

The Washington Post

Wal-Mart drops plans to build store in Aspen Hill, citing Montgomery zoning delay

By Bill Turque August 13 at 5:10 PM

Wal-Mart has scuttled plans for a store in Montgomery County's Aspen Hill neighborhood, citing uncertainty about the length of the county's development-approval process.

The retailing giant, the nation's largest private employer, said Wednesday that it is ending an agreement with Lee Development Group to open a 118,000-square-foot store at Aspen Hill Road and Connecticut Avenue. An office building on the 10-acre property, owned by Lee, has been vacant since 2010.

Lee officials, citing a weak market for office space, sought to have the land rezoned for retail use. But the plan has been the focus of bitter debate since it was proposed in 2011.

Local business leaders say that the empty building is a blight and that Wal-Mart would add an important shopping option to the community.

Some opponents, including county unions, pointed to the potential impact the store would have on other Aspen Hill businesses, including a Giant supermarket with unionized workers. Other critics, including some members of the Montgomery County Council, took exception to Wal-Mart's labor practices, citing low wages that place many employees with families below the poverty line.

In May 2013 the council voted 5 to 4 to expedite a review of zoning in the area that includes the Lee site. Under the usual "master plan" process, such zoning changes can take many years to wend through the system. A public hearing is scheduled for next month, and the measure is due to reach the council by early next year.

But a Wal-Mart spokesman said in a statement Wednesday that the company "would look for new opportunities to serve customers in the Aspen Hill area."

"The decision was based on business considerations and uncertainty about the length of Montgomery County's zoning process," spokesman William Wertz said.

The company's decision was first reported Tuesday by Washington Business Journal.

It was the second recent setback for Wal-Mart in the Washington area, where it has more than two dozen stores and is pushing to expand. Earlier this month, Prince George's County denied the company's proposal to build a supercenter in Oxon Hill, near National Harbor.

A hearing examiner sided with parents from two nearby schools — John Hanson Montessori and Oxon Hill High — ruling that the design posed a safety hazard because it would require students to cross two vehicular entrances, including one used by trucks going to a loading dock.

Bruce Lee, president of the Silver Spring-based development company, said that even with the zoning change on a fast track, there was no certainty that it would be approved. Other regulatory hurdles could have taken as long as another three years.

“I don’t fault Wal-Mart at all,” Lee said. “After spending the last several years on this, they have come to the conclusion that this is taking too long. Retailers, in general, really need certainty.”

He said that the liberal, pro-labor political environment in the county also complicated Wal-Mart’s bid — “Once you hear the name Wal-Mart, there’s always politics around it” — and that he thought the company’s decision underscored Montgomery’s reputation as unhelpful and even hostile to business.

“It’s very reflective of what we developers have to go through in Montgomery County,” Lee said. “It takes years to get things done.”

Lee’s concerns are supported by a new council staff study that reviewed hundreds of development proposals. The Office of Legislative Oversight found that even after zoning approval, the process can take three years to move from preliminary site drawings to approval of a “record plat,” the detailed legal document showing exact boundaries and locations of buildings.

Council member Marc Elrich (D-At Large), who opposed the expedited zoning review for the Aspen Hill parcel, said Wal-Mart and Lee knew from the start what the timetable would be.

“They could have done this very same math two years ago,” Elrich said. Perhaps, he said, the company anticipated that if it pursued its plans, it would receive “the same warm reception it got in Oxon Hill.”