

I am Tim Eden with Starr Capital, development manager for 8600 Georgia Avenue, and also speaking for the two other properties on our block specifically in 8501 Colesville Rd and 8615 Ramsey St, in the Metro District.

COSTS FOR ADDITIONAL HEIGHT IN THE BHIZ

We are generally supportive of the Silver Spring Downtown Plan as proposed by the Planning Board that sets ambitious goals for housing development. We are very concerned, however, by the incentives proposed for additional height and density that will further raise development cost. The plan increases the MPDU requirement from 12.5% to 15%, that is an additional cost in a submarket that struggles to compete for multi-family renters. Each affordable housing unit is valued below cost, so that is a real economic burden. However, the Plan proposes further increases in affordable housing requirements in exchange for additional height in the CBD core area. This makes no sense, especially compared to Bethesda where height was increased as an incentive to developers to build more housing, including 15% MPDUs. In Silver Spring, we are effectively being asked to pay for additional height which adds development cost that is already under pressure from inflation and lower rents.

To further clarify, the Bethesda Sector Plan mapped the height and allowed owners to buy density at \$10/sf to fill up the building envelope. However, in Silver Spring, owners are being asked to buy density at \$5/sf (which still may not be economical), but are then also being asked to buy the additional height in the form of additional MPDUs above 15%. Thus, the overall cost in Silver Spring will be vastly greater than in Bethesda, in an area that already struggles to support development costs. If we are going to increase taxes on something, we are going to get less of it, in this case affordable and market rate housing. We note that the county and state provide affordable housing economic incentives for a good reason: affordable housing development is uneconomical. Let's not go backwards in raising cost to housing development as currently proposed.

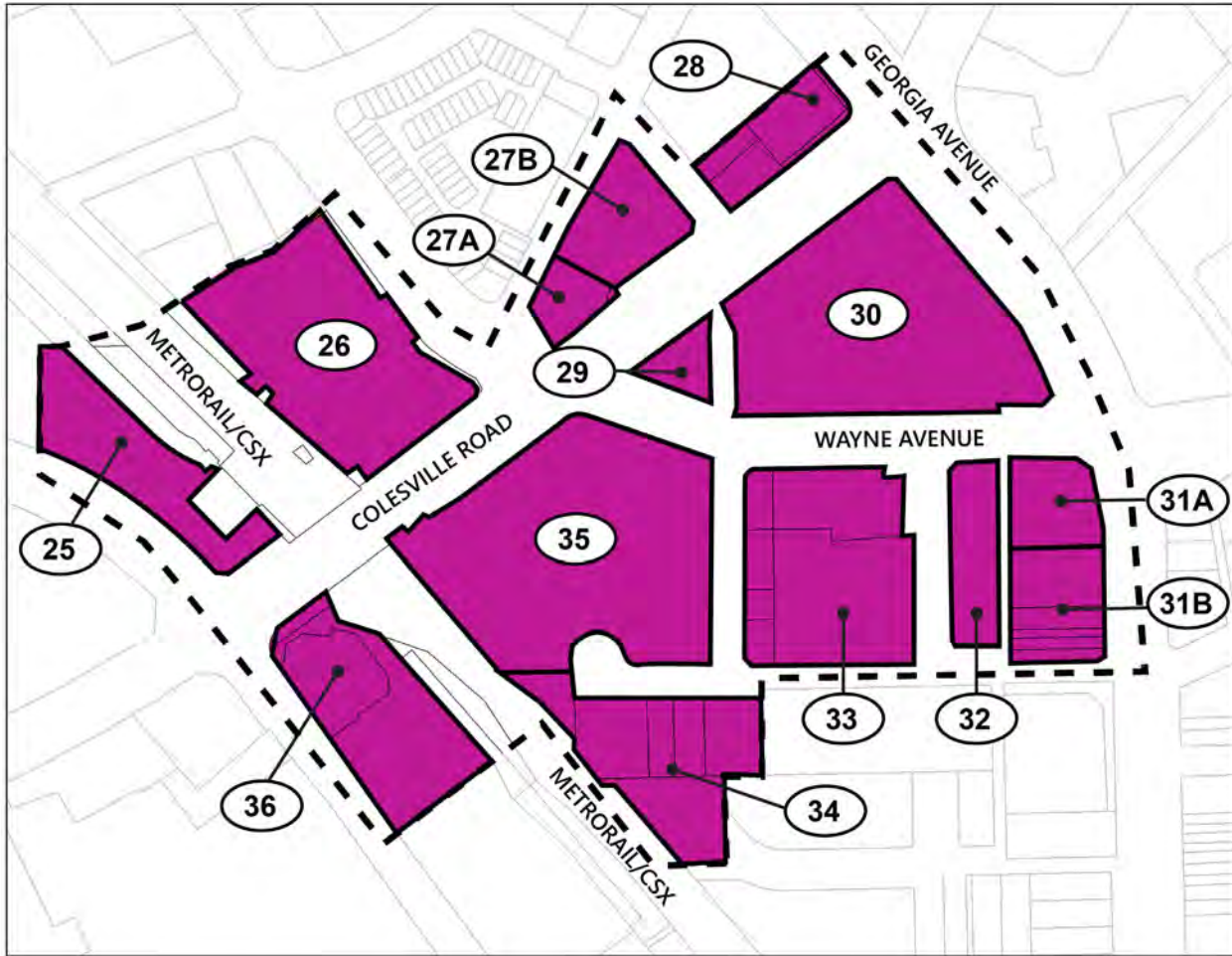
To be comparable, and to make the \$5/sf to the CIF viable, the Plan should map the real ultimate heights, just as was done in Bethesda. In our case in the Metro District, that would be 300 feet. That

would provide incentive for these heights and development potential to be realized by purchasing additional density. We support the CIF fee because it is a more efficient methodology than the Density Averaging process, whereby developers purchase Transferable Development Rights (TDRs) from other property owners. This cumbersome process is costly, unpredictable and time consuming. However, we do not support annual increases to this CIF fee that are counterproductive.

EQUITABLE TREATMENT OF HEIGHT AND DENSITY

The Planning Board Draft for the Silver Spring Downtown Plan includes recommendations for height and density that are inconsistent and inequitable. Our site at 8600 Georgia is recommended for 200 feet and a 5.0 FAR when surrounding properties in the Metro District are recommended for 240 feet and a 8.0 FAR. In fact, the WMATA site and surrounding properties are currently zoned for 145 feet and an FAR of 5.0, exactly our zoning, and yet are proposed by the Board for a height of 240 feet and density of 8.0. It was noted in the Planning Board worksessions that our site is one of the few in the Metro District that is planned for redevelopment, yet we are not being treated equally with our neighbors as to height and density, and will be subject to additional fees or other requirements to gain the height and density we need for economic feasibility. It appears that we are being subjected to additional fees because we are prepared to move forward with development, and we cannot afford such additional costs.

For example, the most recent discussion shows our site at 200 feet, with a potential increase of 150% allowed (up to 300 feet) by meeting site plan conditions like capital improvements, affordable housing and infrastructure fees. For additional density, a fee of \$5/sf is being proposed. To build out the site from our CR-5.0, we would need another 165,000 sf that would be \$990,000 that our neighbor at CR-8.0 would not pay, and that is unfair. Another proposed extraction would be an increase in mpdus to 17.5% in exchange for additional height that would be an enormous burden compared to our neighbors. For example, another 2.5% of 350 units would be 9 units at a loss of \$200,000 sf each for an extra cost burden (loss) of \$1,800,000. We are simply asking to be treated equally with neighboring properties in the Metro District with a height of 240 feet and a density of 8.0. Thank you.



Map 9. Proposed Metro Center Zoning

Note: Overlay Zones are not shown on district zoning maps for clarity; see Map 16 Proposed Zoning

Table 3. Proposed Metro Center Zoning

Map Number	Existing Zoning	Proposed Zoning	Justification
25	CR-8.0 C-6.0 R-7.5 H-200 T	CR-8.0 C-8.0 R-8.0 H-240	Increase flexibility for future mixed-use development.
26	CR-8.0 C-6.0 R-7.5 H-200 T	CR-8.0 C-8.0 R-8.0 H-240	Increase flexibility for future mixed-use development.
27A	CR-5.0 C-4.0 R-4.75 H-145 T	CR-5.0 C-5.0 R-5.0 H-175	Increase flexibility for future mixed-use development.
27B	CR-8.0 C-6.0 R-7.5 H-200 T	CR-8.0 C-8.0 R-8.0 H-240	Increase flexibility for future mixed-use development.
28	CR-5.0 C-4.0 R-4.75 H-145 T	CR-5.0 C-5.0 R-5.0 H-200	Increase flexibility for future mixed-use development.
29	CR-5.0 C-4.0 R-4.75 H-200 T	CR-5.0 C-5.0 R-5.0 H-240	Increase flexibility for future mixed-use development.
30	CR-5.0 C-4.0 R-4.75 H-200 T	CR-5.0 C-5.0 R-5.0 H-240	Increase flexibility for future mixed-use development.
31A	CR-8.0 C-6.0 R-7.5 H-200 T	CR-8.0 C-8.0 R-8.0 H-240	Increase flexibility for future mixed-use development.
31B	CR-5.0 C-4.0 R-4.75 H-145 T	CR-5.0 C-5.0 R-5.0 H-175	Increase flexibility for future mixed-use development.
32	CR-8.0 C-6.0 R-7.5 H-200 T	CR-8.0 C-8.0 R-8.0 H-240	Increase flexibility for future mixed-use development.
33	CR-8.0 C-6.0 R-7.5 H-200 T	CR-8.0 C-8.0 R-8.0 H-240	Increase flexibility for future mixed-use development.
34	CR-5.0 C-4.0 R-4.75 H-200 T	CR-5.0 C-5.0 R-5.0 H-240	Increase flexibility for future mixed-use development.
35	CR-5.0 C-4.0 R-4.75 H-145 T	CR-8.0 C-8.0 R-8.0 H-240	Increase flexibility for future mixed-use development. Increase allowable height due to significant site constraints.
36	CR-8.0 C-6.0 R-7.5 H-200 T	CR-8.0 C-8.0 R-8.0 H-240	Increase flexibility for future mixed-use development.