unique ninth grade programs are designed to meet the academic needs of entering freshman while, simultaneously, connecting these students with the adults in their school. Following the ninth grade program, students in the DCC move into another form of a smaller learning community. Students choose from among a series of themed academies that focus on the application of school-based learning to higher education and the workforce.

Sligo Creek Elementary School - #517

500 Schuyler Road Silver Spring, MD 20910

Capital Project: An FY08 appropriation was approved for planning to begin the architectural design for additions at East Silver Spring and Takoma Park elementary schools. The additions are scheduled to be completed by August 2010. These projects will enable Sligo Creek Elementary School to be relieved of space deficits. For these additions to be completed on schedule, County and State funding must be provided at the levels recommended in the CIP.

Non-Capital Action: A roundtable discussion group was convened in winter 2006 to explore options to relieve overutilization at Sligo Creek and Takoma Park elementary schools. Representatives from East Silver Spring, Piney Branch, Sligo Creek, and Takoma Park elementary schools participated in the roundtable discussion group. As a result of the group's work, the Board of Education adopted a plan on March 27, 2006, to reorganize East Silver Spring Elementary School from grades pre-K–2 to grades pre-K–5. The reorganization for East Silver Spring Elementary School will begin in August 2009 with grade 3. The Board of Education's plan also includes an addition to Takoma Park Elementary School to relieve overutilization at the school and to provide capacity to accommodate students from Sligo Creek Elementary School.

A boundary study was recommended to relieve overutilization at Sligo Creek Elementary School and is scheduled for completion in November 2009.

School Programs:
- Focused Academic Support (Local Funds)
- Total French Immersion
- Asperger's Program
- Elementary Home School Model

Class Size/Staff Ratio:
- Student Instructional/Staff Ration = 10.6
- Average Class Size
- Kindergarten = 16.3
- Grades 1 to 3 = 21.1
- Grades 4 to 5 = 18.8

Facility Information

Original Construction Date	Year Renovated/Modernized	Site Size	Gym	Joint Occupancy	Relocatable Classrooms
1934	1999	15.6 acres	Y	1	5

Capacity/Enrollment Projections

Current Capacity	Future Capacity	2009-10	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
532	532	624	628	630	648	645	640

Silver Spring International Middle School - #647

313 Wayne Avenue Silver Spring, MD 20910

Non-Capital Action: A boundary study is recommended to relieve overutilization at Sligo Creek Elementary School. Representatives from East Silver Spring, Piney Branch, Sligo Creek, and Takoma Park elementary schools will participate in the boundary advisory committee. Because East Silver Spring, Piney Branch, and Takoma Park elementary schools articulate to Takoma Park Middle School and Sligo Creek Elementary School articulates to Silver Spring International Middle School, the scope of the boundary study will include representatives from Silver Spring International and Takoma Park middle schools. The boundary study will take place in spring 2009 for Board of Education action in November 2009.

School Programs:

- Partial French Immersion/Spanish Immersion
- Linkages to Learning
- Learning and Academic Disabilities
- Middle Years Programme

Class Size/Staff Ratio:

- Student Instructional/Staff Ratio = 9.5
- Average Class Size (English) = 24.9
- Average Class Size (Other) = 24.6

Facility Information

Original Construction Date	Year Renovated/Modernized	Site Size	Gym	Relocatable Classrooms
1934	1999	10.6 acres	0	0

Capacity/Enrollment Projections

Current Capacity	Future Capacity	2009-10	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
1029	1029	713	718	738	757	821	858

Montgomery Blair High School - #757

51 University Boulevard, East Silver Spring, MD 20901

School Programs

- Multidisciplinary Educational Training and Support (METS)
- Communication Arts
- Mathematics/Science/Computer Science Magnet Program
- Learning and Academic Disabilities
- International Studies Academy
- Entrepeneurship Academy
- Human Services Professions Academy
- Media Literacy Academy
- Science, Math and Technology Academy

Class Size/Staff Ratio

- Student Instructional/Staff Ratio = 12.4
- Average Class Size (English) = 23.4
- Average Class Size (Other) = 25.1

Facility Information

Original Construction Date	Year Renovated/Modernized	Site Size	Joint Occupancy	Relocatable Classrooms
1998	n/a	30.2 acres	0	0

Capacity/Enrollment Projections

Current Capacity	Future Capacity	2009-10	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
2875	2875	2642	2520	2409	2272	2265	2327

Library Facilities

The Plan area is currently served by the Long Branch Library. This library is within two miles of the Plan area. It was built in 1964 and has a public service square footage of 22,063. A 20,000 square foot addition to the Hyattsville Library is planned in the FY 2009-2014 CIP. Project design has not yet begun but it is estimated that the project will be complete by June 2013.

Name	Address	Size
Long Branch Library	8800 Garland Avenue Silver Spring, MD 20901	Three-acre facility, 41,701 square feet facility with a book capacity for 200,000 volumes of materials.

Based upon recommended library standards, a branch library should be able to support a population of 40,000 users per branch. The study area has an estimated population of 29,000.

Community and Recreation Centers

The Department of Recreation has determined that a new or renovated community center is needed for the Plan area. The 2000 Plan recommended renovating the existing community recreation center at 7315 New Hampshire Avenue. This center is located on a 1.8-acre park and will be constructed during future phases of the development.

Recommendations

- Support the construction/renovation of the existing Takoma Park Recreation Center, including structured or below-grade parking and potential public-private joint venture.

- Maintain the Takoma Park Neighborhood Park (6.4 acres) as undeveloped open space.

Fire, Rescue, and Emergency Medical Services

The Montgomery County Fire and Rescue Service (MCFRS) provides fire protection and emergency medical services for the County. The services are provided by a combination of paid County personnel and volunteer members of the various independent, non-profit volunteer fire and rescue corporations throughout the County.

In 2004, the County Council passed legislation to reorganize the Fire and Rescue Service by placing all personnel, career and volunteer, under the command of a single fire chief. However, actual services are delivered from the 19 local fire and rescue companies. The County uses an incident command system to coordinate the efforts of paid and volunteer personnel at the scenes of emergencies.

MCFRS has determined that existing fire, rescue, and emergency medical services (EMS) at existing stations provide sufficient service to the Plan area, which is serviced by Takoma Park Station 2 First Battalion.

Existing and future residential and employment growth in the Plan area and in surrounding areas will increase the need for additional services, particularly emergency medical services. Station 2 is being rebuilt and expanded to accommodate new services and additional vehicles. It was necessary to expand the undersized and deteriorating facility to accommodate a prototype Class II (15,000 square foot) fire station. Existing fire suppression and rescue resources are expected to remain adequate over the life of the Plan. The need for additional EMS resources, including basic life support and/or advanced life support units, is probable.

Recommendation

- Support the expansion of fire, rescue, and emergency medical services at stations that surround Plan area.

Senior and Child Day Care Services

The Plan area is home to CentroNia daycare facilities. The demographic profile of this community indicates that approximately 9.1 percent of the population is less than five years old. Further, school age children are approximately 14.4 percent, which is less than the County wide population of 19 percent.

No existing building in the Plan area is dedicated to senior services. The demographic profile reveals that approximately five percent of the area's population is aged 65 and older, which is substantially lower than the County's overall population of approximately 11 percent.

As the district grows, it is envisioned that the demand for child care facilities and elderly services will increase. The flexibility of the CR Zone allows child day care facilities and elderly services as permitted uses.

Recommendation

- Support child day care facilities and elderly services within mixed-use developments at and near the proposed Purple Line and Transit Center.

Postal Service

A United States postal facility is located on Holton Lane.

Recommendation

- Relocate existing post office within mixed-use development at or near the proposed Purple Line Station and Transit Center.

Public Safety

The Plan area is within the Ward 6 of the City of Takoma Park's Police Department and the Montgomery County Department of Police District. There are six police districts and a special operations unit in the County.

Recommendations

- Expand the community policing program within Plan area.
- Recruit a diverse multi-lingual workforce.
- Support digital technology including web-based, police monitored digital surveillance.

Farmers' Market

Montgomery County's Agricultural Services Division operates several farmers' markets throughout the County including downtown Silver Spring and Takoma Park. These markets are operated from May through October. There is a farmers' market within Plan area but it lacks a permanent location.

A new public or public-private joint venture for operating a for-profit or non-profit farmers market in the Plan area would contribute to the district's transformation. The Plan recommends relocating the market from Holton Lane to a site in the area of highest density adjacent to the proposed Purple Line and Transit Center.

Recommendation

- Support a permanent location for the TLC farmers' market within the Plan area's Crossroads District.