

Greenbelt City Council
Work Session

FBI Headquarters Decision
Brainstorming
and
Land Use Change Proposal -
Capital Office Park
Undeveloped Parcels

July 24, 2017
8:00 PM

Council Room

Agenda

- FBI Decision Brainstorming Discussion
- Land Use Change Proposal- Remaining Undeveloped Property at Capital Office Park
- Other

Potential Discussion Questions

- What are the goals for this session?

- What do we wish to see at the property in 2027?
 - In 2040?
 - Are there examples of what we wish to see elsewhere? Can we visit these sites or view them online?

- What do we need to do to facilitate what we'd like to see? For example, action like policy, regulations, funding, incentives, etc.

- Who do we need to help us get there?

- What are the next steps and milestones to chart our effort?

Shaniya Lashley-Mullen

From: Terri Hruby
Sent: Thursday, July 20, 2017 12:52 PM
To: Nicole Ard; Jessica Bellah
Cc: David Moran; Anne Marie Belton; Shaniya Lashley-Mullen
Subject: RE: Memo -Council Worksession July 24th

Nicole,

In terms of your suggested questions, I think when it comes to what Council wants to see at the North Core it is important to recognize that there is a non GSA vision set forth in the 2013 Sector Plan. The Sector Plan and Development District Standards are intended to achieve the following goal (other goals are also identified such as a mode "green community"): "Concentrate medium- to high-density, transit oriented, mixed use development, including a potential major employment or GSA campus, in the North Core to capitalize on the Greenbelt Metro and MARC station and generate new housing, employment, shopping, and recreational opportunities for surrounding community and the county as a whole." I think the question is whether the Council agrees the City, County and State should continue to strive to achieve this development goal. One possible first step is to convey to GSA that Greenbelt remains interested in housing a GSA tenant, and continue to advocate for such a tenant.

Terri

Terri Hruby, AICP
Assistant Planning Director
City of Greenbelt
15 Crescent Road, Ste. 200
Greenbelt, MD 20770
240-542-2041

Shaniya Lashley-Mullen

From: Nicole Ard
Sent: Friday, April 28, 2017 4:24 PM
To: Council
Cc: David Moran; Jessica Bellah; Celia Craze; Jim Sterling; Jeffrey Williams; Thomas Kemp
Subject: FW: MEMO - WMATA Trail
Attachments: WMATA Trail Status 4_28_2017.docx

Council,

In follow-up to this week's manager's report, attached please find an update from Jessica on today's meetings with WMATA on the trail.

Jessica and Celia just briefed me on several items that they said WMATA staff raised today. Please note that staff has estimated an increase in cost from \$500,000 to over \$1M. Also anticipated is an additional 6 months added to the previously estimated 18 month process.

Please note that staff expects to receive additional WMATA comments within the next week or so as these items are researched and refined. Staff will identify potential alternatives to the WMATA comments, including contacting PEPCO regarding WMATA required infrastructure. Likewise, staff will investigate potential grants to help pay for the anticipated additional costs.

Thank you,
Nicole

From: Jessica Bellah
Sent: Friday, April 28, 2017 2:53 PM
To: Nicole Ard
Subject: MEMO - WMATA Trail

To compliment this afternoon's briefing.

Jessica Bellah, AICP
City of Greenbelt
Department of Planning and Community Development
15 Crescent Road, Greenbelt, MD 20770
240.542.2042

Memorandum

TO: Nicole Ard, City Manager
FROM: Jessica Bellah, Community Planner
VIA: Celia Craze, Director, Planning and Community Development
DATE: April 28, 2017
RE: WMATA Trail Status Update - Preliminary WMATA Comments

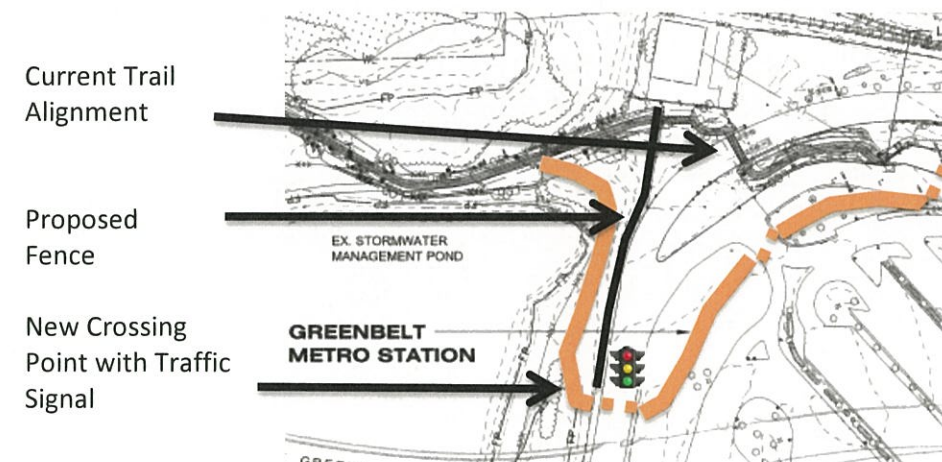
Staff met on site with a contingent from WMATA and Woodlawn Development to discuss the South Core WMATA Metro Trail. Outlined below are major comments raised by WMATA during this meeting. WMATA will follow up in the next few weeks with more detailed written comments.

Metro Access Drive Crossing

- The current crossing point would not meet ADA requirements or WMATA standards for trails/sidewalks.
- There are also significant speed and sightline concerns.

Therefore WMATA has stated they will require the following modifications to the plan:

- The trail to cross in a different location
- Installation of a fence to prevent crossing before the designated crossing point
- Installation of a three light traffic signal.



Other Physical Requirements

- Cameras at signal crossing
- Hard line call boxes
- Separate power connection from any existing WMATA power feeds

Process Requirements

In addition to these physical changes WMATA is requesting the following studies:

- A speed study and traffic engineering study to determine the placement of the traffic signal

- o Photometric (light) study for the length of trail including the section in the existing WMATA parking lot. WMATA indicated this could potentially result in additional costs to upgrade the current lighting in their parking lot near the trail.

Staff Analysis

Unfortunately, in order to address these comments, the project's scope and budget would likely increase exponentially. At this time staff does not know what the cost to implement these changes would be, but estimates that they would result in a tripling of the budget from ~ \$500,000 to ~ \$1.5 million.

The benefit of the trail, as determined by the time it is in service, compared to its cost, is unknown. The unknown timelines associated with the development of the Greenbelt Station Metro North Core area for either the FBI site or private development remains the primary unknown.

Staff estimates at least a six month delay to assess WMATA comments through a redesigned trail should Council wish to proceed forward. With these changes, Staff estimates that the earliest the trail could begin construction is two years from the date of this memo contingent on the identification of an additional funding source.

Statement prepared by Patricia Walters, Greenbelt Community Development Corporation (GCDC), for Ms. Nicole Ard, Greenbelt City Manager.

May 8, 2017

Dear Ms. Ard,

I implore Greenbelt City Council to come up with a vision for economic development. This vision should be the basis for the formulation of an economic development plan that is viable whether or not the FBI comes to Greenbelt. It is critical that the City take concrete steps toward an economic development vision in the near term. A solid plan will attract business to the city, providing better services and retail amenities for residents. This, in turn, will make the city more attractive to live in and may encourage people who would otherwise chose to live in College Park or Hyattsville to make Greenbelt their home. All of these things would increase the tax base and economic viability of the city. Please implore the Mayor to consider some of the suggested visions for economic development I and other residents have sent to him. There are opportunities to develop public-private partnerships with NASA Goddard and the University of Maryland in several technology sectors that promise to strengthen the Greenbelt economy, grow high paying jobs, keep those jobs in Greenbelt, and provide a tax base for infrastructure improvements that would attract and retain professionals with middle-upper incomes to the city in the long-term.

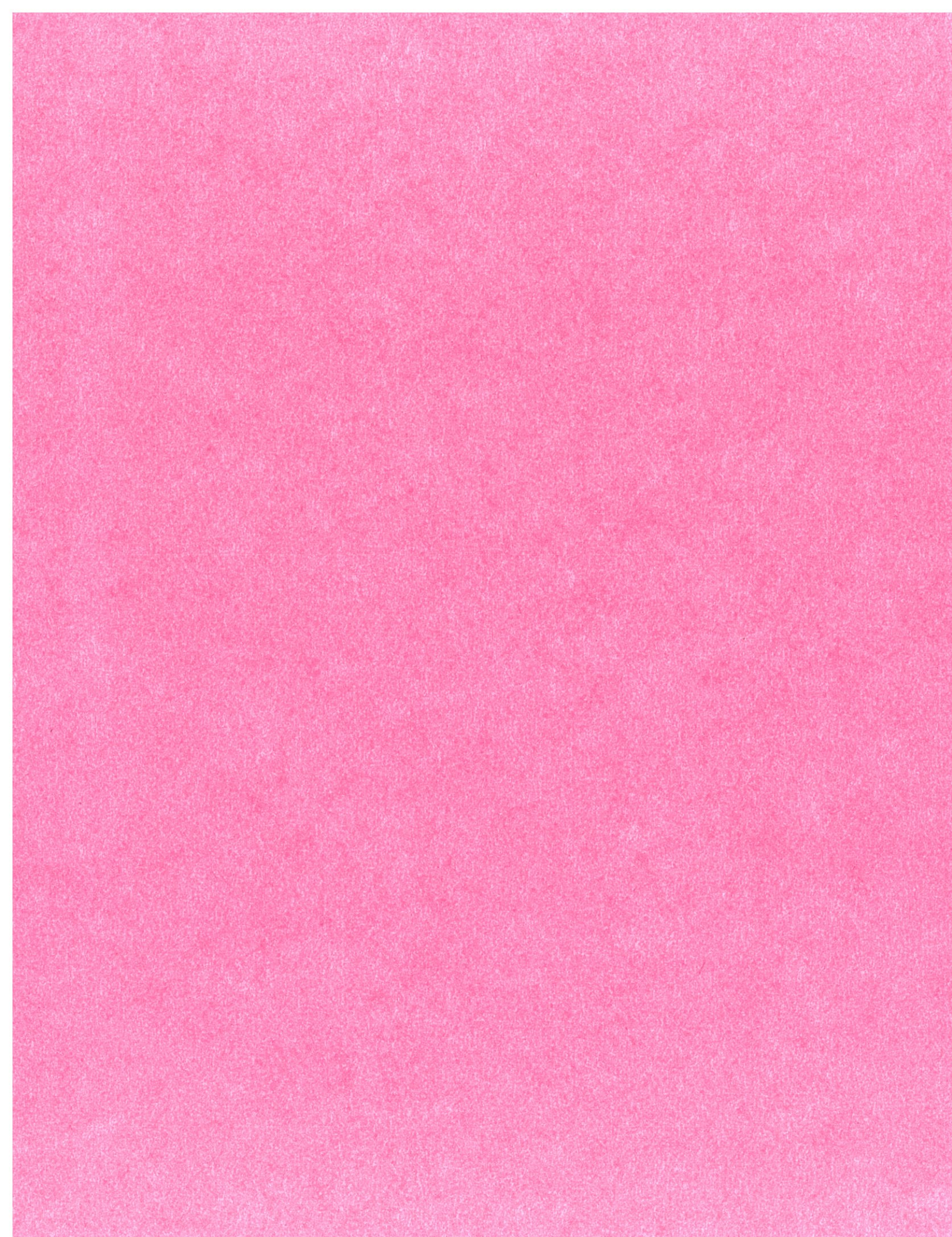
I think that the Greenbelt Station South Core Community, of which I am a resident, is a good example of how lack of economic development vision directly impacts the community. The South Core community was to be a mixed-use, transportation-oriented development (MXT-TOD). It is not. The 80,000 sq. ft. of retail envisioned in the original plan has shrunk to zero, and there is no direct path to the Greenbelt Metro Station as originally promised. The residents of the community are very disappointed. I spoke with both Kap Kapastin (General Counsel for Quantum Companies at Beltway Plaza) and Garth Beall (the North Core developer) regarding efforts to attract better retail to Greenbelt. Mr. Kapastin has reached out to several retailers, including Trader Joes and Busboys and Poets. However, these retailers do not feel that Greenbelt is an attractive location for their stores. Mr. Beall told me he does not envision many retail options in the North Core (which he will help develop only if FBI comes to Greenbelt) other than maybe a couple of small fast-food restaurants in the near term. I suspect that lack of a solid vision for economic development is largely responsible for this. Perhaps the South Core community would have developed into the MXT-TOD originally envisioned if a solid economic development plan was in place before the detailed site plan was approved.

On behalf of the GCDC, we would like to help the city develop and realize a solid vision for economic development in Greenbelt in the near term. Please let us know how we can be of assistance.

Sincerely,

Patricia A. Walters
8122 South Channel Drive
Greenbelt, MD 20770





Memorandum

TO: Nicole Ard, City Manager
FROM: Jessica Bellah, Community Planner
VIA: Terri Hruby, Assistant Planning Director
DATE: July 20, 2017
RE: Land Use Change Proposal – Capital Office Park Undeveloped Parcels J,K,L

Introduction

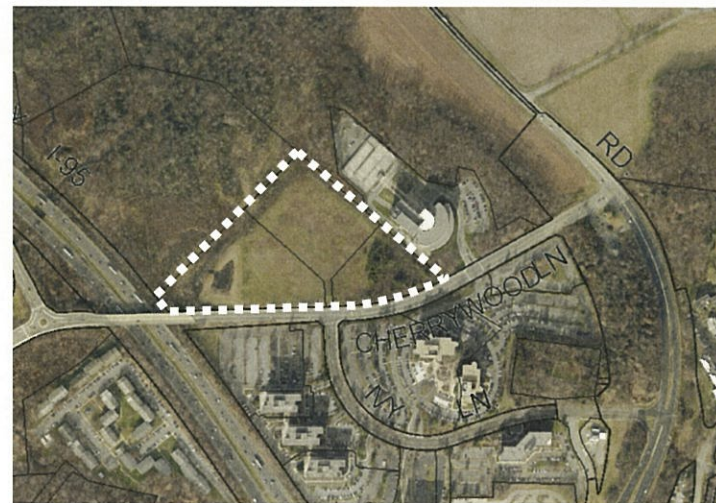
NVR Inc. approached the planning department to discuss a proposed land use change and development concept for three undeveloped parcels of the Capital Office Park subdivision. The property is currently zoned Commercial Office (C-O) and is within the Development District Overlay Zone (DDOZ) of the Greenbelt Metro Area and MD 193 Corridor Sectional Map Amendment (adopted 2013). NVR is proposing a single-use residential townhouse development consisting of 163 various sized dwelling units. As is, the table of uses, as modified by the Development District Standards, would need to be revised to allow for the development of townhomes on these parcels.

NVR Inc. is seeking feedback from City Council on their proposed land use change and development concept prior to proceeding forward as contract purchasers of the property.

Background

The subject area consists of three adjacent parcels (J, K, and L) totaling 15.9 acres. Existing environmental encumbrances on the property reduce the developable area by several acres. The property currently consists of a stormwater management pond, open grass land, and perimeter woodland area. The property is currently approved for 556,000 gross square feet of office space under a prior approved Preliminary Plat of Subdivision subject to several conditions.

While a change to the Prince George's County Zoning Ordinance allows for the development of townhomes in the C-O zone, the Development District's Table of Uses supersedes this allowance. Therefore the Development District's Table of Uses would need to be amended to allow for this use on Parcels J, K, and L. Such an amendment requires District Council approval as part of the site plan review process.



The Sector Plan's identified strategy for these parcels is to retain their existing zoning and support commercial infill and office-serving retail development in response to market demand. The incorporation of a pocket park into any future development was recommended. The Sector Plan also identifies these parcels as potential locations for a future recreational site or woodland bank.

The Sector Plan further strategizes that future development applications should introduce modern environmental site design practices and consider restoration opportunities to enhance ecological functioning in network gap areas identified on portions of the property.

Staff Analysis

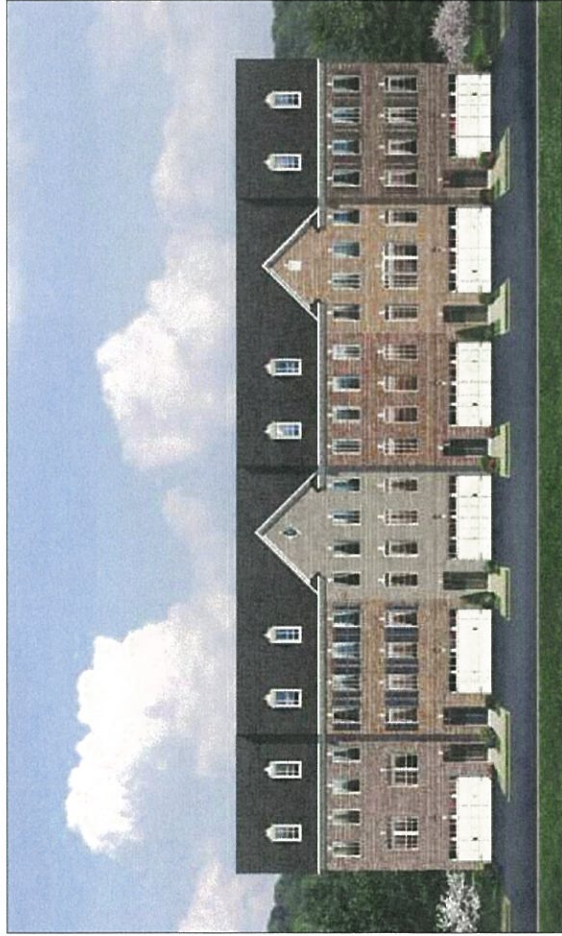
Overall, planning staff finds that the proposed use change would not promote Council's stated vision and goals for the area and that a single-use residential development on these parcels is not the highest and best use for the following reasons:

- 1) The proposed use change does not sufficiently capitalize on existing transportation systems in this area.
- 2) The townhome concept provides for a relatively low-density residential land use on a relatively small parcel. In general, land within walking distance to rail and bus transit facilities provide a prime opportunity for well-considered higher density development.
- 3) There appears to be little opportunity to provide recreational facilities as part of the development. Without such, the development would not address the current need for more recreational area in Greenbelt West while increasing the population demand for such amenities.
- 4) The number of units is likely not a sufficient catalyst to spark investment in or redevelopment of the existing surrounding commercial office space.

Staff does think there is merit in bringing residential uses to the Capital Office Park subdivision, but would recommend a true mixed-use or clustered multi-family residential development that would allow for the inclusion of recreational amenities in line with the City's vision for Greenbelt West development.

Conclusion

NVR Inc. requested the opportunity to present and receive feedback from Council on the proposed land use change, development concept, and their vision for the area.



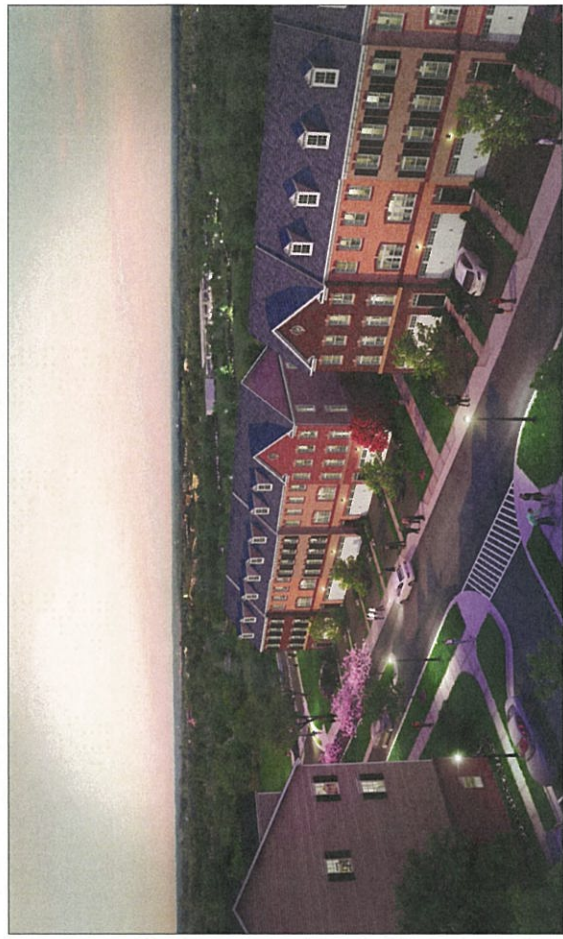
24' TOWNHOMES



20' TOWNHOMES



16' TOWNHOMES



TYPICAL STREETSCAPE



CAPITAL OFFICE PARK

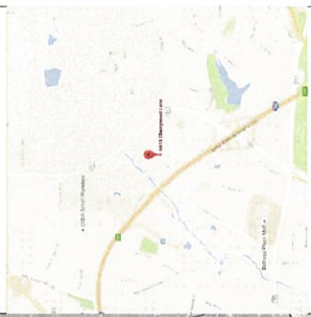
ARCHITECTURAL
RENDERINGS

**RODGERS
CONSULTING**
1887 Century Boulevard, Suite 200, Germantown, Maryland 20874
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Capital Office Park

GENERAL NOTES

1. Site is currently zoned CA-2B(4).
2. Refer for details to the Maryland Department of Public Safety and Planning Commission and Prince George's County Planning Department for all applicable zoning and planning regulations and all other applicable laws and regulations.
3. The aerial photograph is from the 10/15/2010 aerial view.
4. FEMA Floodplains are per record map L-1601-1-1-1-1.
5. All plans to be prepared shall be in accordance with the provisions of the Maryland Uniform Construction Code (UCC).
6. All work is subject to state and local government requirements.
7. All work is subject to state and local government requirements.
8. Additional detailed engineering, planning and surveying information are provided to verify all work is in accordance with the provisions of the Maryland Uniform Construction Code (UCC).



Concepts (ft²)

Concepts (ft²)	# of Units	Parking
34' Floor Height Garage	34	1,000
20' Floor Height Garage	73	1,000
Office	56	0
On-Street Parking (Approximate)	0	78
Total	163	2,078

Area	Area (ft²)	Area (Acres)
Site	1,000,000	23.0
Office	1,000,000	23.0
Garage	1,000,000	23.0
On-Street Parking	1,000,000	23.0
Total	4,000,000	92.0



Capital Office Park

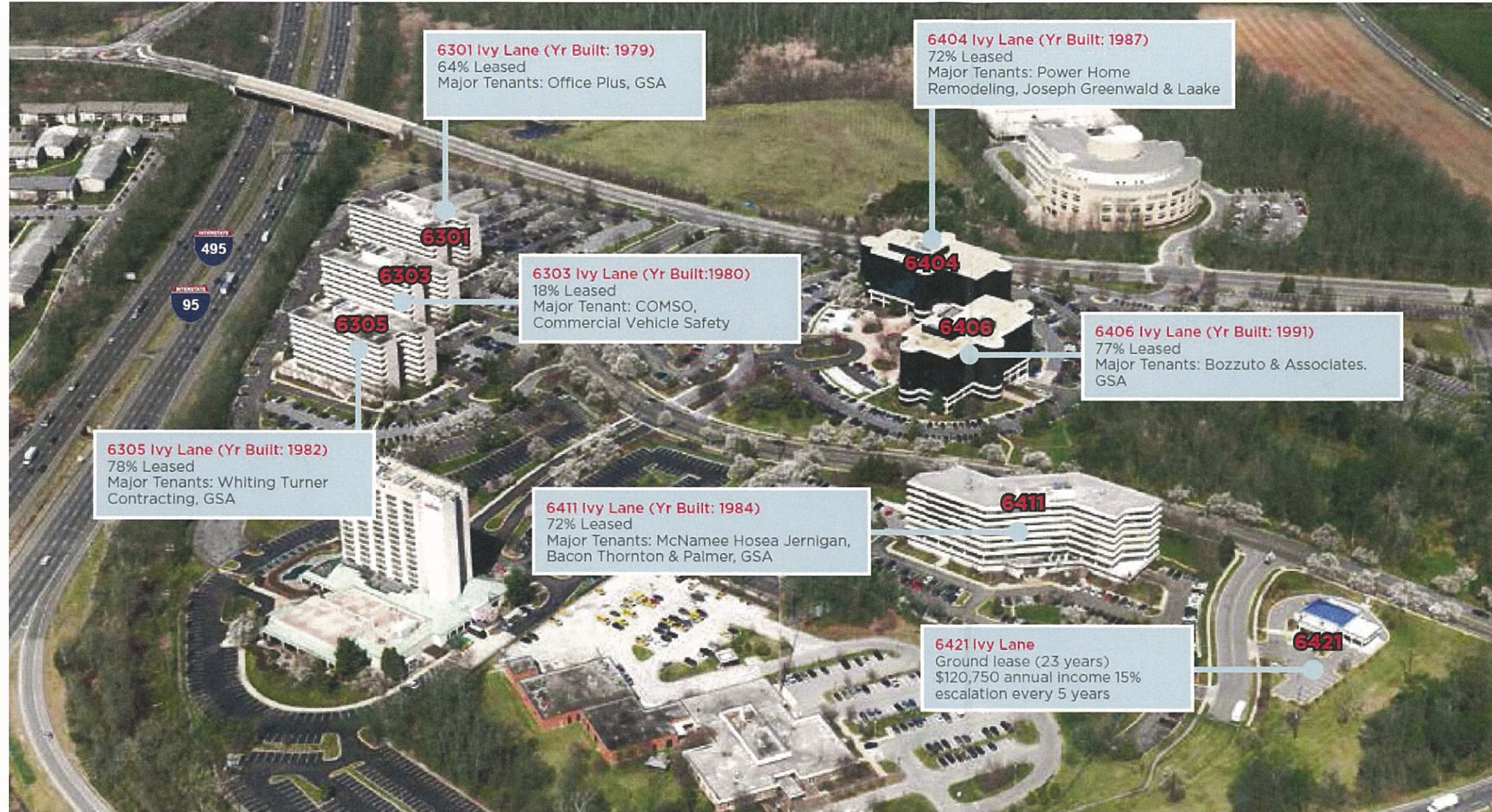
Greenbelt, MD 20770



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Capital Office Park

Greenbelt, MD



OFFERING

- 806,529 square foot office park comprised of 6 assets and a ground lease bank pad situated on a 36.7 acre corporate park on the Capital Beltway in Greenbelt, MD
- 60% leased to diverse tenancy; 367,312 square feet of vacant space
- 15.9 Acres of vacant land with development potential

MARKETING PROCESS *(Completed in 2016)*

- Offering distributed to 3600 different individuals, representing over 2000 different firms
- 30 CAs executed, 13 property tours and 3 offers received

TRANSACTION SUMMARY

- **Property Seller:** Mack-Cali Realty Corp
- **Property Buyer:** Morning Calm Management
- **Sale Date:** December 2016
- **Sale Price:** \$49,000,000 (61.75/PSF)
- **Leasing Status:** 60% leased

Key Considerations

- Limited interest in offering compared to others on the market
- Construction cost for multi-level office: \$240.00/PSF+/-
 - Capital Office Park sold for \$61.75/PSF- 25% of the replacement cost
- No value was attributed to the vacant land

MARKETBEAT

Suburban Maryland

Office Q2 2017



Prince George's County Office Snapshot Q2 / 2017

Submarket	Inventory (SF)	Sublet Vacant (SF)	Direct Vacant (SF)	Overall Vacancy Rate (%)	Current Qtr Overall Net Absorption (SF)	YTD Overall Net Absorption (SF)	YTD Leasing Activity (SF)	Under Construction (SF)	Overall Avg Asking Rent (All Classes)*	Overall Avg Asking Rent (Class A)*
Pike Corridor	11,079,464	128,791	1,921,660	18.50%	-65,525	-130,427	115,401	0	\$27.86	\$30.73
Silver Spring	4,877,684	39,010	551,458	12.10%	-8,780	13,992	88,296	0	\$29.79	\$31.42
I-270/Rockville	9,340,900	115,690	2,060,742	23.30%	-58,368	235,652	164,903	0	\$27.82	\$30.10
Germantown	1,852,930	4,616	382,504	20.90%	3,135	10,087	5,338	0	\$21.57	\$26.46
Bethesda/Chevy Chase	8,641,418	171,620	727,104	10.40%	-125,061	-116,815	184,323	300,000	\$36.32	\$42.01
Rock Spring Park	4,189,001	0	1,053,210	25.10%	28,416	179,468	46,953	0	\$32.14	\$33.35
Gaithersburg	2,187,015	3,422	472,179	21.70%	-3,808	66,113	15,428	0	\$24.58	\$24.82
North Silver Spring	1,055,127	0	194,240	18.40%	29,169	-19,824	8,510	0	\$25.26	N/A
Montgomery County	43,223,539	463,149	7,363,097	18.10%	-200,822	238,246	629,152	300,000	\$29.29	\$31.84
Beltsville/College Park	4,209,640	6,602	1,160,368	27.70%	-39,520	-73,564	123,973	75,000	\$22.08	\$23.55
Laurel	928,694	6,669	186,514	20.80%	28,608	-8,852	0	0	\$18.46	\$21.00
Greenbelt	2,837,971	20,178	902,354	32.50%	30,786	129,511	50,930	0	\$21.26	\$23.41
Landover/Lanham	2,947,320	0	591,204	20.10%	-15,691	35,562	36,403	0	\$21.31	\$20.93
Bowie	780,082	5,789	145,802	19.40%	5,568	7,876	11,380	0	\$24.92	\$25.00
Oxon Hill/Suitland	1,719,938	0	380,920	22.10%	-21,008	1,203	20,464	0	\$26.02	\$28.05
Prince George's County	13,423,645	39,238	3,367,162	25.40%	-11,257	91,736	243,150	75,000	\$21.95	\$23.42
Frederick County	2,796,420	5,404	525,866	19.00%	351	-456,340	78,942	115,000	\$17.30	\$20.61
SUBURBAN MARYLAND TOTALS	59,443,604	507,791	11,256,125	19.80%	-211,728	-126,358	951,244	490,000	\$26.75	\$30.15

Greenbelt / New Carrollton Investment Sales Comparables

Building	Building Address	Seller	Buyer	Sale Type	Sale Date	Consideration Price	PSF	RBA / % Leased	Year Built	Class / # Floors	Comments
Maryland Corporate Center 1 - 4	Executive Place/Forbes Blvd Greenbelt, MD	US Bank	Melrose Holdings	Bank Sale	Apr-2017	\$7,300,000	\$32	228,000 / 43%	1982	Class B / 2 Flrs	7375 & 7404 Executive Place, 7401 & 7501 Forbes Blvd.
Capital Office Park 1 - 6*	6301 - 6411 Ivy Lane Greenbelt, MD	Mack-Cali Realty Corp.	Morning Calm Mgmt	Value Add	Dec-2016	\$49,000,000	\$61	806,529 / 60%	1979-1991	Class A / 4-8 Flrs	6301, 6303, 6305, 6404, 6406 & 6411 Ivy Lane.
Commerce Center 1	7701 Greenbelt Road Greenbelt, MD	US Bank NA	Interra Properties	Bank Sale	Jul-2016	\$7,875,000	\$64	123,248 / 82%	1988 (2010)	Class A / 5 Flrs	CSG Partners defaulted.
9200 Edmonston Road Greenbelt, MD	9200 Edmonston Road Greenbelt, MD	Mack-Cali	VAIP LLC	Bank Sale	Jul-2016	\$1,700,000	\$42	40,337 / 0%	1972	Class C / 4 Flrs	Sold at auction on behalf of the lender.
Triangle Center	6401 Golden Triangle Drive Greenbelt, MD	State Farm Insurance	MCF Capital Mgmt	Bank Sale	Jun-2016	\$4,000,000	\$50	80,454 / 44%	1986	Class B / 5 Flrs	

* Cushman & Wakefield transaction

MARKETBEAT

Suburban Maryland

Office Q2 2017



CONSIDERATIONS:

- 32% (902,000sf) current vacancy in the Greenbelt sub-market and 25% (3,367,000sf) in Prince Georges County
- As office efficiency continues to improve due to technological advances and a desire to reduce overheads, typical tenants in market are looking for 3,000-5,000sf. Even if activity increases, it will have limited impact on overall net absorption
- At current lease rates in Greenbelt (\$21.26/PSF), rents will need to rise 50%+ or above \$31.00/PSF to justify new building construction
- There has been no material rent growth in the Greenbelt sub-market in 10+ years and during the same timeframe, operating expenses have continued to increase - 10 years ago operating expenses were approximately \$5.00/psf on average and today they are approximately \$12.00psf average
- The amount of available space has driven office tenants to expect up-to-date building technology, upgraded building finishes and amenities. Most buildings need to undergo significant capital improvements (\$Millions) to meet todays office leasing standards.