

WORK SESSION OF THE GREENBELT CITY COUNCIL held Monday, October 5, 2009, for the purpose of reviewing a proposal by Craftstar to build townhomes at the Greenbelt Station South Core.

Mayor Davis started the meeting at 8:05p.m. It was held in the Council Room of the Greenbelt Municipal Building.

PRESENT WERE: Councilmembers Konrad E. Herling, Leta M. Mach, Edward V.J. Putens, Rodney M. Roberts and Mayor Judith F. Davis.

STAFF PRESENT WERE: Michael P. McLaughlin, City Manager; Robert Manzi, City Solicitor; Terri Hruby, Assistant Director of Planning; Amy Hofstra, Community Planner and David E. Moran, Assistant City Manager.

ALSO PRESENT WERE: Garth Beall, GB Development; Kenny Mergner , Dave Kaufman & M. Courtney Treuth, Craftstar Homes; Norman Rivera & Chris Hatcher, Rifkin, Livingston, Levitan & Silver; Kap Kapistan, Beltway Plaza; Marvin Holmes & Jeff Minnick, K-Hovanian Homes; Peter Pompanio, NVR Ryan-NV Homes; Sylvia Lewis; George Branyan, APB; and Thomas X. White, News Review.

Ms. Hofstra began by summarizing the history of the Greenbelt Station South Core site and the current proposal. She described the requirements under the covenant agreement including: building as described in the Pulte elevations; not allowing box, bay or punch out windows, and masonry fronts & sides. Ms. Hofstra noted key elements of the development agreement including: binding all future property owners and certain financial obligations to the City.

Mr. Manzi stated that the City could waive the covenants if it so chooses. Mr. Putens asked what legal precedent this would set. Mr. Manzi responded that it was the City's purview to waive or renegotiate covenants and this would not create a legal precedent.

Ms. Mach referenced the stipulation that Pulte architecture be used and asked if this needed to be modified. It was stated that Pulte had a copyright on their architecture. Mr. McLaughlin noted that Pulte was no longer affiliated with Greenbelt Station.

Ms. Hofstra discussed the covenant requirements for a unified and consistent theme throughout the South Core. Mayor Davis asked for clarification between the covenants and the development agreement. Ms. Hofstra stated the covenants cover mostly architectural requirements. Ms. Hruby noted that the development agreement covered the entire property and contained mostly financial requirements. She indicated the covenants were specific to what at the time was the Pulte townhome product.

Council discussed some of the specific items raised in the Advisory Planning Board (APB) Report. It was indicated that some of the areas where staff and APB differed had been resolved, but that the window issue, vinyl siding, side elevations and architectural style issues were still outstanding.

Ms. Hofstra summarized some of the broader issues. She reported that the lower priced townhouses being proposed currently were closer (in price) to existing houses already in

Greenbelt. Next, Ms. Hofstra discussed the Tax Increment Financing (TIF) agreement. She indicated that the City had not gone forward with approval of the TIF. Ms. Hofstra referenced the approximately \$3,000,000 in financial obligations called for in the annexation agreement. She referenced a letter from Mr. Beall requesting that the City forgo these payments.

Mayor Davis asked how the City could enforce the agreement. Mr. Manzi responded that if the covenants/agreements were not adhered to, the City did not have to approve the plans or issue building permits. Mayor Davis stressed the City's reluctance to waive any of the financial requirements.

There was discussion of sediment & erosion control violations. Ms. Hofstra noted there were outstanding issues, but some items were being addressed. There was discussion about the new stormwater management requirements that were being developed by the State. Mayor Davis stated that the request from GB Development that the City grant its approvals so that the development could proceed before these new regulations were put into place was particularly bothersome. Ms. Hofstra and Mr. Manzi indicated that since staff has not seen the new legislation, they could not speculate on how the new regulations would impact development on the site

Ms Hofstra indicated that one of the outstanding issues was the improvements to MD 193 at the entrance to the South Core site. Mr. Roberts asked staff to list the items that the developer was requesting that the City waive. Ms. Hofstra listed the items as follows: removal of trash, junk, debris and invasive wetland plants from the park and transferring it to the City; \$1,975,000 for public recreation facilities; construction of intersection improvements (roundabout) at Cherrywood Lane and Metro Access Drive; \$475,000 for beautification & ROW improvements on Cherrywood Lane; \$475,000 for Police Facility improvements; \$290,000 for a stream park improvements/trail. Ms. Hruby noted that in exchange for waiving these requirements, the developer would relieve the City from its responsibilities under the TIF.

Next, the discussion turned to the Craftstar proposal. Mr. Rivera stated that Craftstar wanted to build a quality product that was equal to, or superior to, the Pulte product. Mr. Treuth provided a brief history of the company. He noted that the Craftmark group was the parent company and the Craftstar entity focused on building townhomes.

Mr. Kaufmann went over each issue that had been raised by the APB. Regarding vinyl siding, he indicated that all high visibility end units would have brick on the sides. He mentioned that 18 low visibility units (facing each other, not much drive by traffic) would have vinyl siding. Mr. Kaufman stated that box-bay windows added to the elevation. He reported that Craftstar agreed to have gutters & downspouts match the façade colors. Mr. Kaufman indicated the major issue was the "build to" line and its impact on the driveways. He stated that Craftstar had agreed to move forward with all 40 foot units. Mr. Kaufman believed the architectural quality of their product was at least as good as the Pulte product.

Mayor Davis asked about construction of two playground areas. Mr. Kaufman responded that these were on open space areas and were the responsibility of GB Development. It was noted that Craftstar was only buying finished townhouse lots.

Mr. Herling asked about the price of units and affordability. Mr. Mergner noted that the base price was \$309,900 but there were many options that would increase the cost of these units.

Mayor Davis asked about the Energy Star components of the home. Mr. Treuth indicated that Craftstar was very proud of this fact. He stated that Craftstar was one of the few companies that offered Energy Star as standard. Mr. Treuth listed some of the components including insulation, low E windows, building materials and recycling of construction debris. Mr. Roberts asked about heating systems. Mr. Mergner responded they used gas systems that were 90% efficient.

There was discussion about the number of townhouses being built. It was indicated that Craftstar was initially purchasing 46 units, but seeking approval from the County for 151 units. Craftstar indicated an interest in all 262 townhouse units. Mr. Beall stated that Craftstar was the preferred builder for the 20 foot wide townhouses. He referenced the problems that had occurred when the arrangement with Pulte (who initially had all of the townhouse lots) fell through. Mr. Beall indicated they wanted to see how Craftstar performed.

There was discussion about the real estate market. The Craftstar representatives expressed that while nobody has a crystal ball, they believed the market had stabilized. Mayor Davis expressed concern about the condition of the property and that it would be properly maintained.

Ms. Hofstra stated that the County Planning Board would be considering this application on November 5 and that this was putting pressure on City staff to review the application and make adjustments.

Mr. Beall apologized for the way his letter had been received. He provided some history of the site, noting he was contacted by Mr. Smith to serve as trustee on the family trust. He summarized the history with Pulte, noting the Smith family had made a significant investment in the property, but then Pulte ultimately withdrew. Mr. Beall indicated that Farfield had also withdrawn from the project.

Mr. Beall stated that Greenbelt Station was always envisioned as a public-private partnership and noted the City & County TIF's. Mr. Beall reported that the developer had spent \$2.8 million for the bridge and \$2 million for a piece of property along Branchville Road. He stated these were sums that a developer would normally not spend and indicated the project could not go forward without public funding. The north-south connector road (from the bridge to the north of the property) was budgeted at \$3.8 million and the developer had spent \$2.5 million so far. Mr. Beall identified the payments that had already been made to the City. He expressed the hope that something could be worked out with the City so the development could proceed.

Mayor Davis asked what GB Development wanted from the City. Mr. Beall suggested that one option was to delay the financial commitments until the TIF could proceed. He indicated that the letter essentially asked the City not to enforce the financial commitments in exchange for the developer not enforcing the TIF provisions.

Mr. Manzi responded that the City had never been provided with satisfactory economic data on the project to proceed with the TIF. He indicated that the developer was still required to provide the financial commitments and that these were not linked to the TIF. Mr. Manzi indicated the

City could delay the financial commitments or it could indicate that the commitments must be met.

Mayor Davis asked if there was a way to address this in a comprehensive manner. Mr. Manzi responded that City might have to amend some of the provisions based on this proposal, but overall requirements for the site could remain in place. He indicated this was a policy decision for the Council. Ms. Hruby stated that the City was locked into certain things because the roads and lot lines were already in place.

Mr. Herling asked about transportation. Ms. Hruby indicated that a shuttle service was included in the south core development agreement. She indicated there was also a commitment between Greenbelt Station, AIMCO & Beltway Plaza to consider a circulator service.

Mr. Roberts asked Mr. Beall if he was willing to fund the improvements. Mr. Beall responded that GB Development did not have the funds to do this. Mr. Roberts stressed the need for this development to have the same recreational and public safety services that other City residents receive.

Mr. Rivera suggested another work session to address the larger site issues. Craftstar offered to take Council members to their projects and/or provide directions to these developments to demonstrate the quality of their product.

Staff asked if Council was comfortable with the architectural changes being proposed by Craftstar. Several Council members expressed the need for a quality product and indicated they were not locked into the Pulte design. Ms. Mach liked the Craftstar proposal because it was more affordable.

Ms. Hruby stressed that the sediment control violations needed to be addressed before the City could consider supporting the Craftstar proposal. Mr. Beall reiterated that they had begun addressing those problems and would have them corrected.

Mr. Putens expressed concern about the November 5 County hearing date. Mr. Rivera expressed a willingness to move the Planning Board hearing to a date certain.

Information Items

Mr. Putens suggested that there be a common table for all candidates to distribute campaign literature at Fall Fest. Council agreed to meet with auditors prior to the work session on October 14.

The meeting ended at 11:02 pm.

Respectfully submitted,

*David E. Moran
Assistant City Manager*