

Resolution No.:	<u>20-630</u>
Introduced:	<u>September 10, 2024</u>
Adopted:	<u>October 8, 2024</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the Request of the County Executive

SUBJECT: Approval of the Disposition of County Parking Lots 25 and 44, located in Bethesda, Maryland, to Lots 25 & 44 Associates, LLC

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. Montgomery County Code §11B-45 defines a disposition as "the sale of County owned or controlled real property; the lease or license of County owned or controlled real property for a term of 2 years or longer or for an initial term of less than 2 years that is extended or renewed beyond 2 years; or a lease or other agreement that provides the lessee with an option to buy the County owned or controlled real property".
3. On August 30, 2024, the Executive transmitted the material terms of the proposed disposition. The Executive recommended disposal of the property to Lots 25 & 44 Associates, LLC as part of a public-private redevelopment initiative that includes the construction of multi-family buildings and public parks in Bethesda. As part of the proposed redevelopment, the County will receive a new 145-space public parking garage and two (2) public parks.
4. On July 25, 2023, Montgomery County, by and through the Department of Transportation, Division of Parking Management, entered into a General Development Agreement with Lots 25 & 44 Associates, LLC concerning the development initiative.

5. On September 3, 2024, Executive Order #153-24 was published in the Online version of the County Register to give notice of the County's intent to proceed with disposition to Monument Realty and that there was no further need for public use.
6. The Council is scheduled for a public hearing on this recommended disposition on September 24, 2024.
7. A Joint GO/TE Committee worksession was held on September 30, 2024. The Joint Committee recommended 5-0 approval of this disposition.

Action

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

The Declaration of No Further Need for the transfer of the County's interests in Lot 25 and 44, located at 4707 Highland Drive and 4704 West Virginia Avenue, respectively, in Bethesda, Maryland is approved and the properties may be disposed of as described in the material terms provided to the Council on August 30, 2024, the Executive's transmittal memorandum dated September 3, 2024, and in Executive Order #153-24 as published in the County Register on September 3, 2024.

This is a correct copy of Council action.



Sara R. Tenenbaum
Clerk of the Council



MONTGOMERY COUNTY EXECUTIVE ORDER

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

Disposition of County Property: 4707 Highland Avenue, Bethesda and 4704 West Virginia Avenue, Bethesda	Executive Order No. 153-24	Subject Suffix
Montgomery County Department of Transportation	Department No.	Effective Date 09/03/2024

Declaration of No Further Need

Recitals

WHEREAS, Montgomery County, Maryland is the fee simple owner of 60,000 square feet of land, more or less, located at 4707 Highland Avenue in Bethesda that is presently used as a 129 space public surface parking lot known as Public Parking Lot No. 25 (the “Lot 25 Property”); the Lot 25 Property consists of twenty (20) separate parcels of land identified as Lots 7-26 in Block 1, on a plat of subdivision titled West Chevy Chase Heights and recorded among the Land Records of Montgomery County at Plat 186; being those same parcels purchased by Montgomery County by the following ten (10) Deeds recorded among the Land Records of Montgomery County: 1) Book 2103, page 59 (Lots 17 and 18, August 4, 1955); 2) Book 2143, page 198 (Lots 7 and 8, November 30, 1955); 3) Book 2293, page 198 (Lots 9 & 10, October 17, 1956); 4) Book 2307, page 96 (Lots 19 and 20, January 26, 1957); 5) Book 4195, page 430 (Lots 15 and 16, March 14, 1972); 6) Book 4213, page 526 (Lots 21 and 22, April 11, 1972); 7) Book 4217, page 310 (Lots 11 and 12, May 5, 1972); 8) Book 4208, page 240 (Lots 23 and 24, April 24, 1972); 9) Book 4234, page 359 (Lots 13 and 14, June 9, 1972); 10) Book 4235, page 137 (Lots 25 and 26, June 29, 1972); and

WHEREAS, Montgomery County also controls the public right of way running through the center of Block numbered 1 on Plat 186; such right of way being the subject of a current abandonment petition before the Planning Board for Montgomery County, Maryland; and

WHEREAS, Montgomery County, Maryland is the fee simple owner of 17,000 square feet of land, more or less, located at 4704 West Virginia Avenue in Bethesda that is presently used as a 54 space public surface parking lot known as Public Parking Lot No. 44 (the “Lot 44 Property”); the Lot 44 Property consists of four (4) parcels of land identified as Lots 11, 12, 13 and 14 in Block 9 on a plat of subdivision titled West Chevy Chase Heights and recorded among the Land Records of Montgomery County at Plat 186; being those same parcels purchased by Montgomery County by the following two (2) deeds recorded among the Land Records for Montgomery County: 1) Book 2888, page 338 (Lots 11 & 12, August 24, 1961); and 2) Book 2847, page 408 (Lots 13 and 14, May 19, 1961); and

WHEREAS, the Lot 25 Property and the Lot 44 Property collectively consist of 77,000 square feet of land, more or less, and are improved with a total of 183 public parking spaces that are managed by the Montgomery County Department of Transportation (MCDOT) Division of Parking Management; and



MONTGOMERY COUNTY EXECUTIVE ORDER

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

Disposition of County Property: 4707 Highland Avenue, Bethesda and 4704 West Virginia Avenue, Bethesda	Executive Order No. 153-24	Subject Suffix
Montgomery County Department of Transportation	Department No.	Effective Date 09/03/2024

WHEREAS, pursuant to an appraisal dated January 15, 2024, the estimated fair market value of the Lot 25 Property and Lot 44 Property (both land and improvements) is \$12,300,000.00 (\$8,000,000.00 for the Lot 25 Property and \$4,300,000.00 for the Lot 44 Property); and

WHEREAS, the County is proposing to dispose of both the Lot 25 Property and the Lot 44 Property to Lots 25 & 44 Associates, LLC as part of a public-private redevelopment initiative that would replace the existing surface parking lots with residential housing, including affordable housing, and other public amenities including public parks and new public parking garages; and

WHEREAS, pursuant to Section 11B-45 of the Montgomery County Code, the Montgomery County Office of Management and Budget conducted a preliminary reuse review of the proposed disposition and determined that the proposed redevelopment initiative furthers the 1994 Bethesda Central Business District Sector Plan and the Bethesda Downtown Plan of 2017 and that the Lot 25 Property and Lot 44 Property are no longer needed for public use; and

WHEREAS, a reuse analysis was conducted to determine if any County Department or Outside Agency had a need to use either the Lot 25 Property or the Lot 44 Property for a public purpose; and

WHEREAS, a public hearing was held on March 14, 2024, to receive public comments concerning the proposed disposition; and

WHEREAS, after considering the reuse analysis, the County Executive has determined that the Lot 25 Property and the Lot 44 Property are no longer needed for County use and should be conveyed to Lots 25 & 44 Associates, LLC, subject to the terms and conditions set forth in a General Development Agreement (GDA) with Lots 25 & 44 Associates, LLC; and

WHEREAS, in accordance with the provisions 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; and

WHEREAS, the County Executive has submitted the material terms of the GDA to the Council.



MONTGOMERY COUNTY EXECUTIVE ORDER

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

Disposition of County Property: 4707 Highland Avenue, Bethesda and 4704 West Virginia Avenue, Bethesda	Executive Order No. 153-24	Subject Suffix
Montgomery County Department of Transportation	Department No.	Effective Date 09/03/2024

ACTION

In consideration of the above recitals, the County Executive hereby declares that there is no further public need for both the Public Parking Lot No. 25 property located at 4707 Highland Avenue and the Public Parking Lot No. 44 property located at 4704 West Virginia Avenue, collectively comprising 77,000 square feet of land, more or less.

Approved as to Form and Legality
Office of the County Attorney/Bond Counsel

Clifford L. Royalty

By: _____

Date: ____ 8/28/24 ____

APPROVED

Marc Elrich

Marc Elrich
County Executive

Distribution:

County Council
County Attorney
Department of Transportation
Department of General Services