



Takoma Park City Council Meeting – July 25, 2018

Agenda Item 8

Voting Session

Draft Resolution Authorizing Neighborhood Development Company, LLC to Submit the Takoma Junction Development Project Combined Site Plan to the Montgomery County Planning Department

Recommended Council Action

Vote whether to approve the draft Resolution.

Context with Key Issues

The Takoma Junction redevelopment project has been the focus of a great deal of planning, discussion and community interest over several years. At their July 11 business meeting, the Council discussed a draft Resolution that would authorize Neighborhood Development Company, LLC to submit the Takoma Junction Development Project Draft Combined Site Plan to the Montgomery County Planning Department. The attached draft Resolution reflects revisions and additions made to the previous draft in response to their discussion and subsequent correspondences with staff.

Council Priority

Community Development for an Improved and Equitable Quality of Life

Environmental Considerations

An impermeable surface parking lot with untreated stormwater runoff largely covers the front half of the Takoma Junction redevelopment site. The back half of the property is largely wooded. Environmental Site Assessments conducted by Rummel, Klepper & Kahl, LLP (RKK) on behalf of the City in November 2012 ([Phase I](#)) and May 2013 ([Phase 2](#)), determined that the property had served as a dumping site for many years.

Environmental elements of the draft site plan include:

- 1) Remediation: Any necessary environmental cleanup of the site will be addressed by NDC during the development of the site.
- 2) Preservation of green space: The retention of the southern slope of the property along Columbia Avenue for green space with a Forest Conservation Easement to be established upon completion of the project. Given the topography and the strong likelihood that a portion of the slope is largely fill and potentially unstable, as indicated in the Environmental Site Assessment conducted by RKK, a portion of the property may need to be stabilized. During development, the vegetated area would have litter and invasives removed to promote the health of existing trees, additional trees would be planted, and the area would be maintained by NDC for the passive enjoyment of the community.
- 3) Stormwater management: Compliance with the City's stormwater requirements with a bio-retention storm water facility located at the rear of the building and a vegetative "green" roof.
- 4) Environmentally sustainable building design and site features: NDC has committed to meeting and exceeding the sustainability goals identified in the Development Agreement. Qualifying building and site features that will advance this goal noted in the draft site plan include the elimination of the asphalt parking lot, the addition of operable windows on the

second floor, the incorporation of multiple openings into the below-grade parking facility and on both the first and second floors of the rear elevation of the building, and the introduction of trees and other plantings in the public realm along Carroll Avenue.

The draft site plan also provides for the construction of a below grade parking facility with 72 paid public parking spaces and the development of a more attractive and walkable commercial area, intended to encourage patrons to use alternative modes of transportation, to walk, bike, or use the bus to access the area and to visit multiple businesses on a single trip. National research on parking has shown that providing free or inexpensive parking correlates with more driving, more single driver commute trips, worse traffic, and more general reliance on driving.

There would be some negative environmental impacts of the project, including the impacts related to the removal of the soil and asphalt and the construction of the building; however, appropriate demolition, disposal and construction methods are all part of the sustainability standards for the project. The proposed building would use energy and would attract some new patrons driving vehicles to the site.

Fiscal Considerations

The project site is currently tax exempt and does not generate any local, County or State property tax revenue. The project is to be privately financed with an estimated \$22.3 million invested in the development. The City is not providing any public financing, tax incentives or other financial subsidies to facilitate the development.

- 1) A portion of the property is controlled by a Land License Agreement executed by the City of Takoma Park and the Takoma Park Silver Spring Co-op (TPSS Co-op). The agreement gives the TPSS Co-op exclusive access to dedicated parking for its employees, the right to place containerized storage structures and trash receptacles on the property, and an area to unload deliveries. In FY18, the City received \$22,128 from TPSS Co-op in consideration for the License Agreement. These payments will cease when the Agreement ends on August 31, 2018. The City would receive revenue from these sources as the project developed: 1) Ground Lease Fees, 2) Property Taxes, and, to a lesser extent, 3) Stormwater Fees and 4) Income Taxes.
- 2) Ground Lease Payments: The City would receive revenues from the lease of the property for a period of 99 years. The lease rate escalates over time though the base rent will remain flat at \$10,000 per year for the first five years of the lease. This base rent is scheduled to increase at a rate of 3% per year beginning Year 6. The base rent will be increased by 25% in Year 33 and by another 25% in Year 66. Over the course of the 99-year lease agreement, the City will receive a total of roughly \$20 million in lease payments. The Ground Lease commences on September 1, 2018.
- 3) Property Tax: Upon commencement of the Ground Lease on September 1, 2018, the property will lose its tax exempt status and will begin generating real property tax revenue.

The assessed value of the property as of July 1, 2018, is \$2.2 million. Based on the current tax rate of 52.91 cents per \$100 value, the City would begin to collect an estimated \$11,700 per year. Rough estimates indicate that the City would receive in excess of \$100,000 per year in real property taxes once construction is completed and the property is fully leased. Additional real property taxes will be paid to Montgomery County and the State of Maryland.

In addition to real property taxes, certain businesses would also be subject to personal property taxes on equipment and furnishings.

- 4) Stormwater Fees: A stormwater fee would be assessed to offset the costs of stormwater management facilities and services throughout the community. The annual fee would be established once the site had been developed and the impervious area calculated.
- 5) Income Tax: Additional economic benefits would come from the employment of any residents who would earn income and pay income tax. Based on the projected square footage of retail, restaurant and office space identified in the draft plan, an estimated 62 jobs would be created by tenants occupying the proposed development (Office: 40, Restaurant: 15 and Retail: 7) according to information provided by the [Energy Information Administration](#). These numbers are conservative based on data gathered by the City annually for required financial reports. For example, in 2017 two local restaurateurs – Roscoe's Pizzeria and Republic - reported a combined total of 75 employees.

Questions have been raised about the economic impact of the development on businesses and residential properties in the Takoma Junction area of the development. The number of leased spaces in the Takoma Junction area is small, with over half – 52% - of the commercial properties owned by the businesses that occupy the space. The rents for the remaining commercial spaces range from \$27 to \$38 per square foot of leased space. These buildings are, on average, 80 years old with many having been constructed between 1920 and 1940. Commercial rents in new and newly renovated buildings in the Old Takoma area currently range from \$45 to \$50 per square foot of occupied space, based on information provided by CoStar, a national commercial real estate firm specializing in providing analytic services to both property owners and brokers, and Main Street Takoma.

While residential real property assessments in Takoma Park are increasing and are likely to continue to increase whether or not the proposed project is constructed, the project may help reduce the City's reliance on property tax revenue that comes from single-family homeowners. If the project moves forward, in addition to the real property tax generated by the project, the project can help attract those who may be instrumental in redeveloping the New Hampshire Avenue Corridor and areas along the Purple Line transit line. Redevelopment of these areas will allow for a much larger commercial base in the city as well as opportunities for new affordable housing and other housing options and new jobs. Currently, only nine percent of the City's real property tax revenue comes from commercial property, while 82% comes from single-family residential properties.

Racial Equity Considerations

Based on the latest Census data, 57% of residents in the City are people of color and 30% of businesses in the city are minority-owned. For the two wards closest to the Takoma Junction project -- Ward 2 and Ward 3 -- the racial composition of the wards are 38% and 34% people of color respectively.

Racial equity questions raised by this project include:

- 1) Would the project create new barriers or hardships for communities for color? Would it provide new opportunities for communities of color?
- 2) Who would be drawn to shop, eat, relax, and/or work in this development? How does that compare with the current situation? Could the project lead to greater inclusivity in the City?
- 3) Is this location accessible to people who do not have cars, through public transit and/or safe walking/biking infrastructure? How might traffic or pedestrian impacts affect people of color?
- 4) Does this project displace residents or create hardships for them? Who is impacted by any potential displacement or hardships? How would it affect existing local minority-owned business and property owners?
- 5) Could the City provide opportunities through policy, programming, or other actions to expand potential positive opportunities and/or mitigate negative impacts?

If the project moves forward, in the coming months, the Council would consider program, policy, and budget steps to expand positive opportunities and/or mitigate negative effects. The following are examples of possible ways the City could address racial equity at Takoma Junction and in the City as a whole:

- 1) Encourage economic opportunity:
 - Encourage minority-owned businesses: Are there policies or programs the City can put greater emphasis on or create to support minority-owned businesses?
 - Create jobs available to local residents on an equitable basis: How can the City partner with local businesses to expand the City's summer employment program for young people and expand the program to year round? Are there other steps the City could take regarding equitable job opportunities? Can local jobs be created during construction?
- 2) Promote inclusivity:
 - How can the City provide opportunities for community engagement, for example, building on successful public arts projects such as the mural project on Holton Lane? What opportunities are there to encourage inclusive events and activities?
 - How can the City encourage services, products, restaurants and other types of businesses at Takoma Junction that would be desired by a variety of residents in Takoma Park? For example, City could ask for that information in community surveys.
- 3) Accessibility: Continue discussions with SHA and the County about the reconfiguration of the intersection, location of bus stops, and sufficient parking, and ensure we are considering racial equity impacts in assessments.
- 4) Expand opportunity:
 - How can the City best use additional revenue from the development to advance racial equity in the City? For example, Council could allocate a percentage of the property tax or ground lease revenue to go directly to the affordable housing reserve or to fund local recreation programs that serve low-income families and children, such as the free Lunch and Learn summer camp or the ACES afterschool program at Essex House.

5) Commitment to racial equity overall:

- Explore potential ways to assist low-income homeowners through property tax assistance programs, and build on and improve affordable housing policies and programs, including rent stabilization, the housing reserve fund, tenant advocacy and assistance, and more.
- Consider the questions posed above and others related to racial equity at each step of the process and look for opportunities to create more racially equitable outcomes.

Attachments and Links

- Draft Resolution
- April Site Plan Documents
- June 20, 2018 Letter from Adrian Washington of NDC

1 Introduced by: Councilmember

2
3 **CITY OF TAKOMA PARK, MARYLAND**

4
5 **RESOLUTION 2018 -**

6
7 **RESOLUTION AUTHORIZING NEIGHBORHOOD DEVELOPMENT COMPANY, LLC TO**
8 **SUBMIT THE TAKOMA JUNCTION DEVELOPMENT PROJECT COMBINED SITE PLAN TO**
9 **THE MONTGOMERY COUNTY PLANNING DEPARTMENT**
10

11
12 **WHEREAS,** the development site consists of multiple City-owned parcels and one
13 privately-owned parcel located on the south side of Ethan Allen Avenue (MD
14 410) at the intersection with Carroll Avenue (MD 195), in a compact but
15 important neighborhood commercial area locally referred to as the Takoma
16 Junction; and

17
18 **WHEREAS,** the parcels owned by the City of Takoma Park ("City") were purchased in
19 1995 for the purposes of stabilizing the Takoma Junction and facilitating the
20 revitalization of the area; and

21
22 **WHEREAS,** the City's parcels total approximately 53,493 square feet of land. The front
23 half of the property on Carroll Avenue is a paved public parking lot zoned NR
24 - Neighborhood Retail. The back half of the property on Columbia Avenue is
25 sloped and largely wooded and is zoned R-60 - Single Family Residential.
26 The properties are within the Takoma Park Historic District and are
27 considered to be non-contributing. Pursuant to a Land License Agreement
28 with the City, a portion of the parking lot has been used by the Takoma Park
29 Silver Spring Co-op ("TPSS Co-op") grocery store for customer and employee
30 parking, deliveries, trash collection and storage; and

31
32 **WHEREAS,** the potential future uses of the Property have been the focus of several
33 formal and informal resident committees and numerous City-sponsored
34 assessments beginning in 1983 with the establishment of the Takoma
35 Junction Revitalization Steering Committee, a series of City-initiated traffic
36 studies, market assessments and revitalization plans in the 1980s and 1990s;
37 and extending through to the informal Fire Place Group in 2010 and the
38 Takoma Junction Task Force (2010-2012). The Property was studied by each
39 of these groups which in turn discussed their desired development options
40 and advocated for multiple streetscape improvements and other initiatives
41 intended to improve the viability and attractiveness of the area; and

42
43 **WHEREAS,** the Takoma Park City Council ("Council") considered options in 2013 for the
44 future use of the Property, including: 1) the continued maintenance of the
45 surface parking lot; 2) the development of a public facility such as a library or
46 recreational center; 3) the sale or lease of the Property at market rates; and

47 4) the open and competitive solicitation of development proposals. In
48 January 2014, the Council decided to proceed with the fourth option and
49 authorized the release of a competitive Request for Proposals (“RFP”) for the
50 development of the Property in a manner that would “act as a stimulus to the
51 commercial district and locally-owned, independent businesses; improve the
52 aesthetic appeal of the district; and be contextually sensitive and
53 environmentally sustainable”; and
54

55 **WHEREAS,** the Council received a total of seven submissions in response to the 2014
56 solicitation, four of which were determined by a review committee to be
57 responsive to the criteria set forth in the RFP. The qualifications of these
58 development teams and the merits of their proposals and preliminary
59 concept plans were then considered by the Council over the course of 11
60 months. During this period, the Council scheduled presentations of the
61 individual proposals, sponsored a community open house, held listening
62 sessions, solicited additional public comment through a variety of formats,
63 and held eight Council work sessions; and
64

65 **WHEREAS,** the Council, having carefully evaluated the expertise, financial capacity, and
66 overall vision of each of the development teams and weighing public input
67 gathered during this evaluation process, determined that Neighborhood
68 Development Company, LLC (“NDC”) was a capable developer and would be a
69 suitable partner for the redevelopment of the Property. On April 13, 2015,
70 the Council approved Resolution 2015-19 authorizing the City Manager to
71 initiate negotiations with NDC; and
72

73 **WHEREAS,** in authorizing the City Manager to initiate negotiations with NDC in April
74 2015, the Council articulated its priorities for the revitalization of the
75 Takoma Junction, established criteria for the development of the Property,
76 acknowledged the neighboring TPSS Co-op, and expressed interest in
77 maintaining the economic vitality of that business; and
78

79 **WHEREAS,** on July 27, 2016, the Council approved, by Resolution 2016-26, the execution
80 of the Development Agreement and Ground Lease with NDC after an
81 extended 15-month negotiation period during which the Council held a
82 series of work session discussions focused on elements of the proposed
83 development, hosted an open house discussion to respond to questions
84 raised by the community, and carefully considered comments submitted by
85 the public throughout this period; and
86

87 **WHEREAS,** the Development Agreement identifies the priorities of the Council,
88 establishes the process guiding the development of the Property, provides
89 opportunities for the expansion of the TPSS Co-op, and reflects the Council’s
90 commitment to ensuring continuity of the TPSS Co-op operations during
91 construction and ~~its interest in~~ accommodating the ~~future~~ parking and
92 delivery needs of the TPSS Co-op; and

WHEREAS, besides the provisions relating to the TPSS Co-op, the Project Goals specified in the Development Agreement include the following:

- a) Inclusion of public parking for area businesses as part of the project
- b) Minimization of detrimental impacts to neighboring properties on Columbia and Sycamore Avenues
- c) Design that optimizes the provision of retail services on the first floor of the building
- d) Provision of public or community spaces that result in enhanced interactions among residents and visitors
- e) Support of independent businesses
- f) Provision of pedestrian access from Columbia Avenue to the property
- g) Incorporation of environmentally sustainable and green building features
- h) Encouragement of alternate modes of transportation
- i) Retail mix with a high priority for local and regional operators; and

WHEREAS, the Development Agreement also provides that NDC will not lease any portion of the project to another food co-operative or grocery store selling a large variety of food and household items (but may lease to specialty shops, restaurants and other sellers of food and beverages) while the TPSS Co-op is operating in its existing premises; and

WHEREAS, the Ground Lease identifies other uses that are not permitted on the premises, including an amusement center, sports facility, motor vehicle maintenance shop, pawn shop, check cashing store, gun shop, dance hall, tattoo parlor, tanning salon, gambling center, drug paraphernalia store, store with pornographic materials or adult entertainment, or place of religious worship; and

WHEREAS, during the discussions about the Development Agreement, the Council considered other potential benefits of the project including:

- a) Increased activity and vibrancy of the Takoma Junction which would benefit existing businesses
- b) Environmentally responsible in-fill development in a commercial and residential area accessible by walking, biking, and transit
- c) Reduction in driving by residents who could access retail and office opportunities closer to their homes
- d) Creation of appealing space for new and expanding local and regional businesses
- e) Creation of a retail tenant mix featuring local and regional businesses by emphasizing preference for local and regional operators and precluding certain types of businesses identified as not appropriate for the location

- f) Creation of new employment opportunities for community residents
- g) Potential for infrastructure changes to facilitate improved circulation of pedestrians and bicyclists traveling through the Takoma Junction development
- h) Mitigation of the environmental impacts created over the years by the landfill materials located under the asphalt surface of the parking lot
- i) Reduction of the heat sink effect created by the asphalt parking lot
- j) Reduction in the carbon footprint of the built and actively-used site through the introduction of sustainability features such as a vegetative roof and other energy conserving improvements
- k) Diversion and treatment of run-off into the Chesapeake Bay with the construction of various storm water management features
- l) Retention and improvement of the green area on Columbia Avenue through the stabilization of the wooded slope, removal of invasive plants, and introduction of new natural landscaping elements
- m) Creation of a financially productive property, which would increase the City's tax base and provide lease revenue to the City; and

WHEREAS, working in partnership with the Council-appointed Community Consultation Process Advisory Committee, NDC hosted two public meetings in February 2017 to discuss form and character options and to consider market and retail ideas for incorporation in the development. A second set of public discussions were held in March 2017 which focused on the topics of access, mobility and the public realm. Members of the community were invited to provide additional online feedback and materials were provided in Spanish and Amharic. The Committee reached out to members across the City; and

WHEREAS, in addition to the outreach activities conducted with the Community Consultation Process Advisory Committee, NDC also met with local stakeholders, including representatives of Historic Takoma, Inc., Old Takoma Business Association, Takoma Junction Task Force, Safe Roadways Committee and the Façade Advisory Board and with individual community members; and

WHEREAS, in accordance with the provisions of the Development Agreement, NDC presented a preliminary concept plan ("Concept Plan") to the Council on September 27, 2017, which expanded the project site to include an adjacent 5,470 sq. ft. parcel which NDC has under contract and began to reflect the feedback received from the Council and the community during this initial design process; and

WHEREAS, on October 25, 2017, the Council provided comment on the Concept Plan through its approval of Resolution 2017-53. Resolution 2017-53 reiterated

the Council's criteria for the development proposal, described the areas in which the Concept Plan fell short of those criteria, and expressed the Council's expectation that the Site Plan would meet the criteria. Resolution 2017-53 also provided comments on the design and accessibility of the public space, the use of the layby to facilitate the delivery of goods to address the needs of on-site tenants, the placement and function of the planned elevator(s), the design of the front facing façade such that it would consist of large storefront windows and include exciting or iconic features, the height and massing of the structure, the preservation of wooded area along Columbia Avenue, the design of the Columbia Avenue building façade, the accessibility of the parking area, the project's sustainability elements, the potential inclusion of another parcel to the west, and the importance of providing reasonable accommodation for the continued operation of the TPSS Co-op; and

WHEREAS, on April 4, 2018, NDC presented a draft Combined Site Plan ("Site Plan") to address certain specific design comments detailed in Resolution 2017-53. The Site Plan provided for the construction of a two-story mixed-use commercial development with below grade parking accommodating up to 72 vehicles, approximately 26,755 sq. ft. on the ground level (approximately 22,822 sq. ft. of ground level retail space), approximately 26,795 sq. ft. on the second level (approximately 25,070 sq. ft. of office space), approximately 2,700 sq. ft. of public space designed to provide opportunities for social engagement, the preservation and improvement of wooded area along Columbia Avenue which is to be placed under a Forest Conservation easement, a series of sustainability features exceeding the requirements of the Development Agreement, and site improvements to address the internal and external circulation of people and goods (*e.g.*, the layby, delivery access lane and service corridor); and

WHEREAS, in response to the Council's comments on the Concept Plan reflected in Resolution 2017-53, and other design concerns, the following revisions to design elements and operational features were incorporated into the April 2018 Site Plan:

- a) The third story was eliminated in favor of a two-story structure, with a series of volumes and different materials for the façade of the building.
- b) The depth of the retail space was modified, minimizing corridor spaces and vertical circulation with the goal of optimizing visibility, connection with the public realm, and retail engagement with the sidewalk.
- c) An elevator stair tower was located on the west side of the building aimed at signaling the beginning of the project, providing a gateway element and a more modern architectural element to address the interest in an iconic feature.

- 226
- 227 d) The building was set back an additional 10 feet on the west side of the
- 228 site, and room was provided for an 8-foot clear pedestrian path and a 2-
- 229 foot-to-8-foot wide seating zone established along the remainder of the
- 230 façade to the east, providing space for cafe seating, benches, etc.,
- 231 separated from the layby with a 7-foot-wide loading path and bollards.
- 232
- 233 e) A public art element was added to provide an opportunity to engage with
- 234 the public space at the west end of the property.
- 235
- 236 f) Trees and other plantings in the public realm were added with
- 237 appropriate soil depth so that they may thrive.
- 238
- 239 g) A Forest Conservation Easement area was identified on the rear of the lot
- 240 to provide passive enjoyment of the wooded area and protect the health
- 241 of the sloped portion of the site, as well as create a green barrier between
- 242 the building and the nearby residences.
- 243
- 244 h) Modifications were made to the building design and site plan which are
- 245 intended to meet and exceed the LEED Gold sustainability standards in
- 246 the Development Agreement. In addition to the building-oriented
- 247 sustainability techniques that were identified in the Concept Plan,
- 248 additional features were added to provide multi-modal access to the
- 249 Property and capitalize upon pedestrian-first design methods, as well as a
- 250 bioretention stormwater facility, a vegetative (“green”) roof, and other
- 251 environmental mitigation features.
- 252
- 253 i) The layby lane was increased to a width of 12' to accommodate the
- 254 largest vehicles expected to make deliveries to the TPSS Co-op and to
- 255 enable them to move completely out of the existing eastbound lanes. The
- 256 layby lane is located outside of the existing four-lane roadbed of Carroll
- 257 Avenue and is designed to be used for deliveries and trash and recycling
- 258 collection; and
- 259

260 **WHEREAS,** since the Site Plan was initially presented in April 2018, the Council has held

261 a series of seven Work Session discussions focusing on various elements of

262 the Site Plan including the design of the building, its placement on the

263 Property, the design and size of the dedicated public space, sustainability

264 features, circulation patterns, and the findings and recommendations of the

265 traffic studies, one funded by NDC and the other by the City. In addition to

266 the Council hearing public comment at these work sessions and receiving

267 written comment, and individual members of the Council meeting informally

268 with constituents and neighborhood groups, the Council provided an

269 afternoon open house held at the Takoma Park Community Center, an on-site

270 virtual “pop-up” of the development, and a formalized one-on-one question-

271 and-answer session with community members; and

272
273 **WHEREAS,** in his June 20, 2018 correspondence **Adrian Washington, CEO and Co-**
274 **Founder, Neighborhood Development Company, LLC,** committed to making
275 the following additional changes to the Site Plan, as requested by the Council:
276

- 277 a) In consultation with the Montgomery County Historic Preservation
278 Commission and its staff, to consider modification of the roofline,
279 specifically the height of the parapet, to ensure that the height of the
280 building and the proposed parapet are contextually appropriate.
281
282 b) To add, in consultation with the TPSS Co-op, a second elevator at the east
283 end of the building that operates between the lower level garage and
284 street level to accommodate its customers and employees.
285
286 c) To add multiple window openings and varied materials in the Columbia
287 Avenue façade on both the first and second floors of the building to create
288 a more visually attractive rear façade and to provide more light and air at
289 the garage level, while ensuring that measures are taken to minimize the
290 impacts of light and noise on the residential neighborhood behind the
291 building.
292
293 d) To include facilities for 4-yard dumpsters that would be accommodated in
294 a corral, locked and outfitted with tamper-proof hose bib, a floor drain
295 and an exhaust system for smells.
296
297 e) To increase the width of the paved service corridor to 10 feet to ensure
298 that deliveries can be safely and more easily conveyed by hand truck and
299 to facilitate the removal of trash and recyclables; and
300

301 **WHEREAS,** in response to other concerns voiced by the Council, NDC has committed to
302 implement the following:
303

- 304 a) To take measures to protect **and minimize damage** to the natural
305 elements in as much of the wooded and sloped rear portion of the
306 Property as possible during the construction of the building and
307 stormwater facilities, recognizing that some actions within the wooded
308 area may be warranted in order to eradicate invasive species, stabilize the
309 slope, and promote a healthy wooded area.
310
311 b) Ensure that none of the trash generated by tenants of the building would
312 be left outside and that the dumpsters would not be stored in the public
313 realm. The project is anticipated to be able to accommodate all of the
314 trash generated by ground floor users in three dumpsters and that three
315 pickups per week would be scheduled. The dumpsters would be located
316 on-site and ported by property management staff to curbside at the
317 appropriate pickup times. Additional dumpster storage could be provided

at the rear of the building if required to accommodate the trash generated by a change in tenant use.

- c) NDC will partner with the City to program the public realm and the public space, providing opportunities such as musical performances or the scheduling of food trucks in the layby area; and

WHEREAS, NDC's and the City's traffic studies found that the intersection is currently near capacity and would exceed acceptable levels with the addition of future traffic resulting from other development projects unrelated to this project. As a result of that traffic and the additional traffic generated by this project, the traffic studies recommend a reconfiguration of the Takoma Junction intersection (intersection of MD 195 and MD 410) and provided several potential alternative configurations that could improve traffic flow as well as increase safety and access for pedestrians, bicyclists and transit users. The City is having ongoing discussions with the Maryland State Highway Administration (SHA) regarding reconfiguration and safety; and

WHEREAS, The Traffic Group's traffic study utilized Shopping Center and General Office Building rates for the Trip Generation model estimating traffic affiliated with the Site Plan. A different formula for a High Turnover (Sit-Down) Restaurant was utilized to estimate traffic related to a background development. The Traffic Group has stated its plans to include rates for a High Turnover (Sit-Down) Restaurant in the Site Plan in its Traffic Impact Study before submitting to the County; and

WHEREAS, for purposes of this Resolution, the Site Plan consists of the attached plans prepared by NDC and presented to the Council in April 2018 and the accompanying June 20, 2018, correspondence from Adrian Washington, NDC's CEO and Co-Founder, Neighborhood Development Company, LLC, that includes modifications to those plans, as well as the commitments made by NDC stated above, the traffic study prepared by The Traffic Group for NDC, and the additional commitments by NDC referenced in this Resolution; and

WHEREAS, Council approval of the proposed Site Plan (and identified modifications), as detailed in the Development Agreement, is required to advance the project to the next phase of development. Further reviews and approvals are required including technical review of the Site Plan by the Montgomery County Development Review Committee, review and approval by the Montgomery County Planning Board, technical review and approval of the proposed layby, garage access and traffic impact analysis by SHA, approval of a Historic Area Work Permit by the Montgomery County Historic Preservation Commission, administrative review and approval of a required stormwater management plan and tree protection plan by City staff, and review of construction plans prior to the issuance of building permits by Montgomery County Department

of Permitting Services. Additional public comment opportunities are incorporated in the Montgomery County review processes; and

WHEREAS, the proposal involves multiple lots and includes construction across at least one property line, which must be addressed through either consolidation of all the lots or through a legal agreement that both protects the City of Takoma Park and satisfies the requirements of Montgomery County. **The consolidation of the lots under City ownership is the Council's preferred alternative. The City will work toward that goal, with the understanding that the legal steps necessary to resolve this situation may not be finalized until the project is under consideration by Montgomery County officials as part of the County development review process; and**

WHEREAS, the Council acknowledges that the Site Plan may be modified during the Montgomery County development review process, by SHA or at the request of NDC, any of which may warrant further assessment by the Council to ensure that the project appropriately addresses its goal of creating an attractive, vibrant and economically viable development. **The Site Plan may also be modified following the approval of this resolution at the request of the Council to ensure that the project appropriately addresses the objectives and goals stated herein; and**

WHEREAS, the Council remains strongly committed to ensuring the continuity of operations for Takoma Junction businesses during construction and providing reasonable accommodations for parking and deliveries for the TPSS Co-op upon completion of the development; and

WHEREAS, the goals for the type of retail for the Takoma Junction project include:

- a) Maintaining the unique character of the community and the appeal of Takoma Junction.
- b) Protecting the area's economic vitality by ensuring a diversity of businesses with sufficient opportunities for independent entrepreneurs.
- c) Fostering businesses that serve the basic needs of the surrounding neighborhood; and

WHEREAS, the Council, acknowledging the complexity of matters relating to the operation of the TPSS Co-op and that the Co-op has expressed its concerns that draft Site Plan does not fully provide reasonable accommodation for deliveries, parking, trash and business continuity during construction, has offered to provide funding in an amount not to exceed \$5,000 to allow for a facilitated discussion between NDC and the TPSS Co-op, both of which have agreed to participate in the proposed mediation. Members of the Council and City staff will serve, at the request of the TPSS Co-op, as observers during the

mediation. The Council requests that the mediation be concluded by early September; and

WHEREAS, the Council views this mediation as an opportunity to build trust between NDC and the TPSS Co-op and to identify solutions to outstanding operational issues such as the timing, access and potential staging of deliveries, TPSS Co-op trash and recycling requirements, customer and employee parking needs, and the location, siting and type of elevator needed to facilitate access to the TPSS Co-op building and the below grade parking facility, as well as continuity of operations during construction. The Council expects both parties to mediate in good faith and to reach agreement on how to equitably address these matters in a timely manner, preferably by September 2018; and

WHEREAS, the conditions set forth in the Development Agreement including the actions required by the City and NDC throughout the development review process and construction, the project schedule, and remedies for resolving disputes and terminating the Agreement remain enforceable through the term of the Agreement.

BE IT FURTHER RESOLVED THAT, NDC is hereby authorized to submit the Takoma Junction Development Project Combined Site Plan as modified herein to the Montgomery County Planning Department for review ~~along with its traffic impact analysis indicating a recommendation for reconfiguration of the Takoma Junction intersection.~~

~~**BE IT FURTHER RESOLVED THAT,** the Council will schedule a Work Session in September 2018 to discuss the extent to which NDC and the TPSS Co-op have reached mutual agreement on issues discussed during mediation and for determining if the reasonable accommodation requirements set forth in the Development Agreement have been fully satisfied and, if applicable, may require changes to the Draft Site Plan/Preliminary Plan to provide for those reasonable accommodations.~~

~~**BE IT FURTHER RESOLVED THAT,** the Council will schedule a Work Session in September 2018 to determine if Draft Site Plan/Preliminary Plan changes are necessary to satisfy the reasonable accommodation requirements set forth in the Development Agreement and if so will direct NDC to make those changes to any Draft Site Plan/Preliminary Plan then pending before the Montgomery County Planning Department. If site plan changes are required, whether because of mutual agreement between NDC and the TPSS Co-op or otherwise, the Council will promptly notify the relevant County offices of the required changes.~~

~~**BE IT FURTHER RESOLVED THAT,** in response to additional concerns, the Council requires that NDC to commit to implement the following modifications:~~

- ~~a) To design the rear of the building to minimally impact the residential neighborhood and wooded area behind it, including design elements to minimize~~

noise and light pollution, both from the garage and tenant spaces, and to utilize outdoor lights with no greater than a 3000 Kelvin light temperature.

- b) Add detail to the design of the rear façade, through the use of materials and other methods, so it is less intrusive and more visually interesting.
- c) To reduce the height of the building by up to five feet through modification of the parapet and/or story height, subject to approval of the Montgomery County Historic Preservation Commission, while maintaining the natural light and open feel of the interior space.
- d) To provide approximately 2,700 sq. ft. of public gathering space ~~that is~~ not focused on outdoor dining but as a shared space for residents, visitors and anyone else in the public realm. In the event that the location or length of the layby is modified during the Montgomery County Development Review process and encroaches into the planned public space, ~~NDC has committed to exploring alternative design options to ensure that the amount of space that has been designated for public use is preserved~~ NDC will make modifications to ensure that at least 2,700 square feet of public space is maintained and that it is equivalent in type and quality.
- e) NDC will partner with the City on the revitalization of B.Y. Morrison Park.

BE IT FURTHER RESOLVED THAT, the City is committed to significantly reducing greenhouse gas emissions and promoting sustainable development. To this end, the Development Agreement requires NDC to design and construct Takoma Junction to satisfy LEED Gold or higher certification from the U.S. Building Council (or an equivalent certification of environmental sustainability). The Development Agreement further requires the incorporation of green building strategies into the Final Site Plan/Preliminary Plan in consultation with the City. The Council therefore requires that NDC work with the City to implement the following green building strategies:

- a) 100% stormwater treatment, whether on- or off-site.
- b) Green construction methods such as the use of best available control technologies to minimize air pollution from diesel equipment during construction.
- c) Creation of an energy neutral building through on-site methods or off-site renewable energy credits.

BE IT FURTHER RESOLVED THAT, the City will develop a process in which the Tree Commission will provide insight and recommendations for the project as part of the development review process. The City Manager has authority over tree protection plans and tree removal plans on City property.

500
501 **BE IT FURTHER RESOLVED THAT**, the Council will provide additional comment on any
502 modifications made to the Draft Site Plan/Preliminary Plan during the Montgomery County
503 development review process that noticeably change the building's or site's appearance,
504 footprint or functionality to ensure that the modified plan continues to address its goals for
505 the revitalization of Takoma Junction and will include those comments in a Resolution to
506 the Montgomery County Planning Board when the draft Final Site Plan/Preliminary Plan
507 comes before the Montgomery County Planning Board for consideration.

508
509 **BE IT FURTHER RESOLVED THAT**, the Council will work with NDC to minimize negative
510 construction impacts on area businesses and residents and to address the needs of Takoma
511 Junction businesses for continuity of operations during construction. ~~The City will develop~~
512 ~~a written agreement, memorandum of understanding or a similar document between the~~
513 ~~City and NDC in order to ensure that these goals are achieved.~~

514
515 **BE IT FURTHER RESOLVED THAT**, for the project at Takoma Junction, the City bars
516 formula retail use—defined as a retail sales or service establishment that has eleven or
517 more other retail sales establishments in operation in Washington DC, Montgomery
518 County, and Prince George's County or twenty or more nationwide establishments—
519 without a vote of the Council for approval.

520
521 **BE IT FURTHER RESOLVED THAT**, the Council, when developing an ordinance associated
522 with the City's Affordable Housing Fund, will dedicate revenues received from this project
523 to the City's Affordable Housing Fund (or its successor), and will consider dedicating a
524 percentage of other project revenues to this fund when it is able to comprehensively
525 discuss this action in context of other actions recommended in the draft Housing and
526 Economic Development Strategic Plan. The Council intends to develop such an ordinance
527 by November 2018.

528
529 ~~**BE IT FURTHER RESOLVED THAT**, the Council would like to see improvements to traffic~~
530 ~~flow at the Takoma Junction intersection with a priority for the safety and flow of people~~
531 ~~walking, biking and using public transit, and will continue to work with SHA on potential~~
532 ~~reconfiguration and/or other measures to address these issues.~~

533
534 **BE IT FURTHER RESOLVED THAT**, in order to meet SHA standards for pedestrian safety
535 and vehicular traffic flow, Council has an expectation that intersection modifications will be
536 required. The Council will continue to work with SHA on reconfiguration of the Takoma
537 Junction intersection and/or other measures to improve traffic flow. The Council will
538 prioritize the safety and flow of people walking, biking and using public transit; give
539 appropriate consideration to historic preservation; and seek to minimize cut-through
540 traffic on nearby streets.

541
542 **NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF TAKOMA PARK,**
543 **MARYLAND** has determined that the April 2018 Site Plan submitted by NDC, along with its
544 June 20, 2018 correspondence and other modifications as noted in this Resolution,
545 advances the City's goals for the Property. ~~by creating a development that will act as a~~

546 ~~stimulus to the commercial district and locally-owned, independent businesses; return the~~
547 ~~property to the tax rolls; improve the aesthetic appeal of the district; and be contextually~~
548 ~~sensitive and environmentally sustainable.~~

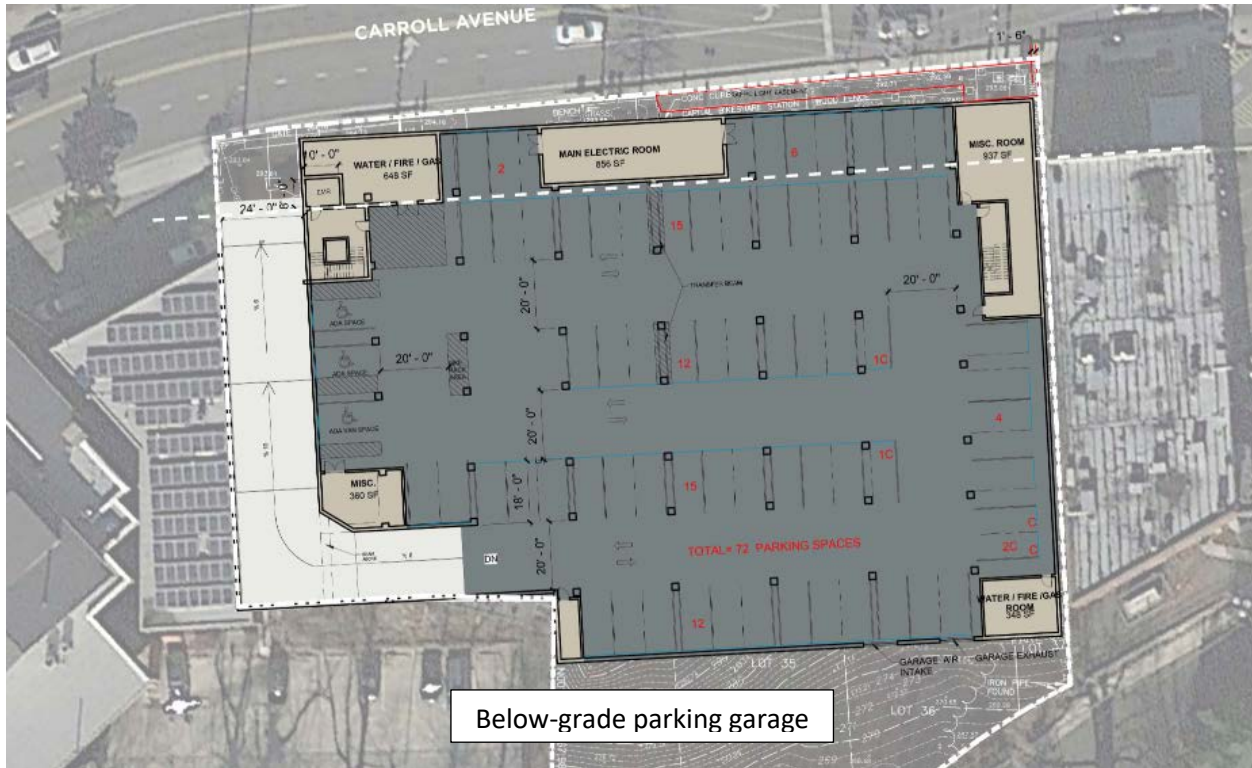
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Takoma Junction Site Plan

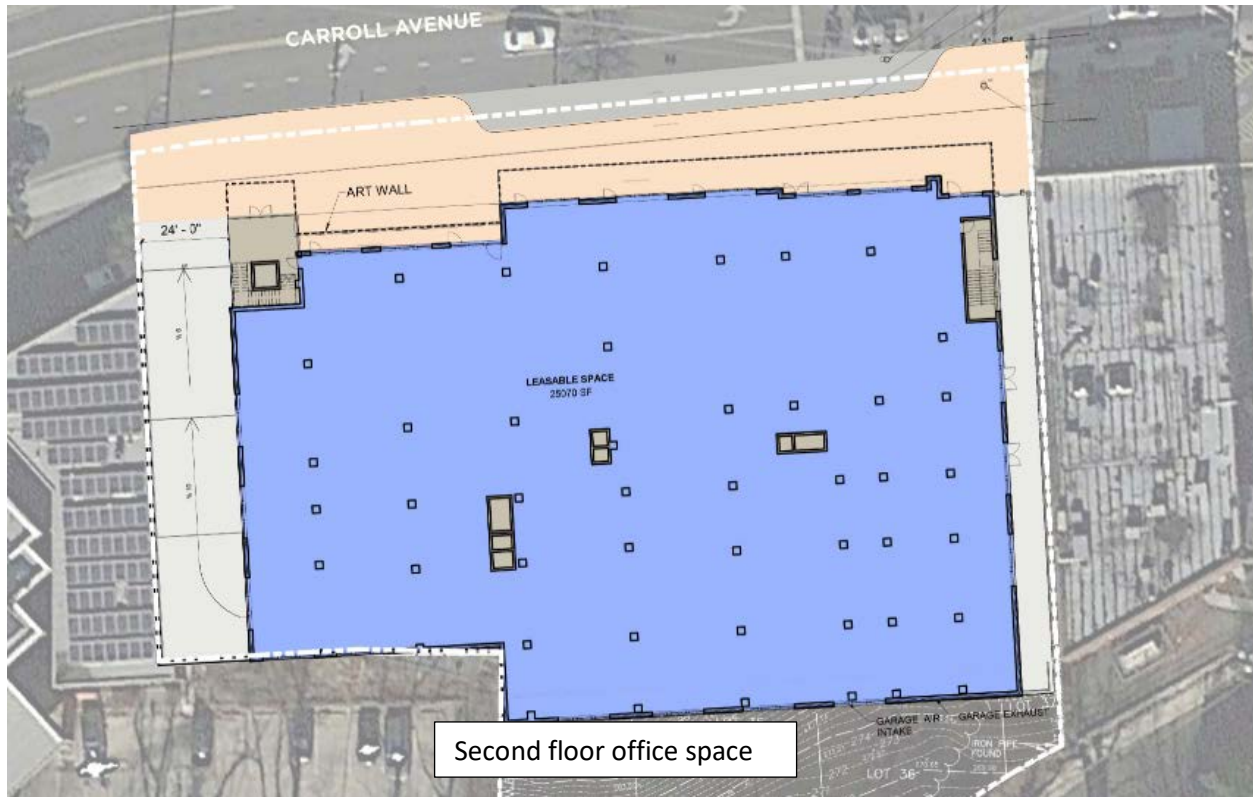


Site plan including City-owned lot and Takoma Auto Clinic property

Takoma Junction Site Plan



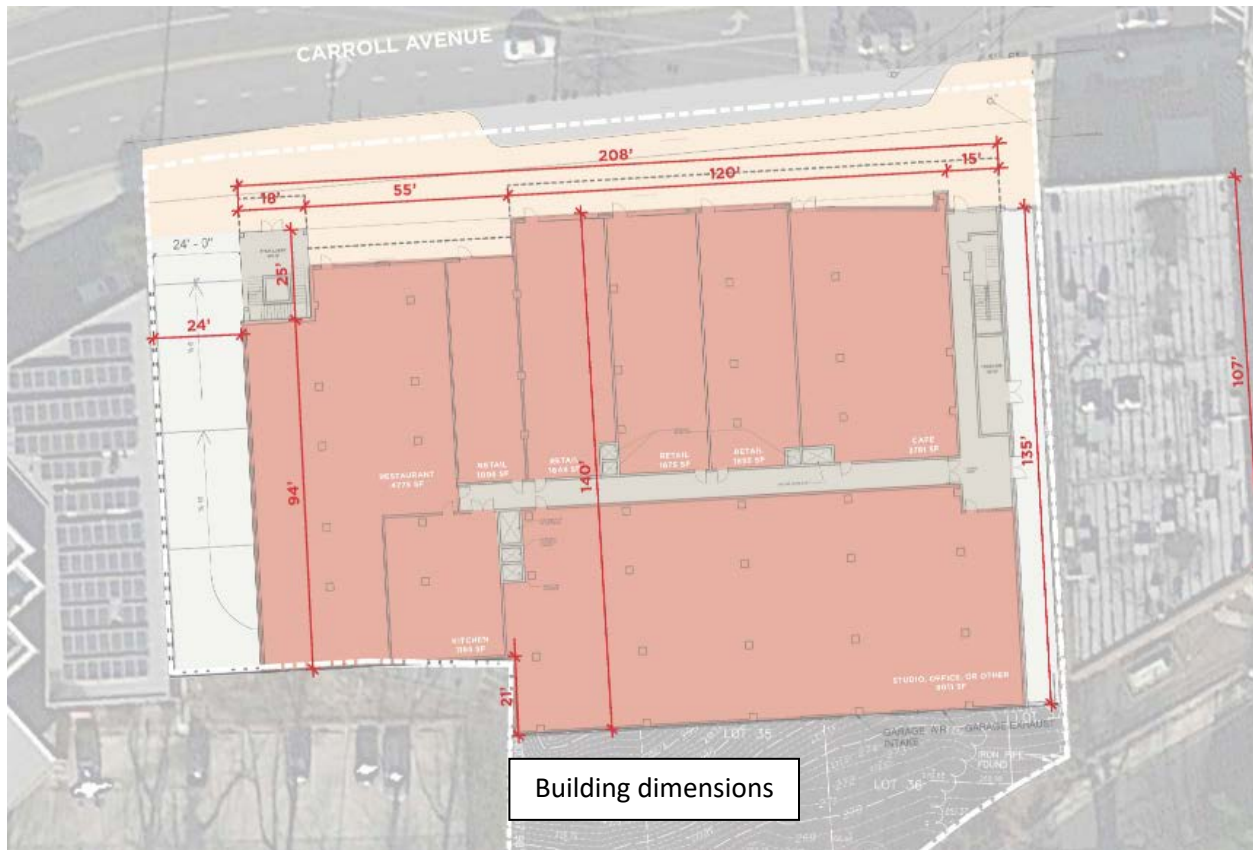
Takoma Junction Site Plan



Takoma Junction Site Plan

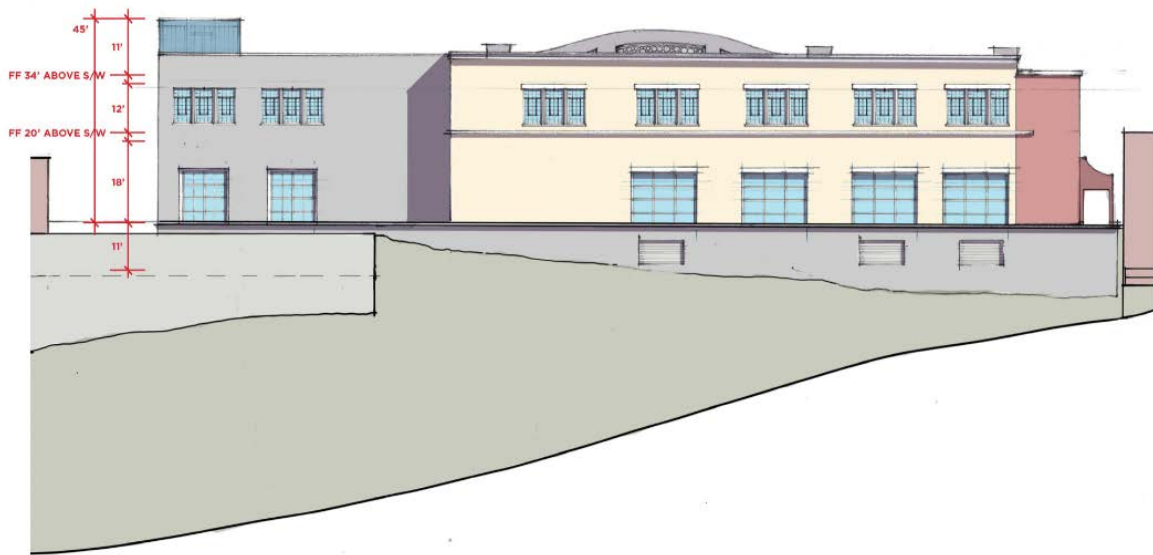
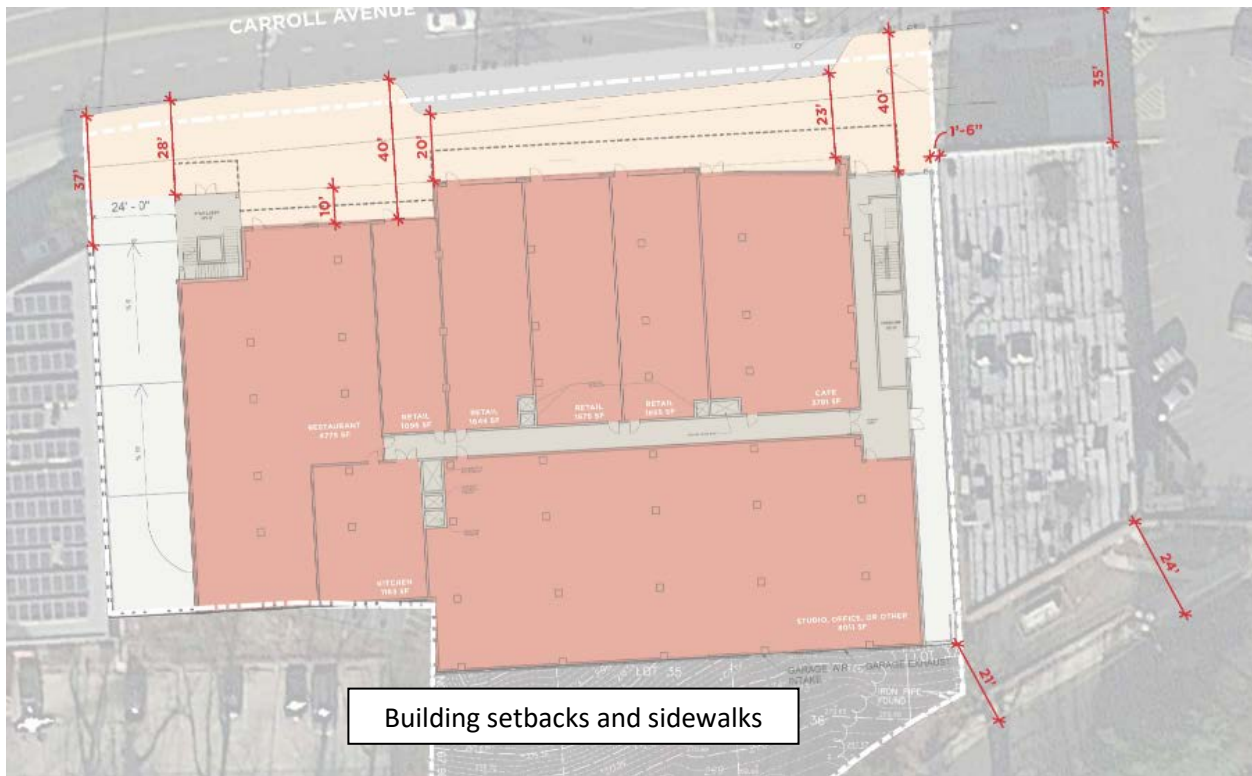


Carroll Avenue elevation, building heights, and dimensions

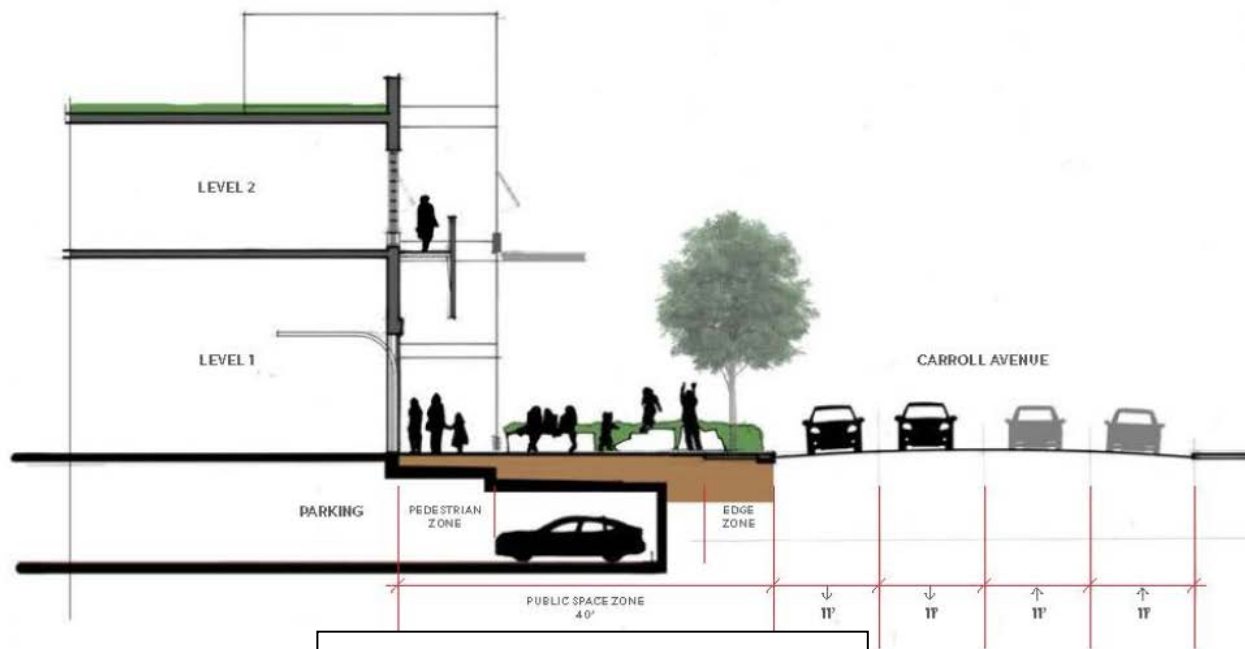


Building dimensions

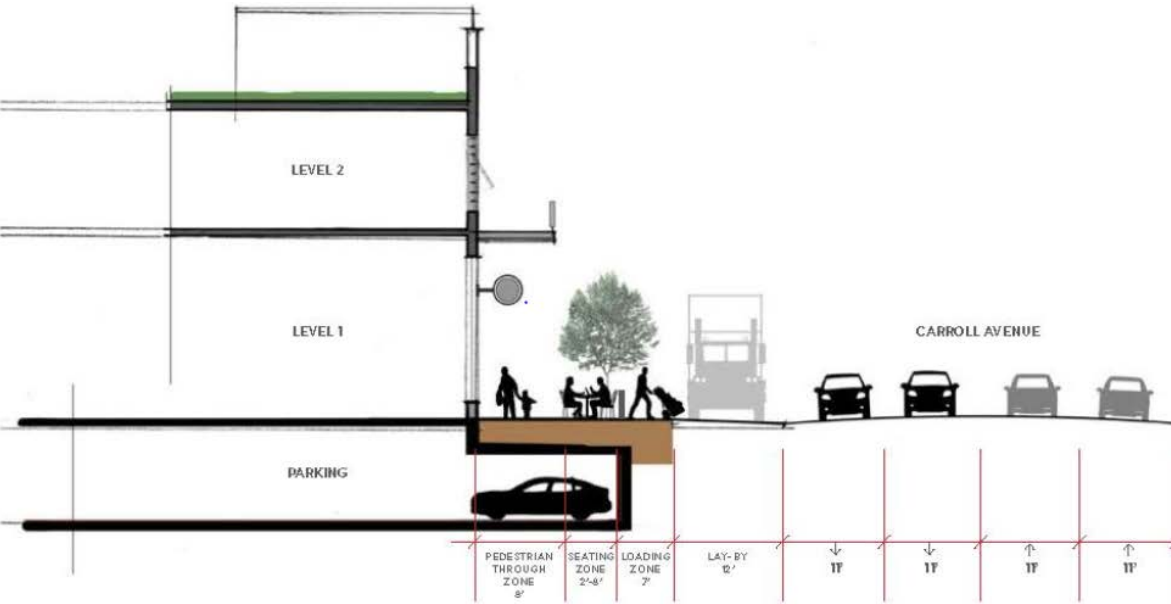
Takoma Junction Site Plan



Takoma Junction Site Plan

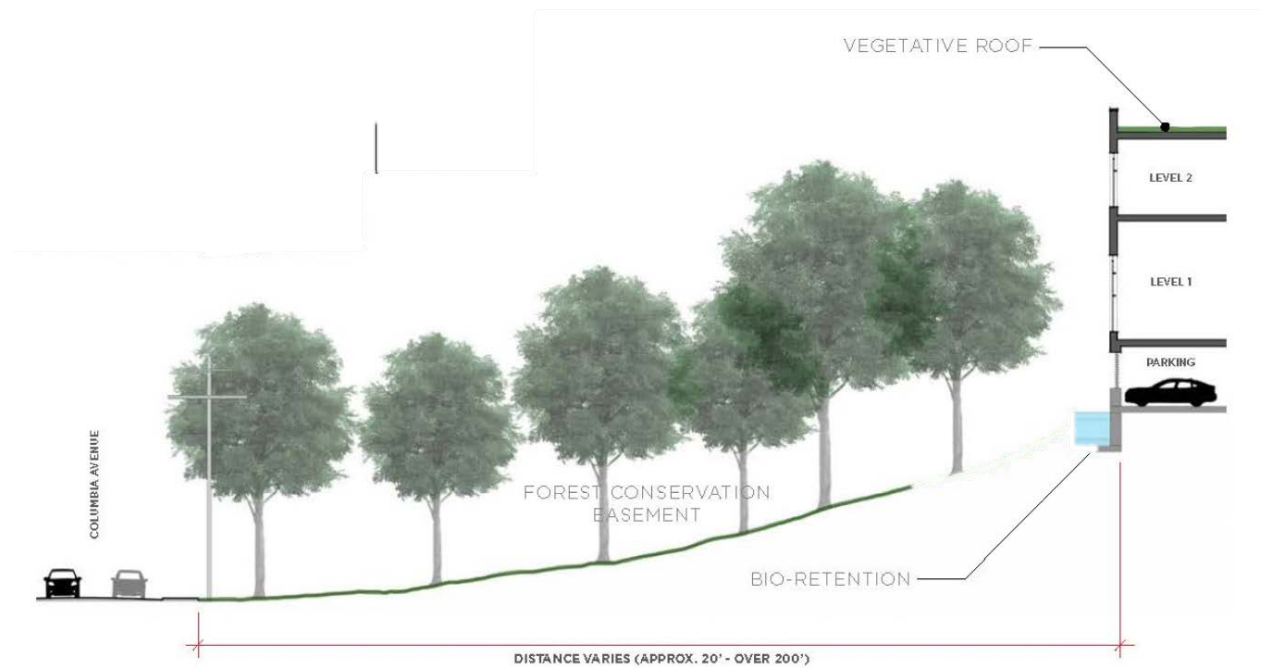


Cross-section of sidewalk and public space



Cross-section of sidewalk with layby

Takoma Junction Site Plan



Cross-section of green space

June 20, 2018

Mayor Kate Stewart
City Council of Takoma Park
Takoma Park, MD 20912

via email

Dear Mayor Stewart and City Councilmembers,

Thank you for all the hard work you have put in over past four years. In the past two months, as we have always, we have heard and taken to heart the feedback we have received from you and the Takoma Park community. We want to take this opportunity to revisit our vision for Takoma Junction, explain the changes we have made to our plan based on your feedback, and assure you that we will continue to work to respond to the issues that have been raised by you and the community as the project develops and our operational plans are finalized.

Our Project:

Takoma Junction is designed to be a community oriented mixed-use commercial development that will serve to bring more vibrancy and sustainability to the urban fabric at Takoma Junction in a context-sensitive building that will contribute to the memorable character of Takoma Park. Approximately 22,822 square feet of new ground-level retail space, 25,070 square feet of second-story office and neighborhood-serving amenities will be introduced to the neighborhood. A sub-grade parking structure will provide parking for up to 72 cars for the public. The building will be generously pulled back from its neighbors on both sides, and will preserve the existing wooded area to the rear.

What We Have Heard:

We have heard your comments regarding the concept plan presented this past fall and, in response to the concerns detailed in your October 25, 2017 Resolution, we have made a series of modifications to the design of the building and to the preliminary site plan.

We have heard and understood your concerns about the overall design of the building. In response:

- We eliminated the third story in favor of a two-story structure, with a series of volumes and different material expression that help break down the scale to reflect permanence, sobriety, and vibrancy.
- We will work with the Montgomery County Historic Preservation Commission and its staff to ensure that the height of the building and the proposed parapet are contextually appropriate.

- We extended the set back of the building an additional 10', creating an opportunity for art to engage with the public space at the west end of the property and providing room for an 8' clear pedestrian path and, 2'-8' seating zone along the remainder of the facade for café seating, benches, etc., and a separated loading path along the lay-by at 7' width.
- We added an elevator stair tower on the west side of the building that signals the beginning of the project, providing a gateway element and allowing for an opportunity to reflect a more modern element within the composition.
- We are committed to working cooperatively and in partnership with TPSS during mediation to locating and installing an additional elevator at the east end of the building that operates between the lower level garage and street level to accommodate TPSS customers.
- We refined the depth of high-quality retail space to drive the ground plane building envelope – minimizing corridor spaces and vertical circulation – in order to optimize visibility, public realm connectivity and retail engagement with the sidewalk.
- We added operable windows on the second-floor to offer natural ventilation and more participation in the activity on the street.
- We redesigned the rear of the building to include multiple window openings on both the first and second floors of the building, as well as opportunities for light and air at the garage level, creating a more visually attractive facade.

We have heard and share your interest in developing a project that is environmentally sustainable. In response:

- We explored opportunities to meet and exceed sustainability goals beyond our LEED Gold commitment. In addition to the building-oriented sustainability techniques we had planned, we incorporated into our site plan numerous opportunities to capitalize on multi-modal access, pedestrian-first design methodology, a bio-retention storm water facility, a vegetative roof, and environmental mitigation.
- We incorporated trees and other plantings in the public realm with soil depth appropriate to the needs of a thriving living edge.
- We have committed to creating a Forest Conservation Easement on the rear of the lot – focusing on passivity and health of the sloped portion of the site.
- We confirmed that the rear of the site will be disturbed minimally in order to construct the building, recognizing that other clean-up may be warranted in order to eradicate invasive species, provide a healthier slope stabilization strategy and promote a naturalistic feel.

We have heard and understood your desire to create a welcoming and accessible public space for residents to engage with one another. In response:

- We increased the size of the public space to approximately 2,700 SF with 40' distance of public gathering space that is not focused on outdoor dining but shared space for residents, visitors and anyone else in the public realm.
- We will, in the event the location or length of the lay-by is modified during the Montgomery County Development Review process and encroaches into the planned public space, explore design options to ensure that the amount of space that has been designated for public use is preserved.
- We added colorful and flexible benches and seating opportunities along the length of the site that are shielded from the lay-by via bollards at the edge.
- We refined the project to include design elements that will encourage people of all ages and abilities to linger, socialize and shop and dine at the Junction.
- We are open to providing expanded access to the roof top area and will, as our operational plans are solidified, provide controlled opportunities for members of the community to enjoy the planned patio area.
- We welcome the opportunity to partner with the City to program the public realm and the public space providing opportunities such as musical performances or the scheduling of food trucks in the lay-by area.

We have heard and understood your concerns about the handling of refuse generated by building tenants. In response:

- We have added facilities for 4-yard dumpsters that would be accommodated in a corral, locked and outfitted with tamper-proof hose bib, a floor drain and an exhaust system for smells.
- We have confirmed that the project can accommodate all of the trash generated by ground floor uses in three dumpsters (three pickups per week). The dumpsters would be located on site and ported to curbside at the appropriate pickup times.
- We have identified opportunities at the rear of the building which would allow for the expansion of the space for additional dumpster storage if more trash will be produced by changing the tenant use type.
- We are committed to ensuring that none of the trash generated by building tenants would be left outside and that the dumpsters would not be stored in the public realm.

We have heard and share your interest in minimizing the impact of the project on the ability of the

Takoma Park Silver Spring Co-op (TPSS) to receive deliveries. In response:

- We have increased the lay-by lane to 12' in width to accommodate the largest vehicles expected to make deliveries by TSPP Co-op to the site and to move safely out of the existing eastbound lanes. To clarify any misperceptions, the lay-by lane is being built completely outside of the existing four-lane roadbed of Carroll Avenue and is designed to be used for delivery, trash and recycling collection. The Lay-by lane will be deeded to the public (presumably State Highway) and will not be controlled by us.
- We will increase the paved width of the service corridor up to a 10 feet to ensure that deliveries can be safely and easily conveyed by hand truck and to facilitate the removal of trash and recyclables. The site plan includes an additional buffer located between the paved service corridor and the wall of the TPSS Co-op building of approximately 2 feet.

Our vision for the Takoma Junction project has always and continues to be to develop a project which contributes to and enhances this unique, vibrant and thriving commercial neighborhood. We are committed to the development of a truly memorable, useful and beautiful public realm and a project which demonstrates our commitment to sustainability in design.

Reasonable Accommodation for the Takoma Park Silver Spring Co-op (TPSS)

We have agreed to participate in mediation with TPSS Board Members - facilitated by a mediator of their choosing - to define and address what additional actions are needed to provide reasonable parking and delivery accommodations during construction and upon completion of the project. We look forward to this opportunity and are hopeful that we will be able to reach agreement on the following:

- Parking for Customers and Employees – We are committed to working cooperatively and in partnership with TPSS to address their parking needs. We have offered, in writing, to provide dedicated parking spaces in the garage at fair market rates. Parking options for use during construction have been identified and provided to the TPSS Board.
- Elevator Access to Garage - We are committed to working cooperatively and in partnership with TPSS to install an additional elevator for their customers at the opposite end of the building that goes between the lower level garage and street level, perhaps directly into their store.
- Access to Lay-by Lane – We are committed to working cooperatively and in partnership with TPSS to coordinate delivery schedules and, to the extent possible, facilitate the use of the existing loading dock on the east side of their building for smaller truck deliveries.
- Trash Storage and Pick-up – We are committed to working cooperatively and in partnership with TPSS to provide dedicated trash storage and coordinated refuse and recycling pick-up at fair market rates.
- Expansion Options - We have offered, in writing, potential space within the building for the expansion of TPSS at fair market rates.



We look forward to continuing our work with Council and the community to move the Takoma Junction project forward, and we are also happy to work with Co-op through mediation to address potential operating issues.

Please let me know if you have any additional questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Adrian G Washington", with a long, sweeping flourish extending to the right.

Adrian G Washington
CEO and Founder