



## Chapter 4

*Summary*

On March 31, 2005, Federal Realty Investment Trust requested an amendment of the Montgomery County Growth Policy to revise the White Flint Policy Area boundaries to include the Mid-Pike Plaza property. Federal Realty (FRIT) is considering redevelopment of the current shopping center as a mixed-use project.

White Flint is one of the policy areas that is designated a Metro station policy area in the County's growth policy. Inclusion within the White Flint Policy Area has several advantages for any landowner. These are:

- Development projects must meet a less-stringent congestion standard during Local Area Transportation Review when they are located within a Metro station policy area. Currently, Mid-Pike Plaza is subject to a 1550 Critical Lane Volume standard; if they were located within the White Flint policy area, they would be subject to an 1800 Critical Lane Volume Standard.



- Development projects within Metro station policy areas may use the Alternative Review Procedure for Metro Station Policy Areas. This procedure allows development projects to meet the requirements of Local Area Transportation Review by making a payment to the County and agreeing to mitigate 50 percent of their trips.
- Development projects within Metro station policy areas pay one-half the transportation impact tax as development projects located outside the Metro station policy area. For the project concept under consideration by Federal Realty, the difference in impact taxes would be approximately \$4 million.

A portion of Mid-Pike Plaza is located within one-quarter mile of the White Flint Metro Station entrance. All of the property is located within one-half mile of the station entrance.

Mid-Pike Plaza is zoned C-2, which does not currently allow the type of development envisioned by Federal Realty. However, the Planning Board has recognized the importance and potential benefits of redeveloping existing shopping centers as mixed-use projects that include a substantial component of new housing. The Department of Park and Planning is currently engaged in a study to identify regulatory changes necessary to allow redevelopment of the type envisioned by Federal Realty. Park and Planning staff expects to propose recommended approaches by the fall of 2005, and these will require Planning Board review and County Council action.

Park and Planning staff has engaged in informal and preliminary discussions with other landowners in the vicinity. These landowners have indicated that they may be considering redevelopment of their parcels as well.

**While the Montgomery County Planning Board agrees that there is merit to including Mid-Pike Plaza within the White Flint Policy Area, the Planning Board Board recommends that Mid-Pike Plaza not receive full Metro station policy area status until the regulatory changes are in place that would allow the type of mixed-use development proposed by Federal Realty.** Although there are a number of factors that support the inclusion of Mid-Pike Plaza within the White Flint Metro Station Policy Area, among the strongest may be the mixed-use character of Federal Realty's redevelopment proposal. Including Mid-Pike Plaza within the Metro station policy area before the mixed-use proposal could occur, however, would only encourage redevelopment consistent with the current provisions of the C-2 zone.

There is a bit of a cart-before-the-horse element to this issue, as it involves amending the growth policy to encourage a development project that is different from that envisioned in the master plan and different from what is currently permitted by the zone.

Because the Planning Board believes that the character of a proposed development project is an important consideration in determining if the project should be included in the Metro station policy area, the Planning Board suggests that it would be appropriate to review the boundary issue at the time of subdivision. This would require the County Council to include language in the Growth Policy resolution that authorizes the Planning Board to modify the White

Flint Policy Area boundary under certain conditions. The Planning Board would consider the boundary change as it is considering specific redevelopment proposals that meet mixed-use, transit-oriented criteria.

**The Montgomery County Planning Board recommends that the growth policy be revised to include the following language:**

*The Planning Board may modify the White Flint Policy Area boundary to include adjacent properties in the North Bethesda Policy Area. The Planning Board's consideration of White Flint Policy Area boundary changes must be conducted in conjunction with the Board's review of a preliminary plan of subdivision for eligible properties. To be eligible for consideration for inclusion, the property must be adjacent to the White Flint Policy Area boundary as of July 1, 2005 and the majority of the property should be no more than one-half mile from the entrance of the White Flint Metro station. The Planning Board may not approve a change in the White Policy Area Boundary unless the proposed project contains at least 30 percent housing, calculated on a square foot basis. The Planning Board must find that the project's design facilitates transit usage and pedestrian accessibility. The applicant must complete a Local Area Transportation Review traffic study. At a minimum, the applicant must show that the project will meet the transit mode share goals of the North Bethesda Master Plan, or, if the applicant uses TA1 Alternative Review Procedure for Metro Station Policy Areas, must meet all the requirements of that procedure.*

If public officials agree that a mixed-use redevelopment of Mid-Pike Plaza merits inclusion in the White Flint Policy Area, then the Planning Board suggests that it is beneficial to all parties, including the public, to resolve the issue during this biennial growth policy discussion. The Board's proposed language also accounts for the fact that other landowners on the edges of the White Flint Policy Area may request a review of their potential for inclusion.

### **The White Flint Policy Area**

The White Flint Policy Area is one of three Metro Station Policy Areas within the North Bethesda Policy Area. The others are Grosvenor and Twinbrook.

The North Bethesda Master Plan was adopted in 1992, but creation of the Metro station policy areas did not occur until 1994 when the Master Plan Staging Amendment was adopted. The North Bethesda Policy Area follows the boundaries of the North Bethesda Master Plan area, and at the time of their creation, the boundaries of the three Metro station policy areas followed their respective sector plan boundaries.

Since then, the boundaries of the Twinbrook and Grosvenor policy areas have changed. In 2002, the boundary of the Grosvenor Metro Station Policy Area was expanded to allow the development of housing on a portion of the Georgetown Prep site. The boundary of the Twinbrook policy area was also changed – within the City of Rockville only – so that the Twinbrook Policy Area could also serve as an impact tax area. The Twinbrook Policy Area's boundary change had no effect except for application of the transportation impact tax.

The 1992 North Bethesda Master Plan indicates that the boundaries of the White Flint Sector Plan Area are similar to those used for the 1978 Sector Plan, when the sector plan area was called “Nicholson Lane.” The 1992 plan further notes that the 1978 sector plan envisioned higher-density mixed-use development around the White Flint Metro station site that, even by 1992, had not occurred.

The 1992 Plan recommends “a more intensive mixed-use development pattern for White Flint, with the emphasis on employment east of the Pike and housing west of the Pike. The tallest buildings are proposed adjacent to the Pike, stepping down in height east and west.”

### **Purpose of Metro Station Policy Areas**

Metro station policy areas were created to facilitate planned development near high-quality transit by

- reducing or eliminating the growth policy’s traffic tests as a barrier to “smart growth;” and
- reducing impact taxes on development near transit.

The growth policy’s traffic test, Local Area Transportation Review (LATR), is much less stringent in Metro station policy areas than in other parts of the County. Additionally, development projects have the option of using the Alternative Review Procedure for Metro Station Policy Areas, which permits developers to meet LATR conditions by making a payment toward transportation infrastructure and mitigating 50 percent of the project’s automobile trips.

Impact taxes in Metro station policy areas are one-half of the rate in the surrounding parts of the County.

The justification for treating development near Metro stations differently from other development projects is that:

- while development near Metro adds to nearby traffic congestion, development near Metro generates fewer automobile trips than development in other parts of the County;
- greater auto congestion may be permitted near Metro stations because travelers have a high-quality alternative to the automobile; and
- concentrating development near Metro allows the County to take full advantage of the considerable investment in Metro.

### **Relevant Previous Changes to Metro Station Policy Area Boundaries**

The expansion of the Grosvenor Policy Area boundary in 2002 and the creation of the Shady Grove Policy Area in 1995 illustrate the policy issues that have been considered relevant when considering Metro station policy area boundaries. In both cases, the main issues are:

- Sector plan guidance;

- Pedestrian accessibility to the Metro station; and
- Character of potential development.

The case of the Grosvenor Policy Area has a parallel with the current proposal to expand the boundary of the White Flint Policy Area. In both policy areas, the Metro station is located in the southeast quadrant of a major intersection, while the proposed expansion is in the northwest quadrant. This means in both cases that potential Metro riders must cross two major, heavily-traveled roads to get to the Metro station entrance. This is certainly one of the reasons that, in both Grosvenor and White Flint, the original sector plan boundaries did not extend as far in the northwesterly direction as they did in other directions.

However, the Grosvenor Policy Area expansion is different than the White Flint case because the 1992 North Bethesda Master Plan clearly called for the residential development that was proposed on the site. Additionally, the Master Plan anticipated that “minor adjustments” to the boundary might be needed, which they were: environmental constraints meant that location of the planned residential development had to be shifted to the west. The North Bethesda Master Plan does not contain the same boundary adjustment language for the White Flint Policy Area.

Pedestrian accessibility to the Metro station was a major issue in both the Grosvenor and Shady Grove policy area boundary discussions. Properties should be included within a Metro station policy area only if there is reason to believe transit usage will be substantially higher than the average. Most studies suggest that within a one-quarter mile radius of a Metro station, transit usage is well above the average. Beyond one-quarter mile, transit usage falls fairly rapidly. However, residents are typically willing to walk longer distances to a transit station from their homes than workers are willing to walk from transit stations to their jobs. Additionally, at comparable distances, housing units typically have higher transit mode shares than jobs.

People are also willing to walk longer distances to transit if the route is “pedestrian-friendly:” relatively flat, protected from high-speed traffic, in an urban setting, etc.

In Grosvenor, pedestrian access issues included, in addition distance to the station entrance, the fact that residents of the proposed housing development would have an uphill climb and cross two very busy streets to get to the station. The decision in the case of Grosvenor was to include the additional property within the Metro station policy area.

In Shady Grove, an issue was that in 1995 there was little existing or planned development within one-quarter mile of the station. At that time, the King Farm was still in its early development stages. Although the King Farm is designed to be transit-oriented, no portion of the King Farm is within one-quarter mile of the Shady Grove station. The adopted boundaries of the Shady Grove policy area extend one block into the King Farm.

The character of the potential development was also an issue in both the Grosvenor and Shady Grove reviews. In each case, the boundary was extended to include moderately high density residential development. As noted, residential development does have a higher transit

usage, and it has been the County's policy to encourage additional housing near its Metro stations.

### **Master Plan Guidance Regarding Mid-Pike Plaza**

The 1992 North Bethesda Master Plan contains the following guidance regarding Mid-Pike Plaza:

*This property is located west of Rockville Pike, north of Old Georgetown Road and east of the old section of Old Georgetown Road, now a cul-de-sac. The property is zoned C-2 (General Commercial), and extends to 20.04 acres. The Plaza, a traditional strip shopping mall, has a gross floor area of 201,919 square feet with an FAR of 0.23. It is bordered to the north by property owned by the State Highway Administration (SHA) and extending to 7.8 acres. The SHA property is within the for Rockville Facility right-of-way, is developed as a parking lot and is indistinguishable on the ground from the retail center parking lot. Out of a total of 27.8 acres, almost 23 acres is surface parking.*

*This property links the White Flint Sector Plan area to the Washington Science Center. It is recommended that the existing zoning be confirmed. It is further recommended that a zoning text amendment be adopted to render future development in the Euclidean C-2 zone subject to urban design review.*

The Mid-Pike Plaza property was not recommended for higher-intensity mixed-use redevelopment in the master plan. Among the reasons: in 1992, redevelopment of strip centers as higher-density mixed-use was rare. The fact that parcels closer to the Metro station had not attracted planned development was probably also a factor.

However, there is language throughout the Plan expressing the desirability of mixed-use development projects – especially those including housing – in North Bethesda and especially near Metro. For example, within the staging amendment, adopted in 1994, the Plan describes as a key principle “the need to facilitate additional housing opportunities, affordable housing, community facilities and amenities and high-quality mixed-use projects.”

### **A Developing Policy Toward “Mature Centers”**

In the past six months, the Montgomery County Planning Board articulated a set of principles for guiding land use planning in the future. *Montgomery County in the 21<sup>st</sup> Century: A Framework for Planning in a Maturing County* proposes “to pursue a strategy that seeks to focus opportunities for continued economic growth within existing centers and along major transportation routes...” The document recognizes that “in a maturing County, a greater proportion of future growth a change will occur as redevelopment and infill.” Aging commercial centers are identified as prime opportunities for adding a mix of land uses — especially housing — along with amenities, public spaces, and transit with the goal of: maintaining economic vitality, providing much-needed housing and creating lively and enjoyable places to live, work and play.

At the same time, the Department is engaged in a “Mature Commercial Centers Study.” The purpose of this study is to develop a vision for the redevelopment of older shopping centers throughout the County. Throughout the country and the region, the market has already discovered that there are great redevelopment opportunities on the sites of older centers. The Park and Planning effort is geared toward making sure these are also great opportunities to serve the County’s public policy objectives: renewing economic vitality with a lively mix of land uses (especially housing), well-served by transit and providing amenities to adjacent neighborhoods.

The fact that the County is pursuing these issues underscores the fact that the current plans and land-use regulations often do not allow mixed-use redevelopment to occur. Many of the County’s shopping centers, for example, are located on C-1 and C-2 zoned land. Park and Planning staff is now at working to develop proposals to make the regulatory changes that are needed to allow a mix of uses to be built in these zones when redevelopment occurs.

### **Mid-Pike Plaza Proposal**

On March 31, 2005, Federal Realty Investment Trust wrote to Planning Board Chairman Berlage, requesting an amendment to the growth policy to include the Mid-Pike Plaza property in the White Flint Policy Area. That letter describes the current development on the site as 327,342 square feet of retail and other general commercial uses, and approximately 1,639 parking spaces.

Federal Realty states that they “are considering redeveloping the Property with a mixed-use project to include a variety of retail, office, and residential units with structured parking. We believe such redevelopment will best achieve several important public policy objectives including mixed-use redevelopment of areas near Metro stations, increased use of Metro by County residents, provision of additional housing, including affordable housing, near Metro stations, and achievement of increased modal split goals, and creation of pedestrian-friendly environments.”

Federal Realty indicated that they are exploring housing options such as apartments over retail as well as free standing condominiums, and pedestrian access enhancements such as an underground connection to the Metro station.

The Planning Board notes that concept plans are, at this stage, purely illustrative and that any and all aspects of the project could change considerably when or if it is submitted to the Planning Board for approval.

### ***Transportation Issues***

Policy area boundaries are determined by transportation issues because policy areas exist to administer the growth policy’s transportation test and the County’s transportation impact tax. The major transportation issues are pedestrian accessibility to the Metro station and nearby traffic congestion.



### *Local Area Transportation Review*

The growth policy's transportation test is called Local Area Transportation Review (LATR) and guidelines for its administration are included in the growth policy as well the Local Area Transportation Review Guidelines adopted by the Planning Board. LATR is a method for analyzing traffic congestion at nearby intersections, including existing congestion, congestion generated by previously-approved development projects, and traffic congestion generated by proposed development project being tested. The analysis method that is the basis for LATR is a standard approach based on Critical Lane Volume (CLV).

In order to administer LATR, the County adopts traffic congestion standards for intersections throughout the County. The intersection congestion standard in Metro station policy areas is the least stringent: 1800 CLV. The intersection congestion standard in the surrounding North Bethesda Policy Area is 1550. With the exception of Metro station policy areas, the County Council reduced (made more stringent) the intersection congestion standards throughout the County by 50 CLV in 2003.

In addition to the 1800 CLV standard, the LATR test in Metro stations is different than elsewhere in the County. A development project can cause an intersection to exceed the 1800 CLV standard but automatically fail the LATR test. Instead, his project is subject to a second-level review, called queuing analysis, which determines if exceeding 1800 CLV in that location is manageable or, instead, would cause traffic to back up close to the previous intersection.

If a development "fails" the LATR test, the developer can provide transportation improvements or reduce auto trips in the area (by increasing carpooling or transit mode shares) to reduce congestion levels. In Metro station policy areas, the developer also has the option of growth policy provision called the "Alternative Review Procedure for Metro Station Policy Areas." This provision allows development projects to pass LATR by reducing auto trips by 50 percent, making a payment toward transportation improvements in the County, and some other steps.

### *Intersection Congestion Levels*

The Highway Mobility Report contained in this document reviews current congestion levels throughout Montgomery County. A map is included in this section showing recent congestion level measurements at intersections in the vicinity of White Flint. Of these, only the East Jefferson Street at Montrose Road intersection shows congestion above the adopted standard. It should be noted that this intersection congestion levels are recent measurements and do not include "background" traffic that is expected from already approved but unbuilt development.

When Federal Realty submits an application for redevelopment of Mid-Pike Plaza, it will be required to submit a traffic study that includes background traffic.

*Montrose Parkway*

Mid-Pike Plaza is bordered to the north by Montrose Road, which is planned to be reconstructed as Montrose Parkway. This reconstruction will include a grade separated interchange on Rockville Pike at Montrose Parkway, which is at the northwest corner of the Mid-Pike Plaza property.

The intersection improvement will not be “countable” toward Mid-Pike Plaza’s LATR test until all construction funds are programmed in the CIP, which is not now the case.

*Pedestrian Accessibility*

An accompanying map shows the White Flint Policy Area boundary, Mid-Pike Plaza, and circles that show one-quarter and one-half mile distances from the Metro station entrance. The map shows that the southeast corner of Mid-Pike Plaza is within one-quarter mile of the station entrance, and the entire property is within one-half mile.

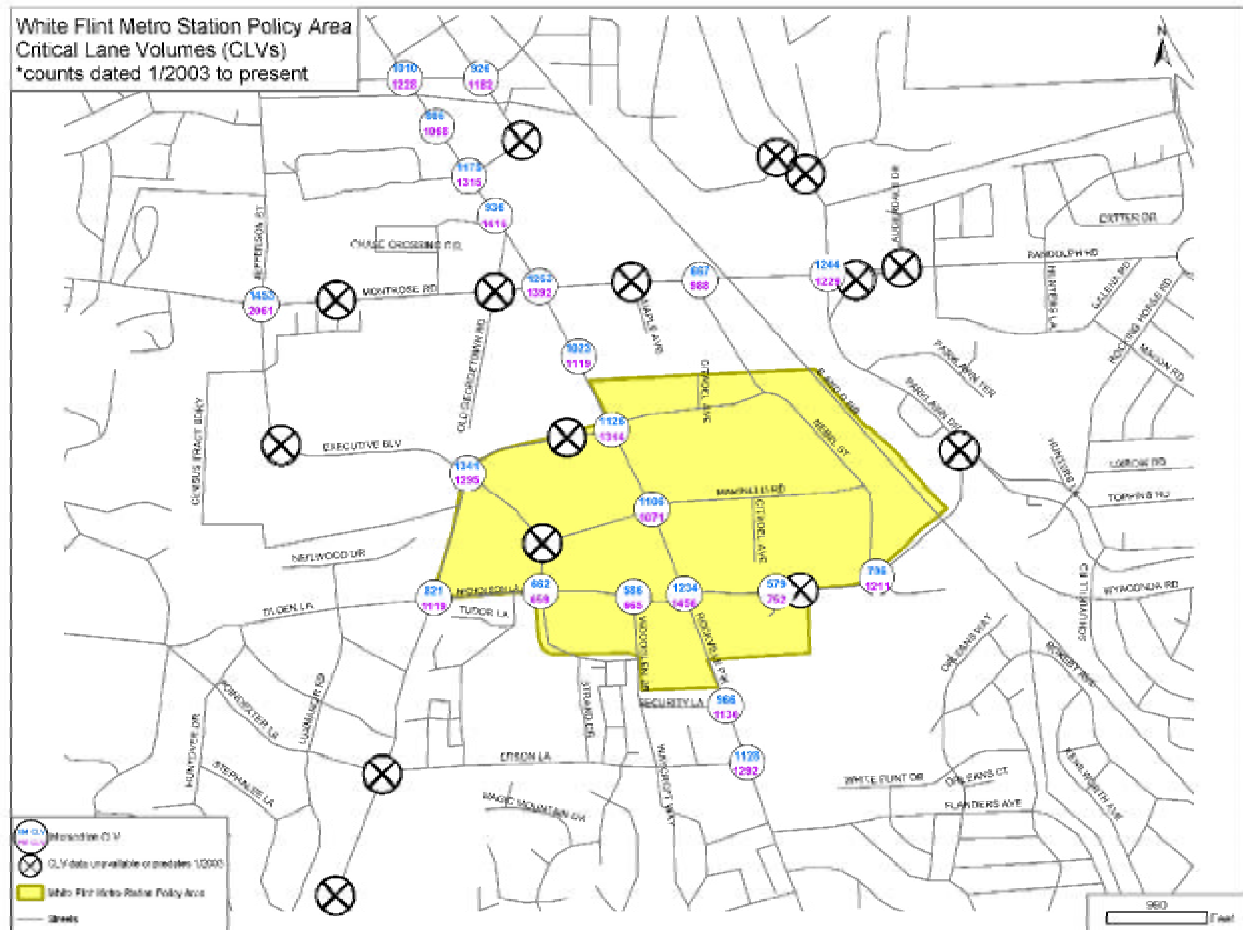
Most of the White Flint Policy Area is within one-quarter mile of the station. This is especially true in the north-south direction. To the east of the Metro station, the policy area extends to the CSX railroad tracks, which means that a small part of the policy area extends as far as one-half mile from the station. To the west, the policy area follows Old Georgetown Road to Nicholson Lane, creating another point where the policy area boundary is almost one-half mile from the station.

As noted earlier, all recent Metro station policy area discussions have looked at how far, and under what conditions, residents and visitors can be expected to walk to and from Metro stations. Studies indicate that within a one-quarter mile radius, a high percentage of transit users can be expected. In general, a residential project near Metro is likely to have higher transit mode shares than a similar non-residential project. This indicates that residents are more willing to walk farther distances to the station than workers are to walk from the station to their place of work. In the LATR Guidelines, there is auto trip discount for office space if it is located within 1,000 feet of a Metro station (a quarter mile is 1,320 feet).

In previous Metro station policy area discussions, the County has approved boundaries that are more than one-quarter mile from the station. Justifications for this have been: if the planned development is housing, is mixed-use and includes housing, and if the planned development will have transit-oriented design.

Most of Mid-Pike Plaza is between one-quarter and one-half mile from the station. At this concept stage, it appears that Federal Realty is planning to put the housing just outside the one-quarter mile distance to about three-quarter of a mile.

In addition to the distance, pedestrians moving between Mid-Pike Plaza and the Metro station must cross two major roads, Rockville Pike and Old Georgetown Road. These roads are wide and have a lot of traffic on them and there are also major left-turn lanes at each corner of



the intersection. This can make pedestrian crossings daunting; there are, however, medians and islands that make crossing somewhat easier on pedestrians.

Federal Realty has indicated that they are negotiating with Metro over the idea of an underground connector between Mid-Pike Plaza and the station. The Planning Board believes an underground connector could be helpful if feasible, and notes that the connector's design will be a determinant as to whether it helps to increase transit ridership. Pedestrians appear to prefer to stay at-grade when possible.

The Planning Board believes that there is a very good possibility that Federal Realty will be able to achieve fairly high transit mode shares for the residential portion of its proposal. Developers are able to charge premium prices for apartments and condos near Metro and buyers and renters are not likely to want to pay that premium without some expectation that they will be using Metro.

The Planning Board is less sure about the transit mode shares that can be anticipated for the retail and office portions of the proposed development, particularly buildings at the farthest distance from the Metro station, close to one-half mile.

**Photo of Rockville Pike - Old Georgetown Road Intersection**

*Portion of Mid-Pike Plaza parking lot visible to upper left; Metro station parallels Route 355 on the right hand side of the photo.*



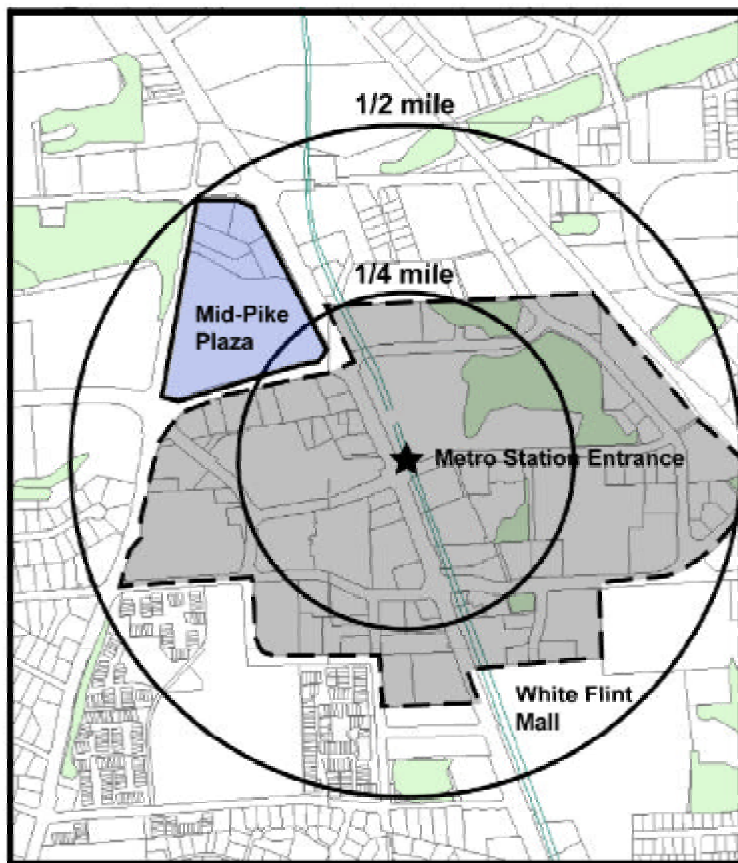
However, Federal Realty has indicated that a reason for requesting inclusion in the White Flint Policy Area is to take advantage of the Alternative Review Procedure for Metro Station Policy Areas. Use of this provision, in a sense, sets aside the issue of “natural” transit mode share because Federal Realty will have to commit to achieving mode share goals as part of its approval.

### *Concluding Note*

The Planning Board’s recommendation on this issue (detailed at the beginning of this section) is designed to address the fact that a mixed-use redevelopment is not currently possible on this site. The requested White Flint boundary change only makes sense if it is possible for Mid-Pike Plaza to achieve the transit-oriented mixed-use project they propose. That is a discussion that will occur outside the growth policy process. Assuming that there is agreement that the proposed redevelopment should be permitted to occur, the Planning Board believes that it will probably only occur if the boundary change is approved.

The Planning Board expects, and would certainly like to see, other landowners of parcels adjacent to the policy area come forward during this growth policy process. Expansion of the White Flint policy area north to Montrose Road (as Federal Realty is requesting) suggests that parcels located to the east of MD

**Vicinity Map - White Flint Policy Area**



 Current boundary - White Flint Policy Area

355 south of Montrose should also be considered for inclusion, as well as the northern edge of the White Flint Mall property. If those property owners come forward with proposals for mixed-use redevelopment that includes a substantial component of housing, they may be able to make similar arguments as Federal Realty has that the boundary’s expansion makes sense.

An issue that has been raised by the development community in the past few months is the disparity in congestion standards between the Metro station policy areas in North Bethesda, and the congestion standard in North Bethesda itself.<sup>1</sup> This disparity (1800 versus 1550 CLV) is not as large as the disparity between the Shady Grove and Derwood areas (1800 versus 1475). In other policy areas that contain Metro station policy areas

(Bethesda/Chevy Chase, Kensington/Wheaton, and Silver Spring/Takoma Park), the congestion standard is 1600 CLV.

The Planning Board notes that the congestion standards in these policy areas were made more stringent by the Council when the Council eliminated Policy Area Transportation Review. At this time, the Planning Board does not see a reason to revisit the congestion standards.

The Planning Board also notes that the Montgomery County Council recently took action on a related issue -- the application of the Alternative Review Procedure for Metro Station Policy Areas at the time of Local Map Amendment. The Board understands that the Council expects to review that issue as part of the growth policy and is ready to provide any additional information the Council requires.

**(Footnotes)**

<sup>1</sup> Specifically, the issue was raised by a representative of the owner of a property that is adjacent to the White Flint Policy Area.