MONTGOMERY COUNTY, MD: Economic Development Through Partnerships

International Municipal Lawyers Association

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Silver Spring

Revitalizing a Central Business District

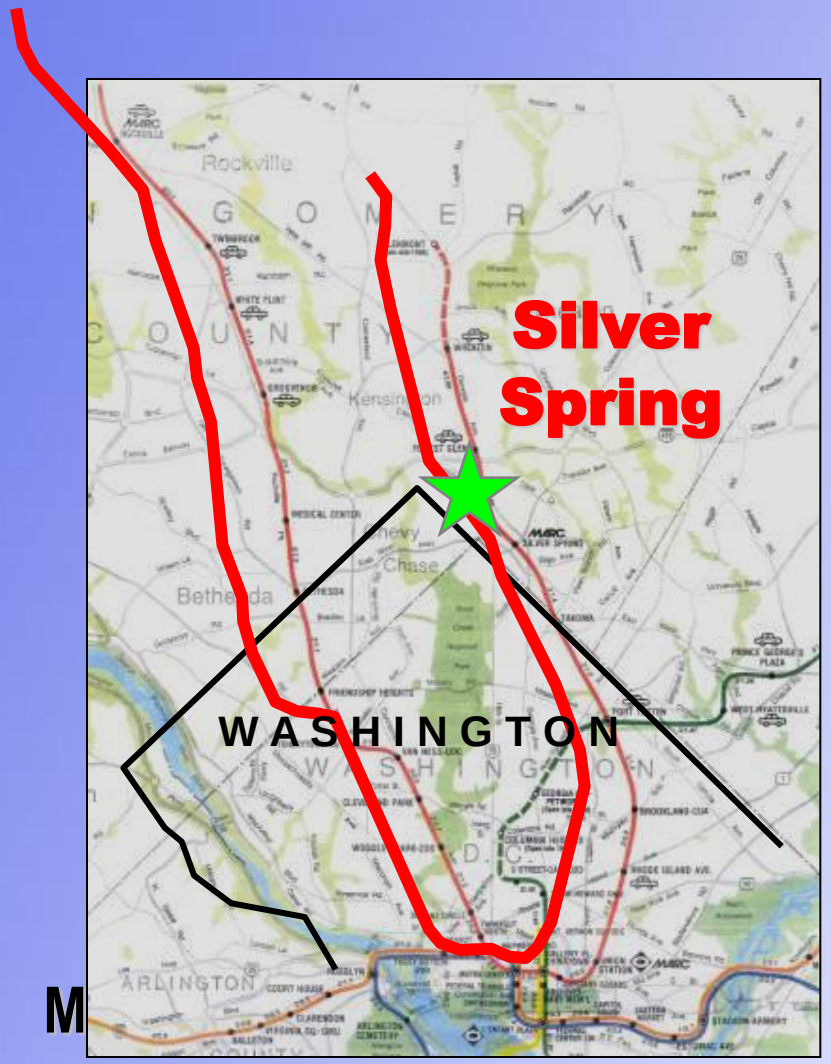




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Regional Context



- Urban place on the edge of District of Columbia
- First tier suburb
- Diverse population
- On Metro red line

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The Problem



Silver Spring CBD (2003)

- Economic Deterioration
- Retail was Not Serving the Neighborhoods
- Perception as an Unsafe Place
- Fear that the Blight Would Spread

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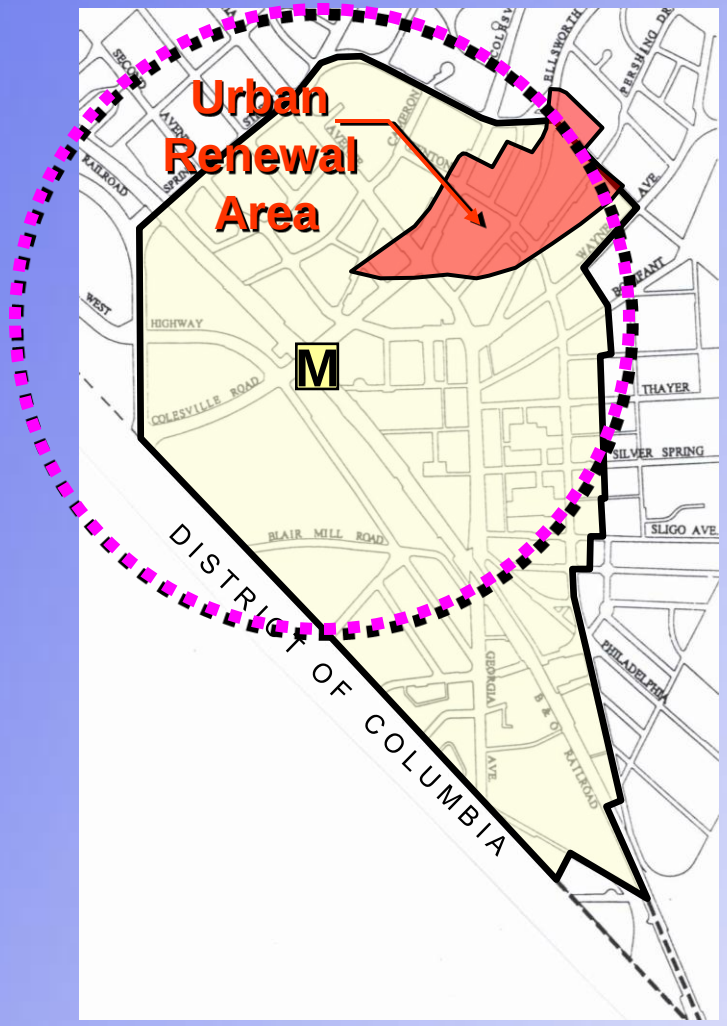
Tools for Revitalization



- Public/Private Partnerships
- Green Tape Zone
- Parking Lot District
- Use of Public Property to Stimulate Redevelopment
- Urban District

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Tools for Revitalization



- Urban Renewal Area
- Smart Growth Initiatives
- Enterprise Zone
  - Tax Incentives
  - Impact Tax Exemption
- Arts and Entertainment District
  - Tax incentives

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Catalyst for Economic Success





- **Public & Private Investment exceeds $1.7 Billion**
- **Public Dollars Leverage Private Investment (1:3 Ratio)**
- **Increase in Activity**
- **New Employers**
- **Demand for Residential**

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Adaptive Reuse



Silver Spring Square (Canada Dry)



Discovery Creative Technology Center



Gramax Building



Eastern Village Co-Housing

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Historic Preservation



Tastee Diner Relocation



Silver Shopping Center Renovation



B&O Train Station Renovation



Silver Theatre Renovation

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Encouraging the Arts



Pyramid Atlantic



Round House Theater/ AFI / Silver Theatre



Montgomery College Cultural Arts Center

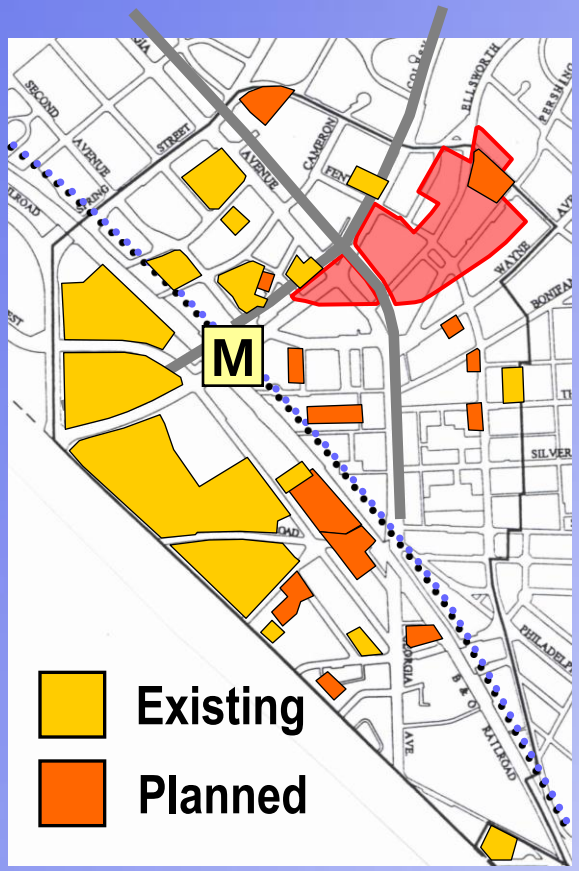


Optional Method Public Art

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New Housing Opportunities





Cameron Hill



KSI Ripley Street



The Bennington



Silver Spring Gateway

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Discovery Communications



- 533,000 sf Headquarters
- 65% Public Use Space
- Discovery Garden
- Discovery Plaza
- Significant Public Art
- 1,600 employees



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Downtown Silver Spring







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WHAT?

Privately owned 225 room first-class hotel

Conference Center owned by the State of Maryland and Montgomery County

Jointly designed, constructed and managed



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WHERE?

- Site is a 12-acre parcel immediately adjacent to the Metro
- Embodies Smart Growth principles
- Heart of the new White Flint mixed – use development



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HOW?

- County owns the land
- Leases 40% to hotel on a 99-year lease
- Low density – future development opportunities

WHO?

- **Partnership between Montgomery County and the State of Maryland**
- **Private sector team led by Quadrangle Development Corporation; later JBG**
- **Marriott International manages both sides of the "*house*"**



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THE PARTNERS

- **$80 million project (2003 dollars)**
- **$40 million conference center developed, financed, and owned by the public sector**
- **$40 million hotel developed, financed, and owned by the private sector**



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ONE PROJECT

- Invisible property line
- One manager under two separate management agreements
- Construction and operational allocations for everything
- Shared expenses = less expenses for both = more complicated financial matters



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SUCCESS

- Operating profit for both sides of the house the first year
- Operations stabilized the first year
- Hotel expansion completed
- Development opportunities being master planned



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United Therapeutics Corporation: From Parking Lot to…



Biotech Hot Spot!



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WHAT?

- Small biotech company located in Silver Spring
- Looking to expand; was offered a free shell building in Boston
- DED looked into suitable existing buildings/locations

HOW?

- **Directly adjacent to UTC was a county-owned surface parking lot**
- **Sold the lot to UTC for the market value of $3 million in SIX MONTHS**
- **Assisted the company in the land-use and site plan process and with County's Sign Review Board.**

COMMUNITY ASSET

- Commitment to the adjacent community via a public plaza
- Sidewalk features a bioscience "walk of fame"
- First floor has a coffee bar and exhibit space for local artists

15 YEARS of SUCCESS!



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END RESULT

- Revitalization of the adjacent community- 800 new apartments and a renovated Hampton Inn/Homewood Suites
- Increase in property taxes
- Growing and successful biotech company

OTHER PUBLIC-PRIVATE PARTNERSHIPS

- Shady Grove Life Sciences Center
- University of Maryland and Johns Hopkins University attractions
- Fillmore

KEYS TO SUCCESSFUL PUBLIC-PRIVATE PARTNERSHIPS

- Recognize each other's ultimate goals, bottom line, abilities and constraints
- Must have same mission; share same vision
- Obtain a good attorney/manager who specializes in the given area
- Must be a sound project

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KEYS TO SUCCESSFUL PUBLIC-PRIVATE PARTNERSHIPS

- Mutual trust is essential
- Always listen carefully
- Remember controversial projects take time
- Political commitment must exist

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