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Stonebridge starts work on \$300M spec Bethesda project

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Stonebridge Associates has broken ground on its \$300 million mixed-use project in the heart of downtown Bethesda, a project hailed by local leaders as a blueprint for new development in Montgomery County's urban areas.

Local politicians and the project's backers turned the first bit of ceremonial dirt for the Avocet Tower Thursday at its site catty-corner from the Bethesda Metro station at 7373 Wisconsin Avenue.



PICKARD CHILTON

Someday, the 250-foot building will feature 400,000 square feet of office and a 220-unit hotel, an AC by Marriott property, sitting side-by-side. Doug Firstenberg, principal at Stonebridge, told the WBJ that his firm has never worked on a project quite like this one, and he fully expects it to be unique for downtown Bethesda.

"This is the future here," Firstenberg said.

The longtime D.C.-area developer envisions office workers and hotel guests alike grabbing coffee in the building's shared lobby when it's finished — he's tentatively targeting spring 2021 for a delivery date.

As for tenants, Firstenberg is still sorting out the details. Stonebridge built the Avocet Tower on spec, a tactic gaining some traction in the D.C. region, and in Bethesda itself — JBG Smith (NYSE: JBGS) is working on its own spec property over on 4747 Bethesda Avenue.

So far, Firstenberg says the move has generally paid off. He says leasing interest in the building is high, and he's working with JLL to keep it that way, though there has been some trepidation as potential tenants wait to see the tower start rising.

However, he expects it helps Stonebridge's cause that JBG Smith has had so much success leasing out its nearby building already, as has Carr Properties with its The Wilson building across the street at 7272 Wisconsin Ave.

"A lot of people still aren't used to doing deals two, three years in advance," Firstenberg said. "But we're the only game in town with large blocks of space left."

Councilmember Hans Riemer, D-At Large, hailed Firstenberg's courage in building a spec property, and called Avocet "one of the first shiny examples" of developments made possible by the overhaul of height limits and other zoning rules in downtown Bethesda in 2017.

"Bethesda is on fire right now," Riemer told a crowd assembled for the groundbreaking.

Local leaders also applauded Stonebridge's willingness to partner with the county on the project. The developer only got access to the land, formerly home to a county police station, after agreeing to build a new station on Rugby Avenue.

County Executive Marc Elrich pointed out the county had worked for years to score a similar land swap, but only Stonebridge managed to make it a reality. The new station opened last year, clearing the way for the demolition of the old one on Wisconsin Avenue.

"This is a good example of cooperation between people who want to do development and the county, which has its own interests to protect," Elrich said.

Alex Koma

Staff Reporter

Washington Business Journal



