

MINOR MASTER PLAN AMENDMENT APPLICATION



PURPLE LINE AT TERMINUS ("PLAT")

BETHESDA CENTRAL BUSINESS DISTRICT

MARCH, 2013

I. INTRODUCTION

The Bethesda Central Business District has long been considered the “crown jewel” of Montgomery County. The addition of an east-west oriented Purple Line to the METRO system, and its junction with the existing north-south Red Line at the core of the Bethesda CBD, provides both problems and opportunities for the CBD and for the County as a whole. This Minor Master Plan Amendment proposes to create a mechanism to facilitate construction of the Purple Line and related Capital Crescent Trail and to position properties that are contiguous or in close proximity to the new Purple Line right-of-way so that, upon their redevelopment, they will generate ridership needed to support the METRO system and to strengthen Bethesda’s role as an important regional center.

II. STUDY AREA

The proposed Study Area of the Bethesda CBD/Purple Line Minor Master Plan



Figure 1

Amendment is concentrated on the alignment of the Purple Line within the core of the Sector Plan area with anchor redevelopment parcels at either end of the study area. The boundaries of the proposed Study Area are outlined in yellow on Figure 1.

At the western end of the Study Area is the property located at 7272 Wisconsin Avenue which is the site of the four story, 170,000± square foot Apex Building shaded in red on Figure 2. The importance of this property cannot be overstated in influencing the future of Bethesda as an urban, transit-oriented community.



Figure 2

The Apex Building sits atop the point where the existing Red Line, and the new Purple Line, will intersect and will physically connect (see Figure 3).

Bethesda Metro South Entrance



Figure 3

The intersection of these two important METRO lines will be so dynamic that the “center of gravity” of Bethesda will shift from the Bethesda METRO station at the intersection of Wisconsin Avenue/Old Georgetown Road/East-West Highway to the 7272 Wisconsin Avenue site (see Figure 4). Due to the important connection between the Red Line and the Purple Line, and its proximity to the highly active “Bethesda Row” and surrounding development to the southwest, 7272 Wisconsin Avenue will become the “epicenter” of a highly energized Bethesda CBD.

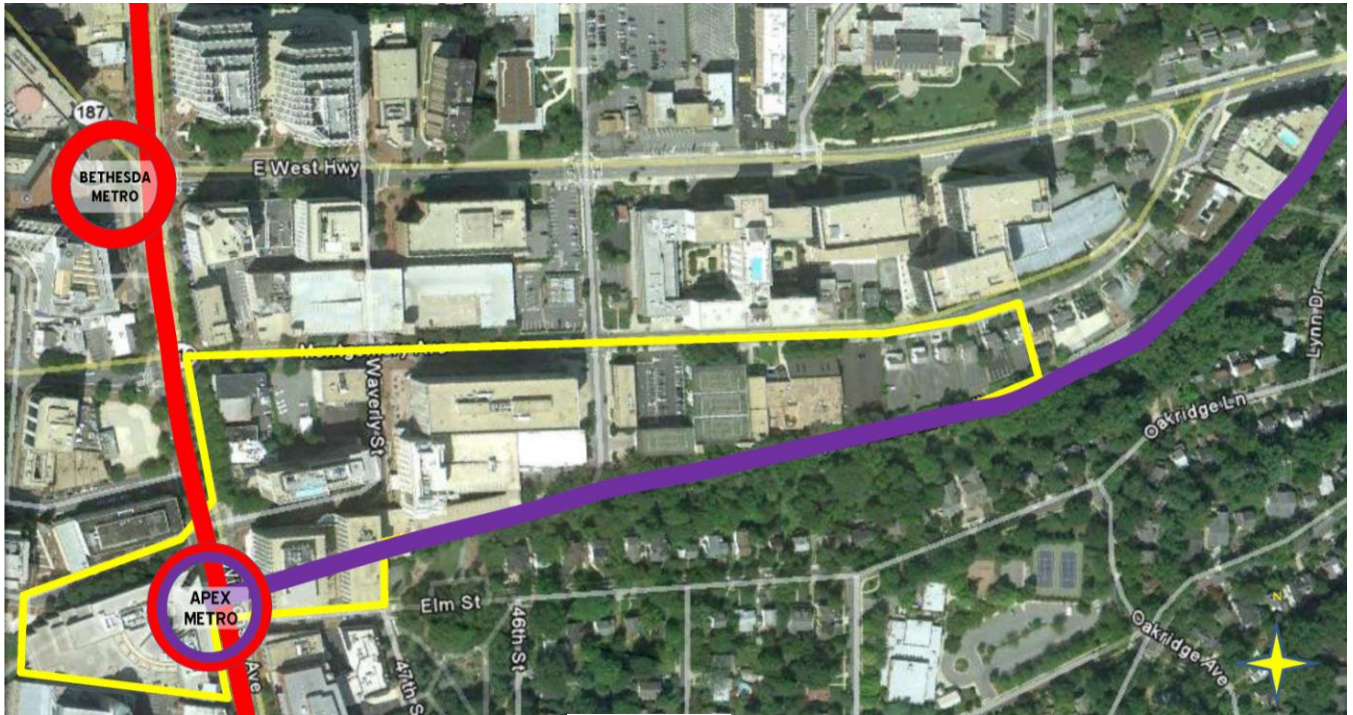


Figure 4

Unfortunately, the physical structure (its foundations) of the existing Apex Building acts as a deterrent to the implementation of the optimum Purple Line design and interconnection with the Red Line. As has been thoroughly studied and written about previously, the public sector does not control adequate easements and rights of way that will allow for full construction of the preferred METRO facilities combined with other public improvements, the Capital Crescent Trail in particular, which must pass through the limited construction envelope under 7272 Wisconsin Avenue property. Current thinking is that the location of the Capital Crescent Trail must be removed from the available buildable envelope in order to allow the combined facilities to be constructed at a reasonable cost.

This proposed Minor Master Plan Amendment will result in a mechanism being put in place that would eliminate both the physical complications and the economic deterrent that the Apex Building presently poses to smooth implementation of the Purple Line's optimum design

and operation and would them allow implementation of the Sector Plan's recommendation that the CCT be a component part of the construction under the Apex Building.

The eastern end of the study area is anchored by a large assembly of properties (3 acres, 130,590 SF) under unified control (highlighted in green on Figure 2). The largest portion of this assemblage is improved with the Bethesda Sport and Health Club and associated structured and surface parking. With the advent of the Purple Line, and with these properties being located within easy walking distance of the Southern Portal of the Bethesda Metro Station/Purple Line platforms, these properties are ripe for re-evaluation of their use and their zoning so that they can be redeveloped in a transit oriented manner.

The center of the study area (shaded in blue on Figure 2) contains several stable properties, such as the Air Rights buildings, that are not likely to redevelop in the foreseeable future. But the center of the Study Area also includes the property located at 7359 Wisconsin Avenue which is the present site of the 2nd District Police Station. Montgomery County has recently issued a Request for Qualifications and Development Proposal seeking proposals for the development of this key parcel of land in the Central Business District. This Minor Master Plan Amendment provides an opportunity to determine if there is a more desirable zone and/or method for development of the current police station site in order to achieve the County's goals of establishing a new public safety facility within the CBD.

III. THE CONFLICT BETWEEN THE SECTOR PLAN GOAL OF CREATING A SILVER SPRING – BETHESDA TROLLEY STATION AND REALTY

As early as the publication of the 1994 Bethesda Central Business District Sector Plan, transportation planners had identified that the Apex Building, constructed after the adjacent CSX

line was in use, would inhibit the optimum design of a connection between the Purple Line (in 1994 known as the “Silver Spring-Bethesda Trolley”) and the Red Line:

“The Georgetown Branch Master Plan Amendment recommended a Bethesda trolley terminal under the Apex Building. It is anticipated that the south entrance to the Metro Station would be built. Subsequent studies indicate that this terminal location would require substantial modifications to the building to gain access to the Metro station. The nature of these modifications and the cost implications warrant that alternative Metro-trolley connections be considered.”
(1994 Plan, p. 149).

The nature of the conflicts between the Sector Plan’s transit recommendations and the physical realities of the 7272 Wisconsin Avenue site are discussed in the following analysis.

1. Relationship between the Apex Building’s structure and the needs of the METRO and related public facilities.

Simply stated, the development rights reserved to the public in the subterranean area under and around the Apex Building are not adequate to support the full complement of METRO and related public facilities (e.g., Capital Crescent Trail) without conflicts with the structural elements of the Apex Building.

METRO and other public facilities that need to be fit under the Apex Building include (see Figure 5, “Concept Plan; Purple Line Connection at Bethesda Metro Station;”

Prepared by Maryland Transit Administration):

- a. The Purple Line tracks and Station.
- b. The passageway mezzanine between the Purple Line station and the Redline Station.
- c. The South Portal entrance elevators from Elm Street to the Red Line Station.
- d. The Capital Crescent Trail.

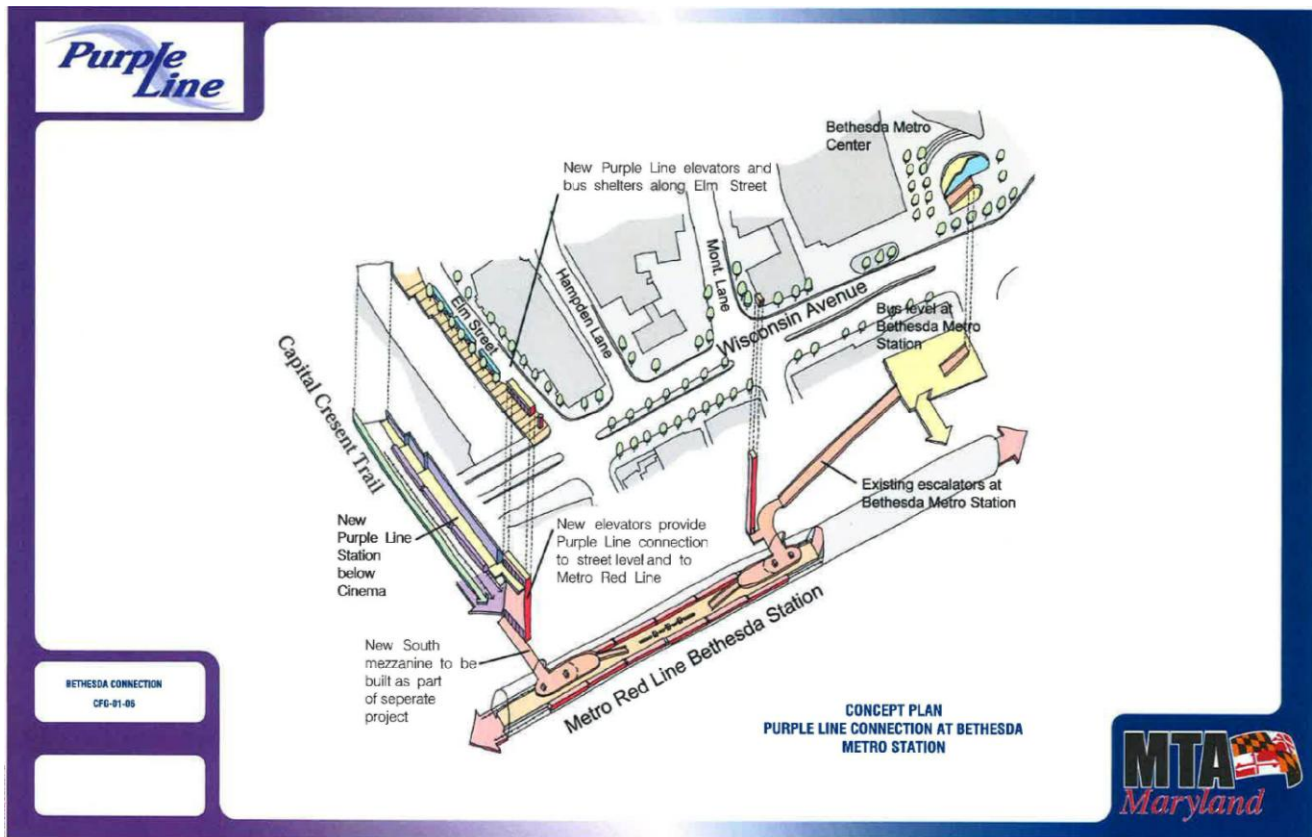


Figure 5

As was noted in the 1994 Sector Plan, studies had shown that a terminal location under the Apex Building “...would require substantial modifications to the building to gain access to the METRO Station.” (Plan, p. 149). More in-depth studies undertaken over the past two years have been more specific in describing the nature of the conflicts.

While there are issues of fitting just METRO facilities within the available construction envelope under the Apex Building, the problem becomes even more exaggerated when the Capital Crescent Trail is paired with the Purple Line tracks in the tunnel under the Building. This conflict occurs because there is not adequate headroom for the CCT users without lowering the trolley tracks 8 to 10 feet. Excavation to lower the tracks adds cost and, more importantly, exposes the foundation (35 columns) of the Apex Building which would have to be strengthened because of their unplanned lack of lateral support. In addition, three bracing

grade beams would need to be relocated and/or reconfigured within the Elm Street right-of-way. Temporary lateral support for these columns would need to be provided to allow METRO construction work to take place. Finally, excavation would also expose the support columns of a now removed Wisconsin Avenue bridge which were not eliminated when the bridge was taken down but were, instead, buried.

In addition, while costs of providing support for the foundation of the Apex Building, and support or removal of the bridge piers, can be quantified, there remains the risk to the structural integrity of the Apex Building which neither the County nor the State is anxious to accept.

2. The estimated cost of accomplishing the desired METRO and CCT facilities within the tunnel under the Apex Building.

The physical limitations imposed on the Purple Line/CCT can be overcome by engineering solutions. But the public debate on this issue has focused on whether the costs are justified by the public benefits.

The most recent inflation in the cost of construction of the CCT, in conjunction with the Purple Line, up to an estimated \$103 million dollars, is largely attributable to the costs (\$40.5 million dollars) of retrofitting the area under the Apex Building in order to create more headroom to accommodate the Capital Crescent Trail. The Maryland Transit Authority and its consultants, Parsons Brinkerhof, have concluded that the costs of excavation to lower the subway tracks, and the costs to provide support for the foundation of the Apex Building due to the excavation and exposure of the building's support columns, could reach \$40± million dollars, if the public sector was willing to accept the risks to the building's structural integrity. This enormous increase (almost 60% since the CCT cost was first estimated) in system costs is compounded by the fact that 43% of the expense for the CCT is accounted for in the 1,000 foot

segment within the Central Business District (being only 4% of the total CCT length). There are vigorous advocates on both sides of the issue of whether a \$40± million dollar expense is justified to include the CCT with the Purple Line facilities under the Apex Building but the public sentiment clearly supports combining the two facilities if expenses can be reduced.

3. The currently recommended alternatives to constructing a full set of public improvements within the Apex Building site have no general public acceptance.

The proposed solution to reducing the cost of the CCT construction in conjunction with the Purple Line is to take the Capital Crescent Trail facilities out of the equation, even if to do so would be contrary to the Sector Plan recommendations, the preferences of transportation planners, the public expressions of members of the County Council, and the strong desire of pedestrians, joggers and bicyclists who are devoted to a continuous CCT along the Georgetown Branch rail line.

In a comprehensive analysis presented to the Transportation, Infrastructure, Energy and Environment Committee of the Montgomery County Council, Deputy Council Staff Director Glenn Orlin analyzed several alternatives for the Purple Line (A through G) some of which addressed alternative placement of the Capital Crescent Trail other than under the Apex Building along with the METRO facilities. An earlier analysis with alternative CCT alignment recommendations was conducted by the Staff of Maryland-National Capital Park and Planning Commission in the Fall of 2011 in a Report submitted to the Montgomery County Planning Board on November 9, 2011.

At the present time, no preferred surface alignment for the Capital Crescent Trail has been judged superior if incorporating the CCT with the tunneled METRO facilities proves not to be feasible. No alternative has any public acceptance by elected officials, planners or

users. But any “surface” trail, using local Bethesda streets, and having to cross Wisconsin Avenue at grade, is not as safe, as convenient or as attractive as traveling adjacent to (or above) the METRO Purple Line tracks. The estimated 11,000 CCT users who would have to daily cross Wisconsin Avenue at grade are concerned about the delays and potential pedestrian/bicyclist conflicts with vehicles. (Gazette.net, February 29, 2012).

4. The logical solution to achieving construction of the optimum Purple Line/ CCT facilities is to remove the Apex Building before METRO and CCT construction commences.

As has been made clear in all that has been written about the conflict between the structural elements of the Apex Building and the METRO/CCT facilities, those conflicts are extinguished, and construction of all transit and CCT facilities are hugely simplified if the Apex Building is removed and the 7272 Wisconsin Avenue site is made available for unfettered subway system construction. The option of public acquisition of the Apex Building in order to remove conflicts was considered by the Maryland Transit Authority and was rejected as being too expensive and because condemnation would be too time consuming:

“Another option – tearing down and redeveloping an office building to expand the cramped tunnel – would be too expensive, according to the [Maryland Transit Administration] report.” Washington Post, February 2, 2012.

Therefore, an incentive needs to be devised to cause the Apex Building to be voluntarily removed without the expense and time delays associated with condemnation proceedings.

5. This Minor Master Plan Amendment provides a technique for the owner of the Apex Building to cooperate with public officials to have its building removed in advance of METRO and CCT construction.

This Minor Master Plan Amendment recommends that a new zoning classification be placed on the 7272 Wisconsin Avenue property that would be reflective of its critical location in the “new” Bethesda after the opening on the Purple Line station. A new, more intense zoning

classification placed on the property would make it financially advantageous for the owner to sell the property to a third party developer which could justify the expense of having a valuable asset – the Apex Building – removed in exchange for redevelopment rights that would cover that loss and would result in a reasonable return on its investment.

In addition to a new zoning classification – CR 10.0, C-8.0, R-8.0, H 250' (described in more detail in paragraph IV. A following), the Sector Plan would contain language ensuring that the Apex Building site could only be redeveloped at such density if the Apex Building was removed in order to facilitate seamless METRO and CCT construction. Otherwise, the property could only be redeveloped at an intensity and height consistent with its current zoning, that is, CR-5.0, C-3.0, R-4.5, H 145'. This technique gives the public assurance that its investment in this Minor Master Plan Amendment – a zoning classification intended to accomplish a valuable public purpose – comes to realization.

IV. MINOR MASTER AMENDMENT EVALUATION CRITERIA

- 1. Identify the nature of the amendment being requested and why an amendment is considered necessary in the context of the current master plan and zoning.**

The Bethesda Central Business District Sector Plan was published in July, 1994 and is now almost 20 years old. The Amendment of the CBD Plan in March, 2004 dealt exclusively with the geographical area and the special characteristics of the Woodmont Triangle and did not study the core area and how it is influenced by transit.

A minor master plan amendment focused on the defined Study Area will allow an in-depth analysis of the land uses and the zoning that should be in place to maximize the public

benefits that will flow from the Purple Line/Red Line connection and the changes that transit will bring to Bethesda.

As is described in detail in Paragraph III above, the recommendations contained in the 1974 Sector Plan, that were reiterated in the “Georgetown Branch Master Plan Amendment” and the 1994 CBD Sector Plan Amendment for a METRO rail/trolley car station under the Apex Building are being frustrated by the inability to construct a combined package of METRO and Capital Crescent Trail facilities necessary to make this critical public improvement achieve its intended purpose. Amendment of the Sector Plan to create an incentive to remove the limitations caused by the Apex Building would facilitate accomplishment of the current Sector Plan’s goals uninhibited by the physical presence of the Apex Building.

Finally, the County has progressed in its thinking about modern zones that will implement transit oriented development that will occur in the future. Eventually, the current CBD zones (created in 1974) that predominate in the Study Area will be replaced by the Commercial-Residential (CR) zone. Incorporation of CR zoning recommendations in a minor master plan amendment for the Bethesda CBD (since the CR zone cannot be mapped on a property unless it is so recommended in an approved and adopted master plan) will allow this more modern zone to be put to work earlier to stimulate development activity in the CBD.

2. Identify the area for which an amendment is being requested.

A list of properties that are included within the boundaries of the Study Area are found in Chart A along with other important information and identifiers of the lots being studied.

CHART A

| Tax Account # | Address | Familiar Name | Block / Lot or Parcel | Owner | Owner Address | Size of Lot | Year Structure Built |
|----------------------|------------------------------|---|---------------------------------|----------------------------------|--|------------------------------|-----------------------------|
| 07 00516243 | 7359 Wisconsin Avenue | 2 nd District Police Station | Block 4 / Lot P7 | Montgomery County, MD | EOB 101 Monroe St. | 0.151 acres (6,560 sf) | |
| 07 00516334 | 7351 Wisconsin Avenue | Carpet Palace | Block 4 / Lot 6 | Pheasandon LLC | c/o Isabel Goff P.O. Box 175 Sanderstown, RI 2874 | .18 acres (7,840 sf) | 1956 |
| 07 02511481 | 7335 Wisconsin Avenue | Residence Inn | Block 4 / Lot 13 | RLJ R Bethesda LLC | 3 Bethesda Metro Center Bethesda, MD 20814 | .601 acres (26,171 sf) | 1986 |
| 07 00516323 | 7347 Wisconsin Avenue | | Block 4 / Lot P5 | Mahjobi & B. Mahmoud | 4201 Howard Ave. Kensington Ave. Kensington, MD 20895 | .112 acres (4,900 sf) | 1929 |
| 07 00515977 | 7345 Wisconsin Avenue | Shangri-La | Block 4 / Lt P4 &Pt Lt 5 | 7345 Wisconsin Ave. Ltd Ptshp | 4641 Montgomery Ave., #200 Bethesda, MD 20814 | .156 acres (6,798 sf) | 1942 |
| 07 00516232 | Montgomery Avenue | | Block 4, Lot P8 & Pt Lt 9 | Montgomery County | EOB Monroe St. Rockville, MD 20850 | .296 acres (12,893 sf) | |
| 07 00515762 | 4630 Montgomery Avenue | | Block 4 / P10 & Pt Lt 11 | 4630 Montomery Ave. LLC | c/o The Goldstar Properties 7501 Wisconsin Ave. Ste 1360 Bethesda, MD 20814 | .174 acres (7,558 sf) | 1954 |

| Account # | Address | Familiar Name | Block / Lot or Parcel | Owner | Owner Address | Size of Lot | Year Structure Built |
|------------------|------------------------|----------------------|-------------------------------|-------------------------------|--|-------------------------|-----------------------------|
| 07 00515988 | Montgomery Avenue | | Block 4 / Lot P10 & Pt Lot 11 | 4630 Montgomery Ave. LLC | c/o The Goldstar Properties 7501 Wisconsin Ave. Ste 1360 Bethesda, MD 20814 | .178 acres (7,750 sf) | |
| 07 03601053 | 4550 Montgomery Avenue | Air Rights Building | Unit 1 | RP MRP Air Rights LLC | c/o Woodlawn @ Old Parkland 3953 Maple Ave., Ste 300 Dallas, TX 75219 | 2.54 acres (110,630 sf) | 1980 |
| 07 03601064 | 7301 Waverly Street | Hilton Garden Inn | Unit 2 | Bethesda Hotel Associates LLC | c/o Donohue Bethesda Hotel 2101 Wisconsin Ave. NW Washington, DC 20007 | .25 acres (10,890 sf) | |
| 07 00515922 | 7300 Pearl Street | | Block 5 / Par B | RP MRP Air Rights LLC | c/o Woodlawn @ Old Parkland 3953 Maple Ave., Ste 300 Dallas, TX 75219 | .398 acres (17,326 sf) | 1952 |
| 07 00516208 | 4540 Montgomery Avenue | | Block 5 / Lot 14 | Rt. 4540 Montgomery LLC | c/o Promark Real Estate Serv. 16620 Frederick Ave. Ste. 325 Gaithersburg, MD 20877 | .172 acres (7,500 sf) | |
| 07 00516128 | 4424 Montgomery Avenue | PNC Bank | Block 6 / Lot P1 | Pearlmount Associates, LLC | c/o Chevy Chase Commercial Inc. 4424 Montgomery Ave. Bethesda, MD 20814 | .162 acres (7,050 sf) | 1977 |
| 07 00516130 | Montgomery Avenue | | Block 6 / Lot 2 | Pearlmount Associates, LLC | c/o Chevy Chase Commercial Inc. 4424 Montgomery Ave. Bethesda, MD 20814 | .189 acres (8,250 sf) | |
| 07 00515990 | Montgomery Avenue | | Block 6 / Lot 3 | Pearlmount Associates, LLC | c/o Chevy Chase Commercial Inc. 4424 Montgomery Ave. Bethesda, MD 20814 | .189 acres (8,250 sf) | |

| Account # | Address | Familiar Name | Block / Lot or Parcel | Owner | Owner Address | Size of Lot | Year Structure Built |
|----------------|------------------------|----------------|-----------------------|--|--|--------------------------------------|----------------------|
| 07 02416213 | 4400 Montgomery Avenue | Sport & Health | Block 6 / Par B | Bethesda Chevy Chase Assoc. Racquet Club LP | c/o Promark Real Estate Serv. LLC 16220 S. Frederick Ave. Ste 325 Gaithersburg, MD 20877 | 1.559 acres (67,918 sf) | 1980 |
| 07 00434038 | 4340 Montgomery Avenue | | Block 2 / Lot 2 | Bethesda-Chevy Chase Racquet Club Ltd. Pship | c/o Promark Real Estate Serv. LLC 16220 S. Frederick Ave. Ste 325 Gaithersburg, MD 20877 | 0.189 acres (8,222 sf) | |
| 07 00418120 | 4338 Montgomery Avenue | | Block 2 / Lot 3 | Bethesda-Chevy Chase Racquet Club Ltd. Pship | c/o Promark Real Estate Serv. LLC 16220 S. Frederick Ave. Ste 325 Gaithersburg, MD 20877 | 0.179 acres (7,803 sf) | |
| 07 00426040 | 4336 Montgomery Avenue | | Block 2 / Lot 4 | Belur K. Radhakrishnan Trust | 9202 Kirkdale Rd. Bethesda, MD 20817 | .19 acres (8,275 sf) | 1934 |
| 07 00433284 | 4334 Montgomery Avenue | | Block 2 / Lot 5 | Belur K. Radhakrishnan Et Al Trust | 9202 Kirkdale Rd. Bethesda, MD 20817 | .175 acres (7,621 sf) | 1935 |
| 07 00437852 | 4332 Montgomery Avenue | | Block 2 / Lot 6 | Belur K. Radhakrishnan Et Al Trust | 9202 Kirkdale Rd. Bethesda, MD 20817 | .167 acres (7,277 sf) | 1935 |
| 07 00435261 | 4330 Montgomery Avenue | | Block 2 / Lot 7 | 4330 Montgomery Ave. LLC | c/o Mohamed V. Mushin 4324 Montgomery Ave. Bethesda, MD 20814 | .16 acres (6,974 sf) | 1935 |
| 07 00470630 | Elm Street | | P493 | Meadow Lo Corporation | 16620 S. Frederick Ave., #325 Gaithersburg, MD 20877 | Pt of .086 acres (Pt of 3,772 sf) | |
| 07 00417455 | 7313 Wisconsin Avenue | | P541 | RP MRP Air Rights EW LLC | c/o Woodlawn @ Old Parkland 3953 Maple Ave., Ste 300 Dallas, TX 75219 | .661 acres (27,779 sf) | |

| Account # | Address | Familiar Name | Block / Lot or Parcel | Owner | Owner Address | Size of Lot | Year Structure Built |
|------------------|-----------------------|----------------------|------------------------------|-------------------------------|--|----------------------------|-----------------------------|
| 07 00417444 | 7301 Wisconsin Avenue | | P542 | RP MRP Air Rights EW LLC | c/o Woodlawn @ Old Parkland 3953 Maple Ave., Ste 300 Dallas, TX 75219 | .199 acres (8,658 sf) | |
| 07 02511470 | Waverly Street | | Outlot A | RP MRP Air Rights EW LLC | c/o Woodlawn @ Old Parkland 3953 Maple Ave., Ste 300 Dallas, TX 75219 | .06 acres (2,633 sf) | |
| 07 00417433 | 7301 Wisconsin Avenue | | P594 | RP MRP Air Rights EW LLC | c/o Woodlawn @ Old Parkland 3953 Maple Ave., Ste 300 Dallas, TX 75219 | .029 acres (1,245 sf) | |
| 07 02644353 | Elm Street | | P537 | RP MRP Air Rights EW LLC | c/o Woodlawn @ Old Parkland 3953 Maple Ave., Ste 300 Dallas, TX 75219 | .666 acres (29,004 sf) | |
| 07 00470047 | 7315 Wisconsin Avenue | | Block L / Lot P1 | RP MRP Air Rights EW LLC | c/o Woodlawn @ Old Parkland 3953 Maple Ave., Ste 300 Dallas, TX 75219 | .084 acres (3,644 sf) | 1964 |
| 07 01990448 | 4609 Elm Street | | Block L / Lot P1 | RP MRP Air Rights EW LLC | c/o Woodlawn @ Old Parkland 3953 Maple Ave., Ste 300 Dallas, TX 75219 | .122 acres (5,307 sf) | 1971 |
| 07 00430361 | 4701 Bethesda Avenue | | Block A / Lot P8 | Montgomery County | EOB 101 Monroe St. Rockville, MD 20850 | 0.056 acres (2,454 sf) | |
| 07 02750897 | 7272 Wisconsin Avenue | Apex Building | Block A / Par B | 7272 Wisconsin Building Corp. | c/o Vanguard Realty Grp 1201 Seven Locks Rd, Ste 350 Potomac, MD 20854 | 1.903 acres (82,889 sf) | 1990 |

Total Area

12.2 Acres
531,841 Square Feet

3. Describe how the requested amendment benefits the public and what impacts might be anticipated as a result of this application.

Multiple public benefits are expected to flow from adoption of this minor master plan amendment and its implementation through a sectional map amendment and other public action.

First, and most importantly, the absolute cost of construction of the Capital Crescent trail in conjunction with the Purple Line improvements will be reduced dramatically – in the order of \$40 million dollars. Today that huge expense acts as both a practical and a perceptual impediment to securing funding for the CCT. Public support for the project has eroded because of the large price tag to combine the Trail facilities with the Purple Line under the Apex Building. Eliminating the enormous cost attributable to extraordinary construction and lateral support measures needed to fit the optimum Purple Line/CCT facilities under the land at 7272 Wisconsin Avenue will make combination of these facilities realistic again.

Secondly, the combination of the CCT with the Purple Line tracks will eliminate the need to have surface options for the CCT through the streets of Bethesda. In addition to the simplicity of having uninterrupted Trail movement through the CBD, all the negative features of a surface CCT (e.g., street crossings, delays, safety) are eliminated and the public support for the entire Purple Line/Capital Crescent Trail project will be recovered.

Finally, the easy and early implementation of a Purple Line/Red Line connection at 7272 Wisconsin Avenue, and the dynamic nature of that junction of important transit lines, will stimulate redevelopment of surrounding properties particularly those in close proximity to, or with easy access to, the Purple Line terminal station. This redevelopment will contribute to the continued vitality of the Bethesda Central Business District by adding more employment,

shopping, dining, entertainment and residential opportunities in the CBD, will generate more ridership for the Metro system and will increase the County's tax base.

4. Please identify the master or sector plan for which the amendment is requested and how the requested amendment advances current land use objective, including but not limited to:

The applicable sector plan covering the Study Area is the Bethesda Central Business District Sector Plan adopted in July, 1994. The Sector Plan was amended in March, 2004 with publication of the "Woodmont Triangle Amendment to the Sector Plan for the Bethesda CBD", a Plan update that did not cover nor address the Study Area.

The 1994 CBD Plan was an update of the June, 1976 "Bethesda Central Business District Sector Plan" which itself was focused on the core development around the Bethesda Metro station. The paramount planning principle of the 1994 Plan was to "...complete the Metro core..." and for the Plan to "...[s] its vision to include commercial and residential districts surrounding the Core." (Plan, page 1.)

This Minor Master Plan Amendment proposes to build on those planning principles and to update the CBD core in light of the changes that enhanced METRO rail service will bring to Bethesda.

5. What zoning changes are necessary to implement the amendment being requested?

Figure 6, taken from the County's zoning records, depicts the current zoning patterns within the Study Area.

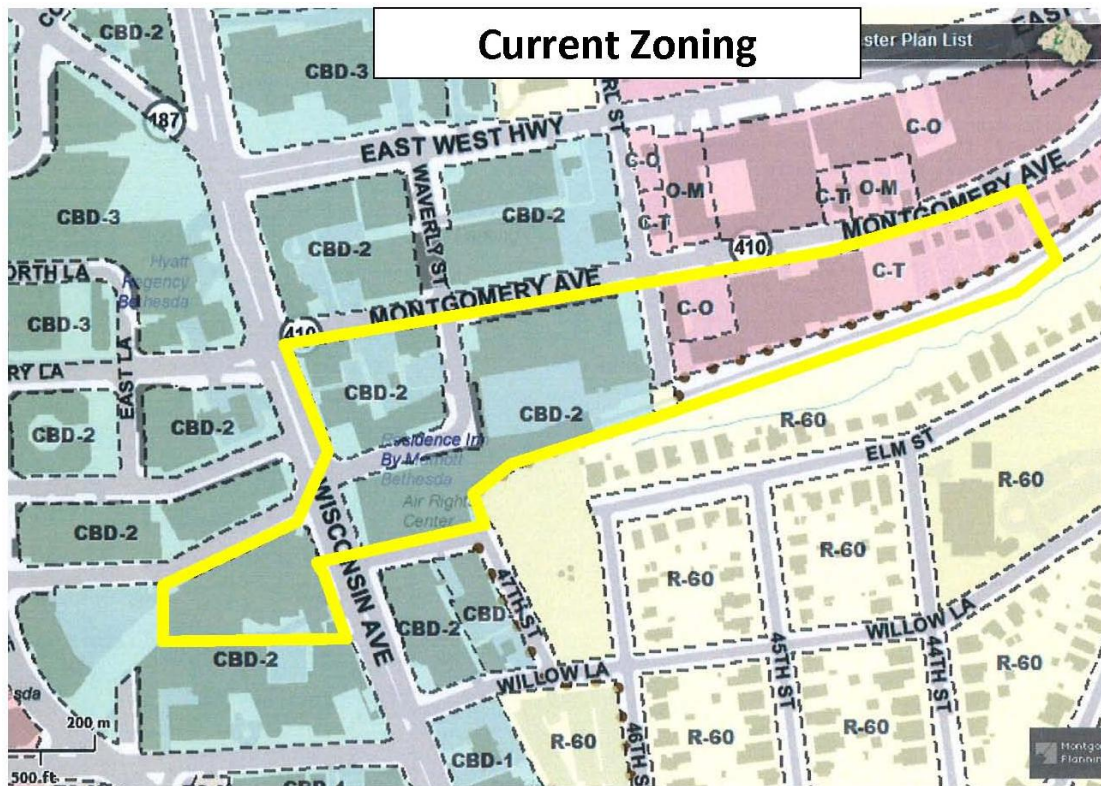


Figure 6

Below is a chart showing the existing zoning for all properties within the study area and the proposed logical zoning for those same properties that is being recommended in this Minor Master Plan Amendment to maximize the public benefits to be achieved from new transit oriented development within the Study Area.

CHART B

| Proposed Bethesda Minor Master Plan Properties | | | |
|--|----------------|-----------------|---------------------------------|
| Block | Lot/Parcel | Existing Zoning | Proposed Zoning |
| Highland Park | | | |
| 4 | P7 | CBD-2 | CR 5.0 C-3.0, R-4.5, H- 145' |
| | 6 | CBD-2 | CR 5.0 C-3.0, R-4.5, H- 145' |
| | 13 | CBD-2 | CR 5.0 C-3.0, R-4.5, H- 145' |
| | P5 | CBD-2 | CR 5.0 C-3.0, R-4.5, H- 145' |
| | P4 & Pt Lt 5 | CBD-2 | CR 5.0 C-3.0, R-4.5, H- 145' |
| | P8 & Pt Lt 9 | CBD-2 | CR 5.0 C-3.0, R-4.5, H- 145' |
| | P10 & Pt Lt 11 | CBD-2 | CR 5.0 C-3.0, R-4.5, H- 145' |
| | P10 & Pt Lt 11 | CBD-2 | CR 5.0 C-3.0, R-4.5, H- 145' |

| Block | Lot/Parcel | Existing Zoning | Proposed Zoning |
|------------------------------|-------------|-----------------|---------------------------------|
| Highland Park | | | |
| 5 | Land Unit 1 | CBD-2 | CR 5.0 C-3.0, R-4.5, H- 145' |
| | Land Unit 2 | CBD-2 | CR 5.0 C-3.0, R-4.5, H- 145' |
| | Parcel B | CBD-2 | CR 5.0 C-3.0, R-4.5, H- 145' |
| | 14 | CBD-2 | CR 5.0 C-3.0, R-4.5, H- 145' |
| 6 | P1 | C-O | CR 3.0 C-2.0, R-3.0, H- 65' |
| | 2 | C-O | CR 3.0 C-2.0, R-3.0, H- 65' |
| | 3 | C-O | CR 3.0 C-2.0, R-3.0, H- 65' |
| | Par B | C-T | CR 3.0 C-2.0, R-3.0, H- 65' |
| 2 | 2 | C-T | CR 3.0 C-2.0, R-3.0, H- 65' |
| | 3 | C-T | CR 3.0 C-2.0, R-3.0, H- 65' |
| | 4 | C-T | CR 3.0 C-2.0, R-3.0, H- 65' |
| | 5 | C-T | CR 3.0 C-2.0, R-3.0, H- 65' |
| | 6 | C-T | CR 3.0 C-2.0, R-3.0, H- 65' |
| | 7 | C-T | CR 3.0 C-2.0, R-3.0, H- 65' |
| Block L | P541 | CBD-2 | CR 8.0 C-7.0, R-7.0, H-200' |
| | P537 | CBD-2 | CR 8.0 C-7.0, R-7.0, H-200' |
| | P542 | CBD-2 | CR 8.0 C-7.0, R-7.0, H-200' |
| | Pt1 | CBD-2 | CR 8.0 C-7.0, R-7.0, H-200' |
| Block L | P479 | R-60 | R-60 |
| Millers Addition to Bethesda | | | |
| A | Parcel B | CBD-2 | CR 5.0 C-3.0, R-4.5, H-145' |
| | P8 | CBD-2 | CR 5.0 C-3.0, R-4.5, H-145' |

Consistent with the planning principles contained in the current Bethesda CBD Sector Plan, this Application recommends that the Minor Master Plan establish zoning densities and building height limits at the highest level on the Apex Building site, the anticipated

“epicenter” of the new Bethesda, with development intensity decreasing as one moves away from the core of the planning area.

A zoning classification of CR-10.0, C-8.0, R-8.0, H-250', is recommended for the critical 7272 Wisconsin Avenue property to act as a catalyst for implementation of the transit oriented goals of this Amendment. Zoning for the Apex Building property must be intense enough to incentivize the current owner, or its successor, to abandon the existing structure and allow its demolition in order that the optimum combination of METRO and companion public facilities can be constructed on the site unconstrained by the structural grid of the existing building. By placing a zoning classification on the property that allows for robust redevelopment opportunities, the owner, or successor, can feel justified in abandoning an otherwise viable and economically productive building in order to achieve greater density after accommodating construction of the Purple Line and the CCT through the 7272 Wisconsin Avenue property.

A floor area ratio of 10.0 is not inappropriate for the 7272 Wisconsin Avenue property. FAR 10 was approved (but not implemented) for the Clark Building at Bethesda METRO Center under its CBD-3 zoning. It is reasonable to expect that the conjunction of the Purple Line and the Red Line at the Apex Building site will create a more dynamic and more heavily utilized METRO station than is experienced at Bethesda METRO Center. That fact, coupled with the significant development in place or under construction at the nearby intersection of Woodmont Avenue and Bethesda Avenue and Elm Street, warrants this more intense zoning classification for this keystone property.

For lots in the middle of the Study Area, zoning classifications are recommended that would be a logical transition in density moving away from Purple Line/Red Line junction point. The Air Rights Buildings are recommended to be treated differently. First of all, they will

be across the street and confronting the Purple Line/Red Line stations. Secondly, the configuration of the Air Rights Buildings causes constraints on the Purple Line and CCT although not to the same extent as is experienced at the Apex Building site. Because of their proximity to the Purple Line and Red Line stations, and because a higher density could stimulate redevelopment that work to the benefit of the METRO system, a zoning classification of CR-8, C-6.0, R-6.0, H 145' is recommended for the Air Rights Buildings parcels.

At the eastern end of the Study Area, zoning is recommended for the large assembly of property located east of Pearl Street that will encourage transit oriented redevelopment. In recognition of substantial densities and greater height associated with structures located on the north side of Montgomery Avenue, the band of land between Montgomery Avenue and the Purple Line right-of-way is recommended for a zoning classification of CR-3.0, C-2.0, R-3.0, H-65'. But it is expected that text in the Sector Plan Amendment will contain design guidelines that will address the fact that south of the Purple Line right-of-way are single family detached residences located within Chevy Chase Village and that density and, more particularly, building height should be concentrated on the Montgomery Avenue frontage in order to create a compatible streetscape on the south side of the Avenue.

6. Identify interested parties relevant to your application.

An amendment of the Bethesda Central Business Sector Plan will attract great interest from a diverse range of parties. Foremost will be owners of land within and surrounding the Study Area who will benefit from the recommendations contained in the new Sector Plan. Residents in the existing residential communities, both within and surrounding the CBD, will have dual interests: first they will be interested in ensuring that their quality of life is not diminished by the Amendment's recommendations; but they will also be interested to hear about

the enhanced employment, shopping, dining and recreational opportunities that will flow from redevelopment under the standards of the CR zone that reward quality development proposals. And they, and employees within the CBD, will benefit from the greater transit options that the Purple Line will create.

Beyond the obvious groups of landowners, residents and employees, there will be other constituencies who will likely become involved in the Amendment review including supporters of transit (because of the interconnection of the Red Line and the Purple Line), affordable housing advocates (because of the increased delivery of mixed use development under the CR zone with more affordable housing) and patrons of quality urban design.

To date, the Applicant's efforts have been devoted exclusively to preparing this Application and have not reached the level of direct discussions or dialogue with any of the interested groups described above. During the Sector Plan Amendment process, the Applicant expects to be an active participant in educating the general public about the multiple benefits of this proposal as described throughout the application.

7. Do you consider traffic volumes or transit patterns to be a major consideration in your application and, if so, how do you propose to address those concerns?

This Amendment proposes to increase the density of development in the urban core of Bethesda. Therefore, in the abstract, one might think that traffic within the CBD might increase. However, several features of the Amendment militate against that assumption.

First of all, the primary goal of the Amendment is to facilitate the optimum design of the Purple Line/Red Line connection at the Apex Building site. When that goal is accomplished, convenient and trouble-free access to the WMATA system will be achieved and METRO ridership will increase thus reducing traffic generation within the Study Area. It has

been predicted by the Maryland Transit Authority that the Purple Line will attract 60,000 riders daily and will result in 20,000 fewer vehicle trips on the roadway system.

Furthermore, because new development will intentionally be more transit oriented, more residents and employees in the CBD will utilize the METRO system so that traffic generation from new development will likely be lower than would be experienced under current zoning and land use patterns.

In summary, it is expected that the next generation of development in the Bethesda CBD will rely more on the transit system than has the existing development with a commensurate reduction in vehicle traffic notwithstanding the potential of an increase in gross square footage of development within the Study Area.

8. Has your request been the subject of a previous master plan amendment, rezoning, text amendment, or similar application?

No. As stated previously, this Minor Master Plan Amendment is intended to update the zoning and land use recommendations contained in the now outdated 1994 Bethesda CBD Sector Plan. The 2004 Amendment of the Sector Plan dealt only with the Woodmont Triangle which is an area separate and apart, with different planning issues than the core area of the CBD.

IV. CONCLUSION

Montgomery County is concerned that public monies will not be adequate to fund design and construction of the Purple Line, particularly with the large expense associated with incorporating the Capital Crescent Trail along the rail tracks under the Apex Building. This Minor Master Plan Amendment can create a framework, and a roadmap, to stimulate construction of the Purple Line/Red Line connection at the 7272 Wisconsin Avenue site at

substantially reduced public costs. The enhanced METRO station site then serves as a catalyst for new development in the defined Study Area that is adjacent to the Purple Line right-of-way that will further invigorate the urban core of Bethesda and will generate numerous additional public benefits for the residents, employees and visitors to the Central Business District, and for the County as a whole. This Minor Master Plan Amendment is necessary in order to avoid a failure in realizing the optimum design and operation of the Purple Line at its connecting station with the Red Line and in implementing the long standing goals of the Sector Plan which are presently unachievable.