






## White Flint 2 Sector Plan and Rock Spring Master Plan: Briefing

---

 Nkosi Yearwood, Senior Planner, Area 2 Division, [Nkosi.Yearwood@montgomeryplanning.org](mailto:Nkosi.Yearwood@montgomeryplanning.org), 301-495-1332

 Andrea Gilles, Planner Coordinator, Area 2 Division, [Andrea.Gilles@montgomeryplanning.org](mailto:Andrea.Gilles@montgomeryplanning.org), 301.495.4541

 Nancy Sturgeon, Master Planner Supervisor, Master Plan Team, Area 2 Division,  
[Nancy.Sturgeon@montgomeryplanning.org](mailto:Nancy.Sturgeon@montgomeryplanning.org), 301.495.1308

Completed: 5/18/2016

---

### Description

Briefing on the status of the White Flint 2 Sector Plan and the Rock Spring Master Plan.

Staff Recommendation: Discussion

### Summary

Staff will provide a briefing and status update on the White Flint 2 Sector Plan and the Rock Spring Master Plan. This briefing will focus on the outreach efforts to date and the preliminary results of the transportation modeling.

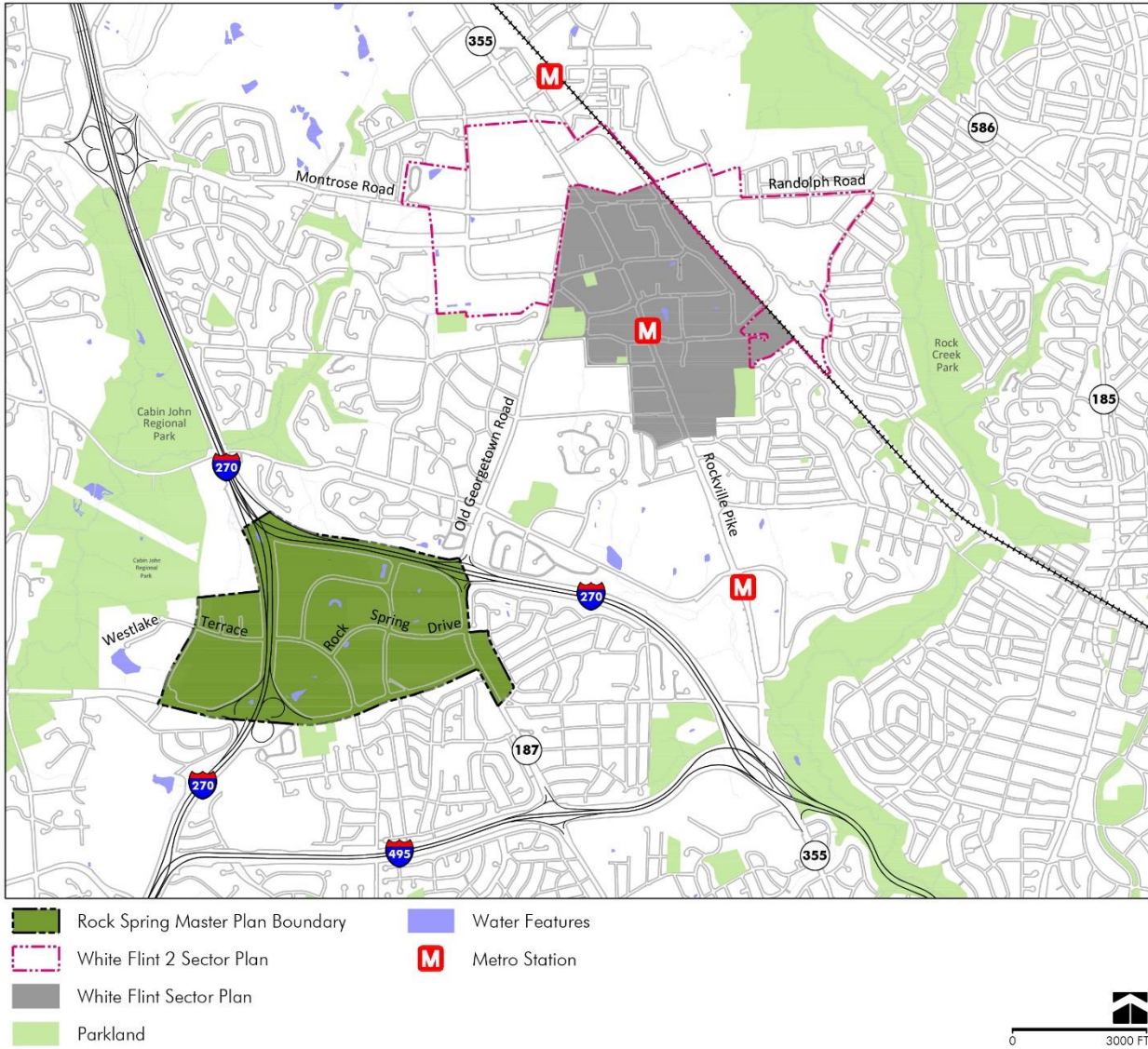
### Project Overview

The White Flint 2 Sector Plan was initiated in April 2015 and the Planning Board approved the Scope of Work on September 3, 2015. The Rock Spring Master Plan began in June 2015 and the Planning Board approved the Scope of Work on October 8, 2015. At the Semi-Annual meeting on April 5, 2016, the Council aligned the schedules for the two plans so that they are essentially concurrent. The plans are geographically close to one another (approximately one mile apart; see map on page 2) and the issues in the two areas are similar. Community members in both plan areas expressed a desire that the Planning Department take a holistic view of potential development impacts, particularly regarding schools. Both plans are within the Walter Johnson cluster; a small area in the eastern portion of White Flint 2 is in the Downcounty Consortium.

### Outreach

Outreach thus far has included a dozen meetings -- approximately six community meetings in each plan area. Issues covered, and input received from the community, include parks and open spaces, transportation networks and connectivity, land uses, and place-making. In addition, property owners and stakeholders have made presentations about any approved, near-term, or potential long-range plans for their sites. This month, in separate community meetings for both plans, staff is presenting the initial results of the transportation modeling analysis.

# Rock Spring And White Flint 2 Study Areas



Results from all outreach efforts are helpful and important to staff as we begin to develop the Plan’s preliminary recommendations, which will be presented to the communities in June and to the Planning Board in July. Staff continues to reach out to residents, businesses, community groups, and property owners to engage a diverse cross-section of stakeholders in the planning process. These outreach efforts will continue over the next several months.

### Public Schools: Walter Johnson Cluster

At the initial kick-off meetings for both plans, the primary issue expressed by the majority of participants was concern regarding overcrowding in the Walter Johnson School Cluster. As a result of this concern, staff held a joint meeting for White Flint 2 and Rock Spring on September 17, 2015 that focused exclusively on school issues. This meeting included an overview about how the Planning Department and Montgomery County Public Schools (MCPS) coordinate on school issues from a master plan perspective. Staff also provided background about the

regulatory process, particularly the annual school test and impact fees that are assessed as part of the adequate public facilities analysis, as required by the Subdivision Staging Plan (SSP). Staff from MCPS presented information regarding the methodology for forecasting students as well as the approved plans to address capacity issues in the Walter Johnson Cluster.

In January 2016, MCPS initiated the Walter Johnson Cluster Roundtable Discussion Group comprised of MCPS staff and cluster coordinators and representatives from the Walter Johnson PTA. MCPS is currently reviewing suggestions from the Roundtable group, which has explored a wide range of approaches to accommodate near-term and long-term enrollment growth in the cluster. The Roundtable will complete its work in June and a report will be sent to the interim superintendent and the Board of Education. In the fall of 2016, it is anticipated that the superintendent will make a recommendation for the cluster and the Board of Education will take action shortly thereafter.

Planning Department staff are tentatively planning another joint meeting with MCPS for the White Flint 2 and Rock Spring plans during early June. This meeting will provide information to the broader community about the options to address overcrowding that are included in the Roundtable report. Staff will also provide an overview of the schools portion of the Working Draft of the Subdivision Staging Policy.

### **Transportation Analysis**

Master plans seek to balance the recommended land use densities (at build-out) and the transportation infrastructure needed to support the planned development. As the Board is aware, during the master plan process staff develops several land use scenarios to test in the transportation modeling. The residential numbers from the land use scenarios are shared with MCPS to ascertain the impacts of potential development on public schools. The land use scenarios include development projects that have been approved but are not yet built (i.e., pipeline projects). For these two plans, the land use scenarios include an option that calculates the additional development capacity that properties have under the existing zoning and then assumes that this capacity may be utilized in the future. Both plans also tested a scenario that assumed alternative zones for certain properties that would allow a mix of uses at different densities than what is currently allowed by the existing zoning. A range of potential development densities and types of uses provides an order of magnitude for the modeling exercise. The preliminary results of the transportation modeling have been completed and staff will present this analysis to the Planning Board at the May 26 briefing. Based on the results of the modeling, staff is developing preliminary land use, zoning, and transportation recommendations for the plans.

### **Assistance and Special Studies**

#### *Urban Land Institute Technical Assistance Panel*

In December 2015, the Planning Department partnered with the Washington, DC chapter of the Urban Land Institute (ULI) to conduct a Technical Assistance Panel review of the Rock Spring office park and the Executive Boulevard area in White Flint 2. The Panel made a number of recommendations about how the two office parks could become more economically competitive, multi-use, and walkable. A summary of the Panel's recommendations is attached.

### *County's Office Market Working Group*

In 2015, the County Executive established an Office Market Working Group that was tasked with developing recommendations to enhance the economic climate in Montgomery County, identify vehicles to reduce the County's current office vacancy rate, stimulate the leasing of vacant office space, and evaluate the viability of office conversions. The group, which included members of the public and private sectors, issued a report in February 2016. Based on their expertise, members of the group concluded that opportunities for converting office buildings to other uses may be limited and are not likely to occur on a scale that would substantially impact overall Countywide office vacancies.

Recommendations to address current office vacancies included providing flexibility of uses, encouraging ground level retail, improving connections to Metro stations, creating updated identities for office parks, and programming outdoor spaces. The draft report also provided specific recommended actions in four areas: 1) expand economic development efforts in order to create jobs, attract and retain businesses and increase demand for office space; 2) support local business growth, 3) enhance the County's built environment, and 4) continue to invest in transit, and pursue alternative means of providing transportation services to workers and residents.

### *Rock Spring Activation*

The County's Executive branch has initiated a project known as "Rock Spring Activation" to work with property owners and tenants in the Rock Spring office park on near-term strategies to activate the area. Place-making techniques such as branding shuttle buses with a Rock Spring logo are being considered. The Planning Department and the Department of Parks have been involved in brainstorming ideas with the Executive branch. In addition, staff from the Department of Parks and the County's Department of Recreation are working together on this effort and may be assisting with programming events and promotional activities that bring vitality to the area and highlight its positive attributes.

### *Adaptive Reuse Study*

For additional assistance to better understand the office market dynamics, the Planning Department has hired a consultant to look at the feasibility of adaptively reusing office buildings in these two planning areas. Staff has not received the final report, but the consultant's preliminary draft states that both Executive Boulevard and Rock Spring remain very viable office markets. Despite the current challenges, both locations continue to be too valuable for prospective office use to either be converted to other uses or demolished outright.

According to the consultant, the value equation (potential income versus cost) in these submarkets for continued office use, though perhaps reduced from prior achieved rent levels, still exceeds that of the substantial cost of converting to alternative uses. Even if market conditions might merit repurposing, many of these office buildings have large and wide floorplates depths (with interior spaces far from windows) and configurations that make conversion to other uses, particularly residential, very challenging. Generally, buildings with narrow footprints are more conducive to residential conversion.

Fluctuations and locational changes by Federal office tenants have had a significant impact on these two areas. Vacation of space by Federal agencies that were leasing offices in both areas has contributed to the vacancy rates. The draft report notes, however, that these decisions were driven by the need to accommodate changing space requirements and by price, not locational or neighborhood deficiencies of either Executive Boulevard or Rock Spring. The recent movement of Federal agencies out of these two areas to other locations in the County, including the National Cancer Institute (from Executive Boulevard) and the National Institute of Allergy and Infectious Diseases (from Rock Spring), should not be viewed as a repudiation of these locations or of the submarket dynamics generally, according to the draft report.

While this report provides an overall picture of the dynamics of these two office submarkets, it also points out that the motivations and particular financing situation of individual property owners is paramount. Existing financing liabilities may restrict near-term reuse options; not every owner of a possibly obsolete building will actually be interested in a change of use. In addition, the existence of ground leases (which is relatively common in Rock Spring) may restrict reuse/redevelopment options for some properties.

Staff will schedule a briefing for the Planning Board on the adaptive reuse study by the consultant in July.

### **Next Steps**

Following this briefing and status update, staff will develop draft recommendations and present them to the community in June. Based on feedback in the upcoming community meetings, staff will fine-tune the recommendations. On July 28, staff will present the preliminary recommendations for the White Flint 2 Sector Plan and the Rock Spring Master Plan to the Planning Board. The Working Drafts for both plans will be presented to the Planning Board in September. The tentative schedule for upcoming meetings and milestones for the White Flint 2 and Rock Spring plans includes:

Planning Board Briefing	May 26, 2016
Ongoing Community Meetings	May, June, July 2016
Preliminary Recommendations to the Planning Board	July 28, 2016
Working Drafts to the Planning Board	September 2016
Planning Board Public Hearings	October 2016
Planning Board Worksessions	October – December 2016
Transmit Plans to County Executive and County Council	January/February 2017

### **Attachment**

ULI TAP Summary





# ULI WASHINGTON TECHNICAL ASSISTANCE PANEL

The Montgomery County Planning Department partnered with the Washington, DC District Council of the Urban Land Institute (ULI) to conduct a Technical Assistance Panel (TAP) review from Tuesday, December 1 through Wednesday, December 2, 2015. The event, titled “What’s Next for the Rock Spring Office Park and the Executive Boulevard area in White Flint,” was held at 6110 Executive Boulevard in Rockville.

The workshop included site visits, roundtable discussions and a presentation of findings from a multi-disciplinary team of real estate and land use experts who are members of ULI Washington. The panelists suggested ways of making the two office parks in North Bethesda more economically competitive and vibrant. These office districts, located less than two miles apart in the Rock Spring and Executive Boulevard areas, are now being studied by the County Planning Department as part of its ongoing planning efforts.

## CHALLENGES OF THE ROCK SPRING & EXECUTIVE BOULEVARD AREAS

- **HIGH OFFICE VACANCY:** The Rock Spring office park has a vacancy rate of 21.2 percent and the Executive Boulevard office park within the White Flint 2 area has a vacancy rate of 29.2 percent, compared to Montgomery County’s overall office vacancy rate of 14.8 percent (according to CoStar statistics).
- **CHANGING OFFICE MARKET:** Each office park contains three completely empty buildings. A major tenant in Rock Spring, Marriott International, has announced tentative plans to relocate to a more walkable, transit-served and mixed-use setting. Experts on the panel pointed out that high office vacancy rates are not unique to Montgomery County.
- **LACK OF COMMUNITY IDENTITY:** The ULI panelists emphasized the absence of amenities, such as coffee shops, lunch venues, gyms, and drug stores, within the office parks; the lack of pedestrian access and connectivity to offsite amenities; and the need to diversify land uses, since currently there is only a single land use – office – in the two areas.

## TAP RECOMMENDATIONS FOR EXECUTIVE BOULEVARD AREA

During the report-out on December 2, the ULI experts presented strategies for transforming the office parks. Their recommendations for the Executive Boulevard area of White Flint are:

- Accelerate implementation of the north/west Pike & Rose Metrorail station entrance.
- Implement the planned Old Georgetown Road and Executive Boulevard realignment (called the Western Workaround).
- Improve pedestrian connections to amenities, such as those at Pike & Rose, and the existing White Flint Metrorail station.
- Leverage and link to the White Flint recreation loop for walking and biking.
- Introduce Bikeshare as a multimodal connector.
- Introduce convenience retail for office workers and future residents, including coffee shops, cafes, drug stores, dry cleaners.
- Decrease perceived distances between office building entrances and the street by encouraging small retail spaces, pop-up amenities (food trucks, parklets) and outdoor seating.
- Embrace and enhance the ample green spaces, including mature trees and landscaping, already present.
- Leverage and link the Executive Boulevard office park to Pike & Rose’s identity.
- Create a consistent signage and streetscape package to reinforce new identity for office parks.

## TAP RECOMMENDATIONS FOR ROCK SPRING AREA

The experts organized their comments according to the major challenges of identity, connectivity, amenities and land use as follows:

- Draw on the theme of “live well” by building on existing medical tenants and green environment of Rock Spring.
- Create an anchor for wellness/central community uses and a mixed-use, pedestrian-oriented environment.
- Improve entry points by creating gateways through artwork, signage and archways.
- Provide a shuttle to the Metrorail station and enhance pedestrian and bike connections to Westfield Montgomery Mall - which the panel viewed as a major amenity for the area.
- Enhance transit rider knowledge through technology tools.
- Introduce Bikeshare stations.
- Break up superblocks of office buildings with mid-block crossings for pedestrians.
- Concentrate communal amenities (community center, library, civic functions) in a central location.
- Create a centrally located mixed-use village center, possibly including a library and arts facilities.
- Leverage existing green spaces by building a trail network, seating, and open spaces.
- Catalyze development of the approved, mixed-use Rock Spring Center project.
- Change zoning to eliminate constraints, allow maximum land-use flexibility and make the area market-responsive.
- Explore creative approaches to school overcrowding in the area, such as adding another school on or adjacent to the Walter Johnson High School site, reusing an office building for a school and/or building a new school within the Rock Spring office park, possibly on an existing surface parking lot.
- Use financial tools to achieve goals, such as tax abatement and tax-increment financing; special assessment taxing districts to accelerate infrastructure improvements; County acquisition of vacant and underperforming offices buildings to spur changes in use; and public-private partnerships.
- Create buy-in for real estate changes through community education.

Many of these recommendations will be considered by County planners in developing the new Rock Spring Master Plan and White Flint 2 Sector Plan. The Plans will guide and encourage the transformation of the office parks, and recommend facilities and policies needed to support new uses.

For more information about the Rock Spring Master Plan, go to [montgomeryplanning.org/rockspring](http://montgomeryplanning.org/rockspring)

For more information about the White Flint 2 Sector Plan, go to [montgomeryplanning.org/wf2](http://montgomeryplanning.org/wf2)

## ABOUT THE ULI TECHNICAL ASSISTANCE PANEL

The panelists for the Rock Spring and Executive Boulevard areas were:

**Bob Eisenberg**, Chair, Clark Enterprises  
**Robert Atkinson**, Davis Carter Scott  
**Dean Bellas**, Urban Analytics  
**Brigg Bunker**, Foulger Pratt Development  
**Barbara Byron**, Fairfax County Office of Community Revitalization

**Matt Klein**, Akridge  
**Alex Rixey**, Fehr and Peers  
**Rebecca Snyder**, Insight Property Group  
**Stan Wall**, HR&A Advisors