



GEICO (Friendship Commons) Preliminary Plan 119990390, Extension Request

NB

Neil Braunstein, AICP, Area One, neil.braunstein@mncppc-mc.org, (301) 495-4532

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Robert Kronenberg, Acting Chief, Area One, robert.kronenberg@mncppc-mc.org

Staff Report Date: July 6, 2012

Description

Location: southwest quadrant of the intersection of Willard Avenue and Friendship Boulevard

Zone: TS-M

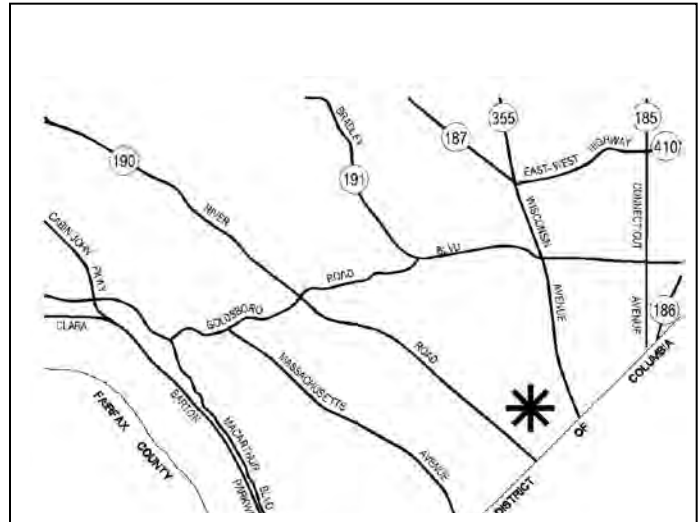
Master Plan: Friendship Heights CBD

Property size: 26.5 acres

Application to extend the preliminary plan validity period by six years and the Adequate Public Facilities validity period by five years to June 13, 2020

Applicant: GEICO

Filing date: June 21, 2011



Summary

- **Staff Recommendation: Denial**
- The preliminary plan validity extension request does not meet the approval criteria in Section 50-35(h)(3)(D) of the Subdivision Regulations. The request does not demonstrate that delays not caused by the applicant have materially prevented the applicant from validating the preliminary plan or that significant, unusual, and unanticipated events beyond the applicant's control have substantially impaired the applicant's ability to validate the preliminary plan.
- The adequate public facilities validity extension request does not meet the criteria for approval specified in Section 50-20(c)(10) of the Subdivision Regulations. The request does not demonstrate that the applicant has met or exceeded the required infrastructure conditions during the original validity period.

BACKGROUND

The preliminary plan for the GEICO property (No. 11990390) was approved for 500 dwelling units and 810,000 square feet of office uses by the Planning Board at a public hearing on February 25, 1999. The date of mailing of the Planning Board Opinion for the plan was May 13, 1999. As a condition of that approval, the validity period of the preliminary plan was set at 37 months from the date of mailing of the Planning Board Opinion, or June 13, 2002. The adequate public facilities (APF) validity period was set at 12 years by Chapter 50 and was set to expire on June 13, 2011.

On December 28, 2000, staff received a request for an extension of the plan validity period for an additional three years (Attachment A). Based on a review of the statements made within the letter and by the applicant at a public hearing on January 4, 2001, the Planning Board granted a three-year extension until June 13, 2005 (Attachment B).

On October 13, 2004, staff received a second request to extend the plan validity period, this time for an additional four years (Attachment C). Supplemental letters dated January 12, 2005, and April 6, 2005, were also received from the applicant that further clarify the extension request (Attachments D and E). On May 5, 2005, the Planning Board granted a five-year extension of plan validity to June 13, 2010.

On April 1, 2009, the County Council approved an automatic two-year extension of plan and APF validity for then-valid plans. With these extensions, the subject plan validity was set to expire on June 13, 2012, and the APF validity was set to expire on June 13, 2013.

On April 1, 2011, the County Council approved a second automatic two-year extension of plan and APF validity for then-valid plans. With these extensions, the plan validity was set to expire on June 13, 2014, and the APF validity was set to expire on June 13, 2015. These expiration dates are still in effect.

On June 21, 2011, staff received the current extension request (Attachment F). This request seeks to extend the plan validity by an additional six years, to June 13, 2020, and the APF validity by five years, also to June 13, 2020.

The following table summarizes the validity and extension history of this plan:

Date	Action	Expiration Date
2/25/99	Preliminary plan approved	N/A
5/13/99	Opinion Mailed	Plan = 6/13/02 APF = 6/13/11
1/4/01	3 year extension approved (Plan validity only)	Plan = 6/13/05 APF = 6/13/11
5/5/05	5 year extension approved (Plan validity only)	Plan = 6/13/10 APF = 6/13/11
4/1/09	2 year extension approved by Council (Plan and APF validity)	Plan = 6/13/12 APF = 6/13/13
4/1/11	2 year extension approved by Council (Plan and APF validity)	Plan = 6/13/14 APF = 6/13/15
6/21/11	6 year plan validity extension requested 5 year APF validity extension requested	Plan = 6/13/20* APF = 6/13/20*

*Requested expiration date.

SECTION 1 – PRELIMINARY PLAN VALIDITY PERIOD

REQUIRED FINDINGS FOR AN EXTENSION OF THE PRELIMINARY PLAN VALIDITY PERIOD

Section 50-35(h)(3)(d) of the Subdivision Regulations states that the Planning Board may grant an extension of the validity period of a preliminary plan if persuaded that:

- (i) delays, subsequent to the plan approval by the government or some other party, essential to the applicant's ability to perform terms or conditions of the plan approval, have materially prevented applicant from validating the plan, provided such delays are not created or facilitated by the applicant; or
- (ii) the occurrence of significant, unusual, and unanticipated events, beyond applicant's control and not facilitated or created by applicant, have substantially impaired applicant's ability to validate its plan and that exceptional or undue hardship (as evidenced, in part, by the efforts undertaken by applicant to implement the terms and conditions of the plan approval in order to validate its plan) would result to applicant if the plan were not extended.

Applicant's Position

The applicant's letter of June 16, 2011, requests a six-year plan validity extension and cites specific reasons why it is warranted. The letter bases its justification on the occurrence of significant, unusual, and unanticipated events. The applicant claims that these events are beyond its control, have not been facilitated or created by GEICO, and have substantially impaired the applicant's ability to validate its plan. The letter also cites undue hardship that would result if the plan were to expire.

GEICO contends that it does not have the development expertise required to design, process, and implement the site plan and that it has not proceeded to engage a developer to undertake that effort for several reasons:

- 1) The required sequence of actions to develop the site includes dedicating land for public recreation and park space. That land is now occupied by access drives and parking facilities that serve the GEICO headquarters. The required sequence of actions can only occur when GEICO is ready to build a new headquarters building and demolish the current one, which has not yet occurred.
- 2) Previous agreements and approvals from the zoning case spell out other sequencing aspects, which cannot be met until GEICO is prepared to move out of the existing building.
- 3) GEICO did not wish to develop while two other major projects were being developed – The Chevy Chase Land Company development on the east side of Wisconsin Avenue and the mixed use project on the May Company site.
- 4) The lengthy recession has stopped virtually all new development and has led to an absence of financing and market demand to justify redevelopment.
- 5) GEICO's business cycle must justify a new headquarters building and the related disruption to its operations due to demolition and construction.

For these reasons, the applicant requests a six-year extension of the preliminary plan validity period.

Staff's Position

The applicant has not submitted sufficient grounds to justify the extension of the validity period for the subject preliminary plan. The applicant has based their request on Section 50-35(h)(3)(d)(ii), which requires a finding by the Board that there has been:

the occurrence of significant, unusual or unanticipated events, beyond the applicant's control and not facilitated or created by applicant, have substantially impaired applicant's ability to validate its plan and that exceptional or undue hardship (as evidenced, in part, by the efforts undertaken by applicant to implement the terms and conditions of the plan approval in order to validate its plan) would result to applicant if the plan were not extended.

While staff recognizes the difficulties in running a large corporation with no development expertise, it seems clear that GEICO has not moved the development forward since the original preliminary plan approval and two subsequent extension approvals. This is because it does not wish to build a new headquarters at this time. In fact, the requests for the two previously approved extensions outlined in Attachments A, C, D, and E contain many of the same justifications as are used in the current request.

Staff does not believe that the majority of events that have transpired, particularly since the last extension was granted, are significant, unusual or unanticipated, or beyond the applicant's control. The events cited by the applicant as having occurred appear to be internal to GEICO's operations and, while seemingly critical to the success of the corporation as an insurance provider, should not necessarily hinder the progress of this project. Staff has been provided with no information that demonstrates that GEICO has been aggressive in its attempt to secure a suitable developer for the project.

The two major projects in Friendship Heights have been substantially completed for a number of years, yet GEICO has not pursued the necessary steps to finalize the regulatory process to substantiate their claim that they waited for the completion of some or all of the on-going projects. Staff does not believe development in Friendship Heights to be an unusual or unanticipated event that has substantially impaired the applicant's ability to validate the plan.

The applicant's claim regarding the current economic recession could have merit, but the Montgomery County Council has already addressed the issue. The Council approved two, two-year extensions for all then-valid preliminary plans expressly to provide applicants more time to validate their plans in the face of delays brought on by the recession. The Council's judgment that a four-year extension is adequate for this purpose should stand.

Staff concurs that the many years of coordination between the applicant, M-NCPPC staff, staffs of other county agencies and the community have gone into this proposal and that the expiration of the plan would be regrettable. However, the review of this plan occurred over ten years ago, and, if the extension is granted, it may not be implemented until 20 years after that review took place. A delay of that length renders the review of the project less relevant to today's circumstances. Further, the Subdivision Regulations state that the Board "may only grant a request to extend the validity period of a preliminary plan if the Board is persuaded that [the above-stated statutory grounds for an extension exist]" (Subdivision Regulations Section 50-35(h)(3)d). It is unfortunate that more progress has not been made by GEICO to advance the preliminary plan towards record plat. Nevertheless, the passage of time and financial loss have not historically been adequate reasons for the Planning Board to grant extension requests.

CONCLUSION

The applicant has not met its burden of establishing the grounds in support of the requested extension. Further, the applicant has not demonstrated that any actions by the government or some other party have materially prevented the applicant from validating the plan. Staff concludes that the applicant's arguments base the request on events that were almost entirely under the control of GEICO itself. There is no indication that any of the events that have transpired, whether described as significant, unusual, or unanticipated, were not under the applicant's control, except for the economic recession. The recession was the reason for the four years of extended validity already granted by the County Council for this plan and all then-valid plans. This four-year extension, along with the eight years of extension previously granted by the Planning Board, results in a plan validity period of 15 years. This is already a long validity period, even without the current request for an additional six-year extension. For these reasons, staff recommends denial of the request for extension of the preliminary plan. If not extended, the plan will expire on June 13, 2014.

SECTION 2 – ADEQUATE PUBLIC FACILITIES VALIDITY PERIOD

REQUIRED FINDINGS FOR AN EXTENSION OF THE ADEQUATE PUBLIC FACILITIES VALIDITY PERIOD

Section 50-20(c)(10) of the Subdivision Regulations states that the Planning Board may grant an extension of the adequate public facilities (APF) validity period of a preliminary plan once for up to 12 years if it finds that:

- (A) the preliminary subdivision plan for the development required a significant commitment of funds by the applicant, amounting to at least \$2,500,000, to comply with specified infrastructure conditions;
- (B) the applicant has met or exceeded the required infrastructure conditions during the original validity period; and
- (C) the applicant's satisfaction of the required infrastructure conditions provides a significant and necessary public benefit to the County by implementing infrastructure goals of an applicable master or sector plan.

Applicant's Position

The applicant's letter of June 16, 2011, requests a five-year APF validity extension and cites specific reasons why the applicant believes that the extension is warranted. The letter bases the justification on the provision of significant public benefits:

- 1) Approximately one acre of land, valued at over \$1,500,000, was conveyed to the county for right-of-way for Friendship Boulevard.
- 2) Approximately three acres of land, valued at over \$1,500,000, were made available to the public for Brookdale Park.

While the letter acknowledges that the above public benefits are not the infrastructure improvements required by the preliminary plan approval, and thus do not satisfy the requirements of Section 50-20(c)10 of the Subdivision Regulations, it argues that the APF extension request meets the "spirit and intent" of the section.

Staff's Position

The applicant's request does not meet the requirements stated in Section 50-20(c)(10). As stated above, the section requires that the Planning Board find three things with respect to the APF extension request – that the preliminary plan required a commitment of at least \$2,500,000 to comply with the infrastructure conditions, that the applicant has met or exceeded the infrastructure conditions, and that the applicant's satisfaction of the required infrastructure conditions provides a significant public benefit.

The infrastructure improvement conditions imposed on the preliminary plan include participation in funding:

- Intersection improvements at River Road at Western Avenue
- Intersection improvements at River Road at Little Falls Parkway
- Intersection improvements at Friendship Boulevard at Western Avenue
- Traffic signal at the site entrance on Friendship Boulevard

Staff has not been provided with any evidence showing that the funding obligations for the improvements listed above have been met by the applicant. Although the applicant has taken other actions that have provided public benefits valued at over \$3,000,000, these benefits are not the public improvements which the law specifies must be met to justify an APF extension. Section 50-20(c)10 is

explicit in its requirement that an extension of the APF validity period must be contingent on a finding that the applicant has met the required infrastructure conditions.

In addition, the three acres of land that have been made available for Brookdale Park have not been formally dedicated or otherwise permanently conveyed to M-NCPPC. Rather, the land is subject to a lease agreement between GEICO and M-NCPPC that is renewed on a month-to-month basis. Dedication of the land will take place with recordation of a plat, as required by a condition of approval of the preliminary plan.

The applicant could have dedicated this land to M-NCPPC at any time but has chosen not to do so. This calls into question the claim that the applicant has met the “intent and spirit” of the requirements, as the regulations require that infrastructure improvements be completed in order for a preliminary plan to be eligible for an extension. Further, the lease agreement puts the land in reservation, meaning that no property tax is collected for its value. Thus, GEICO has enjoyed the benefit of a reduced tax burden while avoiding the commitment to the project of actual dedication.

Because the applicant has not met the required infrastructure conditions, the Planning Board cannot make any of the three findings required for approval of the APF validity extension:

- (A) the preliminary subdivision plan for the development required a significant commitment of funds by the applicant, amounting to at least \$2,500,000, to comply with specified infrastructure conditions;

Although the applicant provided public benefits valued at over \$3,000,000, these benefits are not the public improvements which the law specifies must be met to justify the APF extension.

- (B) the applicant has met or exceeded the required infrastructure conditions during the original validity period;

The applicant has not met any of the required infrastructure conditions.

- (C) the applicant’s satisfaction of the required infrastructure conditions provides a significant and necessary public benefit to the County by implementing infrastructure goals of an applicable master or sector plan.

The applicant has not satisfied the infrastructure conditions. Therefore, the required significant and necessary public benefit has not been provided.

CONCLUSION

For these reasons, staff recommends denial of the APF validity extension request. Section 50-20(c)(10) of the Subdivision Regulations allows the Planning Board to extend the APF validity period of a preliminary plan for up to 12 years if the Planning Board finds that the preliminary subdivision plan required a significant commitment of funds by the applicant, amounting to at least \$2,500,000, to comply with specified infrastructure conditions; the applicant has met or exceeded the required infrastructure conditions during the original validity period; and the applicant’s satisfaction of the required infrastructure conditions provides a significant and necessary public benefit to the County by implementing the infrastructure goals of an applicable master or sector plan. The applicant has not met

any of the required infrastructure conditions and has not provided the necessary public benefits. Therefore, staff recommends that the Planning Board deny the requested extension. If not extended, the APF validity period will expire on June 13, 2015.

Attachments

Attachment A – December 28, 2000 extension request

Attachment B – January 23, 2001 extension approval

Attachment C – October 13, 2004 extension request

Attachment D – January 12, 2005 supplement to October 23, 2004 extension request

Attachment E – April 6, 2005 supplement to October 23, 2004 extension request

Attachment F – June 16, 2011 current extension request

Attachment G – Preliminary Plan

Attachment A

Robert R. Harris
301.215.6607
rharris@wilkesartis.com

Wilkes Artis

Chartered
Attorneys at Law

Suite 800, 3 Bethesda Metro Center
Bethesda, MD 20814-6301
301.654.7900
Fax: 301.656.3978

MEMORANDUM

REVISED

By Facsimile

TO: Malcolm Shaneman

FROM: Robert R. Harris
Stacy P. Silber

DATE: December 28, 2000

RE: Friendship Commons (GEICO) – Preliminary Plan No. [REDACTED]
Extension Request

As you are preparing your recommendation to the Planning Board for the January 4, 2001 hearing, I want to make sure you understand the importance of this request both in terms of timing (i.e. 18 months before expiration) and duration (i.e. 3 years). This memo summarizes those reasons. Please let me know if you have any questions about this request.

1. GEICO currently occupies the property, commonly known as Friendship Commons. A move of its employees to a new building on the Friendship Commons site is a major undertaking. Adding to the difficulty of this relocation is not only finding a building, and/or constructing one, to meet the long-term needs of the company, but this decision will also impact thousands of GEICO employees and contractors. This most serious and wide-reaching decision can only be made at the proper time and under certain circumstances. The attached timeline shows the implementation tasks that have to be met once the decision to develop/relocate has been made.
2. GEICO owns the Property, but, as an insurance company, it will not be the developer of the site. It cannot contract with a development firm, until it decides on its own office requirements.
3. The underlying development approvals require significant physical, and monetary requirements as pre-requisites to recordation of subdivision plats. The completion of these prerequisites, hinges on the identification of a developer, and space planning for GEICO itself. The prerequisites to plat recordation include:
 - (a) The purchase of nearly 100 TDRs with an investment of approximately \$1 million;
 - (b) Dedication of significant portions of the Property, including existing parking, access and other areas which conflict with ongoing operations on the site.

Wilkes Artis

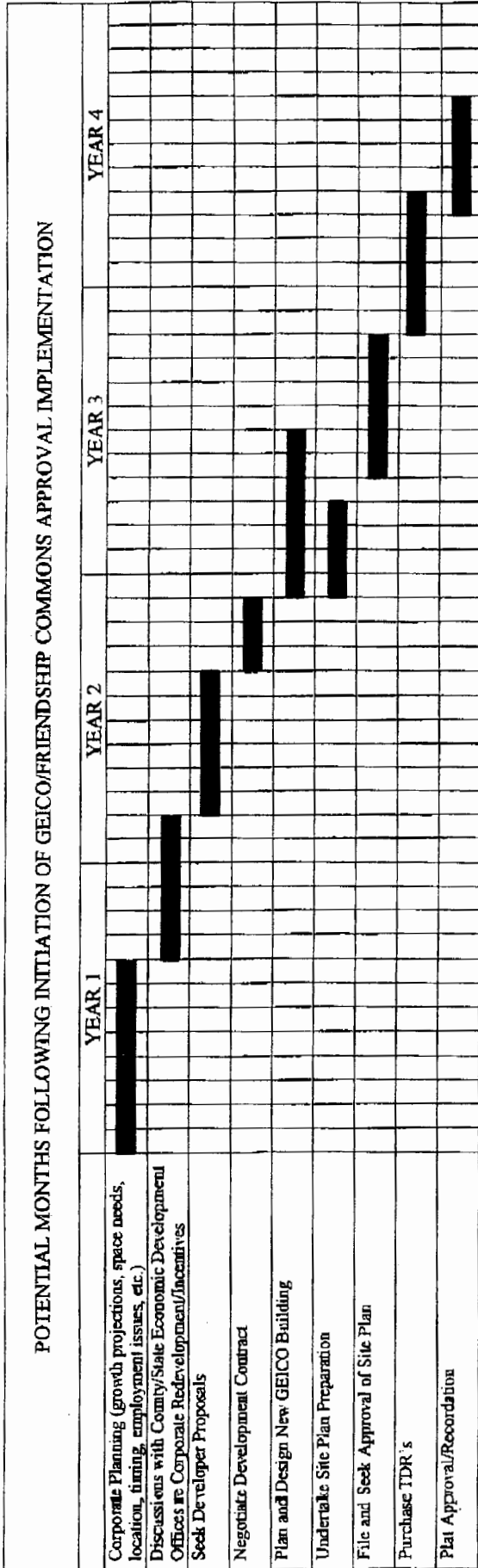
Memorandum to Malcolm Shaneman

December 28, 2000

Page 2

4. Sector Plan and Preliminary Plan requirements mandate complete demolition of the building before proceeding. This also can not occur until a new GEICO facility, and subsequently a developer is identified.
5. Once GEICO proceeds, the planning and approval process could take nearly 4 years to complete.
6. Because all of the above requirements must occur prior to the expiration of the validity period, a full three year extension (to January 13, 2005) is requested.

cc: Mr. Stephen J. Martz



NOTE: Timeline begins at such time as GEICO is prepared to proceed with a new headquarters and with redevelopment of existing site.

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M-NCPPC



MONTGOMERY COUNTY DEPARTMENT OF PARK AND PLANNING

THE MARYLAND-NATIONAL CAPITAL
PARK AND PLANNING COMMISSION

8787 Georgia Avenue
Silver Spring, Maryland 20910-3760

January 23, 2001

Government Employees Insurance Company
GEICO Plaza
5260 Western Avenue
Chevy Chase, MD 20815

Preliminary Plan No. 1-99039E

Request for an extension of the validity date for the **FRIENDSHIP COMMONS (GEICO)**

This is to inform you that the Montgomery County Planning Board considered your request for an extension to the validity period of the above-mentioned plan at its regularly scheduled meeting of **January 4, 2001**. At that time, the Planning Board voted 3-0 to grant an extension to **June 13, 2005**. (Commissioner Holmes made the motion; Commissioner Bryant seconded; Commissioners Bryant, Holmes, and Hussmann voted in favor; Commissioner Perdue and Wellington absent)

Please give me a call at 301/495-4587 if you have any questions concerning this Planning Board action.

Sincerely,

A handwritten signature in black ink, appearing to read "Malcolm Shaneman", is written over a horizontal line.

A/Malcolm Shaneman
Development Review Division

cc: Dewberry and Davis
Wilkes, Artis, Hendricks & Lane

Holland Knight

Tel 301 654 7800
 Fax 301 656 3978

Holland & Knight LLP
 3 Bethesda Metro Center, Suite 800
 Bethesda, MD 20814
 www.hklaw.com

October 13, 2004

Robert R. Harris
 301 215 6607
 robert.harris@hklaw.com

VIA HAND DELIVERY

Mr. Derick Berlage
 Chairman, Montgomery County Planning Board
 8787 Georgia Avenue
 Silver Spring, Maryland 20910

Re: Preliminary Plan 1-99039
 Request for Extension

Dear Chairman Berlage:

On behalf of Government Employees Insurance Company ("GEICO"), we are requesting an additional extension to the above-referenced Preliminary Plan. The Plan was originally approved by an Opinion dated May 13, 1999 and subsequently extended to June 13, 2005 by action of the Planning Board (letter dated January 23, 2001). Due to circumstances beyond GEICO's control, GEICO submits the attached request for a further extension of the Preliminary Plan to June 13, 2009 (a four year extension).

BACKGROUND

The property subject to the Preliminary Plan is currently the location of GEICO's national headquarters, and has been since 1957. As a result, GEICO is one of the oldest corporate headquarters in Montgomery County, employing more than 1,800 people in the County and contributing significantly to the County's tax base. The corporate headquarters includes significant technological resources, as well as corporate offices and documents.

After working with M-NCPPC Staff and the community for over ten years, GEICO developed plans for a new headquarters facility on the site, along with residential elements to make better use of property so close to the Metro. The plans call for complete redevelopment of the property, including demolition of the existing headquarters facility. The 1997 Friendship Heights Sector Plan, and subsequently, a 1998 rezoning action and the 1999 Preliminary Plan memorialized the new development. Through this lengthy course of action, GEICO has spent extensive time and considerable funds in order to position this property for development consistent with the County's land use objectives, including the explicit provisions of the Friendship Heights CBD Sector Plan. Additionally, M-NCPPC Staff and the local community have been heavily involved in all aspects of this project and have invested substantial time and effort in the development of the plan.

The Preliminary Plan includes 500 residential units, consisting of 300 multi-family and 200 single-family attached, and 810,000 square feet of office space (inclusive of reconstruction of the existing 500,000 square foot plus headquarters building), as well as the dedication of parkland, a greenway, a ballfield and participation in several traffic improvements in the immediate area (by virtue of the requirements of the participation agreement, these improvements will be funded prior to any development of the GEICO site). Because the existing headquarters building is essentially in the center of the Property, and the building's parking takes up the surrounding area, the headquarters will have to be demolished and activities relocated before the new project can proceed.

In 2000, GEICO petitioned the Planning Board for, and was granted, a two year extension of the validity period for the Preliminary Plan based on the special circumstances surrounding the development, namely, the unique nature of the development program and of the property owner. However, since that time, circumstances have not changed, they have only been exacerbated, and GEICO is not in a position to validate its plan within the next nine months.

GROUNDNS FOR EXTENSION

An extension must be submitted to the Planning Board and Technical Staff in writing prior to the expiration of the existing Preliminary Plan validity period. The Preliminary Plan expires June 13, 2005; therefore this request is timely submitted.

The Planning Board may grant an extension of the Preliminary Plan validity period upon a finding that

- i. delays, subsequent to the plan approval by the government or some other party, essential to the applicant's ability to perform terms or conditions of the plan approval, have materially prevented applicant from validating the plan, provided such delays are not created or facilitated by the applicant, or
- ii. the occurrence of significant, unusual or unanticipated events, beyond applicant's control and not facilitated or created by applicant, have substantially impaired applicant's ability to validate its plan and that exceptional or undue hardship (as evidenced, in part, by the efforts undertaken by applicant to implement the terms and conditions of the plan approval in order to validate its plan) would result to applicant if the plan were not extended. Mont. Co. Code Section 50-35(h)(3)(d).

In this instance, circumstances beyond GEICO's control have had a significant impact on its ability to move forward with the Site Planning process required to validate the Preliminary Plan.

First, GEICO is not in the real estate business and does not have the requisite expertise to plan and execute the elements required by the Preliminary Plan. Therefore, before development may proceed and Site Plans and Record Plats submitted, GEICO must enter into an agreement with a

Mr. Derick Berlage

Page 3

October 13, 2004

developer to construct its new headquarters facility, as well as constructing, selling and/or operating the other office component and residential elements of the proposal. However, GEICO has not been able to enter into such an agreement in a manner that respects its need for a seamless transfer of headquarters activities from one building to another. (As the Board can appreciate, with a company of this size the logistics of transferring operations to another building are extremely sensitive and complex. Other corporations relocate to new sites, allowing a continuous operations, but GEICO hopes to remain in Friendship Heights.) Since the 1999 plan was approved, the Montgomery County GEICO Headquarters has planned and implemented new regional offices in numerous locations. In addition, the IT Headquarters Staff and local consultants are leading the effort to incorporate the internet as the primary vehicle for the insurance business because GEICO has determined that the internet is the primary method for customer contact and satisfaction (as has already happened with travel, investments, and banking). These growth and IT challenges must be the primary focus of the headquarters. Thus, planning, building and moving the headquarters facility would be an unacceptable business risk in the immediate future.

Once the headquarters planning process is complete, the site planning process will require the assistance of a developer and/or interested party due to the detailed residential plans which would be required at Site Plan and the lot locations required for the Record Plat, as well purchase of the TDRs necessary for future development (required at Record Plat). A developer or team of developers with the appropriate expertise must be identified with such varied experience and ability to handle a project of this magnitude, before GEICO can move forward with implementation of the Preliminary Plan. All of these elements are outside the control of Applicant.

Second, there is already considerable construction occurring in the area surrounding GEICO's property. The Chevy Chase Center is currently at the beginning of a multi-year construction schedule and the Hecht's site is scheduled to begin its own multi-year construction project in the immediate future. Deferring GEICO's construction until later helps avoid compound impacts from multiple projects. Both projects are independent of this Preliminary Plan and cannot meaningfully be coordinated with any future activity on the GEICO site. We submit that extending the Preliminary Plan would allow the community, and anyone traveling through the area, the advantage of staggering the approved developments.

Third, GEICO has recently been allowed entry into the insurance market in New Jersey, an extremely complicated and time-consuming process that demands the focus of its leadership. Without an extension of the Preliminary Plan, both the expansion into New Jersey and the validation process would suffer.

Finally, if the Plan is permitted to expire, there will be exceptional and undue hardship as a result. GEICO, the Board's Technical Staff and the community worked on variations of this Plan for over a decade, resulting in a compromise that takes advantage of the proximity to Metro and provides valuable amenities to the community. If the Plan were to expire, these efforts would be in vain and the amenities – the parkland and ballfields – would no longer be a realistic vision for the future of Friendship Heights.

Mr. Derick Berlage

Page 4

October 13, 2004

With the possible exception of redevelopment in the District of Columbia, there are no other developments in the queue which are impacted by the preservation of this approval. Even before the Policy Area Review element of the Adequate Public Facilities Ordinance was abolished by the County Council, there was no development in moratorium based on development of the GEICO site. Currently, the Friendship Heights area is nearly completely built-out, particularly with both the Chevy Chase Center and Hecht's sites under construction, and any new development would involve the re-use of existing density.

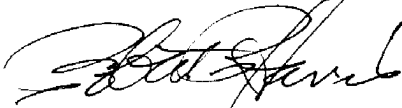
CONCLUSION

This Preliminary Plan has all the elements of a successful project with substantial benefits to the community. However, because the site houses GEICO's national headquarters the implementation of the project is made more complex and must provide for GEICO's long-term needs. Due to the nature of its business, as described above, GEICO is not in a position to plan for the new headquarters facility and the logistics of the transfer. Moreover, the existing activity in the immediate area, it would be beneficial for GEICO to delay the commencement of construction for a period of time. Finally, a very specific coordination between the owner and the developer is required for this complex redevelopment, but the opportunity has not presented itself. Consequently, we request a four year extension of the Preliminary Plan to allow additional time for the company to secure such a contract. This extension will not affect the underlying adequate public facilities period which expires in 2011.

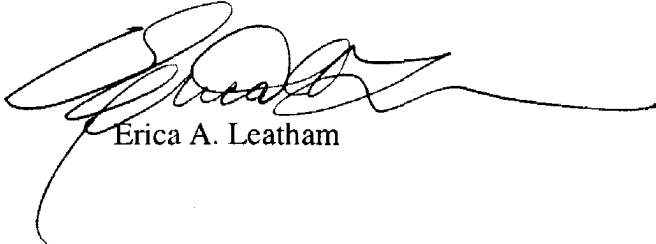
Thank you for your consideration of this matter.

Sincerely yours,

HOLLAND & KNIGHT-LLP



Robert R. Harris

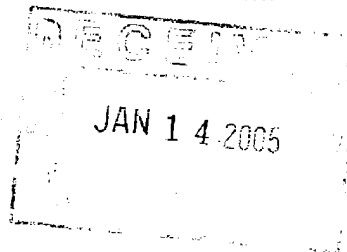


Erica A. Leatham

cc: Mr. Steven Martz

Holland+KnightTel 301 654 7800
Fax 301 656 3978Holland & Knight LLP
3 Bethesda Metro Center, Suite 800
Bethesda, MD 20814
www.hklaw.com

January 12, 2005

Robert R. Harris
301 215 6607
robert.harris@hklaw.com

Mr. Richard Weaver
Maryland-National Capital Park and Planning Commission
8787 Georgia Avenue
Silver Spring, Maryland 20910

Re: Preliminary Plan 1-99039
Extension Request

Dear Mr. Weaver:

In October, on behalf of GEICO we submitted a request for an extension of the validity period for the above-referenced Preliminary Plan. The APFO determination for this project is valid until May, 2011 and we are seeking an extension of the Preliminary Plan until June, 2009, (a four year extension from the existing validity period). Since filing our extension request, we have had the opportunity to discuss the extension with the interested community groups and have responded to the requests they made with respect to this extension. Based on these discussions we are aware of no opposition to this request.

The extension is controlled by Section 50-35(h)(3)(d) of the Montgomery County Code, which requires a finding by the Planning Board that

- i. delays, subsequent to the plan approval by the government or some other party, essential to the applicant's ability to perform terms or conditions of the plan approval, have materially prevented applicant from validating the plan, provided such delays are not created or facilitated by the applicant, or
- ii. the occurrence of significant, unusual or unanticipated events, beyond applicant's control and not facilitated or created by applicant, have substantially impaired applicant's ability to validate its plan and that exceptional or undue hardship (as evidenced, in part, by the efforts undertaken by applicant to implement the terms and conditions of the plan approval in order to validate its plan) would result to applicant if the plan were not extended.

Mr. Richard Weaver

Page 2

January 12, 2005

In this case, the Preliminary Plan approval (and previous Local Map Amendment) was the result of extensive discussions with the local community, as well as Technical Staff, and the subject of thorough review by both the Planning Board and the District Council. The other two other major properties in Friendship Heights, Chevy Chase Center and the Hecht Company site (now known as the New England Development project), were subject to the same extensive processes. As a result, the three mixed use projects in Friendship Heights are examples of goal-oriented development, conceived through a collaborative process, which contribute to the community and beyond. GEICO's project, Friendship Commons, will add significant green space in the area (an enlargement of Brookdale Park and the "Greenway") and a ball field for community use, among other amenities, as well as adding a significant number of dwelling units (including affordable units) to this important Metro-oriented area.

The Friendship Heights Sector Plan provides no phasing plan for these three projects. The community, however, has always maintained that all three projects should not be under construction simultaneously because of the potential cumulative impact of the construction. Currently, the Chevy Chase Center is under construction and New England Development has now begun its project and is expected to be under construction until 2008.

As detailed in GEICO'S request for an extension of its Preliminary Plan, GEICO diligently pursued the necessary rezoning for its property recommended in the Friendship Heights Sector Plan and then promptly proceeded with the Subdivision approval process. Nevertheless, this property presents a unique situation because it is a functioning headquarters for a large national corporation and the entire property is occupied by those operations today. Moreover, GEICO is not a developer and does not plan to be the party who redevelops this property into the proposed mix of office and residential space. Therefore, it first requires a developer capable of constructing a new headquarters facility for GEICO in a manner that will not impact the ongoing operations of the headquarters facility. Either that developer, or a second developer operating in conjunction with the office developer, then needs to plan for the residential development so that the property can be developed in an efficient manner.

As GEICO began entertaining expressions of interest from such parties, both the Chevy Chase Land Company and New England Development actively undertook efforts to develop their respective properties. Given the circumstances and events which must occur before GEICO can proceed, GEICO acknowledged the reality that those projects would proceed first and has respected the community's desire that construction of these three projects be sequenced to the greatest extent possible to avoid parking, traffic, construction, lane closure and other problems in Friendship Heights.

The ability of the other two projects to proceed, causing GEICO to delay its project, has been beyond GEICO's control and was not facilitated or created by GEICO. The sequence has substantially affected GEICO's ability to validate its plan. Given the substantial cost and effort expended not only by GEICO but by the community, the Planning Board and its Staff, and the public at large, exceptional or undue hardship would result if this plan were not extended. The

Mr. Richard Weaver
Page 3
January 12, 2005

community would lose the green space, ball fields and housing anticipated by the master plan and GEICO would lose its ability to construct a new headquarters.

With the possible exception of redevelopment in the District of Columbia, there are no other developments in the queue which are impacted by the preservation of this approval. Even before the Policy Area Review element of the Adequate Public Facilities Ordinance was abolished by the County Council, there was no development in moratorium based on development of the GEICO site. Currently, the Friendship Heights area is nearly completely built-out, particularly with both the Chevy Chase Center and Hecht's sites under construction, and any new development would involve the re-use of existing density.

Thank you for your consideration of this matter.

Sincerely yours,

HOLLAND & KNIGHT LLP



Robert R. Harris



Erica A. Leatham

cc: Mr. Steven Martz
Tariq El-Baba, Esquire

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Holland+Knight

Tel 301 654 7800

Fax 301 656 3978

Holland & Knight LLP

3 Bethesda Metro Center, Suite 800

Bethesda, MD, 20814

www.hklaw.com

Robert R. Harris

301 215 6607

robert.harris@hklaw.com

Erica A. Leatham

301.664.7620

erica.leatham@hklaw.com

April 6, 2005

VIA FAX AND FIRST CLASS MAIL

Ms. Catherine Conlon
Mr. Richard Weaver
Development Review Division
Maryland-National Capital Park and Planning Commission
8787 Georgia Avenue
Silver Spring, Maryland 20910

Re: Preliminary Plan No. 1-99039; Friendship Commons
Extension Request

Dear Ms. Conlon and Mr. Weaver:

Please accept this letter as a supplement to our October 13, 2004 and January 12, 2005 letters requesting an extension of the above-referenced Preliminary Plan of Subdivision. As noted in the earlier correspondence, on behalf of Government Employees Insurance Company ("GEICO"), we are requesting a four year extension of the validity period. Our previous letters set forth the basic elements of the request, including the response to the legal standards in Section 50-35(3) of the Montgomery County Code. To help you prepare for the Planning Board review, we want to elaborate on certain elements.

First, in order to begin development of the property, GEICO must engage a developer with the requisite expertise and resources to (1) determine a way in which to begin development of the office component in advance of the residential element and (2) maintain the existing office building, with parking, during the initial construction. To date, despite a number of expressions of interest, no such developer has been identified. As you are aware, the existing building houses GEICO's national headquarters, including technology infrastructure. It is critical to the functioning of the business that there be no disruption to services while the property is redeveloped. Therefore, GEICO requires the future developer to construct a new office building for GEICO's use during the first phase of development to allow GEICO to transfer its operations before any residential development, all while maintaining the existing building in operable condition. However, due to market conditions, the proposals GEICO has reviewed have the residential component as the first phase and call for demolition of the existing headquarters building to accommodate the residential uses. Because no entity has presented itself as able to

Ms. Cathy Conlon

April 6, 2005

Page 2

meet GEICO's requirements, there has been a delay "essential to the applicant's ability to perform terms or conditions of the plan approval [which has] materially prevented applicant from validating the plan." These delays were not created by the applicant inasmuch as they represent basic prerequisites for action.

Second, GEICO has undergone a significant shift in its business plan, shifting from a telephone based service to an internet based provider. In addition, GEICO has begun to enter new markets, which both changes the headquarters' programmatic needs and focuses certain resources elsewhere.¹ This shift, undertaken as a result of factors far removed from the scope of the development approval process, has altered the original program requirements for the new headquarters building and shifted the company's focus, although it remains committed to redevelopment of the property.

Finally, of the three major projects approved for the Friendship Heights area, two are currently in the construction phase. The community, though supportive of the Friendship Commons development proposed for the GEICO site, has expressed a desire for GEICO to delay construction of its site until the majority of the construction at the other two sites has subsided. The timing of the other construction activities, as well as the community's feelings with respect to the timing of future development, was unknown to GEICO at the time of the previous extension request and is well beyond GEICO's control.

The confluence of these events represents the "occurrence of significant, unusual and unanticipated events" which have impaired GEICO's ability to implement its plan. Although GEICO embarked deliberately on changes to its business plan, the decision has little relation to the standards in the Subdivision Ordinance with respect to events beyond the applicant's control – GEICO has not taken overt actions to delay validation of its plan as prohibited by the Code. Rather, GEICO has continued to operate its insurance business while reviewing offers for redevelopment action. However, none of the proposals has been able to meet the necessary requirements. In the meantime, significant construction in the area is already underway and GEICO does not want to jeopardize its relationship with the community by beginning construction activities.

If the plan were not extended, undue hardship would result. As noted in the previous correspondence, the Preliminary Plan was the result of intense collaboration between Staff, the community and applicant. In fact, the community continues to support the project and the requested four year extension. The resulting ballfield, park and "greenway" provide benefits to the community that would be lost if the plan were to expire. Moreover, GEICO and the community have maintained a discourse over current and future use of the site in anticipation of the ultimate redevelopment.

¹ For example, GEICO recently re-entered the insurance market in New Jersey. In addition to the licensing, underwriting and advertising issues, entering a new market requires extensive research, particularly where, as in New Jersey, the legislature recently changed the law to regulate insurers and insurance fraud.

Ms. Cathy Conlon
April 6, 2005
Page 3

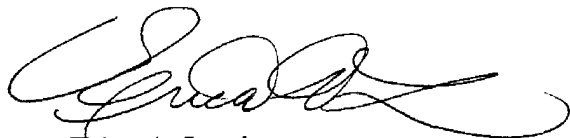
We appreciate the opportunity to elaborate on these matters. Please do not hesitate to contact us if you need any additional information.

Sincerely yours,

HOLLAND & KNIGHT LLP



Robert R. Harris



Erica A. Leatham

cc: Tariq el-Baba, Esquire

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JUN 16 2011

JUN 16 2011



Development Review Division
Montgomery County Planning Department
Maryland-National Capital Park and Planning Commission

Effective: April 2, 2008

8787 Georgia Avenue
Silver Spring, Maryland 20910-3760

www.mc-mncppc.org/development

Phone 301.495.4595
Fax 301.495.1306

EXTENSION REQUEST

Request #1 Request #2 Request #3

M-NCPPC Staff Use Only

File Number	<u>119990390 (E2)</u>	Fee (attach worksheet)	<u>✓ \$ 1390.00</u>
Date Application Received	<u>6/21/2011</u>	Fee Received by	<u>(AB)</u>
		MCPB Hearing Date	

An application will not be accepted for review unless all required information and fees are provided. If an item requires more space, attach a separate sheet.

Plan Name: Friendship Commons (GEICO) Plan No. 1-99039

This is a request for extension of: Preliminary Plan Site Plan Project Plan APF Validity Record Plat Validity

Plan will expire on: 6/13/2014 (Prelim), requesting extension for 72 months until 06/13/2020

Applicant Owner, Owner's Representative, or Contract Purchaser - check applicable; written verification required if not the owner.)

GEICO Terence Perkins
 Name Contact Person
 5260 Western Avenue
 Street Address
 Chevy Chase Md 20815
 City State Zip Code
 (301) 986-2147 (866) 410-3273 TPerkins@geico.com
 Telephone Number ext. Fax Number E-mail

Attorney

Holland & Knight Robert R. Harris
 Name Contact Person
 3 Bethesda Metro Center Suite 800
 Street Address
 Bethesda Md. 20814
 City State Zip Code
 (301) 215-6607 (301) 656-3978 robert.harris@hklaw.com
 Telephone Number ext. Fax Number E-mail

Applicant hereby certifies that he/she the sole owner of the subject property, is otherwise legally authorized to represent the owner(s) (written verification provided), or a contract purchaser authorized to submit this application by the property owner (written verification provided).

Signature of Applicant (Owner, Owner's Representative or Contract Purchaser)

Robert R. Harris
 Signature
 Robert R. Harris, Attorney for Applicant
 Name (Type or Print)

Date 6/16/2011

Checklist

General Information

1. Complete application form and checklist.....
2. Complete fee schedule and worksheet and fee.....
3. Copies of Approved plan.....
4. Notice List prepared in conformance with the Manual of Development Review Procedures on printer labels and paper copy of labels.....
5. Current valid Planning Board Opinion(s).....
6. Letter justifying request.....
7. Prior Extension Approvals, if Extension #2 or #3.....

No. Copies	Engineer/Surveyor	M-NCPPC Staff
1	Submitted or Waived By Submitted	Accepted or Not Accepted ✓
1	Submitted	✓
3	Submitted	✓
2 sets of Labels & 1 paper copy	Submitted	✓
2	Submitted	✓
3	Submitted	✓
2	Submitted	✓

Holland & Knight

3 Bethesda Metro Center, Suite 800 | Bethesda, MD 20814 | T 301.654.7800 | F 301.656.3978
Holland & Knight LLP | www.hklaw.com

Robert R. Harris
(301) 215-6607
robert.harris@hklaw.com

June 16, 2011

Françoise M. Carrier, Esquire
Chair
Montgomery County Planning Board
8787 Georgia Avenue
Silver Spring, MD 20910

Montgomery County
RECEIVED

JUN 16 2011

Planning Department

Re: Government Employees Insurance Company - Preliminary Plan No. 1-99039
(Application to Extend Preliminary Plan and Adequate Public Facilities Validity
Periods)

Dear Madam Chair:

We represent Government Employees Insurance Company ("GEICO"), the owner of the referenced property located in the Friendship Heights area of Montgomery County. GEICO's property is bordered generally by Willard Avenue to the north and Friendship Boulevard to the east, and is approximately 700± feet west of the Friendship Heights Metro Station (the "Property"). The Property is approximately 26± acres in size. The purpose of this letter is to request extensions of the validity period for the approved Preliminary Plan (Preliminary Plan No. 1-99039) (the "Preliminary Plan") and the related Adequate Public Facilities finding, under Sections 50-35 and 50-20 of the Montgomery County Code (hereafter, the "Subdivision Regulations").

For the reasons set forth below, we request a 6-year extension of the validity period of the Preliminary Plan and a 5-year extension of the validity period for the related Adequate Public Facilities finding to enable both to run concurrently.

I. STATUTORY FRAMEWORK

Section 50-35(h)(3)(A) of the Subdivision Regulations requires that a request to extend the validity period of an approved preliminary plan that does not contain a phasing schedule must be submitted in writing and received by the Planning Board before the previously established validity period expires. This request is timely filed because the Preliminary Plan has not yet expired.

Section 50-35(h)(3)(D) of the Subdivision Regulations provides the grounds for an extension of the validity period of a preliminary plan:

- (D) *Grounds for Extension of the Validity Period of a Preliminary Plan.* The Planning Board may only grant a request to extend the validity period of a preliminary plan if the Board is persuaded that:

- ii. the occurrence of significant, unusual, and unanticipated events, beyond applicant's control and not facilitated or created by applicant, have substantially impaired applicant's ability to validate its plan and that exceptional or undue hardship (as evidenced, in part, by the efforts undertaken by applicant to implement the terms and conditions of the plan approval in order to validate its plan) would result to applicant if the plan were not extended.

Section 50-20(c)(3A)(10) of the Subdivision Regulations provides the grounds for the extension of an adequate public facilities determination:

- (10) The Planning Board may extend a determination of adequate public facilities once for up to 12 more years beyond the otherwise applicable validity period if the Board finds that:
- (A) the preliminary subdivision plan for the development required a significant commitment of funds by the applicant, amounting to at least \$2,500,000, to comply with specified infrastructure conditions;
- (B) the applicant has met or exceeded the required infrastructure conditions during the original validity period; and
- (C) the applicant's satisfaction of the required infrastructure conditions provides a significant and necessary public benefit to the County by implementing infrastructure goals of an applicable master or sector plan.

II. BACKGROUND

In order to understand the basis of this request, it is necessary to review briefly the lengthy approval process for development of the Property, as well as the importance of this approval and the investment made in it, not only by GEICO, but also by the community and the County as well. For many years, GEICO has maintained its national headquarters operations at this location. GEICO is one of the largest and oldest employers in the County. In addition to 25,000 employees in facilities around the country, managed from this headquarters location, there currently are approximately 2,240 employees employed at the Property. Many of those employees not only work in the County but also live here. Throughout its history, GEICO has been an active corporate citizen in Montgomery County and many of its employees have contributed significantly to the overall quality of life as well.

The headquarters building on the Property is located on a 26 acre tract of land approximately 700 feet from the Friendship Heights METRO Station. This location has helped GEICO over the years to become one of the leaders in terms of the use of alternative forms of

transportation for its employees including METRO rail, METRO bus, Ride-On Bus, van pools, and car pools. Both GEICO and the County have long recognized the development potential of this key property. Beginning in the late 1980's with the Bethesda-Chevy Chase Master Plan studies, GEICO and the County began looking at ways in which development on the Property could better reflect its important location in Friendship Heights. GEICO worked diligently throughout that Master Plan process to plan for such redevelopment. Although that Plan made some recommendations for redevelopment of the site, it also deferred key master plan and zoning recommendations for future development to an update to the Friendship Heights Sector Plan, originally scheduled for 1992 but later deferred. Ultimately, that Sector Plan was adopted in 1997. It recommended mixed-use redevelopment of the Property with office and residential uses under the TS-M and R-60 zones, at a density supported by key community groups and with a design conceived through a lengthy consensus building process with the community. Throughout that process beginning in the mid 1980's, GEICO was looking for ways to accommodate its corporate headquarters growth and to meet continued expansion in its business, while at the same time making the Property available for a mix of transit-oriented uses. This effort was crucial because the then existing zoning did not allow for any expansion and GEICO was facing major growth and the need for more office space. The master planning effort that included both the Bethesda-Chevy Chase Master Plan and the Friendship Heights Sector Plan, however, took more than 10 years to complete. During that time, GEICO had to make alternative plans to accommodate its immediate corporate growth, including the complete relocation of its Mid-Atlantic Division offices from the headquarters facility in Friendship Heights to a new complex in Stafford County, Virginia. (That complex is now 530,000 square feet in size and 3,015 GEICO employees are employed there). Nevertheless, GEICO remained interested in expansion and redevelopment opportunities in Friendship Heights and remained committed to Montgomery County.

While these master plan studies were underway, Montgomery County expressed an interest in extending Friendship Boulevard between Western Avenue and Willard Avenue and required right-of-way for that construction. GEICO cooperated with the County and agreed -- in contemplation of subdividing the Property -- to dedicate without charge more than one acre of its valuable property so that the road could be constructed on the County's schedule, while GEICO was awaiting adoption of a Friendship Heights Sector Plan that would accommodate the anticipated redevelopment of the Property. (That road now has been constructed and serves as an important circulation improvement in the area).

Throughout the process, GEICO worked closely with community leaders and local residents to plan the type of redevelopment on the Property that would meet GEICO's needs, would recognize the Friendship Heights location, would take advantage of the public transportation system, and, last but not least, would be compatible with the community. More than 10 years after this effort was initiated, the Friendship Heights Sector Plan finally recommended mixed-use redevelopment for the Property including 810,000 square feet of office, 300 multi-family units and 200 townhomes -- oriented in a mixed-use configuration reflecting densities, heights, and uses compatible with neighboring properties. The Plan also included the dedication of substantial recreation areas, green space, and public amenity features desired by the community.

As noted, while this lengthy process was underway, GEICO had to make alternative plans for its immediate growth. At the same time, it recognized, as did the County, that future development of the Property would be in the public interest. Recognizing this importance and the timing and uncertainty inherent in any development approval process in Montgomery County, GEICO continued with the development approval process following adoption of the Sector Plan in 1997. More specifically, it promptly submitted a local map amendment application (Zoning Application No. G-760) to apply the TS-M zoning recommendations in the Sector Plan. That rezoning (and the approval of a related Development Plan) was completed in late 1998. During the process, GEICO and the community negotiated a comprehensive agreement spelling out in great detail all aspects of the contemplated development, ultimately resulting in community support for the project.

At the same time, developers within the District of Columbia near the D.C./Montgomery County line were considering redevelopment projects which might have prevented implementation of the recommendations in Montgomery County's plan for its side of the D.C./Montgomery County line due to available traffic capacity. (Those projects were later taken off the table.) Again, knowing the uncertainties in the development approval process, and even though GEICO was not at that time ready to proceed with the project, GEICO filed the Preliminary Plan to be certain that public facilities would be adequate to accommodate the redevelopment at the time GEICO was ready to proceed and that post zoning issues reviewed at the time of a preliminary plan of subdivision were addressed and approved as well. The Preliminary Plan was approved by the Montgomery County Planning Board in a decision mailed May 13, 1999.

In addition to obtaining preliminary plan approval, the TS-M Zone requires approval of a site plan which itself requires detailed planning not only for the office component but also the multi-family, townhouse, and open space elements. GEICO recognized then and acknowledges today that issues related to the site plan are well beyond its capabilities and fall within the purview of a development company more experienced in these matters. GEICO has recognized that the next step in the process would be the engagement of a developer to design, and process the site plan and, ultimately, to implement it.

So far, GEICO has not proceeded with that effort for several reasons. First, the underlying zoning, including the binding elements approved as part of that rezoning and the agreement with the community, require a sequence of actions that includes dedication of land to become public recreation space and parkland. That land, however, is now occupied by access drives and parking facilities that serve the GEICO headquarters and contain utility lines and other features. The required sequence of actions can only occur when GEICO is ready to build a new headquarters building and demolish the current one. That point in time has not occurred. Second, those same approvals and agreements spell out other sequencing aspects for the new development that cannot be met until GEICO is prepared to move out of the existing building. Third, GEICO has not proceeded with the project at this time for other reasons as well. After approval of the Sector Plan, and at the time GEICO was obtaining approval of its Development Plan and Subdivision Plan, two other major projects envisioned by the Friendship Heights Sector Plan also were starting the development approval process. Those projects became Chevy Chase

Land Company's complete redevelopment of its property on the east side of Wisconsin Avenue and the mixed-use project on the old Woodworth and Lothrop/May Company site. The community was very concerned at that time about more than one of these projects proceeding at the same time given the potential disruption in the area due to the size of each one. The community's concerns and the desire not to over build office or residential products at one time forced a decision not to proceed simultaneously with the two other projects. Despite the anticipation of proceeding soon after those projects were completed, GEICO was not able to proceed because of a national and international recession. The recession stopped virtually all new development and resulted, even to this day, in the absence of financing and market demand to proceed with redevelopment of the GEICO Property. The lengthy recession was significant, unusual, and unanticipated and changed the development landscape and the manner in which future developments (including GEICO's development) could proceed.

Finally, one other factor must be considered as well given the existing use of the Property as GEICO's headquarters. In order for GEICO to proceed with this project, GEICO's business operations have to be in that cycle where the Company both needs a new headquarters building and can accommodate the disruption to its operations from the demolition of its existing building and construction of a new one. GEICO wants to keep its approvals in place as the region's economy strengthens to allow implementation of the important project to coincide with its business cycle. GEICO has invested hundreds of thousands of dollars in the lengthy planning and development approval process. So too have both the surrounding community and the County government. All have done so with the recognition that the development recommended in the Sector Plan, and approved in both the Development Plan and the Preliminary Plan of Subdivision, is an appropriate future use for this Property.

III. THE PRELIMINARY PLAN VALIDITY PERIOD EXTENSION

Section 50-35 of the Subdivision Regulations requires a plat of subdivision to be approved within a specified time period after approval of a preliminary plan. Within that period of time, the Regulations require that all of the required TDRs be purchased and recorded, that all stormwater and forest conservation plans be approved, and that site plans for every building be approved. Then, plats for all of the property delineated within the approved preliminary plan must be recorded and building permits obtained. Given that the development on GEICO's Property will consist of multiple buildings for a mix of uses, including a substantial number of townhomes likely to be on individual lots, the subject approvals will be both comprehensive and complicated. The binding elements and the agreement with the community provide that the park and open space areas (which total about seven acres, and includes areas now used for parking and other GEICO purposes) must be dedicated with the first plat. This means that the recordation of plats will only proceed when the entire Property is ready for redevelopment. The issuance of building permits would then follow but will take a considerable amount of time for all to be issued, leading to the need for an extended validity period.

For the above reasons, GEICO requests a six-year extension of the Preliminary Plan validity period. This period of time should be sufficient to allow the economy to recover, to engage a developer, to prepare and submit detailed site plan applications and other materials for

approval of the site plan, to gain approval of the site plan, to prepare for a new headquarters move, to record the appropriate plats, and to obtain building permits. This is the minimum time necessary to accomplish these steps.

Significant, unusual, and unanticipated events have occurred subsequent to the Preliminary Plan approval, that are beyond GEICO's control that have substantially impaired GEICO's ability to validate the Plan. As cited above, those events include development implementation of other major projects in Friendship Heights and the most severe recession the County has faced in nearly 100 years. Moreover, exceptional and undue hardship would result to the Applicant, as well as to the community and the County at large, if this Plan were not extended. As noted above, all parties have invested significantly in this Plan and it includes aspects that will benefit each. Most significantly, if the validity period for this Plan is not extended, there is a very real chance that the well-conceived redevelopment of a key, transit-oriented development parcel, in one of the densest areas of Montgomery County, would be left virtually undeveloped by urban standards. This would be inconsistent with the carefully crafted Friendship Heights Sector Plan and with the County's increasing objectives for transit-oriented, mixed-use development.

IV. ADEQUATE PUBLIC FACILITIES APPROVAL

This request also includes an extension of the Adequate Public Facilities ("APF") approval for this project. As noted in Section I above, Section 50-20(c)(3A)(10) of the Subdivision Regulations provides a variety of justifications for extending an APFO validity period and provides criteria for different extensions. The grounds for these extensions include circumstances where the size of the project, the investment made by the various parties in its implementation, and the contributions a project makes to public infrastructure.

While we believe that the GEICO Project falls within this Section of the Subdivision Regulations -- or within the intent and spirit of this Section -- we recognize that the relatively narrow wording of some of these extension provisions, each drafted over time with a specific project in mind, may not necessarily reflect the precise circumstances of the GEICO Property. GEICO's project, however, clearly is a major project that requires many coinciding circumstances for it to proceed and its implementation has significant public benefits. As discussed above, GEICO has already provided a substantial public benefit worth more than \$1.5 million in the form of its conveyance of approximately one acre of land for right-of-way to the County, free of charge, for the construction of Friendship Boulevard. It also has committed to other area-wide transportation improvements as part of the implementation of its Development Plan. GEICO has also provided a substantial public benefit worth more than \$1.5 million in the form of Brookdale Park that has been and continues to be used by County residents. Moreover, were this Preliminary Plan to expire, the traffic capacity assigned to it could encourage those on the District of Columbia side of Western Avenue to seek development approvals there that would put the same or greater traffic on the local road network without the tax benefits to Montgomery County from the GEICO redevelopment.

We believe this request satisfies the spirit of the provisions allowing for an extension of the APFO validity period under Section 50-20(c)(3A)(10) of the Subdivision Regulations and that the request should be granted.

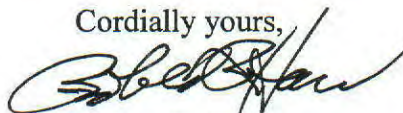
V. COMMUNITY SUPPORT

Even though community support is not a requirement for the extension of a Preliminary Plan validity period or an APFO validity period, GEICO is pleased to report that both the Village of Friendship Heights and the Brookdale Citizens Association, the two groups most active in crafting the Friendship Heights Sector Plan and in the review of GEICO's land use approvals, have voted to support these requests. As noted above, both invested significantly in the planning for this redevelopment and both would like to see it proceed at the point in time when redevelopment is feasible.

VI. CONCLUSION

GEICO has been an important part of the Montgomery County community for more than 50 years. Its Property remains one of the County's most important redevelopment sites and has the master plan designation and zoning in place to enable its transformation into a transit-oriented, walkable, sustainable project, consistent with others in the surrounding area. To reach that point, however, the economy needs to improve, millions of dollars have to be invested in TDRs, extensive site planning and engineering have to proceed and, most importantly, GEICO has to arrange for its own transition. These measures will take time but the redevelopment of this Property remains every bit as appropriate today as when it was first conceived in the Friendship Heights Sector Plan. In the meantime, while awaiting this transformation, GEICO is providing a major park area to the community without charge, has helped to facilitate the construction of Friendship Boulevard, and remains an important employer in the area. It requires the requested extension to enable it to achieve the vision for the future.

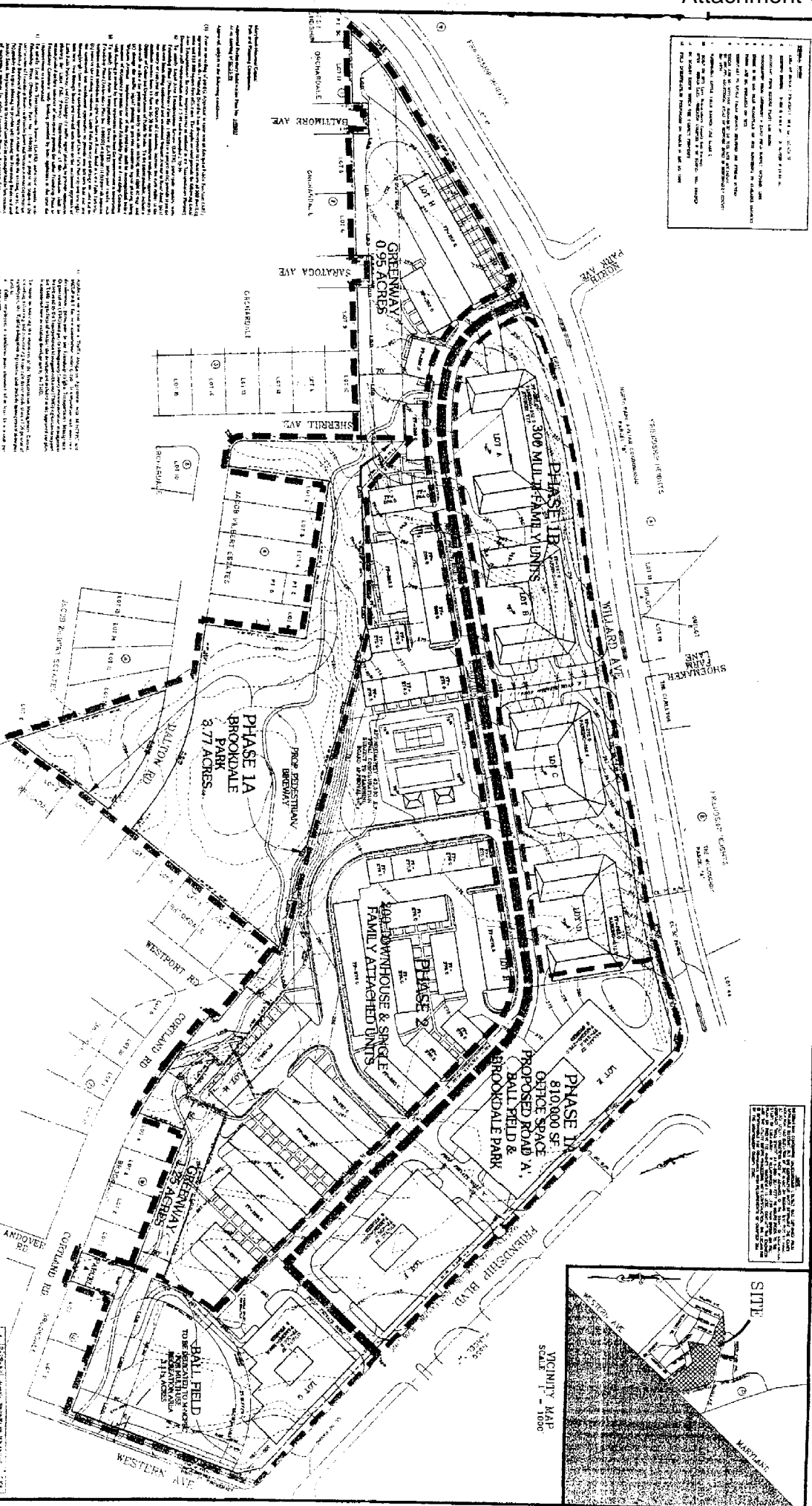
Cordially yours,



Robert R. Harris

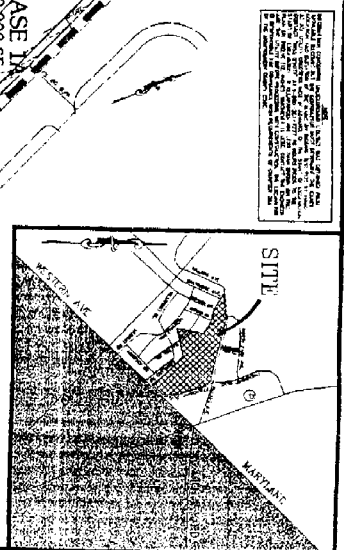
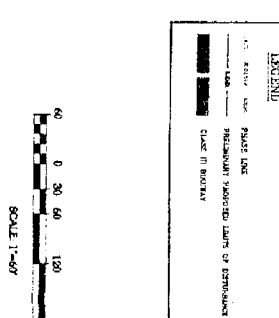
cc: Cathy Conlon
Donald Lyons
Terry Perkins
Steve Silverman
Village of Friendship Heights
Brookdale Citizens Association

1. PHASE 1: 1,700 SF OF PHASE 1A
2. PHASE 2: 1,700 SF OF PHASE 2A
3. PHASE 3: 1,700 SF OF PHASE 3A
4. PHASE 4: 1,700 SF OF PHASE 4A
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13. PHASE 13: 1,700 SF OF PHASE 13A
14. PHASE 14: 1,700 SF OF PHASE 14A
15. PHASE 15: 1,700 SF OF PHASE 15A
16. PHASE 16: 1,700 SF OF PHASE 16A
17. PHASE 17: 1,700 SF OF PHASE 17A
18. PHASE 18: 1,700 SF OF PHASE 18A
19. PHASE 19: 1,700 SF OF PHASE 19A
20. PHASE 20: 1,700 SF OF PHASE 20A

1. PHASE 1: 1,700 SF OF PHASE 1A
2. PHASE 2: 1,700 SF OF PHASE 2A
3. PHASE 3: 1,700 SF OF PHASE 3A
4. PHASE 4: 1,700 SF OF PHASE 4A
5. PHASE 5: 1,700 SF OF PHASE 5A
6. PHASE 6: 1,700 SF OF PHASE 6A
7. PHASE 7: 1,700 SF OF PHASE 7A
8. PHASE 8: 1,700 SF OF PHASE 8A
9. PHASE 9: 1,700 SF OF PHASE 9A
10. PHASE 10: 1,700 SF OF PHASE 10A
11. PHASE 11: 1,700 SF OF PHASE 11A
12. PHASE 12: 1,700 SF OF PHASE 12A
13. PHASE 13: 1,700 SF OF PHASE 13A
14. PHASE 14: 1,700 SF OF PHASE 14A
15. PHASE 15: 1,700 SF OF PHASE 15A
16. PHASE 16: 1,700 SF OF PHASE 16A
17. PHASE 17: 1,700 SF OF PHASE 17A
18. PHASE 18: 1,700 SF OF PHASE 18A
19. PHASE 19: 1,700 SF OF PHASE 19A
20. PHASE 20: 1,700 SF OF PHASE 20A



NO.	DESCRIPTION	DATE	BY	CHECKED
1	PRELIMINARY SUBDIVISION PLAN	11/15/2017	J. H. HARRIS	J. H. HARRIS
2	REVISION	11/15/2017	J. H. HARRIS	J. H. HARRIS
3	REVISION	11/15/2017	J. H. HARRIS	J. H. HARRIS
4	REVISION	11/15/2017	J. H. HARRIS	J. H. HARRIS
5	REVISION	11/15/2017	J. H. HARRIS	J. H. HARRIS
6	REVISION	11/15/2017	J. H. HARRIS	J. H. HARRIS
7	REVISION	11/15/2017	J. H. HARRIS	J. H. HARRIS
8	REVISION	11/15/2017	J. H. HARRIS	J. H. HARRIS
9	REVISION	11/15/2017	J. H. HARRIS	J. H. HARRIS
10	REVISION	11/15/2017	J. H. HARRIS	J. H. HARRIS

EDAW
 ENGINEERS ARCHITECTS AND DESIGNERS
 1000 EAST 17TH AVENUE, SUITE 1000
 DENVER, COLORADO 80202
 TEL: 303.733.4000 FAX: 303.733.4001
 WWW.EDAW.COM

Dewberry & Davis
 Engineers Planners Surveyors Landscape Architects
 607 W. Duane Ave. Cambridge MA 02142
 TEL: 617.452.1500 FAX: 617.452.1501
 WWW.DDBD.COM