Urban Park Request at

8001 Newell Street

South Silver Spring

Extra Space Self Storage along Newell

- An acre (0.94) ideal for an urban park (Draft PROS plan p. 14)
- One story easy to demolish
- Unattractive commercial site in residential area; currently zoned CBD-1



Self Storage – Kennett and Newell

- Isolated in May 2010 as prospective park in Green Space Guidelines
- More viable today than 2 years ago due to growth and owner willingness to sell
- Driven by growth in Tract 7025 and 7026.01 population/units are up
- +33% since 2005 and +18% since 2010
- 2012 residents now in the area total over 10,000



Link to Acorn Park and East-West Hwy

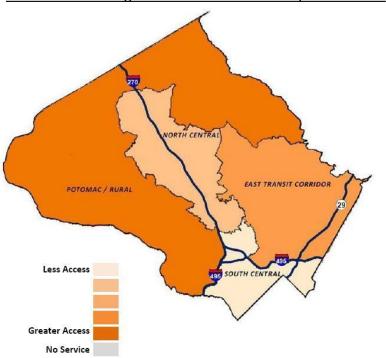
- Nearby Acorn Park is only a 0.12 acre compromised of mostly wood chips, concrete and a sunken portion

- Close to East-West Hwy without its visible traffic and noise



Least Access to Park Land in County

<u>Level of Park Service by Population Map from Montgomery County</u> Vision 2030 Strategic Plan Executive Summary – June 2011



<u>Silver Spring CBD location within South Central area in dark orange</u> from MontgomeryPlanning.org



WESTBARD SECTOR PLAN

- The South Central geographic area of Montgomery County has less access to park land than any other area.
- The Silver Spring CBD is a stark contrast aesthetically to its neighboring Takoma Park MD and Shepherd Park DC neighborhoods.
- Amenities are not increasing in South Silver Spring to keep pace with dense development.
- Note: Germantown Town Center Urban Park was allotted \$7.2 Million by the county (\$1.24 Million for planning/design and \$5.96 Million for improvements and utilities) thru 2014 while South Silver Spring is more urban.

Neighborhood Aerial View - American Community Survey (2009) of US Census marks this area (tracts 7025 & 7026.01) as the #1 most dense population area - on per square mile basis - in Montgomery Co.



- Dog buildings are the norm in the community, not the exception
- While developers are mandated to provide 20% "public use" space, this has not been resulting in proportionate increases in "green" space, so there is now an extreme deficit with potentially feasible lots disappearing rapidly.
- Walkable green space access is constrained in the area due to railroad tracks in the northeast, building
 configurations in the northwest, hazardous Portal Circle crosswalks to the west and private DC homes to
 the south. Green space is needed directly in the community.

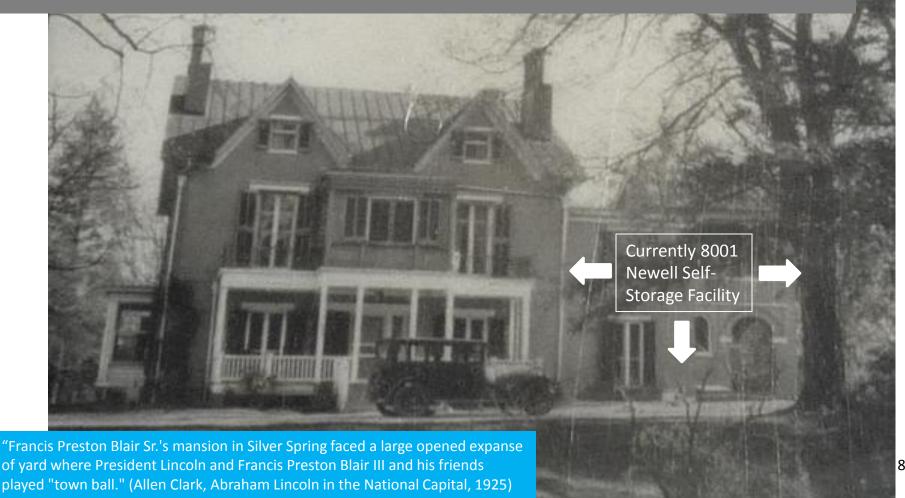
Walkable Radius – Lack of Green Space



Note: Jesup Blair Park, Falklands and most of the Blairs are out of walkable radius.

Front Grounds of the Blair Mansion

- Currently, there is only this historical marker (right) for the Blair Mansion and Silver Spring Post Office
- A park could extend the significance of Acorn Park and mark the front grounds of the Blair Mansion



Current Open Space – Minimal Green

Concrete Seating Area at 8045



No Dog Signs at Argent



Wide Sidewalk at 1200



No Dog Signs at Silverton



Current Open Space – Minimal Green

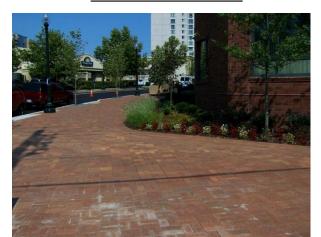
Concrete and Elevated Grass at Veridian



Concrete Seating Area at Galaxy



Wide Sidewalk at Orion



Property Tax Revenue Implications – Park vs Current Use

- Current property holder contributes \$60,178 in state and county tax revenues, based on a 2011 assessed value of land and property of \$3,622,700.
- Within a one-half mile radius of the proposed amendment's location, there are a total of 14 owner-occupied and rental properties with an aggregate assessed value of \$548,845,000, using the same data set.
- Over 20 independent economic studies confirm that the access and availability of "green" space compared to "open" space provides a significant increase in property values to "proximate users" of parks within a 2000 foot radius. One analyst, John Crompton, a distinguished professor of economics at Texas A&M University has noted in his low-ball estimate that "the magnitude of the proximate effect [2000 feet] varied according to size, usage and design of parklands, but a positive impact of 20% on property value abutting or fronting a passive park area is a reasonable guideline as a point of departure."
- Applying the same methodology to the proximate users of a proposed park at 8001 Newell Street, property tax assessments could increase at minimum to \$658,614,600 with a proportionate increase in property tax revenue into County and State coffers at \$1,148,963 per year. See Appendix for calculations.

Property Tax Revenue Implications – Park vs Residential Building

- With an assumption of a proposed residential building with an initial assessment on land and building of \$40,000,000, the revenue impact of this type of development would net the County an additional \$526,067 per year (with the current State, and County property tax rates).
- With an abatement in place (40% property tax abatement to spur development), the positive economic impact would only be \$311,027. Thus, the positive revenue impact of a park is \$837,936, greater than that of a residential development (with PILOT credits). See Appendix for calculations.
- These economic impact analyses do not account for the potential economic losses faced by owners in nearby buildings and the revenue losses faced by the County with declining assessed property values from these proximate users (An informal poll of 10 realtors who work in Silver Spring suggest that owners in nearby buildings will lose value on their properties with a range of between 5 and 15 percent decline against current assessment).
 - Economic analysis here does not reflect the significantly lower maintenance cost of a
 one-acre park compared to the increased need for public services (e.g.,
 infrastructure, police, sanitation, education) required by an influx of 300 persons
 (assuming 187 units in a residential building with an average of 1.63 persons per unit)
 to the neighborhood.
 - As John Crompton notes, "when open space is transformed into homes, the taxes of
 existing residents invariably increase because while the development generates tax
 revenue, the cost of providing public services and infrastructure to that development
 is likely to exceed the tax revenue emanating from it.
 - The results of these studies indicate that favoring residential development at the expense of open land does not alleviate the financial problems of communities. Indeed, it is likely to exacerbate them."

Revisit of Silver Spring CBD green space ranks due to new factors

Silver Spring CBD Green Guidelines - May 2010 - Pages 29 & 31

Table 1 Strengths, Weaknesses, Opportunities, and Threats (SWOT Analysis) of Recommended Sites

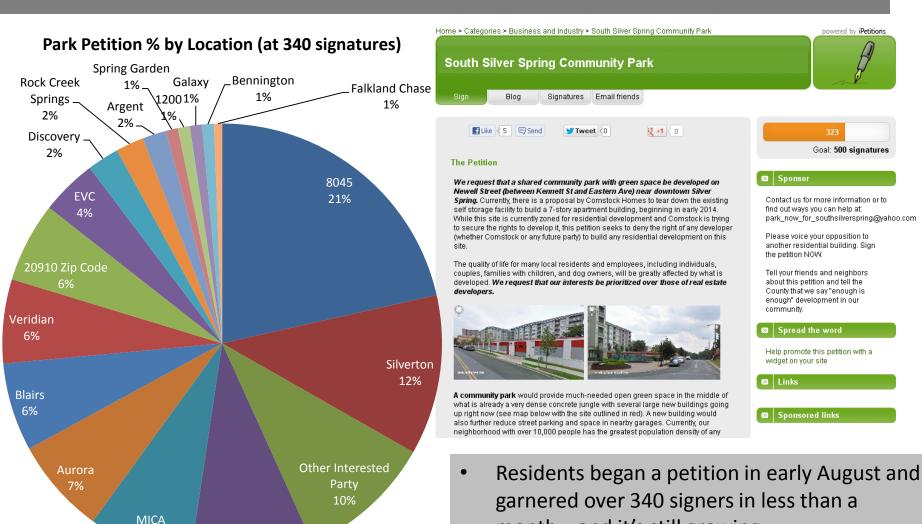
Map Key	Site Description	Potential Users	Strengths	Weaknesses	Opportunities	Threats (Challenges)
9	Existing self- storage facility on Newell Street	Residents of South Silver Spring, and D.C.	Adjacent to D.C. boundary line; single ownership; good street frontage, access and visibility	CBD periphery; existing structures to be demolished and businesses relocated	Gateway to South Silver Spring; gathering area for D.C. and CBD	Business relocation; availability of compatible space

Table 2 Ranking of the potential sites for large green spaces

Map Key	Green Space/District	No. residential units within 800 feet (existing and approved)	Proximity to existing parks	Existing and Potential Connections	Ease of Implementation	Transit proximity	Serves district	Score
9	Newell Street Self-Storage	1,776	No	3	1	2,600'	1	15
	South Silver Spring	4	4			2		

- The strengths are notable and have increased in the past two years: 1) single owner that is willing to sell, 2) a business that is unlikely to need relocation, 3) a one story structure that is easy to demolish, 4) 18% population growth, 5) number of residential units within 800 feet has increased to 2,277 and 6) no parking infringement for any businesses like the Giant or Whole Foods. This should put the Self-Storage above the Lots between Kennett and East-West, which ranked #5 in 2010 and was a recommended site.
- The number of residential units likely surpasses the projected 2010 number and this score may be increased to a 5. With the constrained walkable green access and deficit of green space in recent developments, proximity to existing parks may be increased to a 5. When considering that Discovery and NOAA employees are also existing connections, this score may also be increased. As mentioned above, the ease of implementation may be well increased due to new factors. With the renovation of the Silver Spring Metro, an additional attraction of a park in our community should make the area even more desirable to new residents (families, dog owners, green-minded owners) and fill vacancies.

Park Petition – Broad and High Community Support



DC

9%

8%

• www.ipetitions.com/petition/silverspringpark

14

month... and it's still growing.

<u>Tract 7025</u> - Includes 8045 Newell; Bennington; Silverton; Veridian; Eastern Village Co-Housing; Gramax; Galaxy Apartments; Orion Condos; Spring Gardens; Days Inn; Comfort Inn; TravelLodge; Discovery at 8045 Kennett; Acorn Park; stores on west side of Georgia Avenue

<u>Tract 7026.01</u> - Includes Argent, 1200 East-West Highway; MICA; the entire Blairs complex; Rock Creek Springs; and the Giant supermarket and immediate shopping area

New Housing (and number of units) since 2010 US Census - 6 residential buildings (excludes Solaire)

Argent Housing, 1200 Blair Mill Road (96); 1200 East-West, 1200 East-West Highway (247); Veridian, 1133 East-West Highway (450); Galaxy Housing (opened May 2012), 8025 13th Street (195); Orion Condos (opening fall 2012), 8005 13th Street (46); 8021 Georgia Avenue (opening winter 2012), 8021 Georgia Avenue (210).

New Housing (and number of units) since last PROS plan (excluding post-2010 housing listed above) - 4 residential buildings

Bennington, 1215 East-West Highway (223); Silverton, 1201 East-West Highway (210); 8045 at Silver Spring Metro, 8045 Newell Street (120); Eastern Village Co-Housing (conversion to residential in 2004), 7981 Eastern Avenue (56).

	2005	2010	2012	Total Change	% Change	Total Change	% Change			
				since 2005	since 2005	since 2010	since 2010			
Tract 7025										
Population	3,998	4,987	6,475	2,476	61.9%	1,488	29.8%			
Housing Units	2,438	3,047	3,948	1,510	61.9%	901	29.6%			
* Includes 8045	Newell; Be	nnington; S	Silverton; Ve	eridian; Easterr	n Village Co-	Housing; Gram	nax; Galaxy A	partments	; Orion Con	dos; Spring
Gardens; Days I	nn; Comfor	rt Inn; Trave	elLodge; Disc	covery at 8045 I	Kennett; Aco	orn Park; store:	s on west sid	e of Georg	gia Avenue	
Tract 7026.01										
Population	3,931	3,931	4,255	324	8.2%	324	8.2%			
Housing Units	3,506	3,506	3,799	293	8.4%	293	8.4%			
* Includes Arge	nt, 1200 Eas	st-West Hig	hway; MICA	; the entire Bla	airs complex	; and the Giant	supermarke	t and imm	ediate shop	ping area
Total										
Population	7,929	8,918	10,536	2,607	32.9%	1,618	18.1%			
Housing Units	5,944	6,553	7,747	1,803	30.3%	1,194	18.2%			
* Borders - East	ern border	-Metro; nor	thern borde	r-16th Street;	southern bo	rder-Eastern A	venue & DC	ine		

Tax Implications of Park vs. Comm	ercial vs Res	sidential Developmen	t at 8001 Ne	ewell (Current)	
Property Holder	Asse	ssed Value (1)	Property Tax Revenue (2		
Extra Space Self Storage	\$	3,622,700	\$	60,178	
Proximate Property Owners (with	in 1/2 mile r	adius)			
8045 Newell Street	\$	15,238,000	\$	116,604	
Eastern Village Co-Housing	\$	17,395,000	\$	187,798	
MICA Condominiums	\$	39,605,000	\$	381,997	
Aurora Condominiums	\$	33,168,000	\$	335,651	
Silverton	\$	53,769,000	\$	562,329	
Proximate Renters (3)					
Argent	N/A		N/A		
1200 East West Highway	\$	66,621,800	\$	975,482	
Gramax	N/A		N/A		
Galaxy Apartments	\$	34,442,000	\$	318,782	
Blair Plaza	\$	110,894,700	\$	1,634,878	
Blair East	\$	42,745,100	\$	630,716	
Spring Gardens	\$	21,579,400	\$	316,848	
Rock Creek Springs	N/A		N/A		
Veridian	\$	91,219,100	\$	364,876	
Bennington	\$	22,168,400	\$	327,357	
Total	" \$	552,468,200	* \$	6,213,496	

- (1) Source of assessed values from Montgomery County Real Property Tax Division
- (2) Assumes current property tax rate structure of \$0.112 state + \$1.344 per \$100 for assessed value commercial and residential rental properties + \$20.56 solid waste surcharge per residential unit.
- Galaxy, Veridian and Bennington report County PILOT property tax credit of 40 percent abatement on assessed property tax revenue
- (3) Renters, of course, do not pay property tax. However, the assessed value and property tax are assigned to the owners of these rental properties.

Proximate Property Owners (within 1/2 mile radius) 8045 Newell Street \$ 18,285,600 Eastern Village Co-Housing \$ 20,874,000	¢	
+,,	ć	
Eastern Village Co-Housing \$ 20,874,000	\$	156,131
	\$	232,920
MICA Condominiums \$ 47,526,000	\$	511,070
Aurora Condominiums \$ 39,801,600	\$	421,689
Silverton \$ 64,522,800	\$	701,806
Proximate Renters (3)		
Argent N/A	N/A	
1200 East West Highway \$ 79,946,160	\$	1,169,485
Gramax N/A	N/A	
Galaxy Apartments \$ 41,330,400	\$	382,045
Blair Plaza \$ 133,073,640	\$	1,957,803
Blair East \$ 51,294,120	\$	755,190
Spring Gardens \$ 25,895,280	\$	379,687
Rock Creek Springs N/A	N/A	
Veridian \$ 109,462,920	\$	437,852
Bennington \$ 26,602,080	\$	256,781
Total *\$ 658,614,600	*\$	7,362,459

(1) Assessed values reflect a 20% increase from current property assessment, based on methodology used in J.C. Weicher and R. H. Zerbst (1973), "The Externalities of Neighborhood Parks: An Empirical Investigation", Land Economics, 99-105 and John L. Crompton (2001), Perceptions of How the Presence of Greenway Trails Affects the Value of Proximate Properties, 114-132. "The magnitude of the proximate effect [2000 feet] varied according to size, usage and design of parklands, but a positive impact of 20% on property value abutting or fronting a passive park area is a reasonable guideline as a point of departure." (p 116).

Property Holder	Asses	sed Value (1)	Prope	erty Tax Revenue (2)			
Comstock	\$	40,000,000	\$	586,245			
Comstock with PILOT credit	\$	40,000,000	\$	371,205			
Proximate Property Owners (wit	hin 1/2 mile ra	dius)					
3045 Newell Street	\$	15,238,000	\$	116,604			
Eastern Village Co-Housing	\$	17,395,000	\$	187,798			
MICA Condominiums	\$	39,605,000	\$	381,997			
Aurora Condominiums	\$	33,168,000	\$	335,651			
Silverton	\$	53,769,000	\$	562,329			
Proximate Renters (3)							
Argent	N/A		N/A				
1200 East West Highway	\$	66,621,800	\$	975,482			
Gramax	N/A		N/A				
Galaxy Apartments	\$	34,442,000	\$	318,782			
Blair Plaza	\$	110,894,700	\$	1,634,878			
Blair East	\$	42,745,100	\$	630,716			
Spring Gardens	\$	21,579,400	\$	316,848			
Rock Creek Springs	N/A		N/A				
Veridian	\$	91,219,100	\$	364,876			
Bennington	\$	22,168,400	\$	327,357			
Total	* \$	588,845,500	" \$	6,739,563			
Total with PILOT	*\$	588,845,500	\$	6,524,523			
Total property tax gain of Comst	ock over curre	nt use			\$	526,067	
Total property tax gain of Comst	ock over curre	nt use with PILOT - 4	10% of assess	ed value	\$	311,027	
Total gain in assessed property v		\$:	36,377,300				
Difference in total property tax r		\$	622,896				
Difference in total property tax r			*	•			