

## Rebuilding the heart of the city Community to get a sneak peak at Rockville's \$352 million Town Square

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Rockville's most significant face-lift in decades will be unveiled to the public Saturday, as developers and city officials conduct tours of the Town Square development.

Sales remain strong for the unfinished \$352 million mixed-use development that has navigated rising commodity costs and a regional slowdown in condominium sales, officials say.

Construction is on schedule while major cost overruns have been avoided, developers say.

The plan is for 644 residential condominiums and street-level retail stores to be in use by the scheduled grand opening by next Memorial Day. The first building, located off of Middle Lane and the extended Maryland Avenue, is scheduled to open late this year.

With as many as 300 people working on any given day, the multi-building project is at varying stages of completion. The exterior facades give the first residential-retail building to go up a finished look.

Moving clockwise from the south east corner of the development, the exteriors begin to look more unfinished. In the northwest corner of the development, condos are not yet defined by walls, with only steel separators for division.

Fine dust sits on the streets where pavement, sidewalks and trees are to be placed.

The first tree, a 35-foot sawtooth oak simply called "the big tree," is the only green visible in the central plaza.

But by this time next year, the 12.5-acre development will have grown faster than the tree could.

Right development, right time

Replacing a sparsely developed area formerly occupied by the Magruder's shopping center, other buildings and parking lots, the multi-building redevelopment project is projected to cost the city \$50 million. An estimated \$264 million from the private sector, combined with another \$38 million from county, state and federal governments, is funding the project that city officials say will change the face of Rockville.

The project will create Gibbs Street and extend Maryland Avenue north from Middle Lane to Beall Avenue. Three new public parking garages, an arts and innovation center, and a new library are all under construction.

Developers and city officials say the project meets the ideal of "smart growth" development, taking motorists out of their cars and onto the tree-lined storefront sidewalks that lace the development.

"If you're trying to define how to incorporate and accommodate the growth that has been happening in this region, this is it," Rockville's chief of redevelopment, David Levy, said.

Jack Jaeger, a vice president with RD Rockville LLC, the company selling the condominiums, agreed.

"Our biggest amenity is all of the retail on the ground floor," he said. "We're really selling a lifestyle with the Town Square, the library and the arts building and café seating."

Located just a few blocks from the Rockville Metro Station, the condominiums are priced from the low \$300,000's for studios to as much as \$1 million for three-bedroom units. Nearly 100 moderately priced dwelling units will cost somewhere in the \$100,000 range, Levy said.

Facing the development's central plaza from the north, a new public library, the largest in the county, is scheduled to be completed by fall. Three out of four new parking garages will house nearly 1,000 public parking spaces.

The project has conjured concern from some local residents who recall how the last major redevelopment project in Town Center, the old Rockville Mall, flopped. Referred to as the white elephant, the large federal urban renewal project failed from the start, with its empty cornerstone buildings that stood glaringly vacant.

That failure was predictable, considering the large rectangular mall did not account for market demand and how people live, Mayor Larry Giammo said.

Giammo and the City Council are betting Town Square will work out differently, having roughly doubled the city's bonded debt to pay for their end of the project.

The calculation is projected to bring an additional \$1.44 million in property and income tax revenue to the city for the first year of full occupancy, fiscal year 2008. With those revenues and parking fees, the city should eventually take in enough to cover its investment, city finance director Gavin Cohen said.

Those numbers depend on whether the condominiums get leased, something a key developer selling the residential space says is going smoothly.

Jaeger said the Paladin, first building scheduled to open, is 90 percent sold.

Increased commodity prices have not impacted the project substantially, he said, because the costs of most buildings being constructed by Whiting-Turner were locked in a couple years ago.

“We’re on schedule,” Jaeger said during a Friday phone interview. “We’re basically on budget. Sales are going well. We’re pretty pleased with how things are going.”

The same goes for most of the public improvements, Levy said, adding that concrete has been poured for most of the projects.

One notable exception is the building referred to by city staff as the arts and innovation center, but previously called the cultural arts building. Located next to the library, the building was redesigned after its original intent was increased. Without commodity costs locked in earlier, the building cost rose \$2.3 million for the city.

Designed originally as a three-story building, the price went up when the county agreed to install a business incubator, increasing the structure by two stories.

The total shared building cost, which has been criticized heavily by Councilwoman Anne M. Robbins, now rings in at \$15.7 million.

The building will house street-level retail, Metropolitan Center for the Visual Arts at Rockville, and a business incubator owned by Maryland Economic Development Corporation and operated by the county. The city will operate a rooftop garden and event area.

#### Optimism abounds

The 45-minute walking tours of Town Square set for this weekend are already full, with 120 people signing up to get an inside view of the new heart of Rockville.

Developers RD Rockville, Federal Realty and Investment Trust, which is leasing the retail space, and the city are all bullish on the prospect of success.

The project is moving according to schedule and has evaded major cost overruns, they say.

“A location this desirable, with the ability to walk to the Metro station, that’s never going to be a loser,” Levy said.