



MCPB Item #11
Date: 5 / 11 / 2023

MEMORANDUM

DATE: May 4, 2023

TO: Montgomery County Planning Board

VIA: Michael F. Riley, Director of Parks
Miti Figueredo, Deputy Director, Administration *MF*
Gary Burnett, Deputy Director, Operations
Andrew Frank, Division Chief, Park Development Division (PDD) *AF*

FROM: Brenda Sandberg, Real Estate Management Supervisor, PDD *BS*

SUBJECT: Land Disposition Recommendation
7800 & 7810 Wisconsin Avenue, Bethesda
11,152 square feet, more or less, improved

STAFF RECOMMENDATION

Staff requests the following action by the Montgomery County Planning Board:

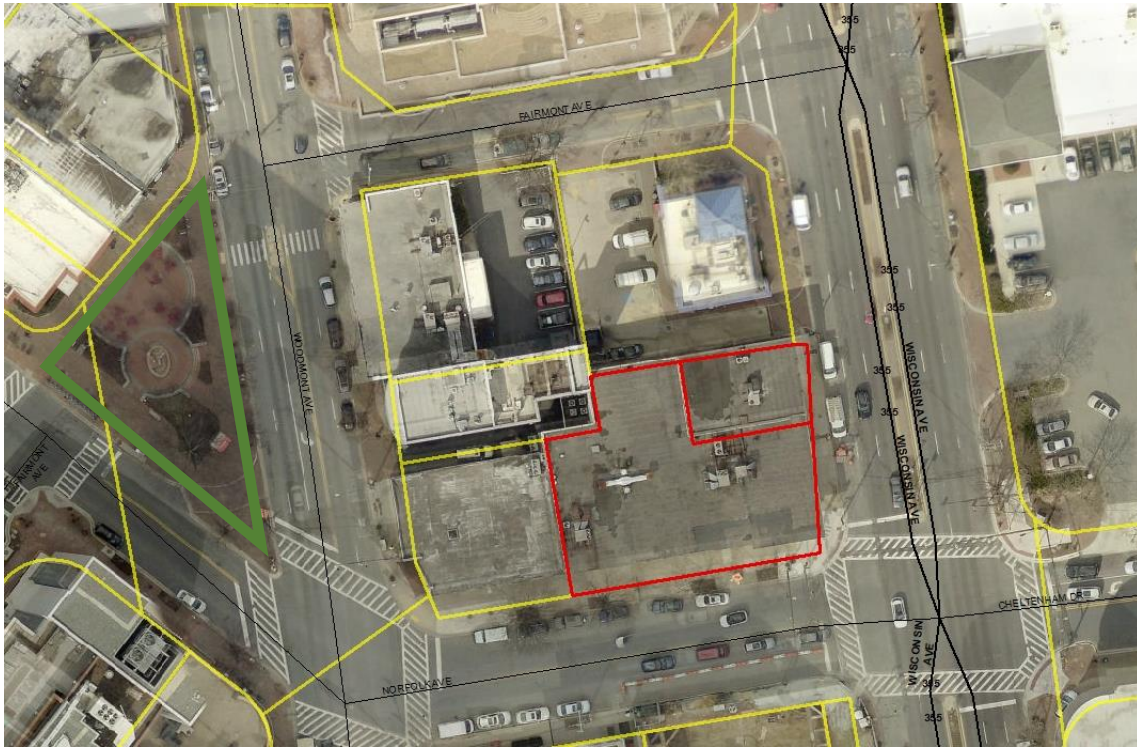
Approve MCPB Resolution #23-051 for recommendation to the full Commission to approve the sale of the Commission properties at 7800-7810 Wisconsin Avenue to Crescent Acquisitions, LLC, for \$10,300,000; and return the proceeds of the land sale to the Bethesda Park Impact Payment (PIP) CIP project for expenditure on park acquisition and development within the Bethesda Downtown Sector Plan boundary.

A draft of Resolution No. 23-051 is attached.

SUMMARY

The Department of Parks acquired the Goldberg Trusts' properties in 2020-2021 to fulfill the vision for the future Veteran's Park Civic Green in the *2017 Bethesda Downtown Plan*. The purpose of the acquisition was to enter negotiations with adjacent and nearby landowners to determine how and where to provide the Civic Green while supporting redevelopment of adjacent properties through land exchanges or other real estate transactions. After two years of development analysis, coordination with the Planning Department, and negotiation with the adjacent landowners, the Parks Department has determined that it is not physically or financially feasible to create the envisioned Veterans Park Civic Green on this highly constrained urban block. The Parks Department now intends to sell the properties and return the funds to the Bethesda Park Impact Payment CIP to support other priority park projects within the Bethesda Downtown Sector Plan boundary, including other options for this Civic Green. Staff have negotiated a sale to Crescent Acquisitions, LLC, for \$10.3 Million, a price that exceeds the expenditure of Park funds for land acquisition by \$700,000.

Figure 1: Former Charles H. Goldberg Family Trust & The Bettie Goldberg GST Tax Exempt Trust properties



PROPERTY DESCRIPTION

The former Charles H. Goldberg Family Trust & The Bettie Goldberg GST Tax Exempt Trust properties are located at the corner of Norfolk and Wisconsin Avenues in the heart of downtown Bethesda (at 7800 and 7810 Wisconsin Ave.). These properties are zoned CR-3.0 with a maximum building height of 225 feet and located within the Bethesda Overlay Zone which provides additional requirements and incentives for certain types of development. The two properties together total 11,152 square feet, a little over one-quarter of an acre.

The two properties were acquired in 2020 and 2021 for \$9.6 Million using funds from the Bethesda Park Impact Payment project in the CIP.

ACQUISITION RATIONALE SUMMARY

These properties were identified as a negotiating asset to create the Veteran's Park Civic Green, an expansion of the existing Veteran's Park to support the goals and objectives in many adopted policies and master plans, including the *2017 Bethesda Downtown Plan*, *Vision 2030 Strategic Plan for Parks and Recreation*, *2017 PROS Plan*, and the *Energized Public Spaces Functional Master Plan*. The intent of acquiring the Goldberg Trusts' properties was to gain "a seat at the table" during development negotiations for the urban block between Woodmont and Wisconsin Avenues directly across Woodmont Avenue from Veteran's Park. See the attached Land Acquisition Memo for Planning Board Item #5, 3/26/2020, for more information about the acquisition rationale.

PARK IMPLEMENTATION NEGOTIATIONS

After acquisition of the Goldberg Trusts' parcels, the Department of Parks entered negotiations with adjacent property owners and developers. Expert consultants were hired to provide economic and development analysis support, including evaluating development potential for the entire block, outlining options to create the new park to meet Parks' needs, conducting financial analyses of various development options (proformas), and assisting with direct negotiations with adjacent property owners.

Over the past three years, Planning Department and Parks Department staff have negotiated with the development consortium controlling the northern half of the block to determine if there was a financially and physically feasible way to create the desired Veteran's Park Civic Green and appropriate redevelopment on this block. Research, analysis, and negotiation steps taken by staff and the consultants included the following:

- Conducted a market analysis, development feasibility analysis, and site test fits to determine options for the proposed park and development on the block.
- Contacted all property owners within any of the potential park locations regarding future plans for their properties.
- Held bi-weekly internal meetings for two years including significant coordination between Parks and Planning.
- Held multiple meetings with the development team for the northern properties to discuss potential building/park layouts.

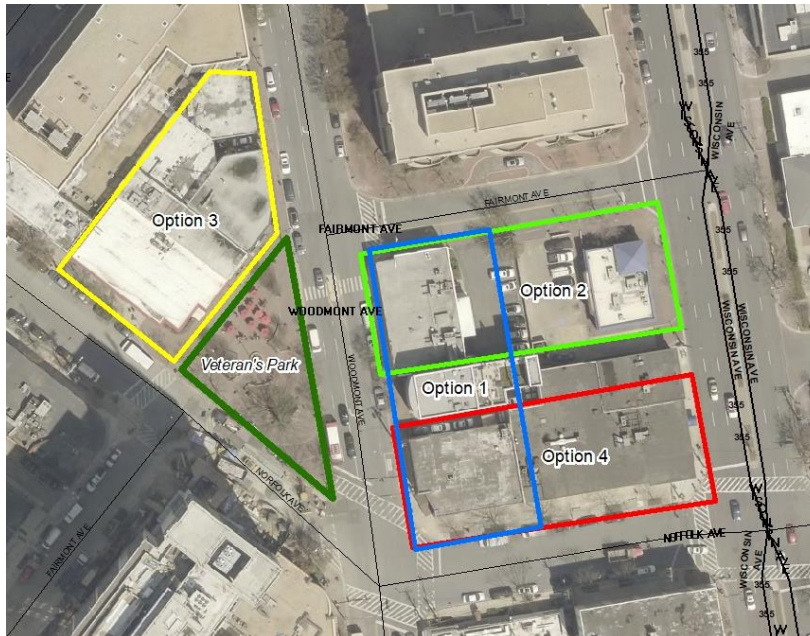
After this extensive period of research, analysis, and negotiation, staff determined that it is not physically or financially feasible to create the envisioned Veterans Park Civic Green on this highly constrained urban block. The Department of Parks recommends that the best path forward is to dispose of the properties to return the investment to Parks for continued pursuit of the envisioned Veterans Park Civic Green and other Bethesda park projects.

IMPACT OF DISPOSITION ON VETERAN'S PARK EXPANSION

The *2017 Bethesda Downtown Plan* identifies the expansion of the existing Veteran's Park (managed by Bethesda Urban Partnership on County DOT ROW) to create a true Civic Green as one of the key park recommendations for this growing downtown. The *Bethesda Downtown Plan Design Guidelines* (July 2017) provide guidance for implementing the proposed Civic Green. The Design Guidelines also indicates that the exact location of the Civic Green is not yet determined and the vision for this park could be realized on several sites. The Design Guidelines identified four potential locations where the Civic Green could be created, mapped on Figure 2.

While the work over the past two years has resulted in a determination that it is infeasible to create the envisioned park on Options 1, 2, 4, or a hybrid location on that block, Option 3 remains a viable alternative for creating a larger Civic Green to serve the Woodmont Triangle district. To implement that option, the Parks Department will pursue acquisition of land to create the Veteran's Park Civic Green at the remaining feasible location.

Figure 2. Potential Locations for Veteran's Park Civic Green, Bethesda Design Guidelines, 2017



DISPOSITION VALUATION

Staff have reached agreement to sell the 7800-7810 Wisconsin parcels for \$10.3 Million to Crescent Acquisitions, LLC, a development group with plans to develop a residential building on several parcels adjacent to the Commission parcels. The negotiated price is a \$700,000 increase over the Commission's purchase price established in 2020 and is in alignment with the current appraised value. This agreement will allow Parks to recoup not only the \$9.6 Million spent to acquire the property but also cover all amounts expended on settlement costs and building maintenance during the Commission's period of ownership. Proceeds from the sale will be returned to the Bethesda Park Impact Payment (PIP) capital account for use on priority projects within the Bethesda Downtown Plan boundary, including funding acquisition for the Veteran's Park Civic Green on the Option 3 location.

DISPOSITION PROCESS – NEXT STEPS

The next steps for implementing the disposition of the 7800-7810 Wisconsin Avenue properties to Crescent Acquisitions, LLC, are as follows:

- Approval of Planning Board resolution in public session (scheduled after this Closed Session)
- Approval by full Commission (scheduled May 17, 2023)
- Finalization of the sales agreement and other related transaction documents subject to approval by Commission's Office of General Counsel in form and substance
- Execution of the sales agreement and other transaction documents by the Executive Director
- Settlement on sale and return of funds into the Bethesda Park Impact Payment CIP account per the terms of the contract of sale

CONCLUSION

The acquisition of these properties was a creative attempt to overcome a difficult real estate situation to implement the envisioned Veteran's Park Civic Green. That attempt has been pursued to the extent possible; it

is now time to move on to an alternative route to best support recommendations for new and improved public parks in downtown Bethesda, including pursuing the Veteran's Park Civic Green in the most feasible location. The Parks Department seeks the Planning Board's approval of Resolution 23-051 to move forward with disposition of the 7800-7810 Wisconsin Avenue properties.

Attachment A: Draft MCPB Resolution 23-051

Attachment B: Land Acquisition Memo, Planning Board Item #5, 3-2020

CC: Darren Flusche
Darryl McSwain
Trish Swann
Kenny Black
David Vismara
Kristi Williams
Shuchi Vera
Megan Chung
Tanya Stern
Robert Kronenberg
Elza HizeL-McCoy



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

MCPB No. 23-051
M-NCPPC No. 23-11

Disposition of 7800-7810 Wisconsin Avenue, Bethesda MD 20814

RESOLUTION

WHEREAS, the Maryland-National Capital Park and Planning Commission (“**Commission**”) is authorized under the Md. Code, Ann., Land Use, §§ 17-205, to dispose and transfer land held by it when the Commission determines such land is no longer needed for park purposes; and

WHEREAS, the Commission holds fee simple title to two parcels of property known as 7800 Wisconsin Avenue, Bethesda, Maryland 20814, and 7810 Wisconsin Avenue, Bethesda, Maryland 20814, containing approximately 11,152 total square feet of land, improved, recorded among the Land Records of Montgomery County at Liber 59638 folio 257 (Tax Account No. 07-00551018) and at Liber 64233 folio 481 (Tax Account No. 07-00551667) (collectively, the “**Property**”); and

WHEREAS, following review and analysis of the Property and negotiation between the Commission and Crescent Acquisitions, LLC, (“**Buyer**”) for the sale of the Property for a price of \$10,300,000, the said staff issued a memorandum (“**Staff Report**”) to the Montgomery County Planning Board (“**Planning Board**”), dated May 3, 2023, setting forth its analysis and recommendation for the disposal and sale of the Property; and

WHEREAS, on May 11, 2023, the Planning Board held a public hearing at which the Planning Board heard testimony and received evidence submitted for the record and voted to recommend that the Commission approve the disposition and sale of the Property by the vote certified below; and

NOW, THEREFORE, BE IT RESOLVED that, subject to the conditions set forth in the Staff Report, the Planning Board has determined that the Property is no longer needed for park purposes, and that the proceeds from the sale of the Property will be returned to the Bethesda Park Impact Payment CIP project to be used for future parkland acquisition and development purposes; and

BE IT FURTHER RESOLVED that, the Planning Board hereby recommends that the Commission approve the disposition and sale of the Property from the Commission to Buyer conditioned on final approval by the Commission's Office of General Counsel for all transaction documents, including any sale and purchase agreement, for the disposition and sale of the Property in form and substance (collectively, the "Agreement").

BE IT FURTHER RESOLVED that, the Commission hereby adopts the Planning Board's finding, accepts the Planning Board's recommendation, and approves the disposition and sale of the Property on this 17th day of May, 2023 and the Executive Director is authorized to execute said Agreement on behalf of the Commission.

* * * * *

CERTIFICATION

This is to certify that the foregoing is a true and correct copy of a resolution adopted by the Montgomery County Planning Board of the Maryland-National Capital Park and Planning Commission on motion of Commissioner _____, seconded by Commissioner _____, with Commissioners _____, _____, _____, _____, and _____ voting in favor at its regular meeting held on Thursday, May 11, 2023, in Wheaton, Maryland.

Jeffrey Zyontz, Chair
Montgomery County Planning Board

APPROVED AS TO LEGAL SUFFICIENCY:

By: _____
M-NCPPC Legal Department Date

* * * * *

CERTIFICATION

This is to certify that the foregoing is a true and correct copy of a resolution adopted by the Maryland-National Capital Park and Planning Commission on motion of Commissioner _____, seconded by Commissioner _____, with a vote of ___ - ___; Commissioners _____ voting in favor of the motion, at its regular meeting held on Wednesday, May 17, 2023, in _____, Maryland.

Asuntha Chiang-Smith
Executive Director






MONTGOMERY COUNTY DEPARTMENT OF PARKS
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION


MCPB Item # 5
Date: 03 / 26 / 2020

MEMORANDUM

DATE: March 19, 2020

TO: Montgomery County Planning Board

VIA: Michael F. Riley, Director of Parks 
Miti Figueredo, Deputy Director, Administration 
John Nissel, Deputy Director, Operations
Andrew Frank, Division Chief, Park Development Division (PDD) 

FROM: Brenda Sandberg, Real Estate Management Supervisor, PDD 

SUBJECT: Land Acquisition Recommendation: Veteran's Park Civic Green
The Charles H. Goldberg Family Trust &
The Bettie Goldberg GST Tax Exempt Trust
11,152 square feet, more or less, improved

STAFF RECOMMENDATION

Staff requests the following two actions by the Montgomery County Planning Board:

- 1) Approve Resolution No. 20-022 to acquire The Charles H. Goldberg Family Trust & The Bettie Goldberg GST Tax Exempt Trust ("Goldberg Trusts") properties to implement the future Veteran's Park Civic Green for a negotiated purchase price of \$9,600,000 to be funded with Bethesda Park Impact Payments (PIPs).
- 2) Approve staff entering into discussions with other land owners in the immediate vicinity to negotiate land exchanges or other real estate transactions to fulfill the Bethesda Downtown Plan goal of creating Veteran's Park Civic Green.

SUMMARY

This acquisition will provide the real estate assets necessary to create the future Veteran's Park Civic Green as envisioned in the *Bethesda Downtown Plan (2017)*. The purpose of this new civic green is to complement the existing Veteran's Park (a public space in MCDOT right-of-way operated by Bethesda Urban Partnership) with a green public space to allow for community events, programming, and casual use. This acquisition consists of two parcels that will be purchased in phases as allowed by funding levels in the Bethesda Park Impact Payment PDF. After purchase, negotiations will occur with adjacent and nearby land owners to determine how and where to provide the Civic Green while supporting redevelopment of adjacent properties through land exchanges or other real estate transactions.

Figure 1: The Charles H. Goldberg Family Trust & The Bettie Goldberg GST Tax Exempt Trust properties



PROPERTY DESCRIPTION

The Charles H. Goldberg Family Trust & The Bettie Goldberg GST Tax Exempt Trust properties are located at the corner of Norfolk and Wisconsin Avenues in the heart of downtown Bethesda. The property consists of two lots zoned CR-3.0 with a maximum building height of 225 feet. The property is located within the Bethesda Overlay Zone that provides additional requirements and incentives for certain types of development. The two lots together total 11,152 square feet, a little over one-quarter of an acre.

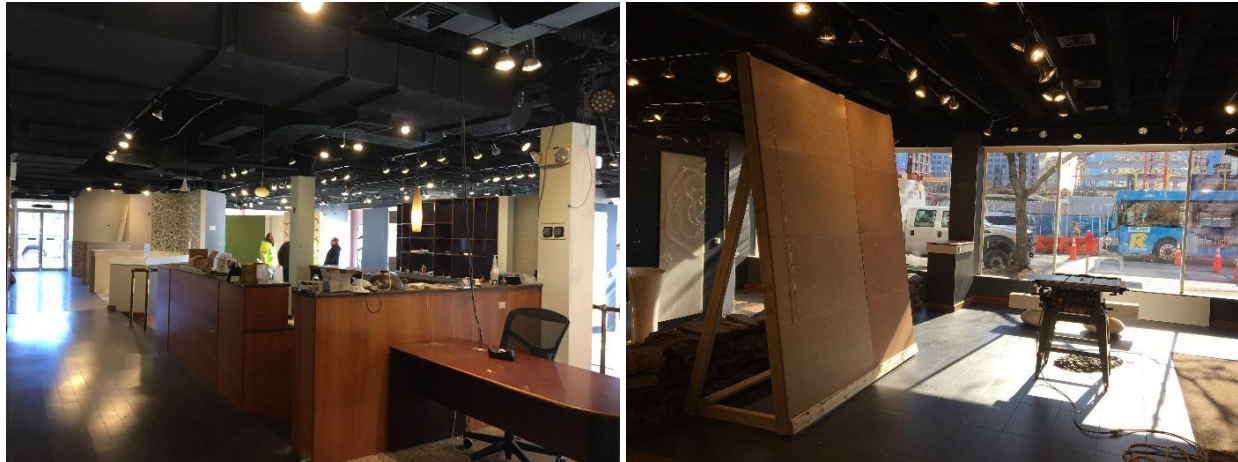
The larger of the two lots (7800 Wisconsin Avenue, Lot 613) is currently developed with a two-story commercial building that for many decades housed Union Hardware, a specialty retailer of high-end hardware and plumbing fixtures. The Union Hardware building has three existing tenants while the primary ground floor space is currently vacant. The smaller of the two lots (7810 Wisconsin Avenue, Lot 621) also is developed with a two-story commercial building that currently houses a retail shop (Ultimate Home Inc.) on the first floor and vacant storage space on the second floor. The two buildings are separate but are interconnected on each floor.

The owners are willing sellers and the property is being acquired through negotiation, in fee simple, in two phases.

Figure 2. Exterior Photos, 7800 & 7810 Wisconsin Avenue



Figure 3. Interior Photos, 7800 Wisconsin Avenue



MASTER PLAN AND POLICY RATIONALE

These properties are identified as an important new park site that supports the goals and objectives in many adopted policies and master plans, including the 2017 *Bethesda Downtown Plan*, *Vision 2030 Strategic Plan for Parks and Recreation*, *2017 PROS Plan*, and the recently adopted *Energized Public Spaces Functional Master Plan*. All these planning documents highlight the importance of park and open space needs for urban communities to promote healthy living through diverse recreation and leisure activities. The acquisition of the Goldberg Trusts' properties is a critical step in implementing the vision and goals of these plans for downtown Bethesda.

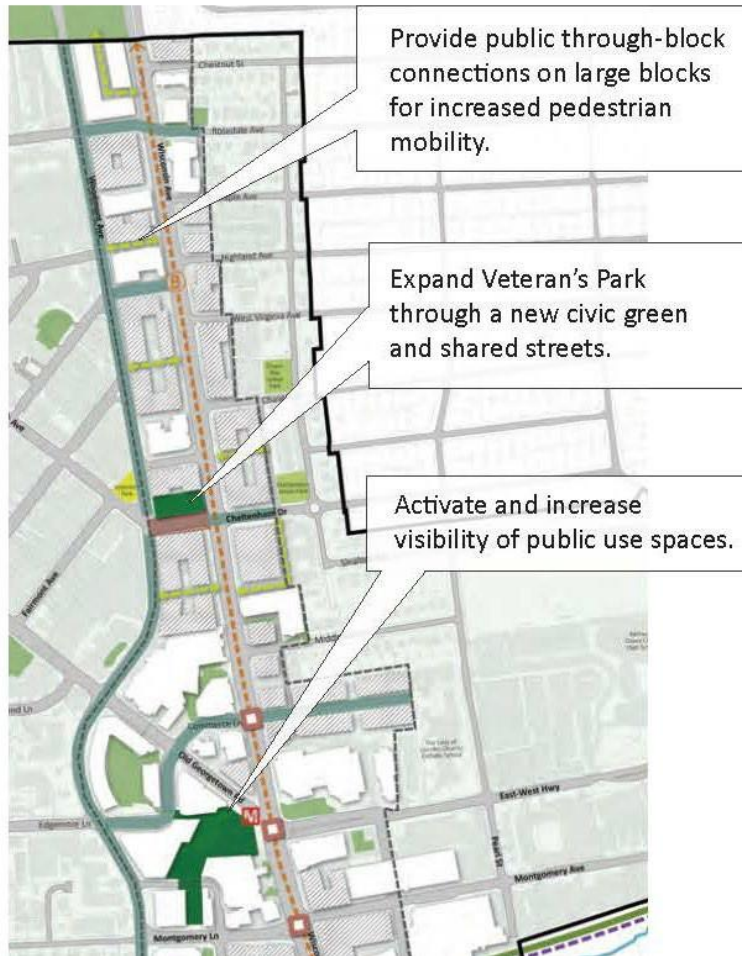
Bethesda Downtown Plan, 2017

Three Civic Greens were identified in the *Bethesda Downtown Plan* (BDP, 2017) as important new parks to serve the expanding number of residents and employees in the Bethesda central business district. The **Veteran's Park Civic Green** is described in the BDP as a major civic gathering space that would serve as the linkage between the Woodmont Triangle and Wisconsin Avenue Districts. This green open space is meant to complement the hardscape plaza in the current Veteran's Park and provide expanded space for casual use and more formal events and programming.

Public input during the master plan process frequently mentioned the need for urban parks in the downtown. A major goal for the Wisconsin Avenue District of the Plan is to create a major civic gathering space as the hinge between Wisconsin Avenue and Norfolk Avenue. The BDP Plan recommended expanding Veteran's Park through a new civic green bordered by a shared street connecting Wisconsin Avenue to Norfolk Avenue and the Woodmont Triangle neighborhood (Figure 4).

Figure 4. Proposed Veteran's Park Civic Green Location in the Bethesda Downtown Plan

Figure 3.02: Wisconsin Avenue Corridor District Public Realm Improvements



Vision 2030, 2017 PROS Plan, and Energized Public Spaces Functional Master Plan

These three policy documents include broad policy direction and specific recommendations that support this acquisition. The *Vision 2030 Strategic Plan for Parks and Recreation (2010)* prioritized efforts to meet the increasing demands of a growing population that will be concentrated in the urban areas of the central and southern part of the County. This strategic plan emphasized that adequate green space and parks and recreation amenities in these urbanized areas is essential to maintaining the high quality of life that is enjoyed by residents in Montgomery County.

The *2017 PROS Plan* outlines strategies for providing a variety of parks and recreation facilities that address current needs and emerging trends and sharpens the focus on addressing park needs in our most dense communities. Most recently, the *Energized Public Spaces Functional Master Plan (2018)* directed urban park efforts toward creating parks and public spaces within walking distance so people can gather, play and be in touch with the outdoors in our urbanizing communities. The proposed Veteran's Park Civic Green will meet these needs by providing a variety of social gathering amenities on a relatively small footprint in the rapidly developing Wisconsin Avenue corridor.

VETERAN'S PARK CIVIC GREEN IMPLEMENTATION

The *Bethesda Downtown Plan Design Guidelines* (July 2017) provides guidance for implementing this proposed Civic Green. The priority amenity for this park is a large, flexible green space in a welcoming setting, including shade trees along the street frontage, safe pedestrian access, and active building frontages along the park edge.

The Design Guidelines also indicate that the exact location of the Civic Green is not yet determined and the vision for this park could be realized on several sites. The Design Guidelines identifies four potential locations where the Civic Green could be created, mapped on Figure 5. It also includes a vision sketch of what the future park could look like if it were located adjacent to Norfolk Avenue between Woodmont and Wisconsin Avenues and illustrative diagrams of the other site options (Figure 6).

Figure 5. Potential Locations for Veteran's Park Civic Green, Bethesda Design Guidelines, 2017

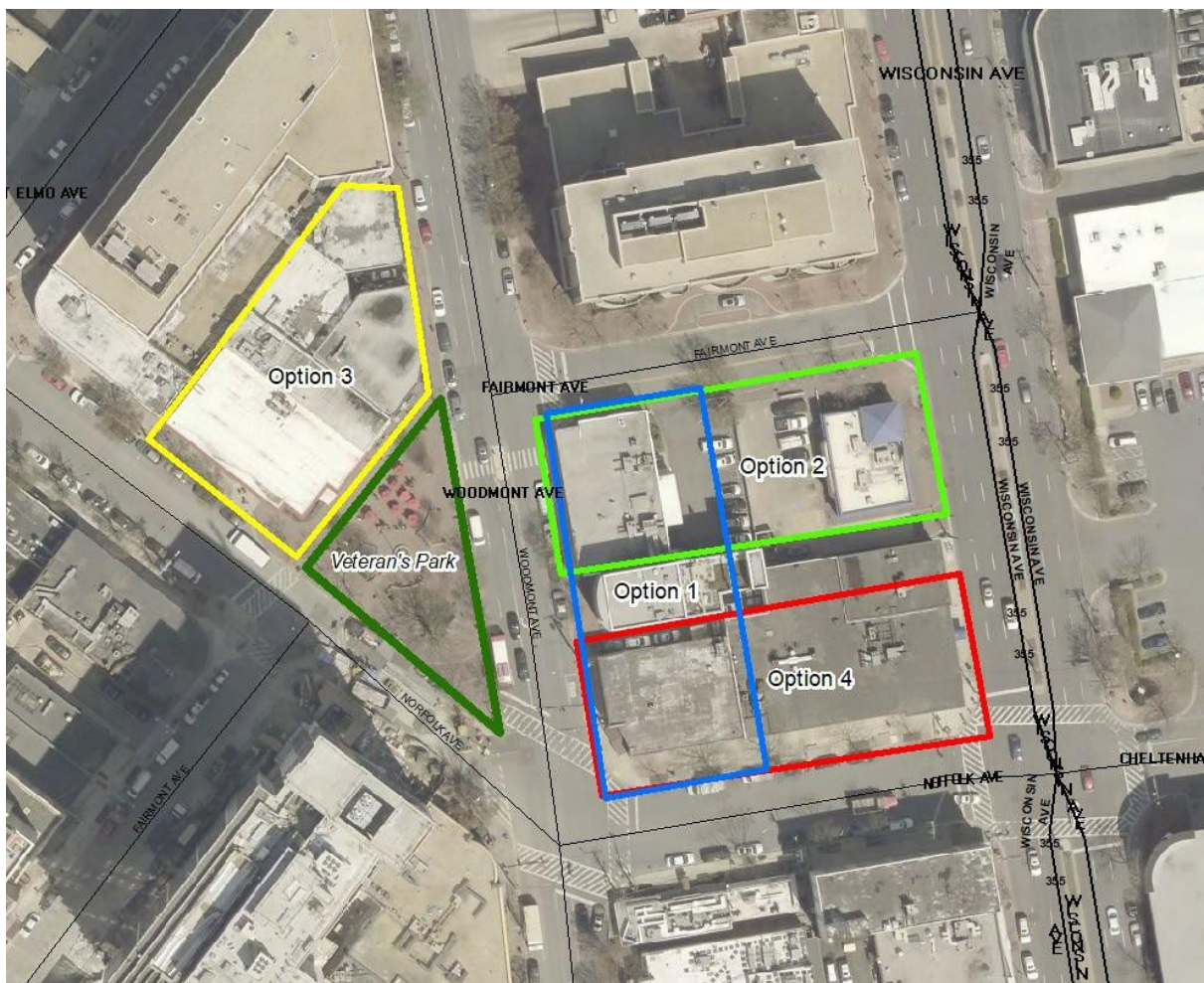
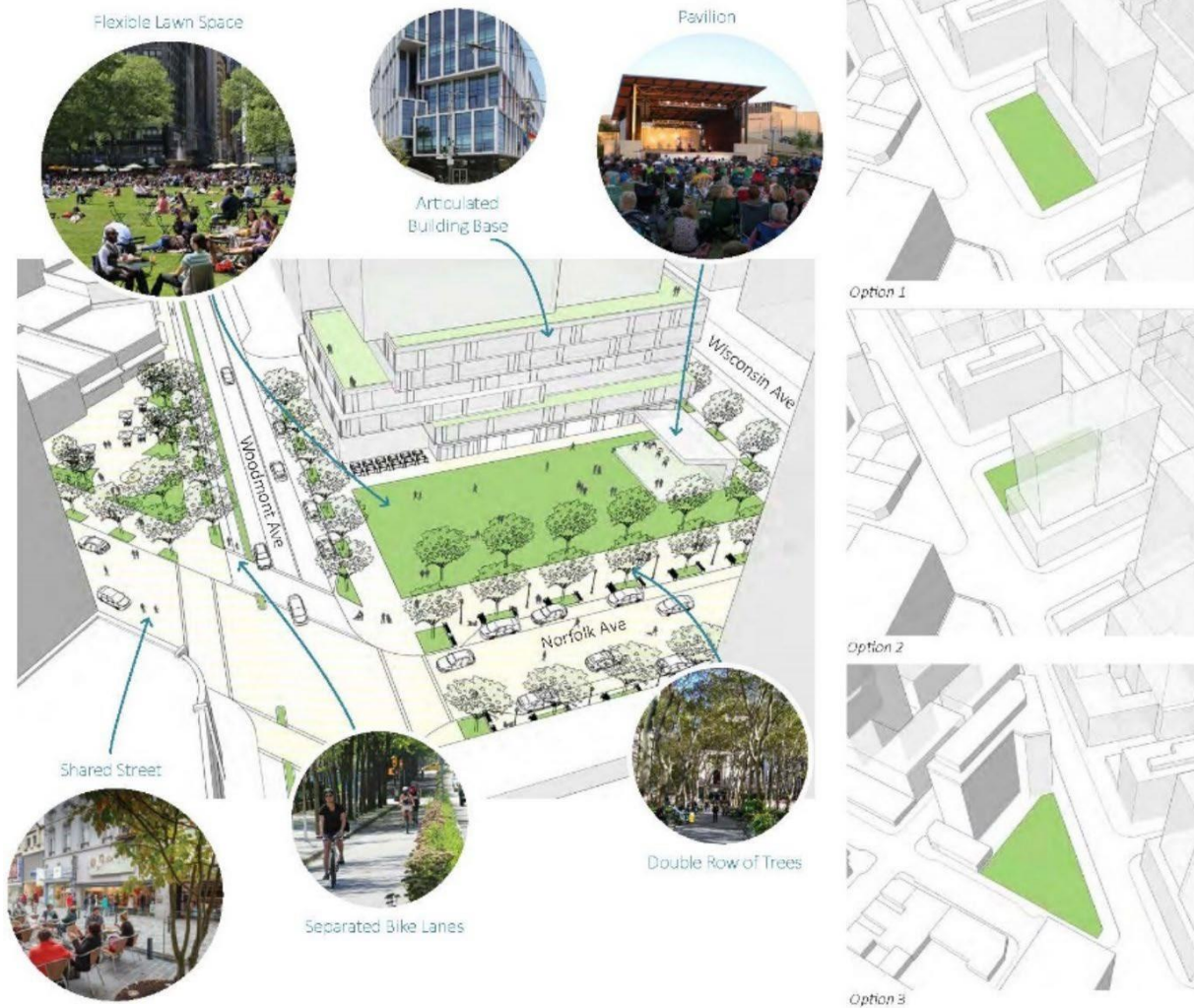


Figure 6. Illustrative Diagrams for Potential Civic Green Locations, Bethesda Design Guidelines, 2017

Figure 3.02: Illustrative View of Veteran's Park Civic Green Option 4



The purchase of the Goldberg Trusts’ properties is the first step in creating the future Civic Green. This real estate asset will be used to negotiate with adjacent and nearby property owners to determine how and where to provide the Civic Green. Close coordination with the redevelopment of adjacent properties and use of land exchanges or other real estate transactions will be necessary to implement the vision for this new Civic Green.

INTERIM PROPERTY STATUS

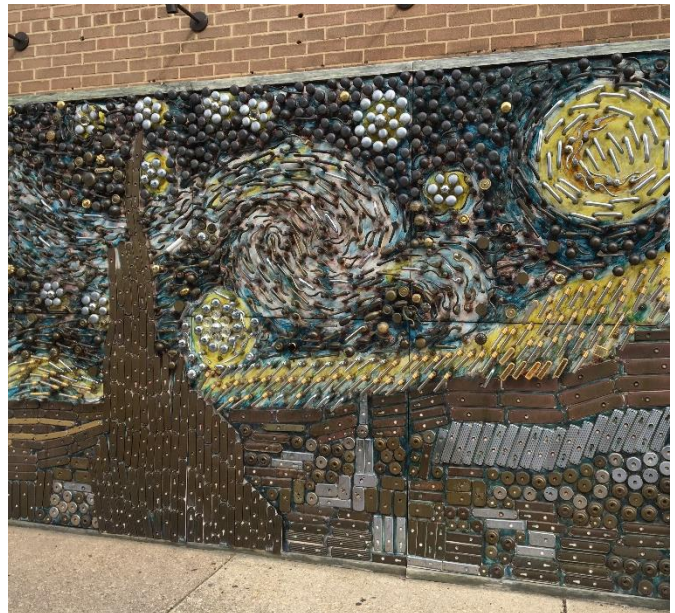
This acquisition is unique for the Parks Department in that the properties are improved with two commercial buildings in the heart of the County’s most rapidly developing downtown district. The land is in a highly visible location, across the street from the new Marriott headquarters at the corner of Norfolk and Wisconsin Avenues. During the interim period between acquisition and future park and/or private development on the property, staff intend for the buildings to remain standing as operating commercial space. The length of this interim situation will be determined by subsequent real estate

negotiations and the progress of redevelopment projects in the immediate vicinity.

These two connected buildings were constructed in 1961 and 1970 and much of these older buildings' infrastructure appears to be original equipment. Since these buildings only will stay in place as a temporary use until redevelopment occurs, staff does not recommend investing large sums in any major upgrades. The intent is to maintain the existing building condition to serve the current tenants. Estimated revenues from the current tenants are anticipated to be adequate to provide maintenance response, perform basic repairs, and pay utilities.

The artwork on the exterior of the Union Hardware building will remain in place per the purchase contract during the interim period. The Starry Night mosaic and graphic art panels around the outside of 7800 Wisconsin Avenue (examples in Figure 7) will stay until the building is ready to be demolished. Just prior to demolition, the Goldberg Trusts will remove the exterior art.

Figure 7. Mosaic and Sample Art Panel to Remain on Exterior of 7800 Wisconsin Avenue



CONCLUSION

Real Estate Management staff are pleased to bring this important acquisition to the Planning Board for approval to implement the parks vision in the *Bethesda Downtown Plan*.

Attachment: MCPB Resolution No. 20-022

CC: Gary Burnett
Jai Cole
Darryl McSwain
Jim Poore
Kristi Williams
Shuchi Vera
David Vismara
Megan Chung
Robert Kronenberg
Elza HizeL-McCoy
Leslye Howerton

MCPB No. 20-022
Acquisition of the Goldberg Trusts Properties
to create Veteran’s Park Civic Green

RESOLUTION

WHEREAS, the Maryland-National Capital Park and Planning Commission (“Commission”) is authorized by Md. Code Ann., Land Use §17-101 (formerly Article 28, Section 5-101), to acquire, develop, maintain and operate a public park system within the Maryland-Washington Metropolitan District; and

WHEREAS, the Montgomery County Planning Board received and considered a recommendation from staff of the Commission, in closed session on March 12, 2020, that it approve the acquisition of 11,152 square feet of land, more or less, improved, from The Charles H. Goldberg Family Trust & The Bettie Goldberg GST Tax Exempt Trust (collectively, “Seller”), identified as Maryland Department of Assessment and Taxation’s Tax Account Numbers 07-00551018 (Lot 613) and 07-00551667 (Lot 621), (collectively, “Property”); and

WHEREAS, the Property will provide the real estate assets necessary to create the future Veteran’s Park Civic Green as envisioned in the *Bethesda Downtown Plan* (2017); and

WHEREAS, the Property will be acquired in two phases, where Phase 1 (Lot 613 for \$7,000,000) will be purchased within 120 days of the Land Purchase Agreement being executed, and Phase 2 (Lot 621 for \$2,600,000) will be purchased no later than October 31, 2021; and

WHEREAS, there are sufficient funds in the Commission’s FY-20 Bethesda Park Impact Payment (PIP) CIP available to pay the \$7,000,000 negotiated purchase price for Phase 1 of the Property; and

WHEREAS, additional Bethesda Park Impact Payments have been approved by the Montgomery County Planning Board via approved Site Plans, and sufficient Park Impact Payments are anticipated to be available in the Bethesda PIP CIP to pay the \$2,600,000 negotiated purchase price for Phase 2 of the Property prior to October 31, 2021; and

NOW THEREFORE, BE IT RESOLVED, that the acquisition of the Property from the Seller as described above, for a total purchase price of \$9,600,000, in accordance with the Land Purchase Agreement between the Commission and Seller, is hereby approved by the Montgomery County Planning Board on this 26th day of March, 2020 and the Executive Director is authorized to execute said Agreement on behalf of the Maryland-National Capital Park and Planning Commission.

* * * * *

This is to certify the foregoing is a true and correct copy of a resolution adopted by the Montgomery County Planning Board of the Maryland-National Capital Park and Planning Commission on motion of Commissioner _____, seconded by Commissioner _____, with Commissioners _____ voting in favor of the motion, at its regular meeting held on Thursday, March 26, 2020 in Silver Spring, Maryland.


Casey Anderson, Chair
Montgomery County Planning Board

Signature: 

Email: brenda.sandberg@montgomeryparks.org

Signature: 

Email: andrew.frank@montgomeryparks.org

Signature: 

Email: miti.figueredo@montgomeryparks.org