

EXCLUSIVE OFFERING FROM CPG

Parklawn Plaza - Office Building

PRIME REDEVELOPMENT OPPORTUNITY

Property Address:

11821 Parklawn Dr
Rockville, MD 20852

Visibility & Access:

Parklawn Plaza is favorably located on Parklawn Drive between Rockville Pike and Veirs Mill Road and readily accessible to I-270 and I-495. Two WMATA Metro stops, Twinbrook and North Bethesda, are within 1.5 miles of the property.

Rare Rockville Opportunity:

Parklawn Plaza is a 1.75 Acre site improved with a Four Story, Class B, 44,030 sq/ft office building with 98 surface parking spaces. The current occupancy is at 60%, with most leases expiring in two to three years. The property is zoned Employment Office (EOF). Parklawn Plaza is just 1.3 Miles away from the new Pike & Rose community, which features a variety of dining, shopping, and entertainment.

7272 Wisconsin Avenue, 10th Floor,
Bethesda, MD 20814

(301) 945 - 0154
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Business Terms

Sales Price	Contact CPG for Guidance
Offers Due By	November 24, 2023
Study Period	60 Days
Terms	Cash at Settlement
Deposit	MIN 5% of PURCHASE PRICE
Settlement	Negotiable

All information should be independently verified and has been gathered from sources deemed to be reliable, but not guaranteed by CPG Realty, LLC or its agents. Offering Memorandum is subject to price changes, omissions, corrections, prior sales, or withdrawal.

There is no real estate brokerage commission offered to co-operative brokers.



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Executive Summary

Parklawn Plaza

Rockville, MD

Residential Redevelopment

CPG Realty, LLC (CPG) is pleased to present Parklawn Plaza (the “Property”), located at 11821 Parklawn Drive in Rockville, MD. The site is 1.75 Acres and improved with a Four Story, Class B, 44,030 sq/ft Office Building that is surface parked with 98 spaces. Located just off of Rockville Pike within close proximity to WMATA Metro stops Twinbrook & North Bethesda (both within 1.5 miles of site). Also only 1.3 miles away from Parklawn Plaza is the new Pike & Rose community, which offers diverse shopping, dining, and multiple entertainment options.

Parklawn Plaza’s desirable location makes it a highly sought after residential redevelopment site in a submarket that has an extremely low residential inventory. The property is currently zoned EOF (Employment/ Office), and will require a rezoning. The site is on the east side of Parklawn Drive and adjacent to existing multifamily residential developments.

The property is currently 60% leased with most leases ending in 2-3 years. Copies of pertinent financial information and leases will be provided upon execution of a Confidentiality and Non-Disclosure Agreement (CA/NDA). The sellers are open to both ‘as-is’ and ‘subject to’ offers for this unique and highly sought after redevelopment opportunity in Rockville, MD.





Address: 11821 Parklawn Drive
Rockville, MD 20852

Tax Account Nos: Montgomery County Tax Account No.
District - 04 Account Number - 02548147

Municipality: Rockville, MD

Property Size (Land Area): 1.75 Acres
or 76,230 sq/ft

Existing Conditions: The property is improved with a four - story 44,030 SF Class B Office Building surface parked at 98 spaces.

Building Occupancy & Tenancy: The office building has approximately 44,030 rentable SF and is currently 60% occupied. A CA is required for additional tenancy information.

Current Zoning: Employment Office (EOF) zoning permits general office, research and development, light manufacturing and production, and certain types of storage facilities.

Utilities: Public Water, Public Sewer, and Gas

Environmental: There are no known environmental issues associated with the property.

Schools:

- Garrett Park Elementary School
- Tilden Middle School
- Walter Johnson High School

Topography: Mostly Level

Development Impact Taxes: Taxes vary depending on use and product type. Click here to access the current Montgomery County Impact Taxes. All taxes are subject to change and should be independently verified by buyer.

Affordable Housing: A residential development with a minimum of 20 units will require between 12.5% - 15% to be Moderately Priced Dwelling Units (MPDU's).

A detailed Land Use Memorandum has been provided by Patricia Harris of Lerch, Early & Brewer and can be accessed by clicking on the Dropbox.com link to the right. A summary of the key information from the Memorandum can be found below.

I. Property Description

The Property is located on the east side of Parklawn Drive, approximately 1,000 feet south of Randolph Road in an area with a mix of uses and zoning. Four-story garden apartments surround the Property to the north, south and east, while across the street on the west side of Parklawn Drive there are a combination of office and light industrial uses.

The Property is referred to as Parcel D, Block 5, Randolph Farms subdivision, bearing tax account no. 04-00116550. According to the records of the State Department of Assessment and Taxation (“SDAT”), the Property contains 76,333 square feet of land area. The SDAT square footage reflects the net tract area, not the gross tract area (which includes prior dedications) and therefore at the appropriate time, a civil engineer should identify the gross tract area. The Property is reflected on Record Plat No. 15593 (Exhibit A). The SDAT records indicate that the Property is improved with a total of 44,030 square feet that is currently devoted to office use. Access to the Property is provided off of two driveway entrances located at the north and south ends of the Property and surface parking is provided along the north and south ends of the Property and to the rear of the building to the east.

II. Current Zoning

The current zoning of the Property appears to be a result of the existing land uses on the Property at the time the White Flint II Sector Plan was adopted. The Property is zoned Employment, Office (“EOF”) 1.5, H. 75 which allows a maximum density of 1.5 floor area ratio (“FAR”) and a maximum height of 75 feet (Exhibit B). As the zoning classification implies, the EOF Zone is focused on employment and office uses. Residential uses in the EOF are restricted and the zone allows residential density only up to 30 percent of the overall gross floor area developed on the site. While Residential Care Facilities (i.e. senior housing) for over 16 persons are permitted in the EOF Zone pursuant to Conditional Use approval, a minimum lot size of two acres is required, and thus, a Residential Care Facility is not permitted on the Parklawn Property under the existing EOF zoning. The Zoning Ordinance Use Table identifying the permitted uses in the EOF Zone is included as Exhibit C.

III. Development Potential

Redevelopment of the Property in accordance with the existing EOF zoning would allow a maximum of 1.5 FAR or 114,499 square feet of development, subject to Sketch Plan and Site Plan approval. A more appropriate use of the Property however may be residential use, and as discussed herein, based on an August 2023 meeting with Maryland-National Capital Park and Planning Commission (“M-NCPPC”) Staff, Staff is supportive of residential development on the Property. In addition, the White Flint II Sector Plan includes language supportive of residential development in that it provides “Promote the retention of light industrial properties along with the introduction of residential uses.” (p.20) In order to achieve any meaningful residential density on the Property, the Property would either need to be rezoned or a Zoning Text Amendment (“ZTA”) would be needed to revise the current provisions of the EOF Zone. M-NCPPC Staff was enthusiastic about residential uses on the Property and indicated that they would support the rezoning of the Property to the CRT Zone. Staff was less committal about whether the residential use could be accommodated pursuant to a ZTA, but this avenue could also be explored. Residential development at this location providing 20 or more units will be required to provide 15 percent of the total number of units as moderately priced dwelling units (“MPDUs”).

A. Rezoning

In order to accommodate new residential development on the Property (other than the 30 percent or noted above), and absent a ZTA as discussed below, it will be necessary to rezone the Property. Zoning Ordinance Section 59-5 allows a rezoning pursuant to the floating zone provisions, with the maximum allowable density prescribed by the underlying zoning and the size of a site. Given the existing CRT (commercial residential) Zone to the north and west of the Parklawn Property, a rezoning to CRT appears to be the most appropriate zone, and as mentioned, Staff was supportive of the CRT Zone. The maximum density allowed is a 3.0 FAR, with neither the commercial or residential density exceeding a 2.0 FAR. While the rezoning process also provides the opportunity to increase the existing maximum height allowed on a site, from a practical standpoint we do not think this is feasible in this instance, given that the zoned 75 feet in height is higher than the allowable heights of many of the surrounding properties. In fact, it is possible (although perhaps not likely) that M-NCPPC may take the position that in connection with any rezoning, the allowable height should be reduced. The Zoning Ordinance Use Table (Exhibit C) sets forth the uses permitted in the CRT.

The residential uses permitted in the CRT Zone include: single family, duplexes, townhouse and multi-family. In addition, Independent Living and Residential Care Facilities (i.e. assisted living; independent living with an assisted living component; nursing home; and a continuing care retirement community) are Limited Uses in the CRT Zone. The applicable Limited Use standards pertain to licensing and resident eligibility which will not impact the development potential of this use on the Property.

The key components of the CRT Zone are as follows:

- FAR and height determined by the rezoning
- No prescribed setbacks; setbacks are determined in connection with the Site Plan
- Parking must be located behind the front building line
- No public use space required (given size of the Property and only one frontage)
- Optional Method Development requiring Sketch Plan and Site Plan (and preliminary Plan if determined necessary) for all development in excess of 1.0 FAR.
- If greater than 1.0 FAR but less than 1.5 FAR, 25 public benefit points from 2 categories are required
- If 1.5 FAR or greater, 50 public benefit points from 3 categories are required

Note: There should be no issue achieving 50 public benefit points.

We note that the Record Plat identifies a number of easements on the Property including water, sewer and slope easements and a 15-foot building restriction line along the frontage. These easements and their potential relocation and/or termination will need to be further evaluated in connection with any redevelopment of the Property.

Rezoning the Property to the CRT Zone will take approximately seven months from the time the rezoning application is filed, assuming no major opposition or major disagreements with M-NCPPC or Department of Transportation Staff. The general approval process steps are as follows:

- Develop Floating Zone Plan
- Meet with M-NCPPC to discuss rezoning
- Prepare/file rezoning application
- Issuance of Staff Report
- Planning Board hearing and recommendation to the ZHE
- ZHE hearing (quasi-judicial process)
- Issuance of ZHE Report and Recommendation on rezoning (issued 45 days after close of record)
- County Council sitting as District Council action on rezoning
- Issuance of District Council resolution on rezoning

The Floating Zone Plan identifies the building location, density, massing, height and anticipated use of the Property. Following the successful rezoning of the Property to the CRT Zone, approval of a Sketch Plan (a general illustrative concept plan) and a Site Plan (a detailed plan providing elevations, material, design, landscaping and lighting details) will be required to develop the Property in accordance with the Optional Method of Development. Given that the rezoning will require review and approval of a Floating Zone Plan, we are reasonably confident that M-NCPPC will allow the Sketch Plan and Site Plan to be processed simultaneously, as opposed to concurrently, as is typically required. As such, we would anticipate a seven to nine month time period for obtaining Sketch Plan and Site Plan approval.

Because the Property is a platted lot, arguably Preliminary Plan approval should not be required and the adequacy of public facilities, which is typically evaluated in connection with the Preliminary Plan, can be evaluated in connection with the Sketch Plan and Site Plan. In the event M-NCPPC nonetheless requires a Preliminary Plan, it would be processed simultaneously with the other applications.

The general approval process steps are as follows:

- Meet with M-NCPPC Staff
- Civic outreach meeting
- Prepare/file applications
- DRC meeting
- Revision of plans
- Issuance of Staff Report
- Planning Board hearing

B. Zoning Text Amendment

If there were support for a ZTA (instead of a rezoning) to accommodate the desired residential development on the Property it would provide a more expedient avenue of approval and avoid the time and cost of a rezoning, as discussed above. Given the continued decreasing demand for office uses in Montgomery County, there may be the opportunity to convince MNCPPC Staff and the County Council that a ZTA to expand the number of allowable uses in the EOF Zone is an appropriate approach that benefits the County from an economic development standpoint.

The processing of a ZTA takes approximately three to six months and involves the following:

- Meetings with M-NCPPC Staff to garner support and to determine whether M-NCPPC will initiate the ZTA or whether they will want a Councilmember to introduce the ZTA
- Meeting(s) with appropriate Councilmembers to garner support and identify a sponsor of the ZTA, if M-NCPPC does not initiate.
- Council introduction of ZTA
- Planning Board hearing and recommendation to the Council
- Council public hearing
- Council Committee worksession
- Council Discussion and Action/Adoption of ZTA

Land Use Contact

Patricia A Harris

Lerch, Early, & Brewer, CHTD

(301) 841 - 3832

The ZTA allowing residential development would identify the required entitlement process and it is anticipated that any ZTA would require Site Plan approval and would also require Sketch Plan approval for development over 1.0 FAR. Thus, after the ZTA were adopted, an applicant would then need to pursue potentially a Sketch Plan and a Site Plan in accordance with the same process discussed above in connection with a rezoning.

IV. Impact Taxes

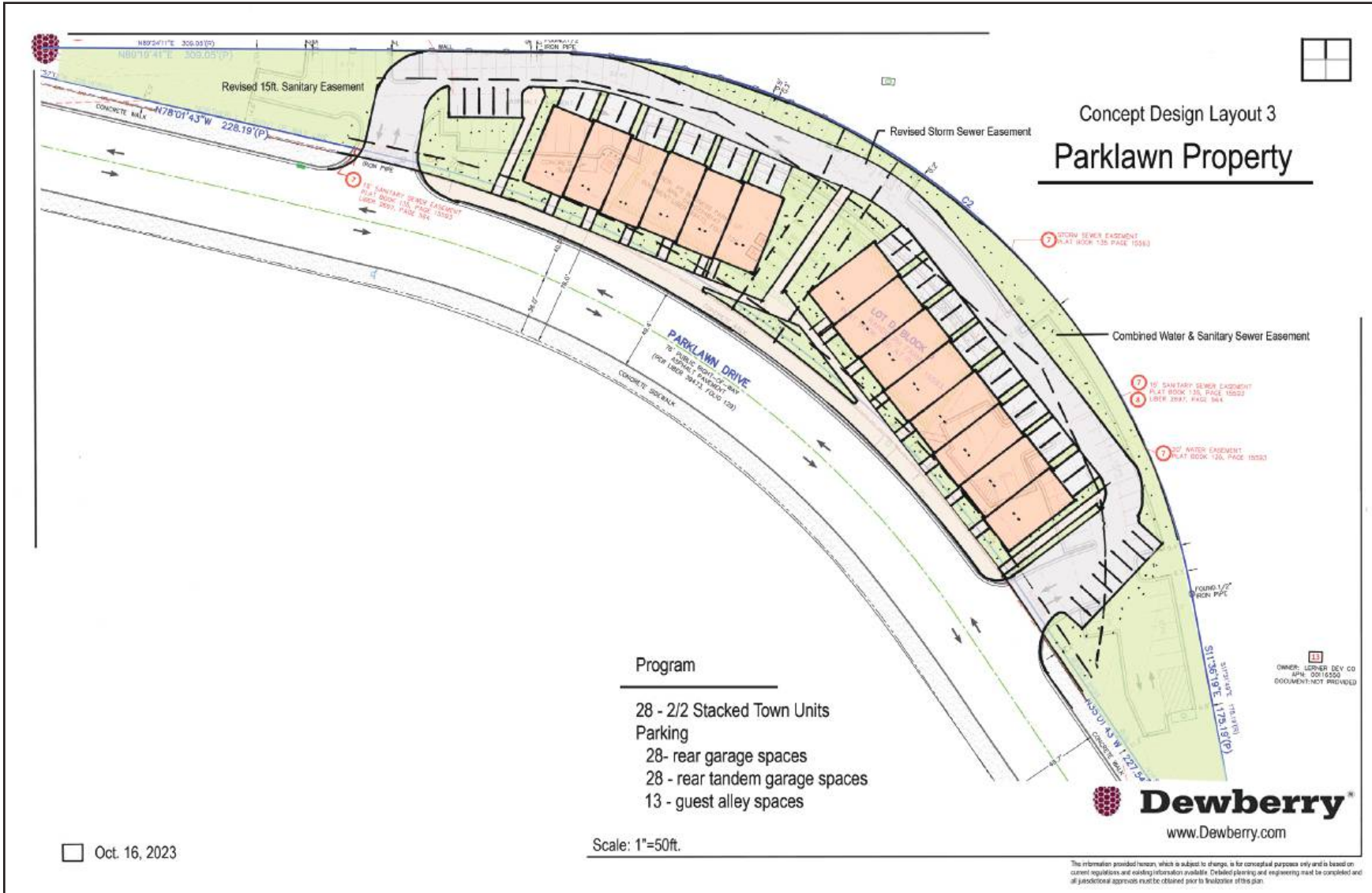
Any new development on the Property will be subject to Montgomery County's transportation impact tax and, assuming residential development, the school impact tax. The Property is located in an "infill impact area" for purposes of determining the school impact tax, and a Red Policy Area for purposes of determining the development impact tax. The tax rate varies depending on the use, but by way of example, the current school impact tax for a multi-family high rise building (i.e. five stories or more) is \$4,911 per unit and \$26,028 per unit for a townhouse unit. The current transportation impact tax is \$4,014 per unit for multi-family and \$7,228 for a townhouse unit. The MPDU units are exempt from the impact tax. In the case of the transportation tax, a credit for the existing improvement on the Property would be obtainable.

V. Conclusion

I trust this information is helpful. If you have any questions, please do not hesitate to contact me.



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Oct. 16, 2023

Conceptual Plan provided by Dewberry. The plan is strictly Conceptual for informational purposes. New plans can be created to suit individual buyers needs.

Program: 28 2/2 Stacked Townhome Units

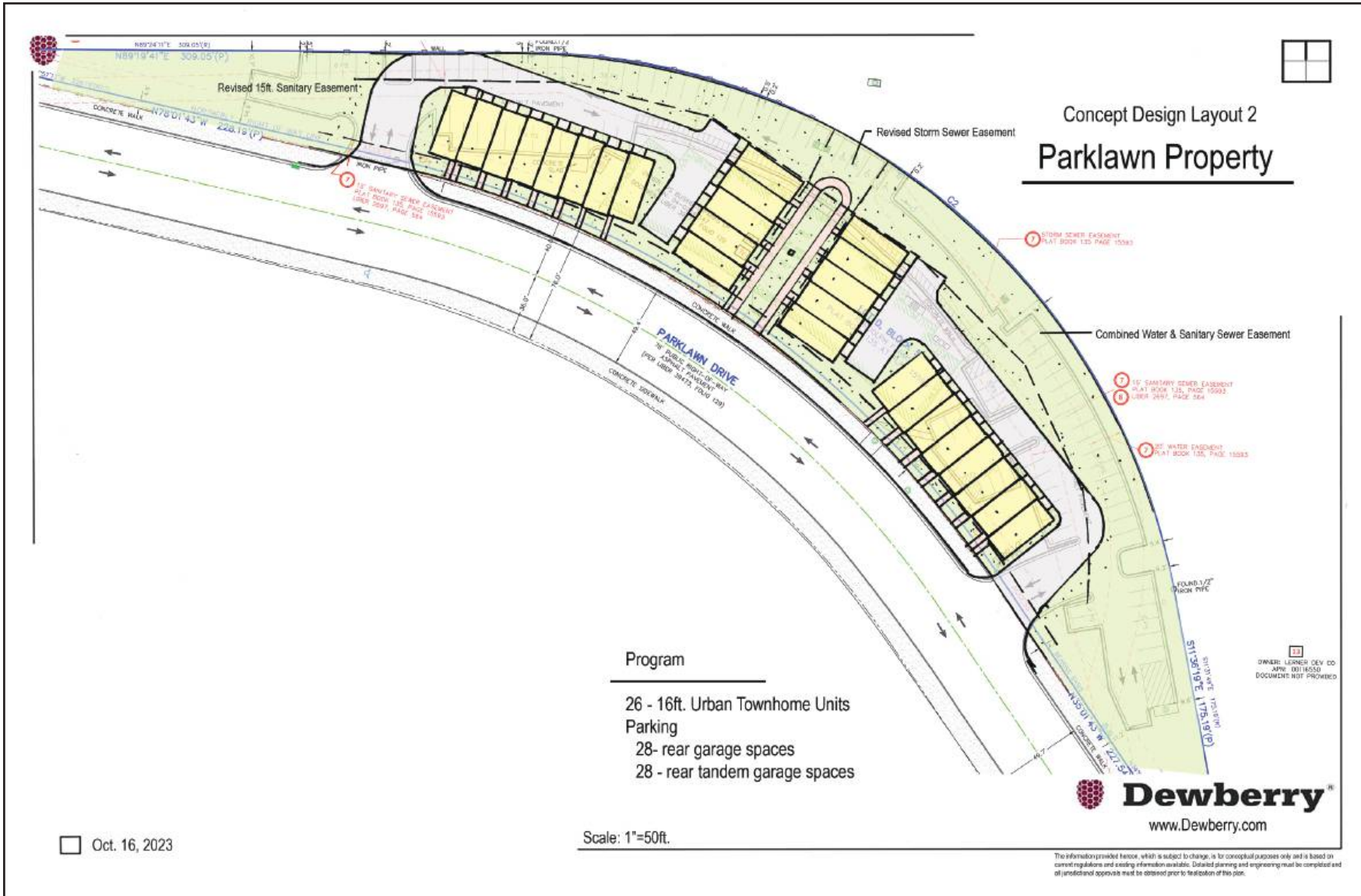
- 14 2/2 Stacked Townhome Lots
- 28 Total Units
- 28 Rear Garage Spaces
- 28 Rear Tandem Garage Spaces
- 13 Guest Alley Spaces

Civil Engineer Contacts:

Dan Anderton, RLA
(301) 807 7974
danderton@dewberry.com



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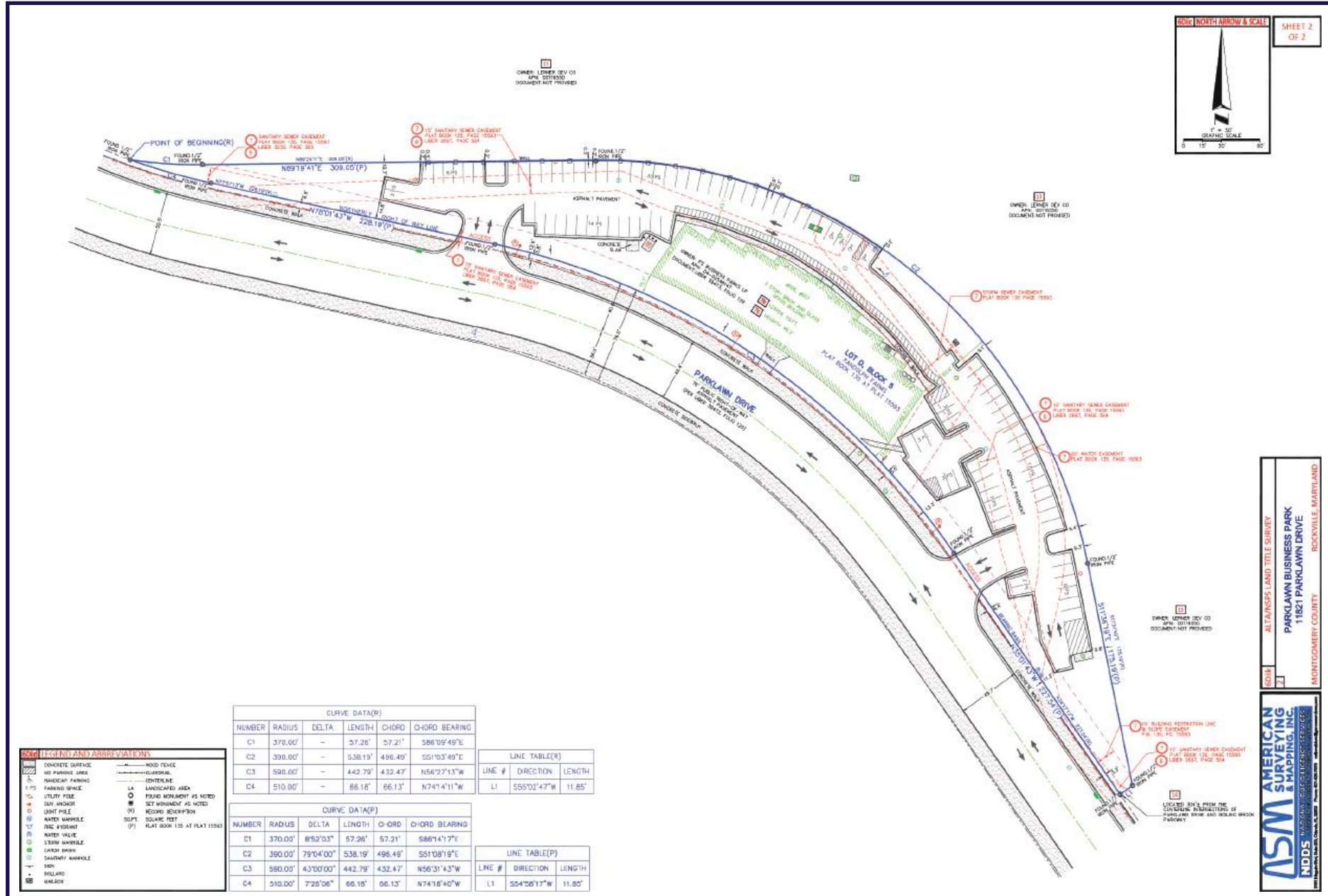
Conceptual Plan provided by Dewberry. The plan is strictly Conceptual for informational purposes. New plans can be created to suit individual buyers needs.

Program: 26 16ft. Urban Townhome Units

- 26 16ft Urban Townhome Lots
- 26 Total Units
- 28 Rear Garage Spaces
- 28 Rear Tandem Garage Spaces

Civil Engineer Contacts:
Dan Anderton, RLA
(301) 807 7974
danderton@dewberry.com

Oct. 16, 2023



1. Westside at Shady Grove Metro by Lennar

The Carnegie priced from \$637,990

- 3BR, 3.5 BA, 2 Car Garage, 1,743 SF

The Emerson priced from \$749,990 to \$819,990

- 3 - 4 BR, 3.5 - 4.5 BA, 2 Car Garage, 2,985 SF

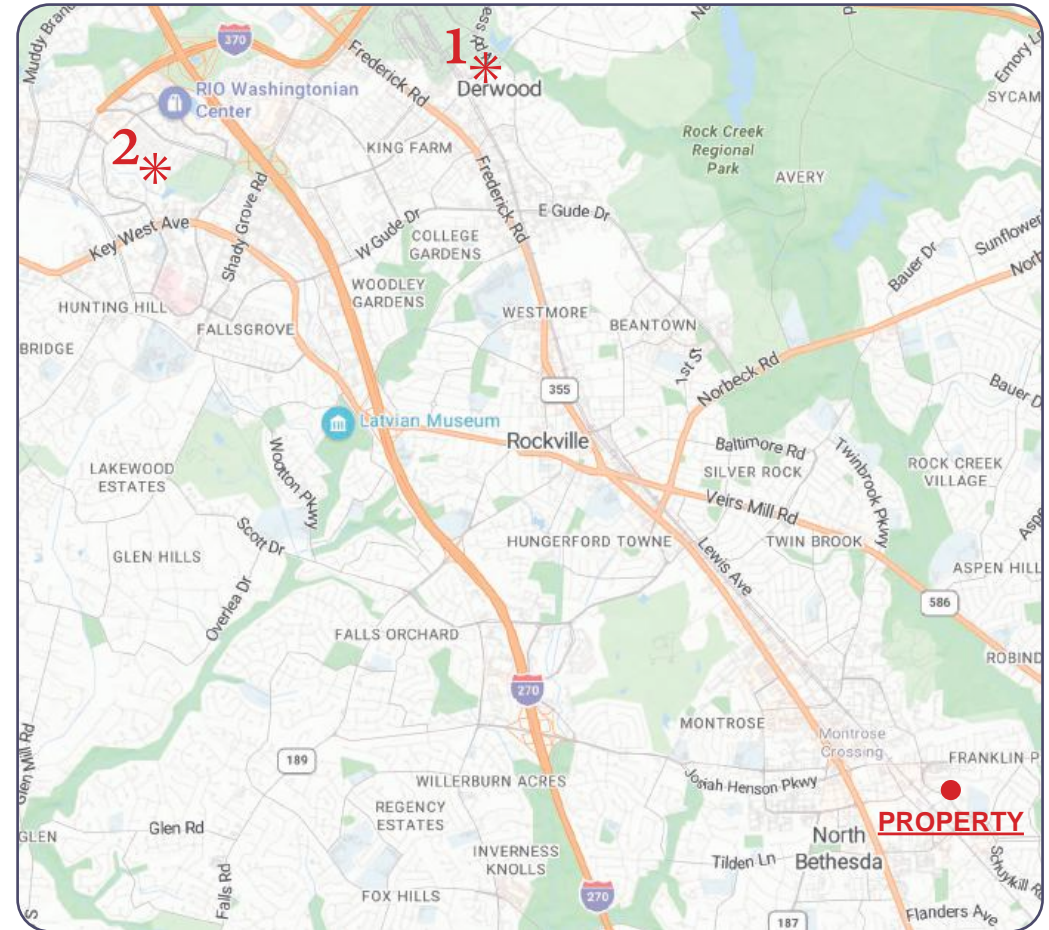
2. Crown East by Lennar

The Hopkins priced from \$775,990 to \$886,990

- 3 - 4 BR, 2.5 - 4.5 BA, 2 Car Garage, 2,679 SF

The Vanderbilt priced from \$ 889,990

- 3 BR, 2.5 BA, 2 Car Garage, 3,232 SF





Parklawn Plaza is in White Flint, a highly sought after destination in Rockville, MD and located just 10 Miles North West from the nations Capital. The immediate surrounding area is full of shopping, restaurants, and entertainment and has multiple options for public transit. It is both a highly favorable place to work, live and socialize. In the last 30 years the corridor has emerged as a prime location for advanced technology and biotechnology industries with regional shopping and cultural destinations.

Sources: CoStar and Montgomery County

<u>Description</u>	<u>2-Mile Radius</u>	<u>5-Mile Radius</u>
2023 Population	86,041	382,749
2023 Households	34,106	146,123
Median Age	40.9	42.1
Bachelor's Degree or Higher	52%	58%
Average Household Income	\$129,018	\$148,225
Median Household Income	\$102,615	\$117,741
Median Home Value	\$448,199	\$548,390
Daytime Employees	48,059	215,507
Businesses	4,825	22,760
Total Specified Consumer Spending	1.25 B	5.9 B

Major Employers in Rockville

- Montgomery County Government
- Montgomery County Board of Education
- Westat, Inc
- Montgomery College
- Northwestern Mutual Life Insurance Company
- Lockheed Martin Information Systems
- City of Rockville
- Choice Hotels International
- Quest Diagnostics Incorporated
- Meso Scale Discovery, LLC
- The EMMES Corporation
- Otsuka Pharmaceutical
- BAE Systems, Inc.
- Client Network Services, LLC
- Turning Point Global Solutions, LLC
- Booze Allen Hamilton
- Woodmont Country Club
- Optum Choice, Inc

Below is a list of comparable sales for Parklawn Plaza. Many of the sales have been for future development.

Parklawn Plaza Sales Comps

<u>Address</u>	<u>Property Type</u>	<u>Building Size</u>	<u>Land Area SF/Acres</u>	<u>Description</u>	<u>Sales Price</u>	<u>Date</u>
16200 Frederick Rd	Land	N/A	20.5 Acres	Residential Land	\$38.2M	23-Jan
6030 Stonehenge Plz	Land	N/A	7.88 Acres	Residential Land	\$21.7M	23-Jul
260 E Jefferson St	Land	N/A	18,682 SF	Mixed Use Land	\$3.3M	22-Jan
401 E Jefferson St	Office	26,628 SF	1.09 Acres	Class B Investment Property	\$2.9M	22-Jan
45 W Gude Dr	Office	84,286 SF	8.66 Acres	Class B Investment Property	\$24.8M	22-Apr
15 W Gude Dr	Office	144,900 SF	12.15 Acres	Class B Investment Property	\$41.25M	22-Apr
1 Helen Heneghan Way	Hotel	99,846 SF	1.3 Acres	140 Room Cambria Hotel	\$13.2M	21-Aug
1616 Rockville Pike	Land	N/A	1.3 Acres	Mixed Use Land	\$21.5M	21-Jul
11600 Nebel St	Office	30,000 SF	1.26 Acres	User Acquisition	\$5.5M	21-May

Parklawn Plaza is 1.3 miles away from the new Pike and Rose mixed use development. A 684,000 SF destination on Rockville Pike full of vibrant dining and retail options including West Elm, Summer House Santa Monica, Uniqlo, Fogo de Chao, and local small shops Sunday Morning Bakehouse and Julii as well as the region's best entertainment venues including IPIC theatres and Pinstripes.





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Location Highlights

Parklawn Plaza | Rockville, MD | Residential Redevelopment



PGA TOUR
SUPERSTORE



Giant



CHUCK E.
CHEESE



11821 Parklawn Dr is within 1.5 Miles of WMATA Metro stops North Bethesda & Twinbrook. It is also within 1.5 miles from Pike & Rose Shopping Center, Montrose Crossing Shopping Center, White Flint Shopping Center, Twinbrook Quarter (coming soon) and more.

Below are some highlighted amenities in close proximity to the property:

- WMATA Metro Stations

North Bethesda Station, Twinbrook Station.

- Pike and Rose Shopping Center

Fogo De Chao, Roaming Rooster, Chipotle, Nandos, H&M, Uniqlo, GAP, Tesla Supercharger, IPIIC and more.

- Montrose Crossing Shopping Center

Giant, Target, Five Guys, Cava, Chic-Fil-A, Rasa, Starbucks, Honey Pig, Home Depot Design Center, Five Guys, Marshalls, and more.

- White Flint Shopping Center

Aldi's, Rodman's, PGA Tour Superstore, Petsmart, Chuck E. Cheese, The UPS Store, Subway, and more.

- Twinbrook Quarter (Coming Soon)

Expansive Mixed Use Development with retail and dining anchored by Wegmans Grocery Store and more.



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Pictures

| Parklawn Plaza

| Rockville, MD

| Residential Redevelopment



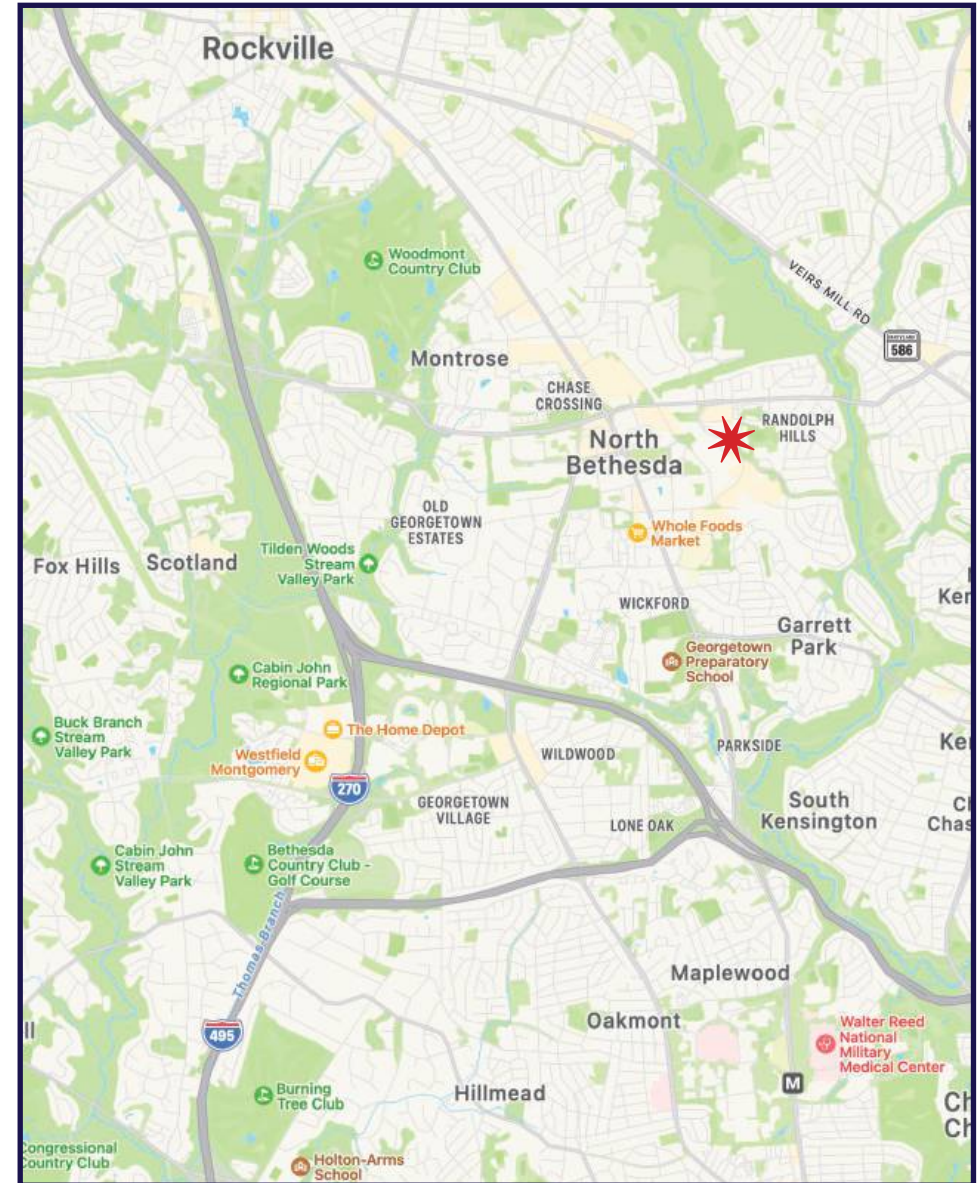
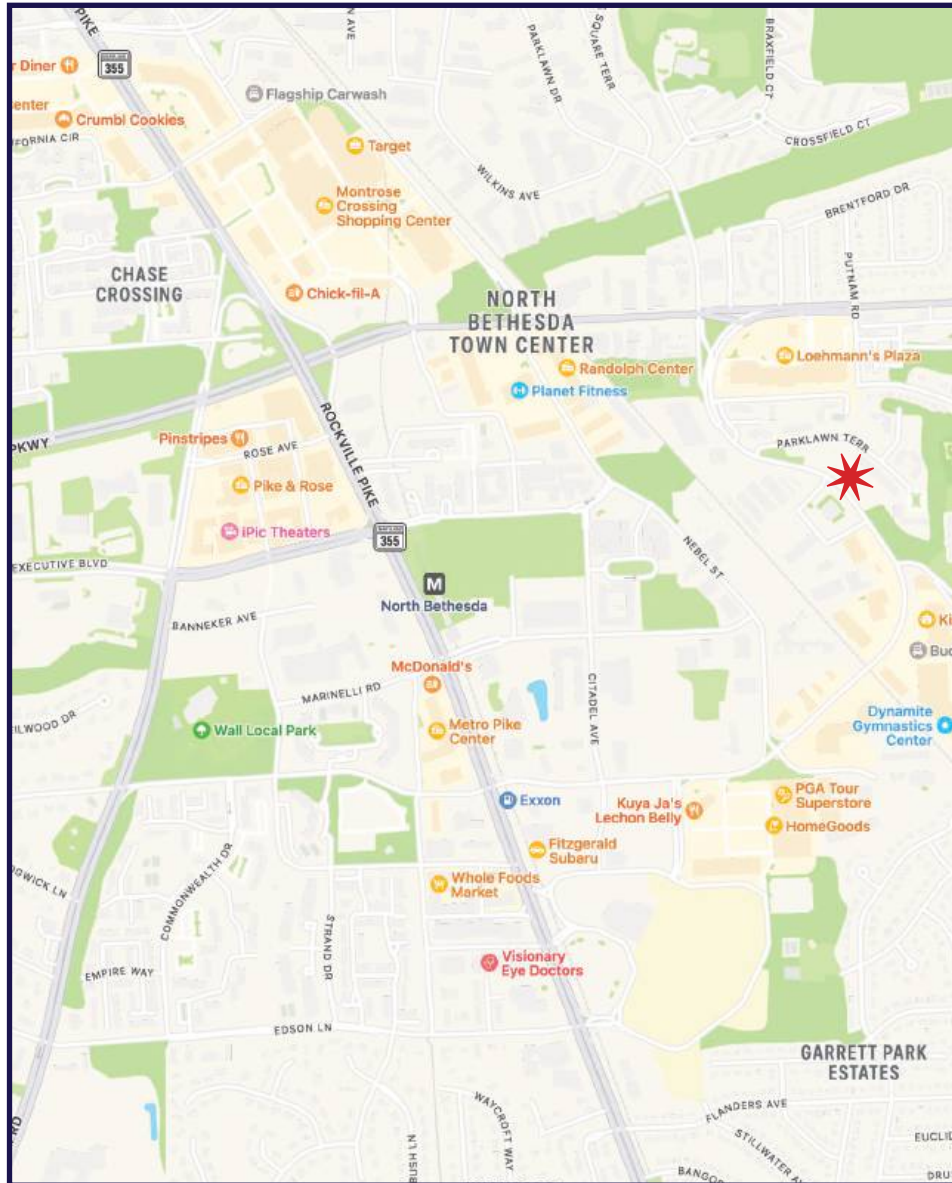




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Maps

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Deal Team

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Rockville, MD

Residential Redevelopment



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