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County Executive**

WHEATON

REDEVELOPMENT REPORT

MAY 2008



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WHEATON REDEVELOPMENT REPORT

The Wheaton Redevelopment Program buzzed with excitement in 2007, which continues at an accelerated pace in 2008. We see construction at the Bozzuto Group/Housing Opportunities Commission project, the Georgia Crossing project, the groundbreaking on the Centrex/Laing Homes project, and the opening of a Wendy's at Westfield Mall.

Developers are recognizing Wheaton's potential for future development. A number of factors have contributed to this increased level of interest: Wheaton's strategic location - a Central Business District transected by major roadways; a Red Line Metro stop and Bus Transit Center makes Wheaton a transportation hub and; the advent of a CBD Sector Plan revision creating opportunity for increased density through mixed use development.

The community has united behind the Avalon Bay housing/retail project in the hopes of resolving zoning issues that are still before the Maryland-National Capital Park and Planning Commission. The Redevelopment Program and its committees have been anticipating the update of the 1990 Sector Plan, which began in April 2008. Much attention has been devoted to how the vision of Wheaton and the role the Sector Plan can play in fostering redevelopment. Redevelopment depends upon an involved citizenry and business community. We invite your questions and comments.

Some of our accomplishments were:

- **Sector Plan Update** - In April 2008, the Maryland-National Capital Park and Planning Commission (M-NCPPC) initiated the long awaited comprehensive update to the 1990 Wheaton Sector Plan. This planning process will establish the long-term vision and planning framework for Wheaton's Central Business District in keeping with the best proposed land uses, zoning and sustainability practices. The Update will look at the future of Wheaton with a focus on encouraging great urban design, efficient transportation, pedestrian links to the Wheaton Metro station, environmental sustainability and more. In essence, planners with the

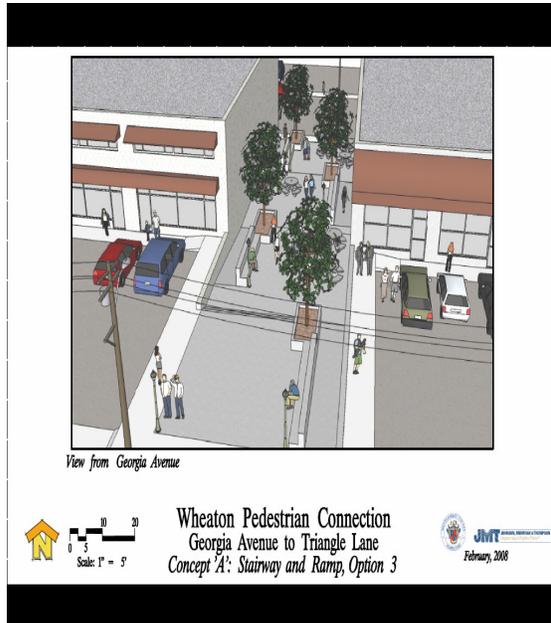
benefit of public input will propose a development pattern that best meets the needs and goals of Wheaton as a highly livable, unique place in the county. The Sector Plan Update is scheduled to be completed by January 2009. After which time, the Sector Plan Update will go to the Executive Branch and the County Council for fiscal review and County Council approval. M-NCPPC project manager is Sandy Tallant. She can be reached at 301-495-1329 or Sandra.Tallant@MNCPPC-MC.Org.

- **Limited Amendment to the Sector Plan** – The Maryland-National Capital Park & Planning Commission (M-NCPPC) is currently pursuing a Limited Amendment to the existing Wheaton Sector Plan. The Limited Amendment would change the zoning, and allow the Avalon Bay project to be further considered by the Planning Board. It also contains land use, urban design, environment, and transportation recommendations for a portion of the Wheaton Sector Plan Area that are intended to guide development and to be implemented through zoning. The Amendment will be presented to the County Council in May 2009. The process includes a series of public meetings to ensure strong public engagement.
- **Federal Grant to Support Wheaton Streetscape** - The Maryland Transit Administration (MTA) agreed to be the grant applicant for the \$418,000 "Montgomery County, MD Wheaton Central Business District (CBD) Inter-modal Access Program." The project provides funds for streetscape improvements to a major pedestrian route that leads directly to the Wheaton Metrorail entrance. The project involves widening the sidewalk, removing ADA non-compliant conditions, and constructing a planting panel along the east side of Fern Street between University Boulevard and Reddie Drive. The County will provide the required 20% funding match.

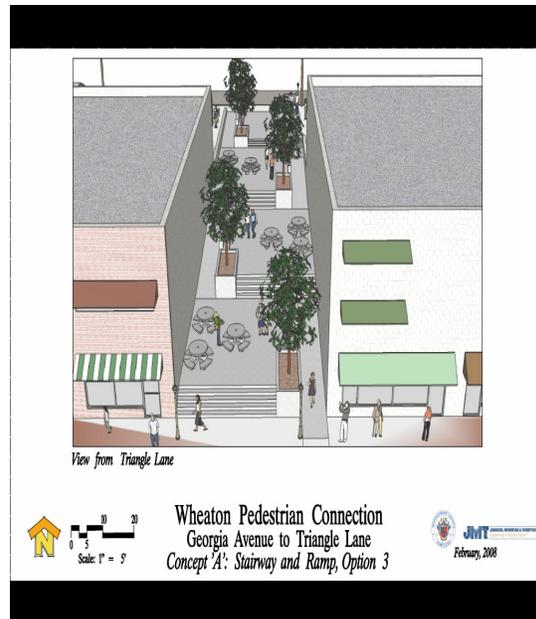
Redevelopment Projects Under Construction or Completed This Year

Wheaton Pedestrian Walkway – The walkway, located mid-block between Ennalls Avenue and Reddie Drive on Georgia Avenue, will significantly improve

the pedestrian circulation and provide convenient accessibility in the downtown. In addition, businesses along Georgia Avenue will have additional parking for their customers with this mid-block connection to parking Lot 13 in the Wheaton Triangle. A Concept Design for the Walkway was selected at an open Public Meeting on February 28th. Demolition of the existing building is scheduled for late June 2008 and construction is slated for fall 2008.



Concept from Georgia Ave. looking down at Triangle La.



Concept from Triangle La. looking down at Georgia Ave.

Rafferty Center - This 16,000 square-foot building was previously used as the gym for Our Lady of Good Counsel High School. It is being renovated and restored by the County as a recreation facility for Wheaton and Kemp Mill residents.



Rafferty Center looking from Georgia Avenue

Wheaton Streetscape Improvement Program - expends public funding to: reconstruct sidewalks, ensure wheelchair accessibility, construct and/or modify pedestrian crossings, increase pedestrian lighting, trees, tree pits, and benches along County streets within the Wheaton Urban District. Approximately 45% of the streetscape work has been completed to date, with 55% remaining. A well-designed and functional pedestrian circulation system improves pedestrian safety and helps make the downtown a more attractive place to visit.

Locations identified for improvements are:

- Ennalls Avenue - 882 linear feet between Veirs Mill Road and Grandview Avenue on both sides of the street. Also, additional pedestrian lighting in front of the Triangle Park Shopping Center parking lot as well as new lighting in the ally behind the shopping center; and fencing on the south side of Ennalls Avenue;
- Price Avenue - 416 linear feet between Georgia Avenue and Fern Street on the north side of Price.



Looking West on Ennalls from Grandview Avenue



Looking from the north side of Price from Fern Street

- Elkin Street - 839 linear feet between University Blvd. and Price Avenue on both sides of Elkin.



Looking north on Elkin Street from Price Avenue



Looking north on Fern Street from the corner of Price Avenue

Current streetscape projects will include: bump outs, crosswalks, brick pavers, new median islands, trees and tree pits, new pedestrian lighting, street signage, and replacement of single meters with two-headed parking meters. Construction is anticipated in spring of 2008.

The Wheaton Façade Improvement Program - is administered by the Wheaton Redevelopment Office. The program provides commercial property owners with new facades that include canopies and freshly painted store fronts. To assure continued maintenance of a building's exterior, the property owner must sign a five year Façade Improvement Agreement with the County. Approximately one quarter of the Façade Improvement work has been completed to date, with three quarters remaining.

The south side of University Boulevard between Veirs Mill Road and Georgia Avenue and both sides of Ennalls Avenue between Grandview Avenue and Georgia Avenue will be invited to participate in the next Façade Improvement project.



A property at Grandview and Ennalls Avenues before Façade Improvements

Residential Development

MetroPointe Apartments - is a \$53 million mixed-use project owned by the Housing Opportunities Commission (HOC) and co-developed with Bozzuto Development Company. It is located on 2.4 acres above the site of the Wheaton Kiss & Ride, at the intersection of Georgia Avenue and Reddie Drive. Plans call for 173 residential units. Pre-leasing began in April 2008. Initial occupancy is anticipated in August with all units available by September 2008. Also included are a new entrance into the Metro along Reddie Drive and a 223-space residential/WMATA shared parking garage

and two retail spaces totaling 3,500 square feet. FedEx Kinkos will lease the space along Georgia Avenue. For additional information, visit their web site at www.MetroPointeApts.com.



MetroPointe at Georgia Avenue & Reedie Drive



View from Bus Bays across Georgia Avenue

Centex Homes - is in site preparation for 181 residential units at the former site of Our Lady of Good Counsel High School. There will be 130 townhouses, 45 condominiums, and 6 single-family units. Construction of the condominiums and townhouses will begin in July 2008 with single-family units starting shortly thereafter. Project completion is anticipated in 2010.



Centex Homes @ former Good Counsel Site

Retail/Commercial

Georgia Crossing - (former Anchor Inn site) Construction of approximately 20,000 square-feet of street-level retail and mezzanine-level office space began in late summer of 2007. Completion is expected in spring 2008. Construction of an additional 12,000 square-foot building is anticipated in spring of 2008 with completion in winter 2008. The project will cost approximately \$4 million. For more information contact Kathy Coakley at 301-657-2525 x17 or kcoakley@greenhillcompanies.com.



Georgia Crossing at University Blvd. and Georgia Avenue

Wendy's Restaurant - opened in February 2008 across from the Wheaton Metro Station on Veirs Mill Road at the former site of the Shell Gas Station.



Wendy's Restaurant on Veirs Mill Road at Westfield

Future Development

Retail

Westfield Wheaton - is in the process of revising its Master Plan and will welcome the addition of DSW and Steve & Barry's in early 2009 and the new Cinema Drafthouse is expected to open in late summer 2008.

Residential

Washington Properties - has proposed the development of a 211-unit apartment complex, immediately south of the intersection of Veirs Mill Road and Georgia Avenue, on the site of the former First Baptist Church of Wheaton.

Mixed-Use

Avalon Bay - purchased the 73,000 square-foot BB&T Bank located at the corner of Blueridge and Georgia Avenues for a mixed-use project. The Maryland-National Capital Park & Planning Commission (M-NCPPC) is currently pursuing a limited amendment to the existing Wheaton Sector Plan. The amendment will allow this project to proceed through the normal development review process. The amendment will extend a small portion of the northern border of the Central Business District at Georgia and Blueridge Avenues, to include the entire BB&T Bank parcel as well as the adjacent Washington Metropolitan Area Transit Authority (WMATA) parcel. The amendment would also change the zoning, making the Avalon Bay project a permissible use and allow further consideration by the Planning Board. The County Council's draft of the Limited Sector Plan Amendment could be completed in June 2008, after which the Executive Branch has 60 days to conduct a fiscal impact analysis. Assuming the impact analysis is acceptable, the County Council would likely consider the amendment for adoption in September or October 2008.



Avalon Bay Mixed-Use Development Site

Safeway Supermarket - located just across from the Wheaton Metro at Georgia Avenue and Reddie Drive, this 1.87- acre site remains a prime site for redevelopment. Safeway has signed a Letter-of-Intent to relocate to the Avalon Bay site if that project is approved.



Potential Development Site at Safeway Property Across From Metro

Bozzuto Group & Spaulding and Slye - announced their plans to build Metro Plaza at Wheaton Square. This mixed-use development is located on a three-acre site at the southwest corner of Georgia Avenue and Reddie Drive, immediately adjacent to the Wheaton Metro station. The project will be capable of accommodating 125,000 to 450,000 square-feet of Class A office space, as well as street-level retail. Bozzuto wants to maximize the density of the site to meet Montgomery County's Smart Growth objectives for Transit Oriented Development. Metro Plaza at Wheaton Square will offer tenants a prime "on Metro" office lease, or build-to-suit opportunity.



Future site of Bozzuto Group & Spaulding and Slye - Mixed Use Project located on the southwest corner of Georgia Avenue and Reddie Drive

Wheaton Volunteer Rescue Squad - Plans are moving forward for the Rescue Squad to construct a new 28,000 square-foot two-story operations center and community/social hall at the corner of Arcola and Georgia Avenues, possibly in late 2009.

Economic Development/Business Assistance

A key function of the Wheaton Redevelopment Program (WRP) is to promote development of the Central Business District (CBD) *while fostering the preservation and growth of its existing small business community and attracting new businesses*. During redevelopment, adaptability will be an essential attribute for Wheaton's small businesses. The WRP is working with Wheaton's small businesses to make sure that viable Wheaton businesses not only overcome the challenges that redevelopment often brings, but are also poised to take advantage of growth opportunities that redevelopment can offer. Through on-site visits, meetings, programs, and the services of resource partners, the WRP staff engages Wheaton's small businesses on a continuing basis. Below are some of WRP's efforts:

- **Wheaton Business Resource Partners (WBRP)** - Coordinated by the Redevelopment Program (WRP), the WBRP is a strategic alliance of non-profit organizations and County, State, and Federal departments/agencies. The focus of the WBRP is to assist small businesses in improving their management, operations and marketing skills. During the 2007 holiday season, the WRP engaged 24 Wheaton businesses to participate in a group advertising campaign in association with Brookside Gardens and its "Garden of Lights" winter program. Subsequently, 10 of the participating businesses sought additional technical assistance;
- **Leading Economic Development in the Community (LEDC)** - is a program operated by the Latino Economic Development Corporation. LEDC provides a number of services that help current and prospective entrepreneurs develop their small businesses. In addition to providing technical assistance to small businesses, LEDC is also a micro-lender certified by the U. S. Small Business Administration. LEDC's local office is located at The Charles Gilchrist Center for Cultural Diversity at 11319 Elkin Street, Wheaton, MD. Call 240-777-4960 for more information;

- **State of Maryland Community Investment Tax Credits** - this Maryland Department of Housing & Community Development (DHCD) program permits the sale of tax credits to Maryland based for profit businesses by approved non-profit organizations. Revenues from the sale of the tax credits must be used by the non-profit to support programs approved by DHCD. This program was recognized by the Wheaton Redevelopment Program Office as a potential source of program funding for several of the Wheaton Business Resource Partners. LEDC was successful in securing funding from this program to support its efforts in Wheaton. The Redevelopment Office, in conjunction with the County's Department of Economic Development, continues to explore how this program might be implemented for broader benefit to Wheaton and the rest of the County;
- **MD Small Business Development Center (MD-SBDC)** - offers technical assistance to businesses and provides individualized business counseling - at no cost to the client - as well as seminars, to assist businesses with their management, marketing and capital requirements. Call 240-777-2000 for more information;
- **Wheaton Small Business Innovation Center (WSBIC)** - is operated by the Montgomery County Department of Economic Development located in the Westfield South Office Building. This small business "incubator" provides office space, conference rooms, support services and technical assistance to over 20 early-stage, Wheaton-based businesses. Contact lori.gillen@montgomerycountymd.gov or call 240-777-2000 for more information. The Center also houses an office of the Maryland Small Business Development Center (SBDC) which provides technical assistance to any small business operating in Montgomery County;
- **Local First Wheaton (LFW)** - recognizing the need for a collective voice for Wheaton's small businesses, Leading Economic Development in the Community (LEDC), at the request of the Redevelopment Program, began initial steps to create a small business association - Local First Wheaton. LFW will provide small business owners the opportunity to identify and discuss common issues and their solutions, as well as advocate as a unified voice. Equally important, LFW provides the opportunity for Wheaton businesses, as peers, to challenge each other in improving the quality of their businesses for the benefit of the Wheaton community-at-large; and

- **Wheaton Business Resource Calendar** – through the Montgomery County Government website, the WRP provides information about small business-related workshops and presentations. Produced in both English and Spanish (“Calendario de Recursos para Negocios en Wheaton”), the calendar provides “one-stop” access to programs and seminars offered by a variety of technical assistance providers that can help improve their businesses. In 2007 the calendar included 25 different small business-related seminars, which held over 73 sessions.

Business Retention Program

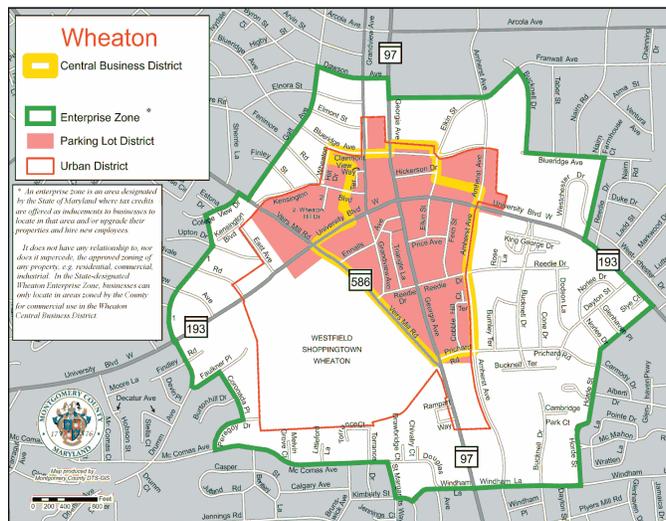
While redevelopment brings opportunities for existing businesses, it also brings challenges. In a new facility, operating expenses and particularly leasing costs, are almost always more expensive. Proximity to new construction often presents accessibility and convenience issues for customers, as well as delivery issues for the businesses themselves. Relocation - temporary or permanent - is an issue some affected businesses may face. Additionally, development can result in demographic or market shifts, which can be either a blessing or a curse to small businesses. Anticipation of these challenges is essential, and businesses must be capable of assessing their current condition in order to determine what resources they will need to navigate development successfully. In addition to the technical assistance described above, a number of incentives exist which can benefit, either directly or indirectly, small businesses:

- **Small Business Revolving Loan Program** - the County's Department of Economic Development administers a loan fund providing market rate loans up to \$100,000 for a variety of small business needs - working capital, asset acquisition, leasehold improvements are some examples. A significant criterion for approval is the economic impact the loan is anticipated to produce, and business retention is a specific goal of this program;
- **Community Legacy Small Business Loan Fund** - offered by the County's Department of Housing and Community Affairs, and administered by the Department of Economic Development, the fund provides loans up to \$50,000 related to improvements to real property. Leasehold improvements/renovations are an acceptable use of funds; and

- **Neighborhood Business Works Program** - is offered to small businesses through the Maryland Department of Housing and Community Development. This program will finance up to 50% of the cost of an asset-related project- up to \$500,000 - at below-market rates. Acceptable uses include the acquisition or renovation of real property, leasehold improvements, and equipment/inventory acquisition. Recipients must be located in Priority Funding Areas, which include Wheaton.

Green Tape Zone - administered by the County's Department of Permitting Services, this allows Wheaton businesses and development projects meeting eligibility requirements, to receive fast-track review of development applications and building permits.

Wheaton Enterprise Zone - is a tax incentive program provided by the state for eligible businesses and commercial property owners within the designated Enterprise Zone area. Wheaton's designation will expire in December 2008; however, a portion of the program has been extended by the state for five years. For more information about this program, contact Peter McGinnity at 240-777-8121. The Map below shows the actual Enterprise Zone area:



Enterprise Zone Map

Community Interaction

The Wheaton Redevelopment staff works closely with the Wheaton community providing outreach to the small business owners, civic associations, local organizations and community members to keep them informed and involved in the redevelopment process as it progresses.

The Wheaton Redevelopment Advisory Committee (WRAC), members, appointed by the County Executive, provide valuable advice and assistance to the Wheaton Redevelopment Program during this redevelopment process. The Committee meets on the third Wednesday of each month at 7 p.m. at 2424 Reddie Drive in downtown Wheaton. The public is encouraged to attend.

For information on Wheaton redevelopment projects; retailers; restaurants; businesses; events; community activities and organizations go to the County's web page at www.montgomerycountymd.gov/Wheaton.

Safe and Attractive Environment

Pedestrian Safety and Security

- Many pedestrian safety issues will be corrected with the implementation of the Wheaton Redevelopment Streetscape Program.
- New traffic signals were approved by the State Highway Administration (SHA) for north bound Georgia Avenue traffic at Prichard Avenue.
- Surveillance cameras were installed at the rear of the Mid-County Regional Services Center, 2424 Reddie Drive in Wheaton, overlooking the entrance to the Metro and surrounding area.
- Wheaton Redevelopment staff works closely with the Urban District Clean and Safe Team regarding crime and concerns of local businesses.

Ongoing and Future Redevelopment Program Goals

- Aggressively market Wheaton to potential commercial tenants;
- Actively participate in Sector Plan update to better promote redevelopment;
- Expand the "Wheaton Small Business Alliance" program;
- Apply for re-designation as an Enterprise Zone;
- Increase exposure for Wheaton small businesses through targeted marketing/advertising campaigns;
- Create a Redevelopment Specific web site with current up to date information and various links for information;
- Update and refresh Wheaton's marketing materials;
- Look at vacant retail space for use as Arts/Entertainment venues;
- Proceed with our Façade Improvement Program; and
- Advance our Streetscape Improvement projects on Ennalls and Price Avenues; as well as Fern and Elkin Streets from the Design phase to construction.

Projects Completed In Previous Years

Retail/Commercial Development

- **Office Depot** opened in December 2006 at Westfield's Mall adjacent to the South Office Building.
- **Best Buy** opened in October 2006 at the former site of Toys R Us located on Georgia Avenue.
- **CVS** opened a 13,000 square-foot store in late 2006 on property owned by Westfield.
- **Westfield** completed a million dollar expansion and renovation of a second level at the existing shopping mall in downtown Wheaton.
- **Macy's** opened a 180,000 square-foot two-story department store at Westfield's in spring of 2005. The 750-space parking garage, partially funded by Montgomery County, supports the \$30 million private investment.
- **Irene's Pupusas** opened a second restaurant in March 2005.
- **Hollywood East Café on the Boulevard** opened March 2005.
- **Pollo Campero** opened a restaurant in December 2004 after completely renovating a 3,050 square-foot building on Georgia Avenue.
- **Bally's Total Fitness Center** opened a 30,000 square-foot state-of-the-art facility in October 2004.



Bally's Total Fitness Center with The Montgomery in the background

- **Giant Food, Starbucks, Quiznos, Wachovia Bank, Baja Fresh, and Nextel** opened in October 2003.
- **Triangle Park**, a two-story retail building opened in October 2003 showcasing Wheaton's first private commissioned public art work.
- **Target** opened in July 2002 as the 3rd anchor store at the mall.

Residential Development

- **Bozzuto Group and Eakin Youngentob Associates** - completed construction of a 400,000 square-foot residential complex in late 2005. The Brownstones at Wheaton Metro have 75 luxury townhouses and The Montgomery at Wheaton Metro has 243 rental apartments. There's also a 400-space private parking garage built to serve the new residential units and the existing office building located south of the temporary Metro Kiss & Ride facility.



The Montgomery at Wheaton Metro & Gateway Plaza
243 Rental Units along Georgia Avenue

- **Pedestrian Walkway Link to Gateway Plaza** - A landscaped pedestrian walkway through The Montgomery & Brownstones at Wheaton Metro residential complex links the new Gateway Plaza to the Wheaton Metro Station. This walkway was funded by a State Mass Transit Administration Smart Growth Grant and supplemented by \$130,000 County funds. It was completed in early 2006.
- **The Gateway Plaza** - is located at the entrance of The Montgomery & Brownstones at Wheaton Metro residential complex. The Plaza has seating, landscaping and a water feature. It's a visual amenity and an attractive public entrance at the southern entrance to the downtown; as well as an open space area for residents to enjoy. The project was partially funded by the County at a cost of \$350,000. The project was completed in late 2005.
- **Clairmont at Wheaton Metro** - a 42 unit upscale masonry townhouse project with garages, a single-family home and a small park was completed in 2004.

- **Pembridge Square Apartments** - were renovated in December 2004 by its owner, Montgomery Housing Partnership who invested \$5.3 million in the 50-year old, 133-unit multi-family complex.

The Wheaton Redevelopment Program staff is available to work with individuals, community groups, businesses and developers. Please call 240-777-8121 for information and assistance or e-mail them at:

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Wheaton Redevelopment Projects



Wheaton

