

**Testimony – Patricia Harris on behalf of URW, Owners of Westfield Montgomery Mall
Bill 2-25, Taxation – Payments in Lieu of Taxes
March 11, 2025**

Good Afternoon Council President Stewart and Members of the County Council. I am Pat Harris with Lerch, Early & Brewer, here on behalf of URW, the owners of the Westfield Montgomery Mall site, to express our strong support for Bill 2-25 and our appreciation to the lead sponsors Councilmembers Fani-Gonzalez and Friedson and the co-sponsors, for initiating this bold, meaningful and most importantly, needed legislation.

The development history of Montgomery Mall highlights the importance of Bill 2-25. Back in 2018, URW recognized the challenges facing regional malls and commenced efforts to introduce multi-family residential, as well as additional retail, to Montgomery Mall to create a true mixed-use environment and to enhance the site's overall vibrancy. In 2020 URW obtained Preliminary Plan and Site Plan approval for 779 residential units, including 117 MPDUs. The vast majority of these residential units – 715 units -- were located on the vacated Sears store parcel where at one point a thriving two story, nearly 200,000 square foot Sears store had been located. For a variety of reasons, but primarily because of the economic challenges confronting multi-family residential construction, the residential development never commenced. These economic challenges included construction costs, supply chain issues, labor shortages and an anemic equity market. Meanwhile a large vacated department store stands empty.

As a result of the pandemic, the retail market has permanently changed. For Westfield Montgomery this means that their current retail GLA is more than adequate to continue to reinvent the retail experience and that any addition of retail space must be done judiciously and be specifically targeted to use types that support mixed use. URW will be seeking a modification to its plans to decrease the amount of additional retail and add an additional 129

units, including an additional 20 MPDUs with hope that at some time this project will be economically viable. Unfortunately however, the challenges that the multi-family construction industry has faced for the last four years not only still exist, they have worsened. The current chaos in the market due to tariffs and political instability has only amplified the uncertainty of interest rates, available labor and material costs. I cannot overstate how difficult it is for a multi-family development project to pencil out right now given the current economic and political climate.

Bill 2-25 will make the difference in whether certain projects end up moving forward and delivering needed residential units. The Bill encourages the construction of needed housing units, including MPDUs at less than the current MPDU rental rates, and results in higher property values for properties that may have otherwise not redeveloped, thus providing a higher tax yield for the County upon expiration of the PILOT.

If the County Council is serious about delivering needed housing and affordable units, we strongly urge your support.

Thank you.