

# Downtown Renewal, Silver Spring, Maryland, United States

## Full Description

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### **Project Summary:**

#### **Background**

The downtown area of Silver Spring had been slowly deteriorating for several decades. Prior attempts were made by the local authority to redevelop the area but to no avail. The situation changed when private developers and the Montgomery County authority developed and negotiated a joint development plan to bring Downtown Silver Spring back to life. This culminated in a PPP for the redevelopment of the 90,000 m<sup>2</sup> Downtown Silver Spring site, which was established in 2000.

#### **Project Structure**

Foulger-Pratt, a seasoned local constructor; Argo Investment Companies, an investment organization; and Peterson Companies, a retail development expert, decided to approach Montgomery County Executive, Douglas M. Duncan to redevelop the area. Due to the companies' experience and the need to revitalize the downtown of Silver Spring, Montgomery County decided to enter into an exclusive agreement with PFA Silver Spring, LC to negotiate a joint development plan for a mixed-use project in the area.

Under the instruction of Mr. Duncan, PFA began meeting with relevant stakeholders and community representatives to explain the project, design the development plans, receive ideas and input, and address their concerns about the demolition of existing properties. Later, Montgomery County and PFA entered into a general development agreement that established how they would work together to develop the mixed-use urban project. The County conveyed the land to the private developer through land leases with durations of 99 years at a rental fee of one dollar per year.

The rehabilitation project is a mixed-use development that includes 17,187 m<sup>2</sup> of offices; 40,876 m<sup>2</sup> of retail space; 23 movie screens in two facilities; housing and civic facilities, restaurants, a 179-room hotel, and public parking garages for more than 3,800 vehicles. The project strengthened the transportation between the area's neighborhoods and the downtown area through creative use of the local metro station. The community benefits from the public spaces filled with public artwork, fountains, and green areas. The project also served as a catalyst for other developments in the area.

The revitalization costs totaled about USD 517 million, of which about USD 330 million was privately sourced and USD 187 million was contributed from public funds. Lease and deed restrictions in effect for the project's first ten years allow PFA to finance 100 percent of the cost of the project or sell it at cost. However, if the developer finances or sells any project for more than cost, the County will receive 50 percent of the profit.

#### **Lessons Learned**

Today, Downtown Maryland is home to the American Film Institute and Discovery Communications' world headquarters. The project was the Silver Medal Winner of the 2005 Rudy Bruner Award for Urban Excellence.<sup>1</sup>

This project provides the following lessons:

- Community engagement and stakeholder communication, involving the public sector, private partners, and non-governmental actors, was crucial to the project's success. Montgomery County's Silver Spring Regional Services Center served as a liaison between the stakeholders, as well as Montgomery County. It regularly communicated the redevelopment goals to generate political and financial support to implement the project. The private sector, with input from citizen groups, oversaw the design process, developed the final design, and marketed the facilities.
- The implementation was successful because both parties had a financial stake in the project, such that both assumed risks but also stood to benefit, which creates the type of aligned incentives that can help a project succeed.

*Footnote 1: Source(s) <https://casestudies.uli.org/wp-content/uploads/2015/12/C035021.pdf>*

*<http://www.rudybruneraward.org/wp-content/uploads/2005/01/04-Downtown-Silver-Spring-1.pdf>*

*<https://www.terrain.org/2013/unsprawl/downtown-silver-spring/>*

*[http://uli.org/wp-content/uploads/2005/01/TP\\_Partnerships.pdf](http://uli.org/wp-content/uploads/2005/01/TP_Partnerships.pdf)*

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