

November 28, 2005

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Ms. Rose Krasnow
Chief, Development Review Division
Maryland-National Capital Park and
Planning Commission
8787 Georgia Avenue
Silver Spring, Maryland 20910

Hand Delivered

Re: Pre-Preliminary Plan Application for the Proposed Redevelopment of Public Parking Lots 31 and 31A, Woodmont and Bethesda Avenues, Bethesda, Maryland (the "Property") / A Public - Private Joint Development Project (the "Proposed Project")

Dear Ms. Krasnow:

On behalf of the joint venture development team of PN Hoffman and Stonebridge Associates ("Hoffman/Stonebridge"), and with the authorization of Montgomery County (the "County"), we are pleased to submit this pre-preliminary plan application for the Proposed Project in the Arlington District of the Bethesda Central Business District. Hoffman/Stonebridge, after an extensive and competitive selection process, was designated as the developer of the Property pursuant to the terms of a Request For Proposal ("RFP") issued by the County. A key component of the RFP was meeting the County's need to provide public parking in Bethesda—the County's specific request was to provide 1,270-1520 public parking spaces (in addition to achieving other important public use needs in the CBD including affordable housing). The Proposed Project will meet the County's 1,300± space parking requirement in a below grade public parking facility with the development of the air rights for a mixed-use residential and commercial/retail project with abundant on-site and off-site public amenities.

By way of background relating to public discussions of the Proposed Project, since Hoffman/Stonebridge's selection by the County in June 2005, they have initiated two public forum meetings with the community, intended to allow for public comment and feedback relative to the Proposed Project prior to such time as formal plans are prepared and submitted to initiate the County's traditional entitlement processes.¹ We anticipate filing a rezoning

¹ Given the numerous community, civic and business associations, organizations and groups in and around the Bethesda Central Business District, Hoffman/Stonebridge thought that it was

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application for the Proposed Project in late January, 2006, and we believe that the filing of a pre-preliminary plan application to set forth the Proposed Project and to gain public agency and community input at this early juncture of the development process will be beneficial to all interested parties and participants as we move forward.

As a result of the significant input that Hoffman/Stonebridge have received to date, development plans are in the process of being more fully completed for purposes of seeking zoning and subdivision entitlement. This pre-preliminary plan application does incorporate comments received from the September and November public forums. The overall project parameters were established through Hoffman/Stonebridge proposal during the County's RFP process, but numerous details relating to the proposed subdivision of the Property, the development program for the public garage and the private development and the nature and organization of the various elements of the Proposed Project are still being developed.

By way of background to the evolution of the Proposed Project, it is important to understand as Hoffman/Stonebridge began its initial evaluation of this redevelopment opportunity, it established its "Vision" for the Proposed Project as:

- "Complete" Bethesda Row
- Create a vibrant urban landmark that solves public parking
- Provide safe mobility for both pedestrian and vehicular traffic—"Pedestrian First Approach"
- Service and expand the use of the Capital Crescent Trail
- Integrate affordable and market rate home ownership—"Mixed Income Urban Living"
- Achieve compatibility with community.

In terms of the pre-preliminary plan, which Hoffman/Stonebridge feel achieve its Vision, the particular elements of the Proposed Project as to which specific feedback is sought through the pre-preliminary plan process include the following:

best to hold open public forums as a means of gaining input and feedback from the community at large as opposed to trying to identify and meet with all of the individual groups. Extensive outreach efforts took place in order to provide broad notice of these public forums in order to encourage wide participation. The assistance of the Bethesda Regional Service Center and the Bethesda Urban Partnership, in addition to obtaining lists from the M-NCPPC and from the County (used by the County in its RFP process) were utilized for purposes of providing notice of these public forums. Public forum meetings were conducted on September 26, 2005 and November 14, 2005.

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1. Intersection of Bethesda Avenue and Woodmont Avenue: The single largest factor impacting the development of the Proposed Project is the creation of a much safer and efficient intersection of Bethesda Avenue and Woodmont Avenue that puts the "Pedestrian First". The improved intersection will require the shifting of Woodmont Avenue south of the Bethesda Avenue intersection. The shifting of this roadway provides for a great opportunity to enhance pedestrian safety in this area, and it also creates numerous challenges and opportunities relating to zoning, garage access, massing of buildings and subdivision. The 1994 Bethesda CBD Sector Plan recognized the need to improve this intersection. The Proposed Project represents the opportunity to achieve this objective.
2. Subdivision: Because the below grade public parking facility will be a single structure (at least 4 levels below grade), this being the most efficient layout for a garage of this size (and being the key design component which led to this project being selected by the County through the RFP process), there is a need to create a single subdivision lot of record for the Property. With the shifting of Woodmont Avenue south of Bethesda Avenue to the west, there are two development "parcels" that will be created by virtue of the new Woodmont Avenue right-of-way. It is thus anticipated that a single lot of record will be created and that the development "parcels" will be created through the land condominium process. Similarly, public ownership of the parking garage, creation of the public right-of-way for relocated Woodmont Avenue and private ownership of the development rights below and above surface over the entirety of the Property will be created and controlled through a combination of the land condominium, building condominiums and easements.
3. Zoning: The Property is currently split-zoned, with existing Lot 31A currently classified in the CBD-1 zone and the remainder of the Property currently zoned R-60, with a Sector Plan recommendation for TS-M zoning. With the shifting of Woodmont Avenue south of Bethesda Avenue to the west, the split zoning no longer will relate to any public right-of-way and will create an illogical division of the Property. In addition, with the Proposed Project essentially being a single development project (with multiple components), having split zoning processes will be confusing and difficult to manage and enforce. To promote an orderly process and to allow the greatest degree of public understanding of the complex entitlement processes, Hoffman/Stonebridge desire a single zoning classification for the entire Property. With the requirement to rezone the R-60 zoned portion of the Property to the TS-M zone already being known, the Applicant is intending to seek TS-M zoning for the entire Property, thus allowing for a

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single zone, a single development plan and a single rezoning process to control the Proposed Project and to thereafter set the standards and requirements for the further entitlement of the Proposed Project through subdivision and site plan review (and ultimately permitting). The requirements and restrictions of the TS-M and CBD zones are comparable. For example, the FAR allowance for the CBD and TS-M zones are both 3 and as described below, the density achievable for the Proposed Project is less than the maximum permitted. Hence, the efforts to gain a single zone for the Property are not driven by density or regulatory relief but rather to create a better review process.

4. Abandonment of Woodmont Avenue: With the proposed relocation of Woodmont Avenue south of Bethesda Avenue, and with the existing road right-of-way intended to be developed upon the relocation of Woodmont Avenue, there will be a need to have the existing road right-of-way abandoned through a petition to the County Executive (to be decided by the County Council). An abandonment petition will be filed that will request the abandonment to be conditioned upon ultimate subdivision approval (creating a single lot of record for the Property), with a pre-condition that the new right-of-way for the relocated Woodmont Avenue be created through easement or some other appropriate mechanism to assure public ownership and maintenance of the new road right-of-way into the future. As subdivision approval is always the final phase of an abandonment process, it is appropriate for this proposed abandonment to be considered as part of this pre-preliminary plan application.
5. Garage Access: The desire of Hoffman/Stonebridge and the County is to maintain two separate points of ingress and egress to the parking structure, with locations to be on the east side of relocated Woodmont Avenue and as far away from the intersection of Bethesda Avenue and Woodmont Avenue as possible. The proposed organization of the garage and the garage points of ingress and egress, made more safe and efficient through the relocation of Woodmont Avenue, are essential to the effective operation of the parking garage below the private development of the air rights. The RFP required that the County's garage specifications be followed in designing and constructing the garage. A parking consultant has been engaged to advise Hoffman/Stonebridge and the County on the most efficient operational measures to be employed with the garage. It is anticipated at this time that the garage will be "pay on foot", thereby allowing customers to quickly enter and exit the garage. In addition, appropriate stacking lanes within the garage will permit sufficient room for stacking of cars so as to minimize conflicts between vehicles entering and exiting the garage and through traffic on Woodmont Avenue and Bethesda Avenue.

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6. Building Massing, Height and Density: The massing of the Proposed Project has been directed to incorporate greater height east of Woodmont Avenue within the Bethesda CBD core and lower heights on the western portion of the Property to provide a compatible transition on Lot 31 to the single family Sacks neighborhood to the south. On the eastern portion of the site a building is proposed with retail on the ground level and residential above. This eastern building has a maximum height of 90 feet. This building is significantly lower than the height and intensity of the adjacent Seasons Building, a high-rise residential structure exceeding 143 feet in height. On the western portion of the site, the plan proposes a building with ground level retail on Woodmont and Bethesda Avenues with four levels of residential above. With its exposure to the Crescent Trail to the west and the Sacks neighborhood to the south, this building must be a "four-sided building". To accommodate this necessity, the lower levels of this building towards the Trail and Sacks are residential – a much more compatible use. In fact, the units to the south will be townhouses with direct exterior access.

Given the balancing of stepping the buildings, changes in topography, the transition of land uses and significant streetscape and amenity enhancement, Hoffman/Stonebridge have focused on trying to achieve at least a 2.5 FAR for the Proposed Project – significantly below the permitted density of 3.0. Meeting the 2.5 FAR goal is critical to supporting this creative development plan as well as providing not only the required MPDUs but an additional 35 workforce housing units within the Proposed Project.

7. Streetscape, Public Spaces and The Capital Crescent Trail: In addition to achieving compatibility with the surrounding land uses, the Proposed Project strives to create a meaningful integration of public amenities and open spaces. Two major elements are the significant enhancement to the Crescent Trail, including a bicycle drop off area distant from the Bethesda/Woodmont intersection but connected to the trail via a new trail and the creation of a bike depot at the intersection of the trail and Bethesda Avenue to allow a convenient resting and congregating area. Additional trail enhancements and activation will create a safe, efficient and interactive trail movement up to Bethesda Avenue and crossing the reorganized intersection of Bethesda Avenue and Woodmont Avenue. Hoffman/Stonebridge are also proposing to address all four corners of the intersection of Bethesda Avenue and Woodmont Avenue (incorporating the County's planned improvements to the northwest quadrant, adjacent to Barnes and Noble), thus allowing a much better environment for the Capital Crescent Trail crossing the Bethesda Avenue/Woodmont Avenue intersection. Cooperation from private property owners and from the County government will be necessary in order to provide this "four corner" enhancement of the trail and the overall public spaces for this quadrant.

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8. MPDUs and Workforce Housing: As indicated, the Proposed Project will be comprised of 12.5% MPDU units in accordance with Chapter 25A of the Montgomery County Code and an additional 35 workforce housing units which will be targeted towards families with median incomes of between 80 and 120%. While the residential project being developed by Hoffman/Stonebridge will be for-sale, and thus the MPDUs and workforce housing units will also be for-sale units, a determination as to how these MPDUs and workforce housing units will be made available to the eligible public and the location of the MPDUs and workforce housing units within the Proposed Project will be the subject of ongoing discussions between Hoffman/Stonebridge and the County. In addition to the above, Hoffman/Stonebridge have committed to contribute an additional \$2,400,000 towards an enhancement of the affordable housing component of the Proposed Project, the use of which funds will also be the subject of further discussions between Hoffman/Stonebridge and the County.
9. Off-Site Road Improvements: Hoffman/Stonebridge have been working closely with the Sacks neighborhood to identify potential solutions to the cut-through traffic being experienced on Leland Street as an alternative way of entering and exiting the CBD. Hoffman/Stonebridge have committed to the Sacks neighborhood to study and determine ways to preclude through traffic on Leland Street. Hoffman/Stonebridge is committed to continue working with the community in this regard. As Leland Street is currently classified in the Sector Plan as an arterial roadway, to the extent that traffic calming or traffic prevention measures are to be employed at the intersection of Leland Street and Woodmont Avenue, County and M-NCPPC approvals will be required relative to the roadway classification of Leland Street.
10. Process: In addition to the zoning and subdivision processes already identified above, the nuance of the Proposed Project having both a public and private component brings about the need to differentiate between those components of the Project that will be subject to mandatory referral (the public components) and those requiring the traditional entitlement review processes (the private components).

We look forward to the opportunity to present the Proposed Project in greater detail to the Planning Board through this pre-preliminary plan application and receiving the sought after feedback. If you have any questions or need additional information, please do not hesitate to contact us. Please advise us of the earliest possible dates for DRC and the Planning Board hearing on this matter.

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Respectfully submitted,

LINOWES AND BLOCHER LLP



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