LINOWESANDBLOCHERLLP

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November 20, 1996

Robert H. Metz 301.650.7012

BY HAND

Mr. Donald Downing Maryland National Capital Park and Planning Commission 8787 Georgia Avenue Silver Spring, Maryland 20910

Re:

Bethesda Theatre Cafe Site

Beta Corporation

Dear Mr. Downing:

On behalf of our client, Beta Corporation and EM Smith Associates, we would like to thank you, Carolyn Hufbauer, Gwen Wright and Denis Canavan for meeting with us on November 13, 1996 to discuss the proposed plan for development of the Bethesda Theater Site and the surrounding area. As you are aware, Beta has assembled an excellent development team and is excited about moving forward with development plans for the property. The Beta site is particularly complex and will require creative solutions to meet the spirit and intent of the Bethesda Central Business District Sector Plan, approved and adopted July, 1994 (the "Sector Plan"), to address the community's concerns, and to produce an economically viable development. However, we are confident that with everyone's cooperation a desirable and viable project can be achieved.

This letter is intended to briefly review the issues discussed at our meeting, as well as some additional proposals that have come to light since then, and to transmit to you four (4) sets of the following documents:

- 1. An attendance sheet from the meeting of November 13, 1996.
- 2. A proposed schedule of the approval and development process.
- 3. Site plans, elevations and other architectural drawings of the current proposal.

The subject property includes approximately 105,887 square feet of gross site area composed of the Beta Site (including the Bethesda Theater Lot) and Lot 42. This includes 42,748 square feet in the CBD-2 zone and 63,139 square feet in the R-60 zone (recommended for a floating PD zone in the Sector Plan). The Bethesda Theater Cafe (the "Theater") is located on the CBD-2 portion of the property and its tower, marquee, facade and interior, as described in the Sector Plan, will be retained as part of the optional method of development for the property. Originally, Beta's plans called for an office building above the Theater and on the remaining portions of the CBD-2 property, and the Sector Plan recommended additional office use on the adjoining R-60 property. Recent studies have revealed, however,

Annapolis Centraville Columbia Frederick Groenholt Silver Spring Washington, DC

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that the County, the surrounding community and Beta would be better served by developing a residential project on the entire site -- an unexpected bonus that was not anticipated at the time of the Sector Plan adoption. Some of the details of the current development proposal are set forth below and in the attached Exhibit "A" (Analysis) and Exhibit "B" (Site Parcels).

Pursuant to the Sector Plan, Beta is proposing to incorporate the Theater lot, with its existing parking lot to the east and a portion of Lot 42, into a CBD-2 optional method development of approximately 196 dwelling units, including the appropriate number of MPDUs. This proposal includes abandonment of a portion of the alleys which currently abut the properties, an abandonment of a portion of Middleton Lane and the construction of an extensive structured platform to span and protect the Theater. As the cost estimates for this structure are generated, as well as the costs associated with the high-rise residential construction, it is clear that the maximum density permitted under the CBD-2 optional method and the adjoining PD-35 development (discussed below) must be realized in order to finance this extraordinary and unique project. Part of this density will be achieved by the eight story high-rise atop the Theater. The height of this building, once the structured platform has been accounted for, is 94 feet, which we recognize is four (4) feet more than the Sector Plan recommended. As we discussed, extensive engineering studies which had not taken place at the time of the Sector Plan have now been completed and the extent of the structured platform, in size and expense, has created the need for the additional 4 feet of height. This slight increase is necessary to produce a viable and marketable development, and can be achieved without setting an unwarranted precedent because of the unique nature of the project based on preservation of the Theater.

As to the remaining 63,139 square feet currently zoned R-60, the Sector Plan recommends a planned development which can be combined with the CBD-2 development to help fund the Theater preservation project, and so that both properties can be developed as one unified site plan With this in mind, Beta is currently proposing 25 townhouse units and 24,000 square feet of multifamily housing (approximately 24 additional units), for a total on this site of 48 units. The Sector Plan suggested 24,000 square feet of office space as an option, however, we believe, and were encouraged by your comments, that a residential use would be more appropriate. In order to achieve this number of dwelling units, we are proposing the PD-35 (since there is no PD-30 Zone) floating zone for this portion of the property. This zone allows for the additional residential building, instead of office space, and meets the objectives of the Sector Plan. The change from office to residential use will also be more compatible with the residential neighborhood to the east of the subject property, will generate substantially lower traffic and parking demands, and will help meet the increasing demand for housing in the CBD area and close to the Metro. With the potential for additional office towers on the Lorenz and Hot Shoppes properties, the possibility of more residential

¹ If the proposed number of dwelling units exceeds 50, after additional review and discussion, the appropriate number of MPDUs will be provided; however, at this time no MPDUs are being shown on this site.

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development on the subject property offers an unexpected benefit to the community and the County as a whole.

Also, as part of the overall project, Beta, in cooperation with Montgomery County and pursuant to a Memorandum of Understanding, will construct a public parking garage with approximately 500 spaces. This below-grade facility will serve both the residents of the project and the general public. In order to satisfy the County's objectives regarding the garage and the Sector Plan's intentions, portions of the facility may need to be located beneath public rights-of-way. We believe this is a feasible option and one which is supported by other similar projects in the Bethesda area.

Lastly, we discussed the procedure for processing the various approvals necessary to achieve the proposed development. Prior to submitting the development plan and initiating the implementation of the appropriate PD Zone, we intend to meet with the various citizens groups in the area as well as the Historic Preservation Commission. Thereafter, we will file the zoning application with the accompanying development plan, and request abandonment of a portion of the existing alleys and a portion of Middleton Lane, in hope that these two applications will reach the Planning Board at the same time and that final action by the District Council will occur simultaneously. Please refer to the enclosed Proposed Schedule which attempts to show the proper approval sequence.

As discussions with the community are just beginning, we want to be clear that the enclosed plans are only a starting point and we expect certain changes will be necessary. However, we wanted to provide you with something to begin your review and encourage additional discussion.

Again, we appreciate your taking the time to meet with us and we look forward to working with you and the community to bring this project to fruition.

If you have an questions please feel free to contact me.

My best regards.

Very truly yours,

OWES AND BLOCHER LLE

Robert H. Metz

RHM:sbw

Attachments

LINOWES AND BLOCHER LLP

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cc: Ms. Carolyn Hufbauer
Ms. Gwen Wright
Mr. Denis D. Canavan
Mr. Thomas Huff
Mr. Eugene M. Smith
Mr. David R.H. King
Brian J. Gibbons, Esquire
Lawrence M. Garten, Esquire
Mr. Charles A. Irish, Jr.

SS_CURRENT: 33324 v.01 01859.0001 Cre. 11/17/96 Orig. Typ.1temp Ed. 11/18/96 CBD-2 Site--Optional Method

CDD 2 Std - Optional mitures	Required / Allowed by Zoning Code	Recommended in Master Plan / Sector Plan	Provided
Minimum Lot Area	22,000 sf ¹ (59-C-6.231)	no recommendation	43,144 sf ²
Minimum Public Use Space	20% (59-C-6.233)	no recommendation	20%
Maximum Development Density (100% residential)	200 per acre = 198 (59-C-6.234)	200 per acre	198
MPDU's Required	15% req density (Code Section 25A)	no recommendation	26
Total Allowable FAR	5 (59-C-6.234)	no recommendation	5
Maximum Building Height	143' (59-C-6.235)	90'	94'
Minimum Setbacks (maintained as green area)	by board approval (59-C-6.236)	no recommendation	varies according to plan

¹Zoning plan allows parcels that individually would be restricted to Standard Method (80 units / acre) to be aggregated to qualify for Optional Method Development. Sector Plan recommends this approach.

²See Appendix 1 for CBD-2 site area breakdown.

PD-35 (floating zone, supersedes R-60 zoning)

· ,	Required / Allowed by Zoning Code	Recommended in Master Plan / Sector Plan	Provided
Minimum Lot Area	no minimum if in the public interest and recommended by sector plan (59-C-7.122)	recommended	63,139 sf ³
Housing Type (for less than 200 DU's)	townhouse, attached single-family, @ multi-family (59-C-7.131)	townhouse	townhouse & multi-family
Maximum Density	35 per acre = 51 ⁴ (59-C-7.14)	24,000 sf townhouse office plus 22 + units / acre	max 51
Minimum Amount of Green Area	50% of gross area (59-C-7.16)	no recommendation	46.61%
Minimum Setback	per sector plan (59-C-7.15.c.3)	15'	15'
Maximum Building Height townhouses	≤ distance from adjoining R-60 (59-C-7.15.b2)	35'	35'
multi-family residential	not specified	no recommendation	4 stories

³See Appendix 2 for PD-35 site area breakdown.

⁴See Appendix 2 for PD-35 density calculation.

Appendix 1

CBD-2 Site Area Breakdown:

Westb	oro Block 2, PB 23, P 1430	17,491 sf	(a)
+	30' x 93.15' swath of Outlot "A"	2,801 sf	(b)
+	250' x 20' alley parcel	5,000 sf	(c)
+	20' x 93.15' alley parcel	1,864 sf	(d)
+	110' x 104.10' swath Lot 42	11,416 sf	(e)
+	10' x 104.10' alley parcel	1,041 sf	(f)
+	Wisconsin Avenue right-of-way	2,035 sf	(g)
+	Middleton Lane right-of-way	1,496 sf	(h)
=	CBD-2 portion of site	43,144 sf	

TOTAL CBD-2 portion of combined site

43,144 sf gross site area

CBD-2 Density Calculation:

FAR Calculation:

43,144 sf x 5 FAR	· =	215,720 sf	Total CBD-2 FAR
	-	15,597 sf	Existing Theater FAR
	=	200,123 sf	RESIDENTIAL FAR

Appendix 2

PD-35 Site Area Breakdown:

Westboro Block 2, PB 12, P 839 (Beta site) 45,524 sf (j) 30' x 93.15' swath of Outlot "A" 2,801 sf (b) 85' x 20' alley parcel 1,950 sf (k) 2,748 sf (n) 1/2 alley PD-35 portion of Beta site 47,421 sf Parking Lot 42 (Rabner's Subdivision) 27,134 sf (m) 110' x 104.10' swath 11,416 sf (e) PD-35 portion of Parking Lot 42 15,718 sf SUBTOTAL, Beta Site 47,421 sf SUBTOTAL, Parking Lot 42 15,718 sf TOTAL PD-35 parcel 63,139 sf gross site area 43,144 sf gross site area **TOTAL CBD-2 parcel** TOTAL development area, PD-35 & CBD-2 = 106,283 sf gross site area

PD-35 Density Calculation:

 $63,139 \text{ sf} \div 43,560 \text{ sf} / \text{ acre} = 1.45 \text{ acres}$ 1.45 acres x 35 units / acre = 51 units

11/13/96	MONTGOMERY COUNTY-BETT	9 CORPORATION - APTOMODANCE
The state of the s	xme	REPRESENTING POSITION
	Brian Gibbons	Fedder o Gater - Beta
	CHUCK PRISH	VIKA Inc
	Emily Vaias	Linones + Blocher
	GWEN WRIGHT	MNCPPC - HIST. PRES.
,	DAUID KING	KCF
	Don Downing	M-NCPPC - Community Plann
	CAROLYN REVELLE HUFBAUER	M-NCPPC - Community Planning
	GENT Smilt	<i>5</i>
	Bolo Metz	Em 5 mit 11 son
	Melanie Berkemeyer	KCF
	Pennis Camadan	M-NCPPL- Formy
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SCHEDULE (BETA Corporation)

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- Meet with Staff
- Meet with Bowis
- Contact citizens
- Prepare CBD-2 project plan
- Prepare PD-35 Zoning and Development Plan

DECEMBER

- Meet with citizens
- Meet with Staff
- File Alley Abandonments and a portion of Middleton
- DOT approval of garage concept
- Contact Historic Preservation Commission Members
- Prepare CBD-2 Project Plan and PD-35 Zoning and Development Plan

JANUARY, 1997

- File PD-35 zoning application and Development Plan
- File Project Plan, CBD-2
- File Historic area work permit application
- Meet with Staff
- Meet with citizens

FEBRUARY

- DRC meeting
- Meet with Staff
- Meet with citizens
- MCPB recommendation on alley abandonments and a porton of Middleton (Staff and Board Hearing)

MARCH

- Staff report on PD-35 Zoning and Development Plan and CBD-2 Project Plan
- Hearing Alley Abandonment
- Advisory Board presentation
- Historic Preservation Commission Hearing

APRIL

- Historic Preservation Commission Decision
- M-NCPPC hearing on PD-35 Zoning and Development Plan and CBD-2 Project Plan
- M-NCPPC Decision on CBD-2 Project Plan
- Hearing Examiner hearing on PD-35 zoning and Development Plan
- Prepare Site Plan and Preliminary Plan

MAY

- Hearing Examiner Report and Recommendation on PD-35 zoning and Development Plan
- Prepare Site Plan and Preliminary Plan
- Meet with Staff
- Meet with citizens
- Hearing Examiner Report and Recommendation on alley abandonments and a portion of Middleton

JUNE

- Council Decision on PD-35 zoning and Development Plan
- File Site Plan for PD-35and CBD-2
- Council Decision on alley abandonments and a portoin of Middleton
- File Preliminary Plan

JULY

- DRC meeting
- Meet with Staff
- Meet with citizens

AUGUST

- Meet with Staff
- Staff Report on PD-35 and CBD-2 Site Plan and Preliminary Plan

SEPTEMBER

 M-NCPPC hearing and decision on PD-35 and CBD-2 Site Plan and Preliminary Plan

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BOX 6

36/1 National Park Seminary 1991 Report of Excess

Rolling Ridge et al Amendment, 1992

Resources Removed from Locational Atlas:

- 23/113 Norbeck Historic District Atlas file
- 18-21 William Brown House

Staff Rec Aspen Hill area, 1991

Clarksburg Historic Resources Amendment

Gwen Wright, National Trust conference, 1990

MPHP Amendments Long Range plan, 1990 MPHP Amendments Long Range plan, 1996

Evaluation of HPC, 1990

HPC ID cards

Relocation of HPC, 1990

Transfer of development rights for HPC

Non Residential Building legislation

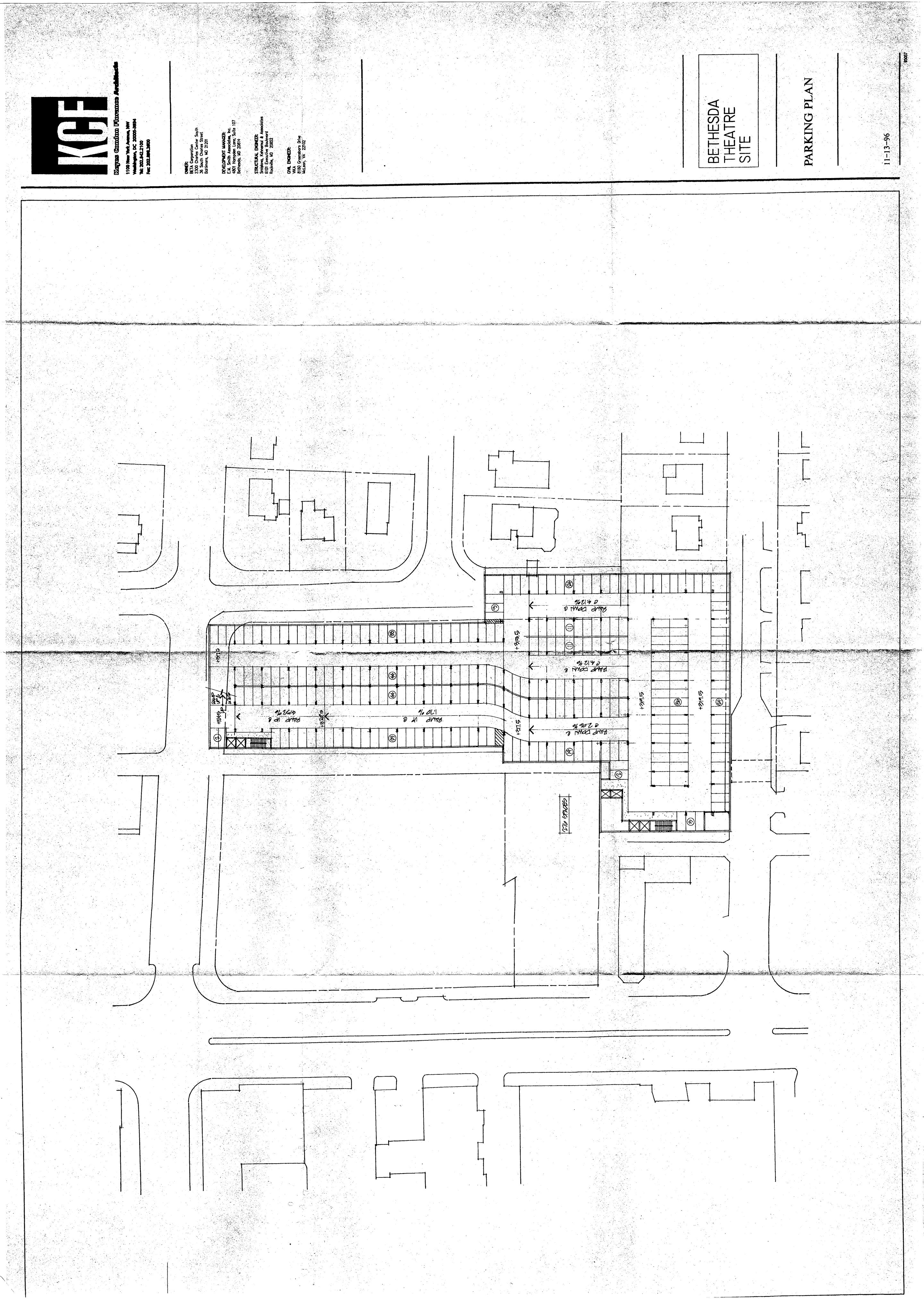
Rural Village Zone, 1991

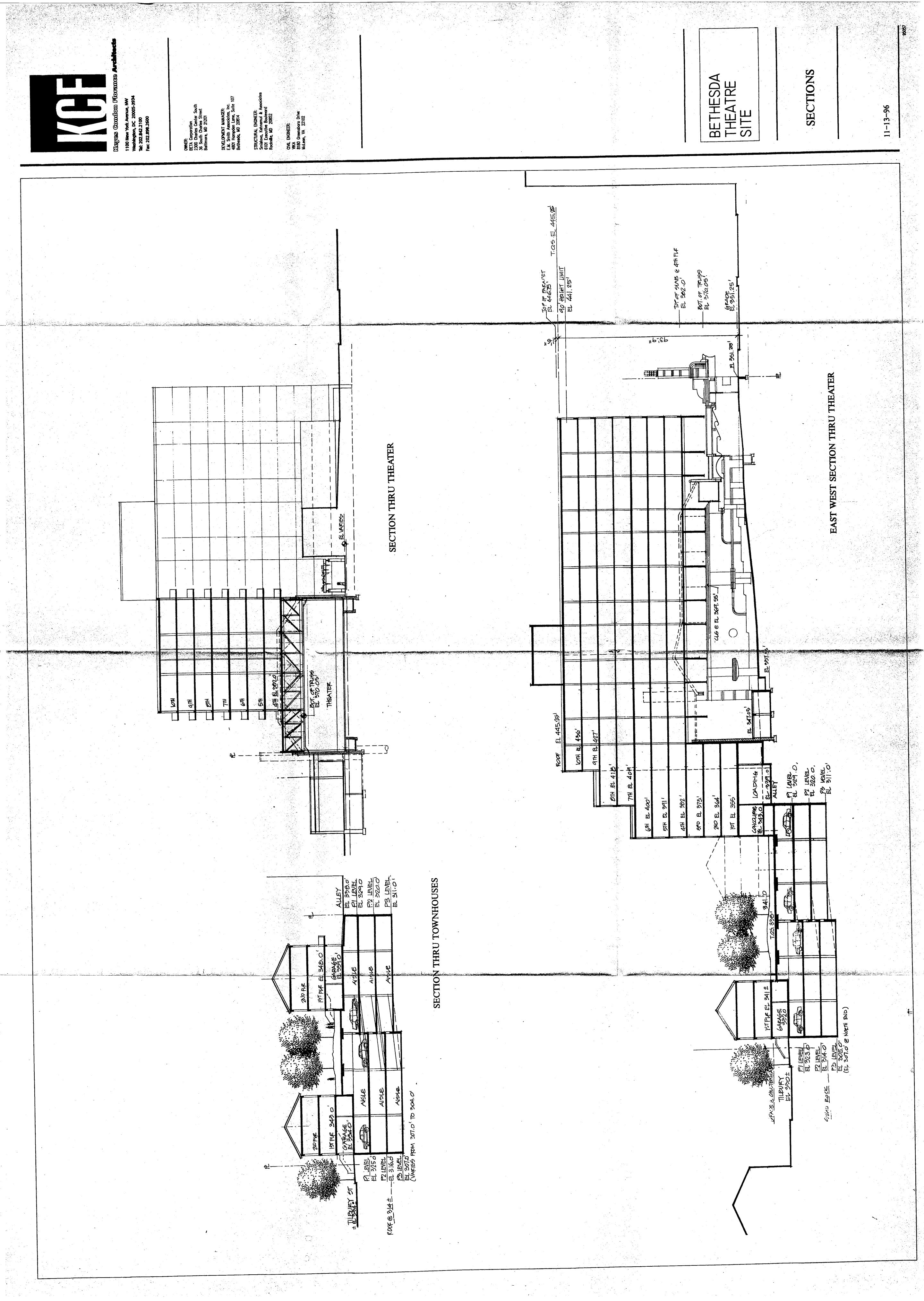
Brighton Grange, 1991

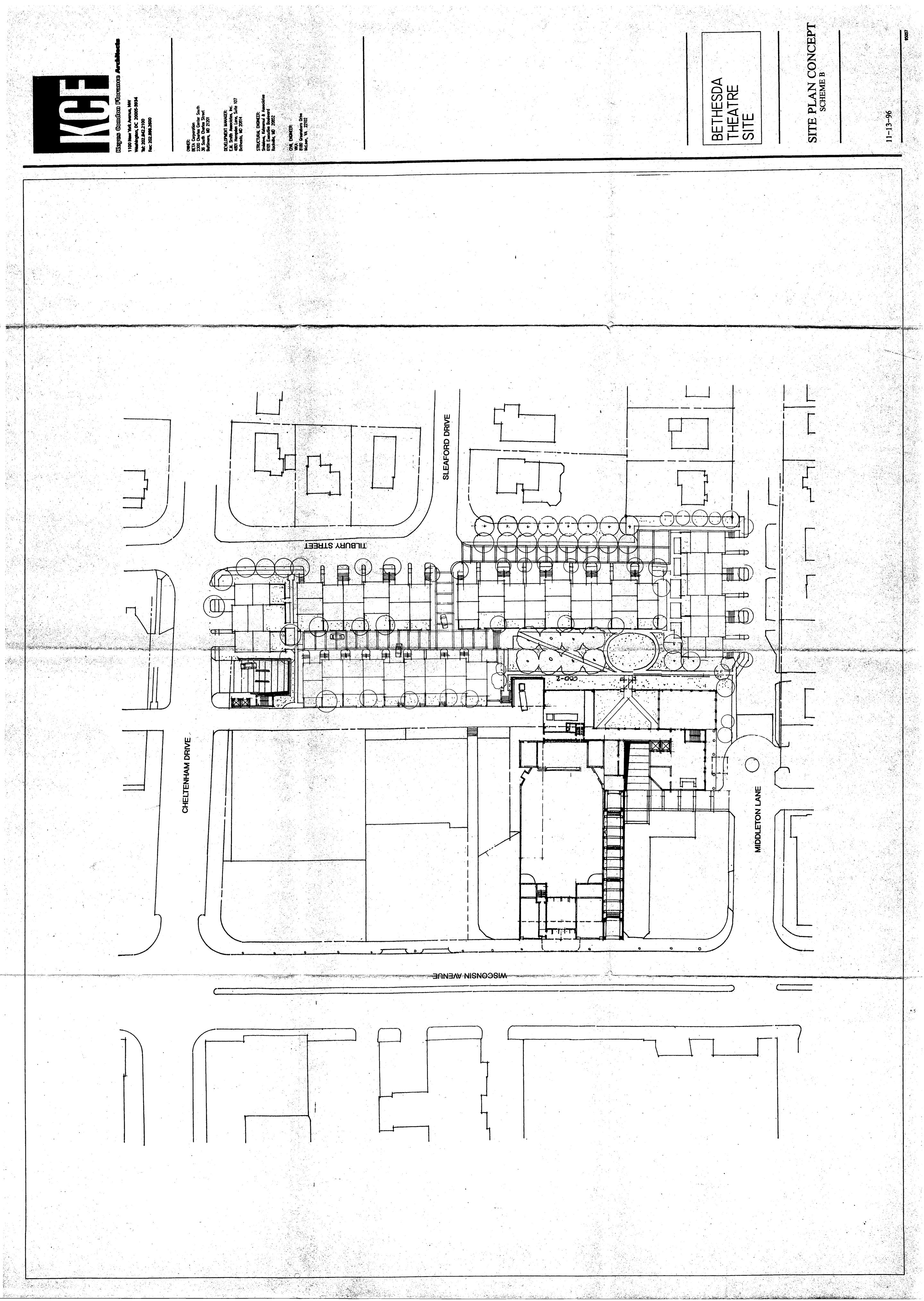
1996 Files: MHT Correspondence;

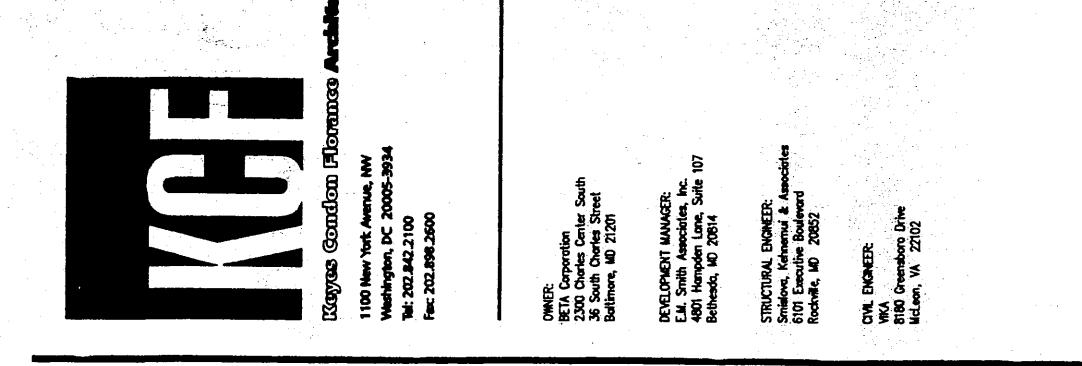
South Silver Spring Sector Plan;

Bethesda Theatr









BETHESDA THEATRE SITE SITE PLAN CONCEPT SCHEME A

