

VILLAGE COUNCIL

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VILLAGE OF FRIENDSHIP HEIGHTS

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APPROVED MINUTES

PUBLIC SESSION

FRIENDSHIP HEIGHTS VILLAGE COUNCIL

August 25, 2022

ATTENDEES:

Melanie Rose White, Mayor
Michael Mezey, Chairman
Bruce Pirnie, Vice Chairman
Paula Durbin, Treasurer
Alfred Muller, M.D., Secretary
Michael Dorsey
Julian Mansfield, Village Manager
Jason Goldstein, Assistant Village Manager

NON-ATTENDEES:

Carolina Zumaran-Jones, Historian

CALL TO ORDER:

Mr. Mezey called the meeting to order at 7:30 p.m.

Mr. Mezey indicated that the Village Council met in closed session at 7 p.m. this evening with Village attorney Norman Knopf for an update on the status of negotiations on the proposed 5500 Wisconsin Avenue development project. Mr. Mezey then read the following statement:

“Several months ago, an opportunity arose to purchase the property at 4608 N Park, the so-called Red House. As with any prospective property purchase, the Council met in executive session to decide if we wished to pursue this. As a preliminary step, we engaged an appraiser to give us an idea of the property’s value. That report suggested a value in excess of \$3.5 million; the current property owners indicated that they were seeking an even higher figure than that.

The Council agreed to go forward with a \$3 million offer, subject to property inspections. We have in mind a number of possible uses for the property. Given the historic nature of the building as the last of the single family homes that at one time comprised the entire Friendship Height community, we might convert it into a museum highlighting the history of the Village. We also thought that it could be used as an additional meeting space for events or groups that could not be accommodated in the Village Center. This limited use of the property would prevent intensification of development exacerbating the need for additional parking and street and sidewalk improvement. There also is parking available on the site that could be rented out (as it currently is) to Village residents and/or used for contractors and other vehicles servicing the buildings, thereby lessening the burden on our streets. And, finally, as an ancillary benefit, ownership of the property along with our ownership of 4602 N Park would maintain open space that provides light and views for residents of 4615, 4620, the Carleton and the Elizabeth.

With the various inspections in hand, we need to decide tonight whether or not to go forward with the purchase. But as we do that, another element has been added.

As most of you know, we have been in extended discussion with the Donohoe Company about their plans for a building at 5500 Wisconsin Avenue. At one point, we thought that we had an arrangement with them concerning the Pink house at the Willard Avenue end of Parcel 6. That arrangement fell through because the ownership of that parcel was being contested in court.

However, in recent negotiations, as the Council discussed in closed session, the developer has offered a new settlement proposal. He will pay \$1,000,000 to the Village in return for the Village transferring about 32,700 square feet of density from the Red House property to the 5500 project. That means that the amount of permitted square foot development on the red house property is removed from the property and added to the square feet available for 5500. This additional square footage would not be used to increase the height of the building, but likely to expand the 7 th floor. Selling the excess to Donohoe for \$1 million would reduce the Village's effective cost for the Red House to \$2 million. The developer would maintain the architectural and traffic adjustments to which they agreed during the pink house negotiations. In return, the Village would drop its opposition to the 5500 Wisconsin development.

Obviously, the arrangement in regard to 5500 cannot take place unless the Village purchases the 4608 property. So tonight, we will take a vote on a motion to purchase 4608. If that vote garners a majority, we will then take a second vote on whether or not to accept the new settlement proposal from Donohoe, subject to final details being

worked out by our attorney that will protect the Village's monetary and legal interests. If that vote fails, our opposition to the 5500 project will continue.

I will now open the floor to resident comments and questions. Please keep your remarks to a three minute maximum.”

Mr. Mezey opened the floor to residents, both in person and on Zoom, to provide comments to the Council. Residents generally expressed opposition to the purchase of the red house and questioned the point of purchasing this property, the possible uses of the property, the costs for repair and maintenance, and the consideration of alternative expenditures.

Dr. Muller moved, Ms. White seconded, the following: The purchase of 4608 North Park Avenue, Chevy Chase, Maryland is approved by a public vote at the sales price of \$3,000,000.00, cash or at a lesser amount which may be negotiated by the Mayor.

Council members then provided comments:

Mr. Pirnie indicated his support for the purchase of the 4608 property and for the transfer of development rights to Donohoe. He said the deal makes sense on both sides. The Village wants to preserve the house and prevent untrammled development on Parcel 6, and Donohoe wants additional square footage for its building. The practical effect is to shift density from Parcel 6 in the heart of the Village to 5500 Wisconsin at the periphery. The cost to purchase 4608 would be reduced by \$1 million, making it a more manageable expense.

Mr. Dorsey expressed support for the purchase of the 4608 house and the transfer of development rights to 5500. He referred to a prior proposal by a developer to acquire the red house and build a large development that the Village had to oppose. He supports the 5500 Wisconsin development and pointed out that whatever funds the Village requires to maintain the red house would be provided by the increased tax revenue received from the 5500 Wisconsin development.

Dr. Muller expressed support for the purchase as well. He indicated that the negotiations for 5500 Wisconsin Avenue and the purchase of 4608 North Park were complicated and had to be discussed in private. He said the purpose of the purchase has been clearly stated, that the Village would acquire a historic property, and as a consequence of purchasing the house, The Council is also preserving the present Sector Plan's goals for this Parcel 6. He said no decisions have been made about the use of the property, and the Council will welcome public input on that topic.

Ms. White agreed with Dr. Muller's statement and expressed support for the purchase of the house due to its historic nature. Ms. Durbin expressed support for the purchase of the house as a potential first step in developing a park on the parcel. Mr. Mezey

supported the purchase and said the negotiation discussions produced a reasonable compromise.

Following Council discussion, the Council voted unanimously (6-0) in favor of the motion to purchase the 4608 North Park house at a sale price of \$3 million or at a lesser amount negotiated by the Mayor.

Mr. Mezey then discussed a revised settlement proposal from Donohoe involving the sale of development rights from the 4608 North Park property to be transferred to the 5500 Wisconsin Avenue property. The Village would then withdraw its opposition to the 5500 Wisconsin project and pledge support for the development and all architectural changes as previously discussed.

Mr. Dorsey moved, Dr. Muller seconded, that the Council approve the new settlement proposal, which the Council discussed in Executive session, whereby the Village transfers about 32,770 square feet of density from the red house property to the 5500 Wisconsin Ave property in return for \$1,000,000, with all the other terms agreed to in the pink house negotiations remaining, including architectural and traffic adjustments. This approval is conditioned upon the details of the settlement agreement being worked out to the approval of the Council's attorney.

Ms. Durbin asked the attorney what the Village would be left with in development rights at the 4608 property following the transfer. Mr. Knopf replied that the Village would be left with approximately 5,000 square feet of development rights, and the property would be valued according to that remaining amount.

Following discussion, the Council voted 5-1 in support of the motion (Ms. Durbin opposed) to approve the revised settlement proposal and sell development rights for the 4608 property to Donohoe for \$1 million.

ADJOURNMENT:

At 9 p.m., Ms. Durbin moved to adjourn the meeting, and Mr. Dorsey seconded. The motion was carried unanimously (6-0).

Respectfully submitted,



Alfred Muller, MD
Secretary