

Promark Buys On Montgomery

With the acquisition of an office building, Promark Partners set up a Bethesda assemblage in the fledgling 'Pearl District.'

As BCC Pearl LLC, the Rockville-based developer bought 4424 Montgomery Avenue, for \$17.5 million. Improved with a 12,394 square foot office building, the approximately 7,000 square foot lot occupies one corner of Montgomery and Pearl. Promark already owns the Bethesda Sport & Health Club, which flanks 4424 on two sides, giving the firm a substantial parcel for redevelopment.

Already, Promark is planning a new apartment building at the same intersection, across Pearl Street at 4540 Montgomery. A Sketch Plan approved last year shows a 145-foot tall building, with first-floor retail.

As envisioned, the 'Pearl District' doesn't really exist yet, but county planners incorporated the idea into the Bethesda Downtown plan, imagining the street as a kind of 'main street' for the east side of Bethesda, with retail and more housing. Promark's planned apartment building for 4540 Montgomery would be a first step in creating that new node along Pearl. Promark officials declined to comment about the acquisition of 4424 Montgomery, but it's seen as a long-term redevelopment that would further play into the Pearl District plan.

PNC Bank today anchors the newly-traded office building.

Waterford Tower

Another Affordable Play on Castle

The new owners of the Waterford Tower in Silver Spring plan to turn most of the building over to affordable housing.

Compared to most apartment complexes in the county, it already is affordable, but as 'naturally occurring.' Strategic Realty Holdings (SRH), which bought the 143-unit complex at 14000 Castle Boulevard in November, plans to make that official. Working with the Housing Opportunities Commission, SRH will make about 60 percent of the building affordable for tenants at 60 to 70 percent of area median income.

Calabasas, Ca.-based SRH plans to put about \$2.5 million in capital improvements into the building, on top of the \$19.75 million it paid in November. That will include new common areas, an internet café, new laundry room and new leasing entrance. SRH officials say they won't displace any tenants during the change.

SRH's approach is similar to that of Pala Capital Holdings, which is turning the 256-unit 'Knightsbridge' apartments over to affordable housing. Pala will take the Teagarden Circle complex in Silver Spring to 80 percent reserved incomes, at 60 percent of area median and below. Pala had bought the apartments last June for \$40 million.

Finally, another Castle Boulevard complex traded in November, that the Woodvale Apartments. Orlo, based in Laurel, paid \$68.25 million for the 376 unit complex at 13901 Castle.

Rockville Votes for 'Metro Plaza' Flexibility

For its third building in the Rockville Metro Plaza, Foulger Pratt now enjoys some added flexibility – it can go either residential or commercial.

Foulger won the right last week at the Rockville City Council to develop the third lot as a 240-unit apartment building, with 8500 feet of first-floor commercial. But at the same time, it maintains its right, through February 2024, to develop another office building.

Though Foulger developed the first two phases of Metro Plaza as office, it first floated the residential plan when office space was going begging. Ironically, just as it wins the apartment approval, the office market is enjoying a resurgence. Even as the City Council backed the apartment prospect, it was considering a financing package that would bring Aronson LLC to 55,000 square feet at the Plaza.

That market change means that Foulger, while equipped with the residential option, will continue to press for office tenants for a third building, given the present environment.

The City Council voted 4-1 for the addition of residential, with only Mayor Bridget Newton voting 'no.' Downtown Rockville needs more office space and office workers she argued; but her colleagues agreed with Councilmember Mark Pierzchala. 'Let the market decide,' he said.