

## Item 6 - Correspondence

**From:** [Robins, Steven A.](#)  
**To:** [MCP-Chair](#)  
**Cc:** [Pratt, Jamey](#); [Butler, Patrick](#); [Robins, Steven A.](#); [Biase, Vincent G.](#)  
**Subject:** 20231129\_Hi LerchEarlyBrewer.pdf  
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Good afternoon Chair Harris: Attached please find comments from Lantian Development on Item #6, Clarksburg Gateway Sector Plan – Existing Conditions. We would very much appreciate it if you or Staff would distribute this to the Board. Thanks again and have a great afternoon.

Steve Robins  
Vincent Biase

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November 29, 2023

**VIA ELECTRONIC DELIVERY**

Mr. Artie Harris, Chair  
and Members of the Montgomery County Planning Board  
Maryland-National Capital Park & Planning Commission  
2425 Reedie Drive, 14<sup>th</sup> Floor  
Wheaton, MD 20902

Re: *Clarksburg Gateway Sector Plan – Existing Conditions Report*  
Testimony of Lantian Development

Dear Chair Harris and Members of the Planning Board:

Our firm represents Lantian Development, the owner of the Comsat Property (the “Property”) located in Clarksburg and within the boundaries of the Clarksburg Gateway Sector Plan. The purpose of this letter is to provide the Planning Board with comments on the Existing Conditions Report for the *Clarksburg Gateway Sector Plan* (the “Existing Conditions Report”) in anticipation of Planning Staff’s upcoming presentation, particularly as it relates to specific economic development and potential historic preservation issues regarding the Property.

The Property is a centrally located site with great potential for development of a broad mix of uses, including Life Sciences, that will promote significant economic development within the *Clarksburg Gateway Sector Plan* boundaries, and the County at large. The Property is highly visible along I-270 and recently has generated much interest for highly desirable, economic redevelopment and mixed-use opportunities.

The Existing Conditions Report contains site-specific information and, in some cases, conclusions regarding the Property’s planned BRT stops and proposed alignment, current land use and zoning, economic development potential, and perceived historic qualities. Lantian Development is specifically concerned about the (1) economic development and (2) historic preservation information contained in Existing Conditions Report related to the Property. As presently drafted, the Existing Conditions Report provides what appears to be inaccurate conclusions regarding the Property’s vacancy and potential historic significance.

First, the Existing Conditions Report’s economic development analysis concludes that “404,000 square feet, or 70%, of the 574,000 square feet” on the Comsat site are vacant (pages 41-42). This number is inaccurate, as the Property is currently 95% vacant. Importantly, only 5% of the Property is currently occupied — all which is warehouse tenant(s). The main Comsat building,

consisting of approximately 500,000 square feet, has been completely vacant since 2007 despite significant efforts of both the current and prior property owners to re-tenant or retrofit the building. In 2015, Montgomery County commissioned Partners for Economic Solutions to create an assessment of the Office Market in the County. In that report, it stated that “it is very unlikely that large vacant campuses...will find replacement tenants” and that the Comsat property was “no longer competitive.” Further, the impact of the Comsat vacancy is so large that they expressly removed the building from its existing inventory calculation, effectively improving the actual vacancy rate. For convenience, we have included pages 52, 55 and 69 from that larger report. Accordingly, the Existing Conditions Report and/or future economic development analysis of the Property undertaken as part of the *Clarksburg Gateway Sector Plan* should reflect accurate vacancy figures and denote the Property’s current 95% vacancy (with the existing building being totally vacant).

The Existing Conditions Report generally is a more factual accounting of properties and their conditions. However, the Existing Conditions report, when discussing the Comsat property seems to argue for the Property’s potential historic significance – a factor that we believe does not appear to be the appropriate context for this type of report. The Existing Conditions Report’s historic preservation analysis of the site appears to borrow the language from Maryland Inventory of Historic Properties (MIHP# M.13-59) document. However, the Property is not and has not been designated historic (including as part of the prior master plan). And yet, no reference is made to the fact that the building’s bespoke design has now been vacant for almost 16 years. We do not want the Existing Conditions Report (and the *Clarksburg Gateway Sector Plan*) to have the consequence of holding back significant economic development opportunities for Clarksburg and the County. As such, Lantian would oppose historic designation of the Property.

We will be monitoring Planning Staff’s upcoming testimony and may have additional comments to offer the Board. Thank you for your consideration of our interests in your review of the Existing Conditions Report. We look forward to working with Technical Staff, the Planning Board and the community to reach an extremely positive outcome for Clarksburg.

Sincerely,



Steven A. Robins

Cc: Bob Elliott, Lantian Development  
Vincent Biase, Esq.

# Office Market Assessment

## Montgomery County, Maryland

Prepared for the  
Montgomery County Planning Department

June 18, 2015





square feet per employee by 11 percent (from an average of 180 to 160 square feet per employee);

- \* • removal of the Comsat (538,000 square feet) and Vitro (263,000 square feet) buildings from the competitive office inventory through conversions or demolitions;
- 97,000 to 106,000 square feet of building space demolished or converted to other uses annually (100 to 110 percent of the 12-year average); and
- 300,000 to 900,000 square feet of average annual absorption, reflecting economic recovery and excluding offsets for higher employee densities (50 to 150 percent of the average from 2002 through 2013, a time that included both economic growth and decline.)

Table 12. Projection of Future Vacancy Rates Assuming No New Construction or Demolition					
	2015-2019		2015-2022		
Existing Inventory	73,000,000		73,000,000		
Current Vacant Space	10,800,000		10,800,000		
Current Vacancy Rate	14.8%		14.8%		
<b>Additional GSA Space Vacated</b>					
Space Out for Lease	145,900		145,900		
Moving to Owned Space, Parklawn or NRC	606,100		606,100		
Efficiency from Remaining Leases Replaced	310,000		570,000		
<b>Efficiency Gains from Private Tenants at Lease Renewals</b>					
Square Feet Currently Leased	54,100,000		54,100,000		
Assumed Percent That Change Their Space Use Patterns	25%	- 35%	32%	- 45%	
Assume Reduction from 180 rsf per Employee to 160 RSF	11%		11%		
Resulting Space Reductions	1,500,000	- 2,100,000	1,900,000	- 2,700,000	
<b>Reductions to the Inventory</b>					
Removal of Comsat & Vitro Buildings	810,000		810,000		
Projected Square Feet Demolished or Converted to Other Uses Over Five Years	490,000	- 530,000	780,000	- 850,000	
Future Vacant Space Before Absorption	12,100,000	- 12,600,000	12,400,000	- 13,200,000	
<b>Absorption of Existing Space</b>					
Annual Gross Absorption	900,000	- 300,000	900,000	- 300,000	
<b>Future Vacancy Rate</b>					
Future Vacant Space After Absorption	7,600,000	- 11,100,000	5,200,000	- 10,800,000	
Future Vacancy Rate if No New Construction	10.4%	- 15.2%	7.1%	- 14.8%	

Source: U.S. General Services Administration; Partners for Economic Solutions, 2014.



Of these projects, only Mid Pike Plaza (now Pike & Rose) and North Bethesda Town Center, with a total of almost 2.0 million square feet, are located within walking distance of a Metro station. The proposed Corridor Cities Transitway will serve an additional four projects with a total of 4.4 million square feet of unbuilt office space. Five projects propose single-use office development with no supportive retail or housing – Johns Hopkins Research Campus, Churchill Far North Village, West Farm, Trville, and Monument Technology Campus.

**Table 13. Approved Developments with the Largest Unbuilt Office Components, 2014**

Project	Policy Area	Proximity to Metro Station			Near CCT Station	Square Feet			Other Land Uses	
		<1/4 Mile	1/4-1/2 Mile	>1/2 Mile		Approved Total	Unbuilt Total	Unbuilt Office	Retail	Housing
Cabin Branch	Clarksburg			X		2,420,000	2,420,000	2,213,000	X	X
Johns Hopkins Research Campus	R&D Village			X	X	1,800,000	1,410,000	1,410,000		
Churchill Far North Village	Germantown West			X	X	1,300,000	1,299,000	1,299,000		
Mid Pike Plaza	N Bethesda	X				1,716,000	1,385,000	1,158,000	X	X
Crystal Rock	Germantown West			X	X	1,432,000	1,432,000	1,098,000	X	X
Watkins Mill Town Center (Casey West)	Gaithersburg			X		1,197,000	1,197,000	937,000	X	X
North Bethesda Town Center	White Flint	X				1,430,000	962,000	809,000	X	X
Montgomery County Agricultural Center	Gaithersburg					1,150,000	1,150,000	750,000	X	X
West Farm (1-3) GBLLC	Fairland/White Oak			X		1,128,000	720,000	720,000		
Trville	R&D Village			X		1,322,000	621,000	621,000		X*
Monument Technology Campus	Gaithersburg			X	X	1,172,000	550,000	550,000		
Rock Spring Center	N. Bethesda			X		1,080,000	1,080,000	550,000	X	X
All Other Office Projects						25,247,000	12,399,000	10,556,000		
<b>Total Gross Floor Area</b>						<b>42,394,000</b>	<b>26,625,000</b>	<b>22,669,000</b>		

Note: \*=No housing units remaining in pipeline.  
 Though Washingtonian North is approved for major office development, it has been sold to new owners who plan residential development.  
 Source: Montgomery County Planning Department, 2014; Partners for Economic Solutions, 2014.

## Prospects for Large Vacant Campus Developments

\* The demand trends suggest that it is very unlikely that large vacant campuses – Comsat and Vitro – will find replacement tenants. Their isolated campus locations no longer appeal to the market. Plan for redevelopment (or maybe adaptive reuse).

## Conversions to Residential Use

Some of the approved office potential may be converted to other uses in light of the slow market conditions. The Planning Board has approved eight amended site plans that converted proposed office space to residential uses. (See Appendix Table A-21.) These projects replaced 578,000 square feet of existing office space (including 360,000 square feet occupied by the county at the Shady Grove Metro) and removed 558,000 square feet from the pipeline over the past three years. (Over the past two decades, redevelopment has replaced many small office buildings with office, retail, and residential uses.)



- ✧ • Major single-company office campuses (i.e., the Comsat and Vitro buildings) are no longer competitive, though the state-of-the-art technology in the former Human Genome Sciences campus buildings may facilitate its re-leasing.
- Conversions of older office buildings to residential, hotel, medical offices and other uses will be most feasible for narrow-footprint buildings in mixed-use environments where rents are high enough to offset the costs of building renovations.
- Some buildings should be demolished given limited office demand and physical constraints on conversion; however, their owners are more likely to reduce rents to extract more value.
- Lower rents in office buildings that have lost their anchor tenants will pressure other similar buildings to reduce their rents in order to compete for tenants.
- These lower rents will translate into lower property values and ultimately into lower assessments and property tax revenue for the county and municipalities.
- Not every location can compete for new office development, particularly in these market times. Given the extensive competition from established mixed-use business districts and office parks that lend themselves to redevelopment as mixed-use centers, it will be difficult to create a new office cluster in locations such as Glenmont even with Metro access.
- Local population-serving office tenants will continue to seek space easily accessed by their clients/customers. Growing residential areas will need to accommodate some office buildings with smaller spaces suitable to this market segment.
- The better-capitalized local businesses that can afford higher rents will likely gravitate to mixed-use districts over time to stay in the heart of the local business activity.
- Near- and mid-term demand will be much more weighted toward housing than office development.

Many factors influence office demand and development decisions, and the next decade undoubtedly will bring shifts as unexpected as some of those experienced over the last five years. It will be important to incorporate flexibility into future plans and designs to accommodate changes in technology, preferences and economic conditions.