

MEMORANDUM

April 22, 2022

TO: Planning, Housing, and Economic Development (PHED) Committee

FROM: Pamela Dunn, Senior Legislative Analyst
Livhu Ndou, Legislative Attorney
Dr. Glenn Orlin, Senior Analyst

SUBJECT: Silver Spring Downtown and Adjacent Communities Plan

PURPOSE: Worksession to develop recommendations for Council consideration

Expected Participants:

Casey Anderson, Chair, Montgomery County Planning Board
Gwen Wright, Director, Montgomery Planning Department
Elza Hisel-McCoy, Down County Chief, Planning Department
Larissa Klevan, Master Plan Supervisor, Planning Department
Atara Margolies, Planner Coordinator, Planning Department
Cristina Sasaki, Parks Planner Coordinator, Parks Department
Rebeccah Ballo, Historic Preservation Supervisor, Countywide Planning

This is the Planning, Housing, and Economic Development (PHED) Committee's last worksession on the Silver Spring Downtown and Adjacent Communities Plan. Since the Committee will not have time to review the entire Implementation section, this worksession will focus on three implementation topics not yet covered by the Committee. Most, if not all, of the other implementation topics have been covered as part of the review of district or plan-wide recommendations. In addition, there is one final property-specific request for the Committee to consider.

Councilmembers may wish to bring their copy of the Plan to the meeting.

A link to the Planning Board Draft for those wishing to access the Plan online is here:
<https://montgomeryplanning.org/wp-content/uploads/2022/01/SSDAC-Planning-Board-Draft-FINAL-FOR-WEB-reduced2.pdf>

IMPLEMENTATION

Zoning

a. Public Benefits in CR Zones

- CR, CRT and CRN zones in the Plan area allow for higher density under the county’s optional method of development but require public amenities to support the additional density. Ensuring the right mix of public benefits is key to realizing the Plan’s goals of a stronger, more connected public realm that will help bring people and businesses to Silver Spring.
- The plan recommends certain public benefits as priorities for all CR parcels within the plan boundary. The plan also recommends disallowing certain public benefits to be used in optional method development for projects within the boundary of the Plan.
- The Plan requires that all Optional Method Development include an Exceptional Design Public Benefit and all projects with a residential component achieve Affordable Housing Public Benefit via the requirement for 15 percent MPDUS described in Section 4.1.6. above.
- The Plan proposes that “Transit Proximity” and “Structured Parking” (under Connectivity and Mobility) be excluded from the list of potential public benefits for projects within the Plan area.
- The plan prioritizes the following public benefits:
 - Major Public Facilities
 - Affordable Housing
 - Small Business Opportunity
 - Streetscape Improvement
 - Dwelling Unit Mix
 - Public Open Space
 - Tree Canopy
 - Habitat Restoration
 - Historic Preservation

Testimony: United Therapeutics submitted a letter to Council in opposition to the proposal to remove Public Benefit options. The letter argues that this master plan recommendation conflicts with the Council’s determination that these elements are desirable. The letter also argues that taking away these potential incentives will stifle growth and reinvestment in Silver Spring. The Silver Spring Chamber of Commerce also commented on this section of the Plan, noting that public infrastructure is the public’s responsibility and should not be borne by private developers. That letter noted that the cost of providing this infrastructure usually means reducing the commercial footprint, making development less feasible. The letter notes that because market rental rates in Silver Spring are lower, the return on investment is not the same as Bethesda.

This part of the Plan requires more explanation. No justification is given for why these Public Benefit options should be removed. The Plan would also benefit from a brief explanation of how certain public benefits will be “prioritized.” Without that justification, Council Staff agrees with the written testimony and recommends “Transit Proximity” and “Structured Parking” not be excluded from the available Public Benefit options. Transit proximity is a category of public benefits that could provide an easy incentive for development in Silver Spring, which has high transit areas. While the Bethesda Plan also removed Transit Proximity, further discussion is needed as to whether the same justifications apply in Silver Spring. As for Structured Parking, with the redevelopment of several public parking garages, developers may be more likely to

provide private parking. Lastly, Planning has proposed a study of CR public benefits; Council Staff does not recommend eliminating any public benefit options until that study is completed.

b. On-Site Public Open Space

As described in the Plan,

Adequate public open space is critical to meeting this Sector Plan’s goal of making Silver Spring a better place to live, work and play. While downtown Silver Spring has a reasonable amount of open space, many of these spaces are small “postage stamp” spaces that do not truly enhance the public realm. In order to ensure the right amount and quality of public open space, this Sector Plan recommends channeling resources to create new and improve existing public parks instead of creating on-site public open spaces that is too small, fail to enhance the public realm and prevent buildings from activating the street. For any Optional Method development project required to provide public open space on a site not recommended for a new public space in the Sector Plan, the Plan recommends that in lieu of on-site open space, applicants contribute to the creation of new and improvement of existing public parks recommended by the Sector Plan, preferably within the same district. These contributions will be determined during the Optional Method development review and approval process and will be based on the cost/sf of constructing an equivalent area of the recommended public space. Contributions to the Commission will be included in the Department of Parks Capital Improvement Program (CIP).

Council Staff supports the Implementation: On-Site Public Open Space recommendation. It is consistent with other master plans for the coordination of open/public space.

Partnerships

The Plan supports continued cooperation between the public and private sectors to coordinate and implement initiatives and services in downtown Silver Spring. Established by County legislation, the Silver Spring Urban District provides enhanced services within downtown Silver Spring to ensure that the downtown area is maintained, clean, safe, and attractive to support the economic viability of the area. This Plan supports the priorities of the Silver Spring Urban District, the Regional Service Center, and the Arts and Entertainment District in their common mission to provide public services and amenities to the members of the downtown Silver Spring communities.

The Plan recommends pursuing partnerships that:

- Increase the strength and resources of civic organizations championing downtown Silver Spring;
- Strengthen the resilience of Silver Spring by increasing capacity, improving the public realm, supporting independent businesses, and encouraging continued economic growth;
- Use arts and culture to celebrate the past, present, and future diverse cultures that are part of the Silver Spring community[.]; and
- Strengthen partnerships between Montgomery County, civic organizations, service providers, property owners, and businesses to address complex social challenges.

The Plan also encourages partnerships with other agencies and stakeholders.

a. Partnerships for Economic Growth

- Partner with the Montgomery County Economic Development Council (MCEDC) and the champion for downtown to create a market incentive to invest in speculative office suites in office space that has been vacant for an extended period. Have MCEDC fund the program and the champion for the downtown market and help property owners secure funds. Create a plan for the incentive that caps the amount at a reasonable cost to the county while also providing a meaningful incentive to building owners.
- The Plan supports the establishment of a “champion” entity in the downtown that will assist with marketing, activation, and maintenance. Such an entity could help address issues of safety and trash collection on the streets, as well as promote, highlight, and support the many amenities the downtown has to offer. Downtown Silver Spring will benefit from a strong champion for downtown and will need support from partnerships between the public sector, property owners, businesses, and social service organizations in order to full achieve the vision expressed in this Plan.

Council Staff recommends removing references to a “champion for downtown.” The purposes of this champion entity overlap with duties already performed by the Silver Spring Urban District and by the Silver Spring Business Improvement District (BID).¹ The language in the Plan could instead reference the existing Urban District or the BID.

- Analyze the feasibility of a fund operated by MCEDC to invest in office-using start-ups that locate in Silver Spring. Have the champion for downtown market the fund and use the fund to attract additional business to Silver Spring. Create a plan for the fund that establishes accepted levels of risk that is consistent with purchasing equity positions in start-up firms.

Council Staff does not recommend the creation of a “fund operated by MCEDC to invest in office-using start-ups”, since this already exists via the Economic Development Fund. Council Staff recommends, as an alternative, that the Plan include language encouraging better use of the Economic Development Fund to support office end users.²

- Partner with the County Executive’s Business Advancement Team to reinvigorate the Silver Spring Innovation Center to meet the needs of and to support women and minority entrepreneurs, in alignment with the recommendations of the Business Incubator Review and Entrepreneurial Ecosystem study prepared by Axcel Innovation LLC and presented to the PHED committee on July 26, 2021. Create a business plan to define how the incubator can add value to start-up firms to guide operations and to enable evaluation of whether the incubator is achieving its objectives.
- Encourage activation of underutilized space: Partner with MCEDC, the County Executive’s Business Advancement Team, and the champion for downtown to study a vacancy tax on empty retail frontage to encourage property owners to lease and activate vacant spaces. The funds generated by this tax should be returned to the Silver Spring area. The money should be provided to the new champion for downtown Silver Spring and go into the funds this Plan recommends creating to advance placemaking.

Council Staff recommends several changes regarding these two bullet points:

¹ The Council-enabling law for the BID went into effect in early January 2022 Additional information about the Silver Spring BID can be found here: <https://www.silverspringbid.org/>.

² The PHED Committee received a briefing on the EDF program last year. View the staff report here: https://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2021/20211108/20211108_PHED2.pdf.

- **For the reasons noted earlier, Council Staff recommends removing the references to a “champion for downtown.”**
 - **Council Staff recommends removing the sentence “Create a business plan to define how the incubator can add value to start-up firms to guide operations and to enable evaluation of whether the incubator is achieving its objectives”, in favor of less prescriptive language. Also, it is unclear who is being tasked with creating this business plan.**
- Create capacity to support small retailers: Form a partnership between the Montgomery County Office of the County Executive Small Business Navigator and mission-oriented nonprofit stakeholders to fund a diverse retail liaison position to support diverse retailers in Silver Spring. Explore creating a loan pool that could provide resources and incentives to local small business, help subsidize tenant improvements, and could support business owners in purchasing their properties. See the Retail in Diverse Communities Report published March 2021 for additional details about these recommendations.

Council Staff recommends revising this recommendation to say, “Encourage a partnership between...” rather than “form a partnership between.”

- Encourage property owners with underutilized and vacant street-level retail space to donate that space to mission-oriented non-profits to run retail incubators in which entrepreneurs can try new retail concepts.

Council Staff supports this recommendation.

b. Partnerships with the Community

The Plan’s goal is to provide sufficient open space for active recreation, social gathering, and contemplative activities. The Plan provides the following recommendation to achieve that goal:

- Increase placemaking efforts; create a fund to support placemaking throughout Silver Spring; and have the new champion for downtown Silver Spring manage the fund. Prioritize improvements that make the public realm and street network more connected and safer for non-motorized transport, as well as more attractive as places to gather.
- Work with civic stakeholders to form a non-profit that raises funds for, invests in, manages, and activates Jesup Blair Park. This could be a cross-jurisdictional enterprise coordinated with stakeholders and park users from adjacent Washington, D.C. neighborhoods as well.

Council Staff recommends removing the reference to a “champion for downtown”, as this overlaps with the Urban District and the BID. Council Staff also recommends revising this section to say, “encourage the creation of a fund...” rather than “create a fund...” since the Plan does not provide details on who would create this fund and how it would be funded.

PROPERTY-SPECIFIC CONCERN

The Perpetual Bank Building at 8700 Georgia Avenue is one of the properties the Plan includes to study for possible honorific listing on the National Register of Historic Places. Listing on the register places no restrictions on what a non-governmental owner may do with their property, up to and including

demolition, unless the project receives Federal assistance. However, the property owner of 8700 Georgia Avenue has requested this property be removed from the list for study.

Council Staff recommends removing the reference to this property regarding study for listing on the National Register. While Staff does not believe the listing, let alone the study to list, will negatively impact the property in any way, removing a property at the property owner's request seems reasonable.