


AGENDA ITEM #5
February 12, 2019

PUBLIC HEARING

MEMORANDUM

February 8, 2019

TO: County Council

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **PUBLIC HEARING - Resolution to Approve Declaration of No Further Need: Disposition of County Public Parking Lot 43 located at 8009 Woodmont Avenue, Bethesda, Maryland**

The resolution to approve the disposition of the Bethesda Parking Lot District's Public Parking Lot #43, located at 8009 Woodmont Avenue was introduced at the Council's January 22, 2019 session. It is attached at © 1-2¹.

Background

The County's property disposition law requires, with certain exemptions, that County-owned property being sold or being leased for more than two years, have a Declaration of No Further Need approved by the Council. The Executive must provide the Council with the material terms of the sale or lease, any information required by the Council to make its decision and must advertised the Declaration of No Further Need in the County Register (it is issued as an Executive Regulation). The Council must meet certain deadlines for action or extension. The Council is required to hold a public hearing, unless it affirmatively waives this requirement. The Council must affirmatively approve any recommendation from the Executive to dispose of property in a below market transaction. Approval of a Declaration of No Further Need authorizes the Executive to dispose of the property. The Executive is not required to dispose of the property and the Council is not executing or approving a contract when it approves a Declaration of No Further Need.

¹ The resolution has been corrected to reflect the Council received the Declaration of No Further need on January 9, 2019. (Background clause 2 and action clause.)

The Executive's memo and Declaration of No Further Need are attached at ©3-6. The main provisions are:

- The property will be sold to Aksoylu Properties, LLC in a fee-simple, full market transaction. The parcel is approximately 7,700 square feet. The appraised value is \$7,500,000 and an annual escalator is in place.
- The developer responded to a request for proposal issued by the County. No department or agency expressed an interest in reuse of the property.
- Aksoylu Properties, LLC, will develop a mixed-use project with at least 310 residential units. Twenty percent of the units will be Moderately Priced Dwelling Units (MPDU) affordable to households whose incomes do not exceed 65% of Area Median Income.
- The development will include approximately 13,638 square feet of commercial and retail space.
- There will be at least 354 parking spaces, or such number as required for housing and retail uses.

On February 5, 2019 the Council President notified the Executive that the Council may need to extend the time for Council consideration in order for a new appraisal to be completed (©7).

Attached:

Resolution to approve Declaration of No Further Need	© 1-2
January 7, 2019 memo from County Executive with material terms	© 3-4
Executive Order 197-18	© 5-6
Memo from Council President to Executive notice of extension	© 7

Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of Declaration of No Further Need: Disposition of County Public Parking Lot 43 located at 8009 Woodmont Avenue, Bethesda, Maryland.

Background

1. Montgomery County Code §11B-45 requires the Council to approve a Declaration of No Further Need before the Executive can dispose of real property that has more than nominal value. Prior to seeking Council approval of a Declaration of No Further Need, the Executive must:
 - (a) submit all material terms of the proposed disposition and any appraisal the Executive relied on in setting the property's market value to the Council; and
 - (b) publish a declaration in the County Register and post a notice on the County website that the County has no further need for the property.If the Council, by resolution, approves the Executive's Declaration of No Further Need, the Executive may dispose of the property for fair market value.
2. On January 9, 2019, the Council received a memo from County Executive Elrich recommending the Council approve a Declaration of No Further Need for Public Parking Lot 43 located at 8009 Woodmont Avenue in the Bethesda Parking Lot District. The terms are for a fee-simple, full market value sale to Aksoylu Properties, LLC. The memo explains that a no department or agency expressed an interest in reuse of the property. The County issued a request for proposals and has determined that the property should be sold to Aksoylu Properties, LLC, the only developer who could productively use the property. The development will include at least 310 residential units, of which 20% will be Moderately Priced Dwelling Units affordable to households whose income does not exceed 65% of Area Median Income, at least 354 parking spaces, and approximately 13,638 square feet of commercial and retail space.
3. The County Executive advertised Executive Regulation 197-18, Disposition of County Property: 8009 Woodmont Avenue, Bethesda, in the November 2018 County Register.

This is the County Executive's Declaration of No Further Need. No comments were received.

4. The Government Operations and Fiscal Policy Committee and Transportation and Environment Committee held a joint worksession on XXXXXX and recommend XXXXX.
5. A public hearing was held on February 12, 2019.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The Declaration of No Further Need for the Bethesda Parking Lot District's Public Parking Lot 43, located at 8009 Woodmont Avenue, Bethesda, Maryland, is approved and the property may be disposed of in a full market transaction as described in the material terms provided to the Council on January 9, 2019 and in Executive Order 197-18.

This is a correct copy of Council action.

Megan Davey Limarzi, Esq.,
Clerk of the Council




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

MEMORANDUM

Marc Elrich
County Executive

January 7, 2019

To: Nancy Navarro, President
Montgomery County Council

From: Marc Elrich 
Montgomery County Executive

Subject: Executive Order 197-18, Disposition of County Public Parking Lot 43
located at 8009 Woodmont Avenue, Bethesda, MD

This memorandum is to request the Disposition of Public Parking Lot 43 in the Bethesda Parking Lot District (PLD) and to transmit the material items of the fee simple sale of Lot 43 to Aksoylu Properties, LLC for full market value consideration.

This disposition, published in the November County Register, will facilitate the development of the property along with adjoining properties into a mixed-use development project that would include at least 310 residential units, of which twenty percent (20%) will be moderately priced dwelling units ("MPDUs") serving households whose income does not exceed sixty-five percent (65%) of the Area Median Income for the Washington Metropolitan Statistical Area. The development proposal is consistent with the Bethesda sector plan and would include approximately 13,638 square feet of commercial and retail space, underground structured private parking including at least 354 parking spaces, and other features and amenities.

This parcel, currently a Public Parking Lot (Lot 43) in the Bethesda PLD, is approximately 7,700 square feet. The Department of Transportation (MCDOT) conducted a reuse analysis for this parcel, no Departments or Agencies expressed an interest in the property, consequently MCDOT is recommending sale of the property for full market value to Aksoylu Properties, LLC. Following an extensive RFP process, Aksoylu Properties, LLC has entered into an agreement with the County to acquire this parcel and is the only property developer who could productively use this property.

As required under Section 11b-45 of the Montgomery County Code, an Executive Order declaring that the County-owned site is no longer needed for public use must be issued. Attached please find an Executive Order (197-18) published in the November 2018 County Register to give notice of my intent to proceed with disposition of Lot 43 to Aksoylu Properties,

Marc Elrich
January 7, 2019
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LLC for full market value and that the property is no longer needed for public use. The required advertisement for the material terms has now concluded without any comments or questions being received from the public.

With the conclusion of this 30-day review period, I now make the declaration of no further need which will start the Council 60-day process that includes either holding or waiving a public hearing, holding a Council committee work session, and finally full Council action to consider approval of this declaration. My staff is available to help facilitate the approval process if needed.

I hope this information is helpful. If you have any question, please contact Jose Thommana, Division Chief, Division of Parking Management, Department of Transportation at 240-777-8740 or jose.thommana@montgomerycountymd.gov.

Attachment

Cc: Al Roshdieh, Director, MCDOT
Jose Thommana, Chief, Division of Parking, MCDOT
Eric Willis, Section Chief of Real Estate, MCDOT
Jeffrey Riese, Chief Engineering Maintenance, MCDOT
Jeremy Souders, Chief Administrative Services, MCDOT



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Disposition of County Property: 8009 Woodmont Avenue, Bethesda	Executive Order No. 197-18	Subject Suffix
Montgomery County Department of Transportation	Department No.	Effective Date Nov 01, 2018

BACKGROUND

WHEREAS, the County acquired 8009 Woodmont Avenue (the "Property") in 1961 to operate as a public parking facility; and

WHEREAS, the property is currently operating as a County public parking facility (Lot # 43 – Woodmont Parking Lot) providing thirty-seven (37) surface parking spaces; and

WHEREAS, the property is approximately 7,700 square feet in size, is zoned as CR 3.0, C 1.0, R 2.75, H 175, and is largely unimproved except for a sidewalk; and

WHEREAS, the value of the property was appraised as \$7,500,000.00 on May 10, 2015; and

WHEREAS, a reuse analysis was conducted to determine if any County Department or Outside Agency had a need to use the Property for a public purpose; and

WHEREAS, through the reuse analysis, it was determined that there is no interest in the Property and the County Executive determined that the Property is no longer needed for public use; and

WHEREAS, the County entered into a Purchase and Sale Agreement with Aksoylu Properties, LLC (the "Developer") for the full appraised value of \$7,500,000.00, plus an annual escalator to ensure payment of full market value; and

WHEREAS, the Developer would develop a mixed-use project on the Property and on adjacent land owned by the Developer. The proposed project would include at least 310 residential units, of which twenty percent (20%) will be moderately priced dwelling units ("MPDUs") serving households whose income does not exceed sixty-five percent (65%) of the Area Median Income for the Washington Metropolitan Statistical Area, approximately 13,638 square feet of commercial and retail space, underground, structured parking including at least 354 parking spaces or such number of parking spaces needed to provide all required parking for the housing and retail uses, and such other features and amenities as may be determined by the Developer; and

WHEREAS, the County Executive has determined the property is no longer needed for public use and should be conveyed to the Aksoylu Properties, LLC to replace Lot 43 with a multi-family housing and retail development that includes below grade private parking; and



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Disposition of County Property: 8009 Woodmont Avenue, Bethesda

Executive Order No.
197-18

Subject Suffix

Montgomery County Department of Transportation

Department No.

Effective Date

Nov 01, 2018

WHEREAS, in accordance with the provision of Montgomery County Code Section 11B-45, Disposition of Real Property, the County Executive must issue an Executive Order declaring that County-owned land is no longer needed for public use.

ACTION

In consideration of the above recitals, the County Executive hereby declares that there is no further public need for the County Property located at 8009 Woodmont Avenue, Bethesda, MD 20816, comprising approximately 7,700 square feet, and hereby directs the Department of Transportation to take all steps necessary to dispose of the Property in the manner described in this Executive Order, including disposing of the Property to Aksoylu Properties, LLC for full market value.

Approved as to Form and Legality
Office of the County Attorney

By: [Signature]

Date: 10-4-18

APPROVED

[Signature]

Isiah Leggett
County Executive

Distribution:

- County Council
- County Attorney
- Department of Transportation
- Department of General Services




MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

OFFICE OF THE COUNCIL PRESIDENT

MEMORANDUM

February 5, 2019

TO: Marc Elrich, County Executive

FROM: Nancy Navarro, Council President 

SUBJECT: Extension of Council Consideration of Disposition of County Public Parking Lot 43, 8009 Woodmont Avenue, Bethesda, Maryland

On January 9, 2019 the County Council received your Declaration of No Further Need for County Public Parking Lot 43 located at 8009 Woodmont Avenue in the Bethesda Parking Lot District. The Council introduced a resolution to approve this disposition on January 22, 2019 and is scheduled to hold a public hearing on February 12, 2019.

The County property disposition law requires that full market value must be determined by an appraisal of the property obtained within 12 months before a declaration is submitted to the Council. The most recent appraisal was not completed within the last 12 months and a new appraisal is required. The Department of Transportation is arranging for a new appraisal. The property disposition law requires the Council notify the Executive if the Council expects to extend the time for consideration because it needs additional information. This memo provides notice that the Council will most likely need to extend time for consideration beyond 60 days to allow a new appraisal to be completed and considered.

Please contact my office or Linda McMillan of Council staff if you have any questions.

C: Councilmembers
Megan Limarzi
Al Roshdieh, Director, Department of Transportation
Dale Tibbetts, Special Assistant to CE