MEMORANDUM TO: Mayor and City Council
Planning Commission

FROM: Rob Robinson, Long Range Planning Manager

DATE: April 1, 2016

SUBJECT: Preliminary Background Report: Application Z-7262-2016;

APPLICANT/OWNERS

Rockside-700 LLC
1155 Connecticut Ave. Ste 700
Washington DC, 20036

Bank Street Realty Partners LLC
c/o McShea Management Inc.
100 Lakeforest Blvd: Ste 500
Gaithersburg MD, 20877

Capview Income & Value FD IV, LP
5910 N. Central Expressway: Ste 1625
Dallas TX, 75206

TAX MAP REFERENCE:

Tax Sheet: FT21

TAX ACCOUNT NUMBER:

Block C Lot 8 –ID# 09-03353020 (14 Firstfield)
Block C Lot 9 –ID# 09-03353031 (700 Quince Orchard)
Block C Lot 10 –ID# 09-03676310 (1 Bank)
Block C Lot 11 –ID# 09-03676321 (5 Bank)

Joint Hearing - MCC & PC
Z-7262-2016
21

REQUEST

The applicant, Rockside-700 LLC et al, has submitted Zoning Map Amendment application Z-7262-2016, to rezone four properties on 15.38 acres from the C-2 (General Commercial) and E-1 (Urban Employment) zones to the MXD (Mixed Use Development) zone and establish a new sketch plan, in accordance with § 24-160D.9(a) "Application for the MXD Zone and sketch plan approval" of the City Code. The subject properties (the "Property" or "Site") are located at 700 Quince Orchard Road, 1 Bank Street, 5 Bank Street, and 14 Firstfield Road.

Location

GENERAL INFORMATION

LOCATION:

The Property is a rectangular shape bounded by Bank Street to the north, Quince Orchard Road to the east, commercial and industrial uses to the south, and Firstfield Road to the west. The National Institute of Standards and Technology "NIST", borders the Property to the east across Quince Orchard Road. The Quince Orchard Plaza center is located across Bank Street from the Property. Employment (E-1) zoned properties and uses border the Property to the south and to the west across Firstfield Road.

ADEQUATE PUBLIC FACILITIES ORDINANCE (APFO):

Water and Sewer Services and Public Utilities

The Property is currently developed with both water and sewer service and has WSSC categories of S-1 and W-1.

Fire and Emergency Services

The Site is currently within the ten-minute response areas of the Montgomery County Fire and Rescue stations, Station 8, Station 31, and Station 22. Additionally, the Site is located adjacent to the National Institute of Technology (NIST), which has its own emergency vehicles and also responds even though they are not part of the Montgomery County System. Therefore, adequate fire and emergency services are provided

Schools

The Site is located in the Quince Orchard Cluster and is served by Brown Station Elementary; Lakelands Park Middle; and Quince Orchard High. Under current code, the schools test of adequacy will be performed at the time of any schematic development plan submittal involving residential uses.

Traffic Impacts

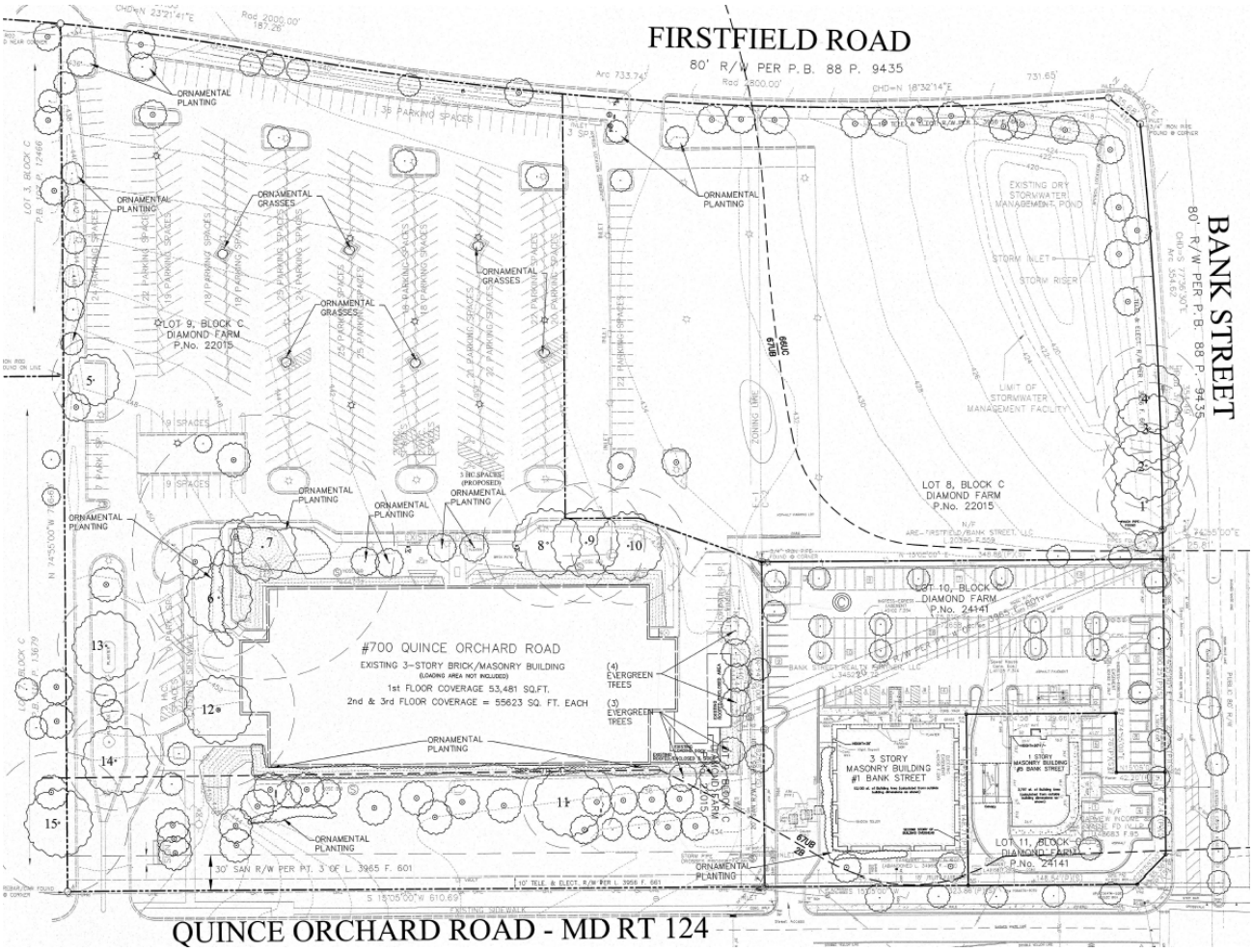
The City's Traffic Impact Study regulations do not require the submission of a Traffic Impact Study at the time of Sketch Plan; however, a study will be submitted and reflect development phasing established during the schematic development plan process. The Applicant has included in their application packet a memo from Gorove/Slade addressing Vehicular Access and Circulation Review from the proposed sketch plan.[1]

[1] Exhibit 12

EXISTING LAND USE/PHYSICAL CHARACTERISTICS:

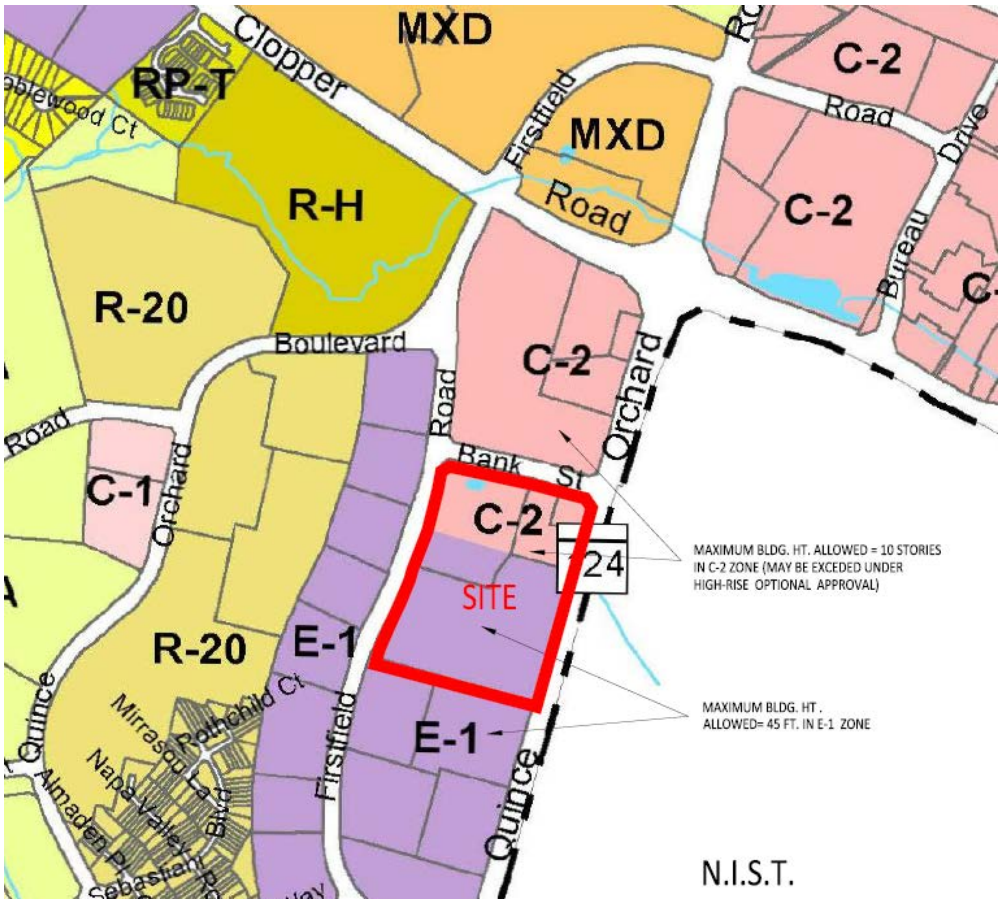
The Property totals 15.38 acres and includes four (4) separate lots:

- Lot 8, (14 Firstfield) is zoned both E-1 and C-2, is approximately 4.6 acres and is currently undeveloped without any buildings. Approximately half of Lot 8 is paved and the other half contains a stormwater management pond that was designed to accommodate the entire Property.
- Lot 9, (700 Quince Orchard) currently zoned E-1, is the largest lot at 8.53 acres and is improved with a three-story 164,520 square foot building. Over four acres is used for surface parking lot.
- Lot 10, (1 Bank) zoned C-2, is approximately 1.72 acres and currently improved with a 30,000 square foot building housing medical and general office space and surface parking.
- Lot 11, (5 Bank) zoned C-2, is the smallest lot of approximately 0.53 acres and currently houses an approximately 2,500 square foot bank with a drive though and surface parking.



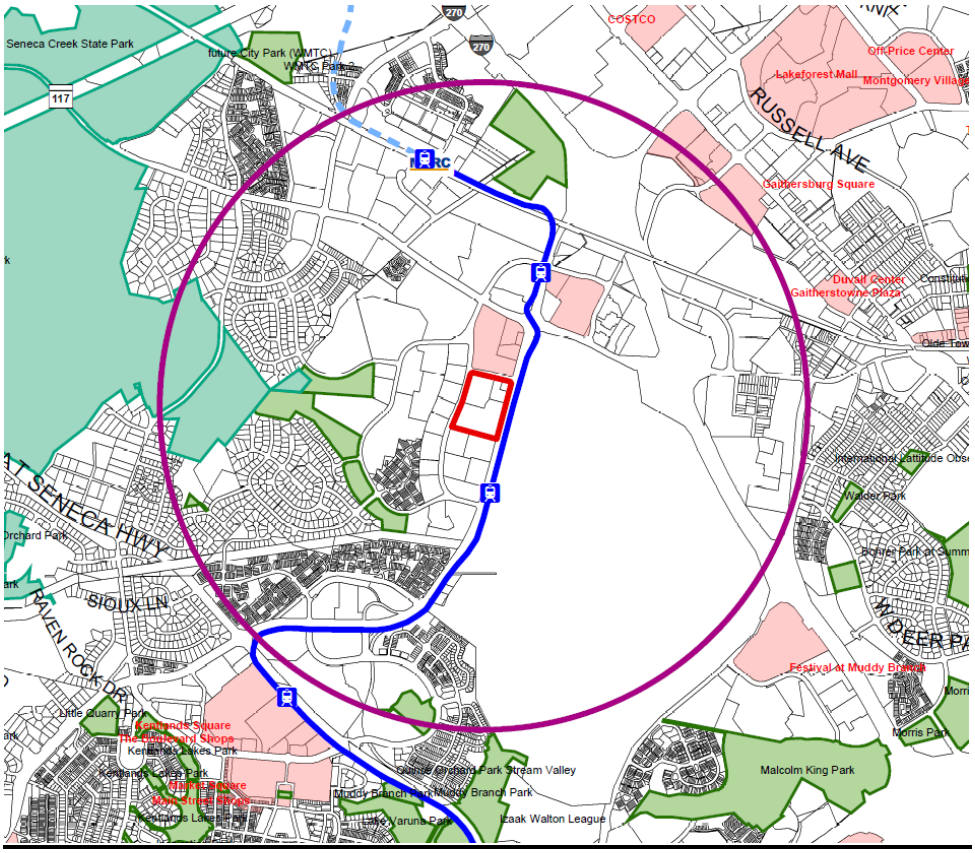
The Property, as discussed, is a fully developed site. There is no forest identified on or adjacent to the site with all vegetation being related to planted landscaping. There are fifteen (15) specimen trees identified. The property contains no intermittent or perennial streams on or within 200 feet of the property. A Natural Resources Inventory/Forest Stand Delineation (NRI/FSD) reflecting current conditions, was approved June 24, 2015.

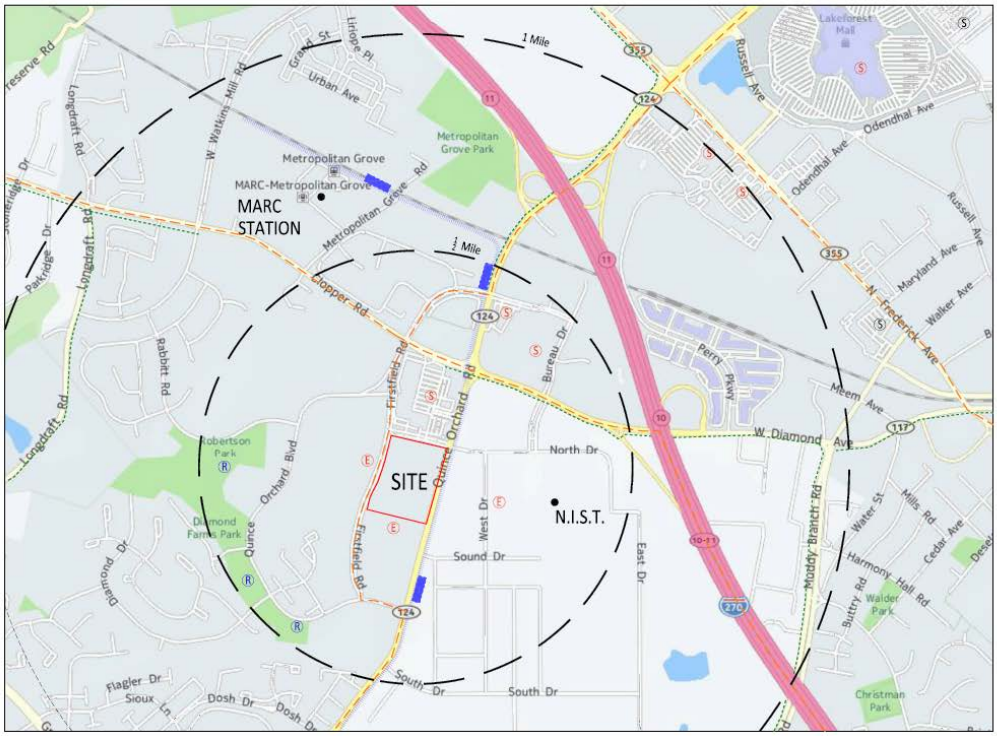
NEIGHBORHOOD LAND USE AND ZONING:



The Property is bounded by C-2 (General Commercial) to the North and E-1 (Urban Employment) to the south and west. The NIST campus is zoned R-200 (residential, one family) under the Montgomery County Zoning. The surrounding uses, in addition to NIST, include the aforementioned Quince Orchard Plaza and biomed employers such as Novavax and Cypath.

Multi-family rental residential development is located further to the west of the Property. The Property is within a half a mile of two shopping centers. Recreational amenities such as Robertson Park and Youth Center and Diamond Farms Park are within a half mile of the Property. The Property is within one mile of Brown Station Elementary School. The purple circle below reflects one (1) mile from the center of the Site.





Vicinity

A. Transportation Network
1. Directly on Ride-On Route serving Gaithersburg, Lakeforest Mall, Seneca Creek State Park.
2. Walk or Rid-On/walk to MARC station

B. Services & Amenities
1. Walking Distance to several shopping centers.
2. Adjacent to National Institute of Standards
3. Within 1 mile of Diamond Farms Elementary Schooll.
4. Within 1 mile of Robertson Park.
5. Within 2 miles of Seneca Creek State Park

Property / Site

Shopping Centers

Recreational Amenities (Ball Fields, Tennis Courts, etc)

Employment

Biker Friendly Routes

Ride-On/Metro Bus Routes

Proposed CCT Alignment & Stations

ZONING AND SITE PLAN HISTORY:

Annexation:

The Property was annexed into the City of Gaithersburg by the Mayor and Town Council as part of the Diamond Farm – Brown Station Road annexation in 1967, by resolution R-25-66. At the time of the annexation approval, the Mayor and Town Council established C-P (Commercial Office Park) zoning for the subject property.

Master Plan and Zoning:

On June 26, 1967, the subject property was rezoned from C-P (Commercial Office Park) Zone to the newly established E-1 (Urban Employment) Zone by the Mayor and Town Council (Z-101, R-9-67, March 6, 1967). This was planned for the property during the annexation process; however, the City had not yet established the E-1 Zone.

In 1996, the City adopted the Neighborhood Five Land Use Plan. The aforementioned adopted Land Use Plan recommended changing the Property's land use designation from Industrial-Research-Office to Commercial. The plan also recommended rezoning portions of the Property from the E-1 (Urban Employment) Zone to the C-2 (General Commercial) Zone. Please note that the Neighborhood Five Land Use Plan, which was adopted in 1996, is part of the 1997 Master Plan. In 1996, the Mayor and City Council subsequently adopted a comprehensive rezoning for the neighborhood, which included rezoning a portion of the Property, 1 and 5 Bank Street and a portion of 14 Firstfield, to the C-2 (General Commercial) Zone. The following chart documents the zoning, master plan, and development history of the Property by individual addresses:

14 Firstfield	700 Quince Orchard Road	1 & 5 Bank Street
Subdivision	**Subdivision**	**Subdivision**
Lot 8, Block C, Diamond Farm, Resubdivision of Lot 2, Block C, Diamond Farm 2001 – Subdivided into lots 8 and 9	Lot 9, Block C, Diamond Farm, Resubdivision of Lot 2, Block C, Diamond Farm 2001 – Subdivided into lots 8 and 9	Lots 10 & 11, Block C, Diamond Farm, Resubdivision of Lot 1, Block C, Diamond Farm 2010 - Subdivided to Lot 10 (Office Building) & Lot 11 (Bank)
Plat 22015/R-1113	Plat 22015/R-1113	Plat 24141/R-1262
Plated 02/11/1972, Plat 10190/R-139 Lot 2, Block C, Diamond Farm	Plated 02/11/1972, Plat 10190/R-139 Lot 2, Block C, Diamond Farm	Plated 10/29/1969, Plat 9435/152 Lot 1, Block C, Diamond Farm
Annexation	**Annexation**	**Annexation**
Annexation – X-087, DANAC - Diamond Farm - Brown Station Road, R-25-66	Annexation – X-087, DANAC - Diamond Farm - Brown Station Road, R-25-66	Annexation – X-087, DANAC - Diamond Farm - Brown Station Road, R-25-66
Annexation – 1966, zoned C-P	Annexation – 1966, zoned C-P	Annexation – 1966, zoned C-P
Development	**Development**	**Development**
S-304 (1972-1973) – Watkins Johnson (Office, Research Electronics development) for Lot 2. Included Stormwater Management facility for overall site (Lot 2) on current Lot 8	S-304 (1972-1973) – Watkins Johnson (Office, Research Electronics development) for Lot 2. Included Stormwater Management facility for overall site (Lot 2) on current Lot 8	S-171 (1969) – Approved office/bank building built on site, (1 Bank Street)
AFP-01-025 (2001) – Preliminary subdivision for proposed Lots 8 and 9, Block C	AFP-01-025 (2001) – Preliminary subdivision for proposed Lots 8 and 9, Block C	SP-07-0007 (2010) – Approval of bank and subdivision at 5 Bank Street.
2002, SP-02-0006 – Final Site Plan approval for 96,300 square foot office building (never constructed). Expired 2005.		
Master Plan / Zoning	**Master Plan / Zoning**	**Master Plan / Zoning**
Originally zoned C-P	Originally zoned C-P	Originally zoned C-P
Rezoned from C-P to E-1, 1967, Z-101	*Rezoned from C-P to E-1, 1967, Z-101*	*Rezoned from C-P to E-1, 1967, Z-101*
1970 Master Plan Land use designation of Commercial-Industrial	1970 Master Plan Land use designation of Commercial-Industrial	1970 Master Plan Land use designation of Commercial-Industrial
1974 Master Plan Land use designation of Industrial-Research-Office	1974 Master Plan Land use designation of Industrial-Research-Office	1974 Master Plan Land use designation of Industrial-Research-Office
1997 Master Plan Adopted commercial designation and rezone to C-2 for part of parcel *Comprehensively rezoned from E-1 to C-2 for part of parcel*	1997 Master Plan Adopted Industrial-Research-Office designation and rezone to C-2 for part of parcel *Comprehensively rezoned from E-1 to C-2 for part of parcel*	1997 Master Plan Adopted commercial designation and rezone to C-2 *Comprehensively rezoned from E-1 to C-2*
2003 Master Plan Adopt Industrial-Research-Office land use designation and rezone to E-1 ***Not** comprehensively rezoned*	2003 Master Plan Not included as a specific map designation Retained Industrial-Research-Office designation	2003 Master Plan Not included as a specific map designation Retained commercial designation
2009 Master Plan Adopt Industrial-Research-Office land use designation and rezone to E-1 ***Not** comprehensively rezoned*	2009 Master Plan Not included as a specific map designation :Retained Industrial-Research-Office designation	2009 Master Plan Not included as a specific map designation Retained commercial designation

REQUIRED ACTIONS

Zoning Map Amendment Z-7069-2015

As stated, the Applicant is requesting a map amendment from the E-1 and C-2 Zones to the MXD Zone, which is identified by §24-10A of the City Code as a floating zone. According to §24-10A(2) of the City Code:

> *(2) The approval of and placement of floating zones may only occur upon a finding by the city council that the application therefore:*
>
> *(a) Complies with the purposes and intent of the zone as stated in the zoning ordinance; and*
>
> *(b) As applied will be compatible and harmonious with existing and planned land uses in the surrounding area.*

Section 24-160D.10(a) states that the City Council may approve the MXD zoning and accompanying sketch plan when they find the following:

> *(1) The application meets or accomplishes the purposes, objectives, and minimum standards and requirements of the zone; and*
> *(2) The application is in accord with recommendations in the applicable master plan for the area and is consistent with any special conditions or requirements contained in said master plan; and*
> *(3) The application and sketch plan will be internally and externally compatible and harmonious with existing and planned land uses in the MXD zoned areas and adjacent areas.*

Of note, as shown in the previous section's chart, the Master Plan has not had a recommendation for the Property to be zoned MXD; however, § 24-160D.2.9.(a) (Minimum location and development requirements) states:

> *"(a) Master plan. No land shall be classified in the Mixed Use Development Zone unless the land is within an area for which there is an approved and adopted master plan which recommends mixed use development for the land which is the subject of the application, <u>or unless the proposed development otherwise satisfies the purposes and objectives of the MXD Zone. Approval of the MXD Zone for land which is not recommended for this zone in an approved master plan shall require the affirmative vote of four (4) members of the city council</u>."*

Application Z-7262-2016 will be reviewed upon the underlined above and will require four affirmative Council votes for approval. Of note, the proposed Z-7262-2016 application represents a fundamental policy change for this property and how this specific corridor should be reviewed going forward. As evidenced by the Master Plan and Zoning history discussed above, both 700 Quince Orchard and 14 Firstfield have been formally defined by Council for "Industrial-Research-Office" land uses from the time of annexation and reaffirmed through four subsequent Land Use Master Plan Elements. Planning staff's review of the subject application is judged against the requirements of the MXD Zone and the merits of the proposed sketch plan.

Z-7262-2016 SKETCH PLAN PROPOSAL:

As stated, the Applicant has submitted an application seeking to rezone to MXD and establish a sketch plan for the four subject parcels located around 700 Quince Orchard Road. Application Z-7262-2016 has been submitted in accordance with § 24-160.D.9(a) "Application for the MXD Zone and sketch plan approval." The Applicant, as part of the application, has submitted a justification/ statement of support outlining the purpose of the current request, including findings per § 24-160D.10.[2]

The statement submits that the proposed development can become the "hub" of new activity redefining this area of Gaithersburg (the Firstfield Corridor) and bringing a 24/7 residential component to a strictly daytime environment by:

- Creating an integrated, mixed-use community; attracting tenants and residents that reflect the Property's proximity to high-tech and bio-tech industries by increasing high-quality employment opportunities with adjacent amenities.

- Providing ownership opportunities that will stimulate a new investment and pride in the community from residents who will preserve and take advantage of area amenities.

- Enhancing underdeveloped real estate limited by its Euclidean zoning. The Application will improve this valuable real estate by providing a mix of commercial and residential uses, including a broad range of amenities that will, in turn, improve the value of nearby residential and commercial developments.

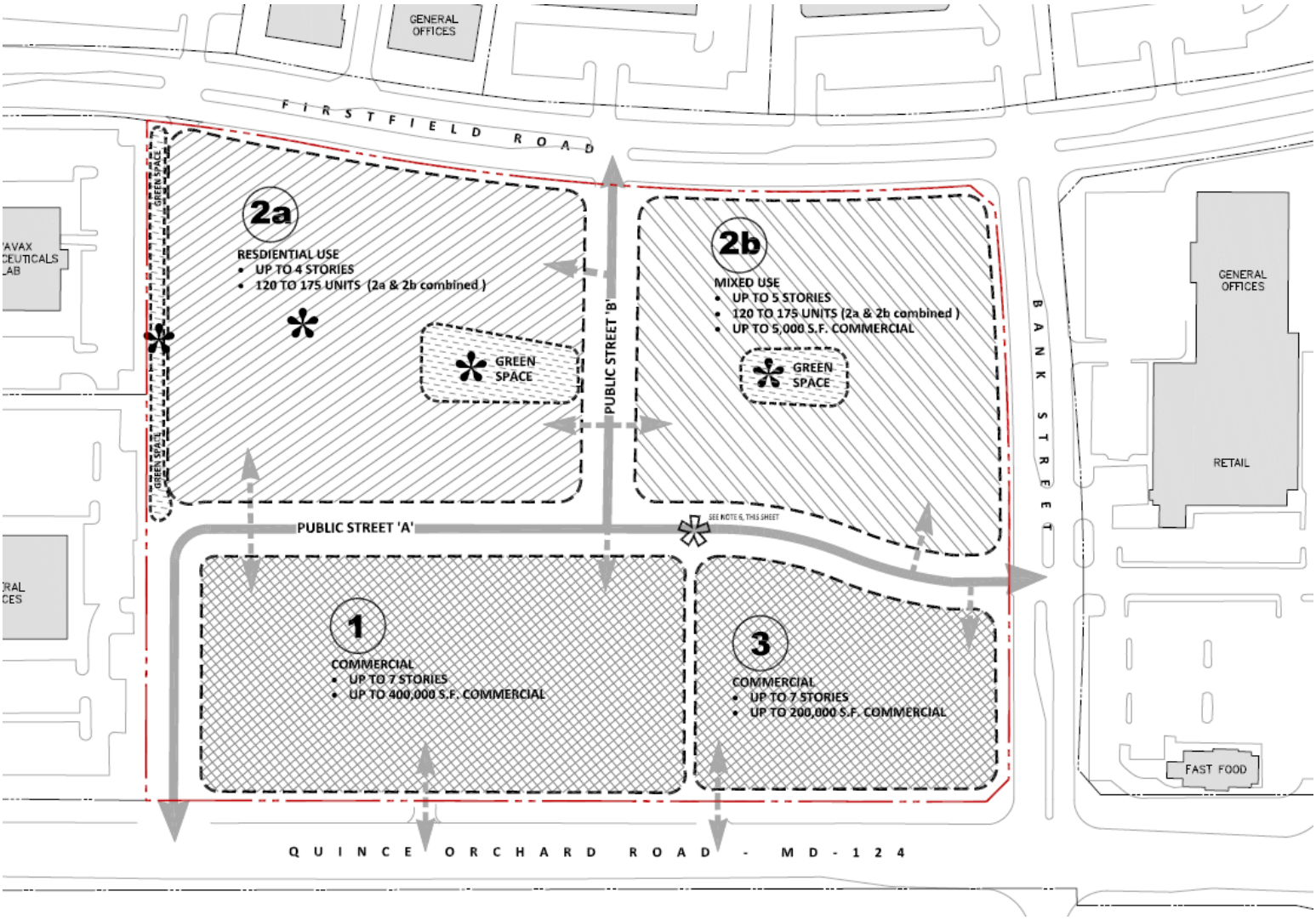
- Repositioning a vacant building that has been unable to attract a user for some time.

- Creating opportunities to reduce vehicle trips because of the Property's convenient location near shopping, employment centers and other amenities (schools, community centers, transit, parks, and trails, among others).

[2] Exhibit 3

The proposed Z-7262-2016 sketch plan provides a mixed-use community including residential, commercial, and retail uses. The sketch plan divides the Property into three "Blocks"; 1, 2 and 3. The plan leverages the position that employers are showing a strong preference for locating in mixed-use areas that provide amenities, retail, restaurants and housing opportunities for their employees. The Applicant asserts that an appropriate insertion of housing will encourage growth of the non-residential market – filling vacancies and investing in redevelopment. With respect to the employment uses, the Property currently supports commercial uses totaling 201,186 square feet. The plan proposes to double at full build -out the existing commercial base, at the same time providing ownership opportunities for City residents that want to live near their jobs.

The Applicant, in addition to the "Blocks," proposes the addition of a primary two-way vehicular roadway (Public Street A) through the Property connecting Quince Orchard to Bank Street. This road offers an appropriate definition between the residential Block 2 and the primarily commercial Blocks 1 and 3. A second primary road (Public Street B) running through the center of Block 2 connects Firstfield Road with Public Street A. These roads ensure three (3) major access points to the Property from/to the neighboring major roads. There are further envisioned several secondary vehicular connections and a comprehensive bicycle/pedestrian path system running throughout the Property to facilitate access between the commercial and residential uses and create efficient internal circulation.



LEGEND

PROPOSED MXD AREA

PROPOSED RESIDENTIAL

PROPOSED MIXED USE

PROPOSED EMPLOYMENT

PROPOSED GREEN SPACE

PROPOSED COURTYARD/ COMMON SPACE (LOCATION AND SIZE TO BE FINALIZED AT SDP)

PROPOSED VEHICULAR CIRCULATION - PRIMARY

PROPOSED VEHICULAR CIRCULATION - SECONDARY

1 BLOCK NUMBER

Block 1:

Block 1 proposes up to 400,000 square feet (SF) of non-residential space with a combination of: (1) lab/office; (2) R&D technology; (3) and retail/restaurant, among other uses. Per direction from Council, Block 1's places an emphasis on employment uses that will ensure that future retail uses will not cannibalize nearby shopping centers and will be subordinate to the office and R&D uses at full build-out, serving a different scale of users than would be permitted under the E-1 zone. The intent is to explore an adaptive reuse of the existing office building in the near term with ultimate condition being a seven-story building in one or multiple structures, including structured parking. The following are the requested uses for Block 1:

BLOCK 1

- LAB/OFFICE
- R & D TECHNOLOGY
- INTEGRATED LIGHT MANUFACTURING
- OFFICE/GENERAL & MEDICAL
- GENERAL RETAIL & PERSONAL SERVICE
- RESTAURANT
- BANK
- COMMUNITY THEATRE
- ACCESSORY USES CUSTOMARILY INCIDENTAL AND SUBORDINATE TO THE PRINCIPAL OR PRIMARY USE

Block 2:

Block 2 will include two sub-blocks, Block 2A and Block 2B. Block 2A will be limited to townhouse units only. Block 2B may be townhouses and/or two-over-twos. A possible commercial component not to exceed 5,000 square feet is proposed for 2B. Together, Blocks 2A and 2B propose 120 to 175 residential units. Heights of the residential units in Block 2A will be limited to four stories. Heights in Block 2B may be as tall as five stories to allow for limited podium-style retail and parking below residential clusters. Residential units will front on Firstfield Road and Bank Street to create a pedestrian-scale streetscape. Both 2A and 2B will incorporate centrally located “mini parks” accessible from the surrounding streets and adjacent properties via smaller linear pedestrian landscaped nodes located between residences. A green buffer linear park is sited along the 2A perimeter of the Property to mitigate the view of the adjoining office parking on the parcel to the south and creates a bike/ped link from Firstfield Road to Public Street A. The following are the requested uses for Block 2:

BLOCK 2a

- RESIDENTIAL:
  -TOWNHOUSE

BLOCK 2B

- RESIDENTIAL:
  -TOWNHOUSE
  -TWO OVER TWOs
- COMMERCIAL
  -GENERAL RETAIL
  -PERSONAL SERVICE

Block 3:

Block 3 proposes a cap of 200,000 SF of commercial uses include the same uses identified for Block 1, with the addition of medical clinic (requiring a Special Exception) and hotel. As in Block 1, heights will be limited to seven stories. The cumulative commercial density among Blocks 1, 2B, and 3 will not exceed .75 FAR. The following are the requested uses for Block 3:

BLOCK 3

- R & D TECHNOLOGY
- INTEGRATED LIGHT MANUFACTURING
- OFFICE/GENERAL & MEDICAL
- MEDICAL CLINIC (REQUIRES SPECIAL EXCEPTION)
- GENERAL RETAIL & PERSONAL SERVICE
- HOTEL
- RESTAURANT
- BANK
- COMMUNITY THEATRE
- ACCESSORY USES CUSTOMARILY INCIDENTAL AND SUBORDINATE TO THE PRINCIPAL OR PRIMARY USE

Phasing:

The Applicant is still in the initial phases of determining the exact phasing of redevelopment however, it is anticipated that Blocks 2A and 2B residential will be developed first. The goal of the Applicant is to re-tenant the building on Block 1 as soon as possible. Staff notes, by developing Block 2A, all existing surface parking currently serving the building sited on Block 1 will be removed. Any re-tenanting of Block 1 cannot occur without required parking being facilitated. While the long term goal is to redevelop Block 1 with a larger, modern building with structured parking, any near/mid-term phasing plan and associated schematic development plan for either Block 2 or Block 1 must address parking for any adaptive reuse. Block 3, by the nature of its current use and long-term leases, will likely be the final

element to be developed and will, therefore, be designed to integrate into the established neighborhood upon redevelopment.

ECONOMIC DEVELOPMENT:

The City's Economic Development Division has reviewed the Z-7262-2016 application and received a presentation with the Economic & Business Development Committee (EBDC) from the Applicant. A memo summarizing both the EBDC's and Economic Development's comments has been submitted into the record[3].

The EBDC did not vote on specific recommendations, but expressed the following comments during the meeting with the Applicant:

- The Firstfield Road area is in need of new investment; transformation of the Firstfield Road area to mixed use is a desirable goal.
- By eliminating the surface parking that serves the existing building, and converting the ground floor to parking, Rock Creek is reducing the possible income the building could generate and creating additional hurdles that would impede leasing of the property during the "interim" development.
- Probable long-term vacancy of the existing building would create high profile blight.
- City approval of the proposed development should require that defined thresholds be met to avoid blight. Examples discussed: (a) demolition of the existing building after X years, (b) conversion of the ground floor of the building to parking before the start of residential construction.
- The siting of residential units, and construction of those units prior to successful renovation of the existing building, generates circumstances which jeopardize long-term stability of the residential component should the DRS building remain vacant. New housing next to blight puts the investments made by individual homeowners at risk.
- Preserving City land for employment uses has been a Committee priority.
- The existing building has characteristics unique to the defense industry. Although described as "earthquake-proof," it is unlikely to attract a single large biotechnology user. The building's configuration makes leasing to multiple small users difficult. Large, single user tenants are rare in this market.

Economic Development staff, in their review, have identified four primary issues from their perspective and provided their positions:

ISSUE 1: The Firstfield Road area has attracted a cluster of biotechnology companies, many of which have expanded. The existing, specialized employment hub should be protected and exploited.

Position: The addition of residential units, without intermediate buffering uses (such as that which is created with first floor commercial in other mixed use communities) sets

[3] Exhibit 16

opportunity for conflict between residents and businesses, to the detriment of all facility types. A conversion to MXD from E-1 should protect employment opportunities for the existing biotech industry cluster and its skilled workforce.
ISSUE 2: Any regulatory change that increases the allowable density of commercial and industrial facilities should have a corresponding positive impact upon the City's ability to attract and retain employers.

Position: Staff does not anticipate that Sections 1 and 3 of the sketch plan will actually create opportunity for denser employment uses. The proposed "interim" renovation of the former DRS building is not probable. Extended vacancy of the building is the more likely outcome.

ISSUE 3: Mixed-use development allows for denser uses – and associated higher tax revenue yield - through the sharing of infrastructure and the synergies created from proximate, compatible uses.

Position: The proposed redevelopment does not recreate the dynamic mixed use communities of Rio/Washingtonian or Downtown Crown. Proposed development does not enhance the attractiveness of the adjacent employment-related facilities.

ISSUE 4: Redeveloping the existing surface parking prior to reinvestment in the former DRS facility, or its demolition, would create a building that is not in compliance with City parking requirements.

Position: In order to assure that the remaining building has market viability (complies with City Code; does not present economic hurdles that cause asking rents to exceed market), the City should require construction of replacement parking, or demolition of the existing building, as a precondition of redevelopment of the existing surface lot. Such a requirement would counter the risk of blight that a vacant building poses.

SUMMARY:

The Applicant has submitted for consideration zoning map amendment application Z-7262-2016, including a sketch plan. The intent is to expand beyond the existing Euclidean zone opportunities for redevelopment and integrate multiple commercial and residential uses throughout the Property in a fully-designed and complementary way. The application has been submitted in accordance with § 24-160.D.9(a) of the City Code. A joint public hearing before the Mayor & City Council and the Planning Commission has been scheduled for April 18, 2016. Staff will continue to work with the Applicant on refining aspects and obligations of the plan following the public hearing and in response to comments received into the record.

700 Quince Orchard Road

Gaithersburg

A CHARACTER COUNTS! CITY

Zoning Map Amendment/Sketch Plan
Z-7262-2016

VIKA

DVA

Ballard Spahr LLP

Rock Creek property group

Contents of Presentation

I. Applicant/Ownership Team
II. Introduction of Proposal
III. Property & Context
IV. Proposed Sketch Plan
V. Plan Benefits
VI. Compliance with Requirements
VII. Conclusions
VIII. Questions

APPLICANT/OWNERSHIP TEAM

A team experienced in Gaithersburg:

Aris Mardirossian

Herb Patterson

Andy Glick & Jon Lastuvka, Rock Creek Property Group

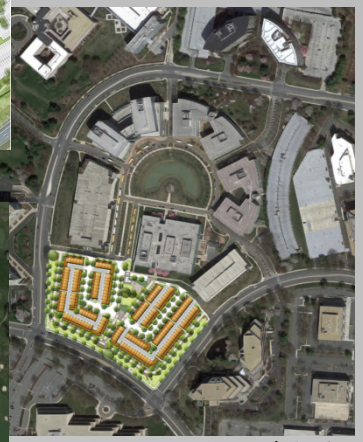
Tom Brault, Woodside Ventures

INTRODUCTION OF PROPOSAL

Highlights

- Rockside is the owner of the DRS building & ARE site is under contract
- Unique opportunity to revitalize and reposition Property under the MXD Zone
- Addition of a mixed-use walkable community that meet demands of employers, employees, and residents
- Increase employment and complement those uses with the residential component
- Precedents of successful integration of residential in empty office parks
- Provides housing to meet the needs of existing and future City residents
- Creating more employment square footage and making it more enticing to new businesses and residents

Milestone



Rock Spring

Tower Oaks

Mallory Square

Ballard Spahr LLP

Rock Creek property group

INTRODUCTION OF PROPOSAL

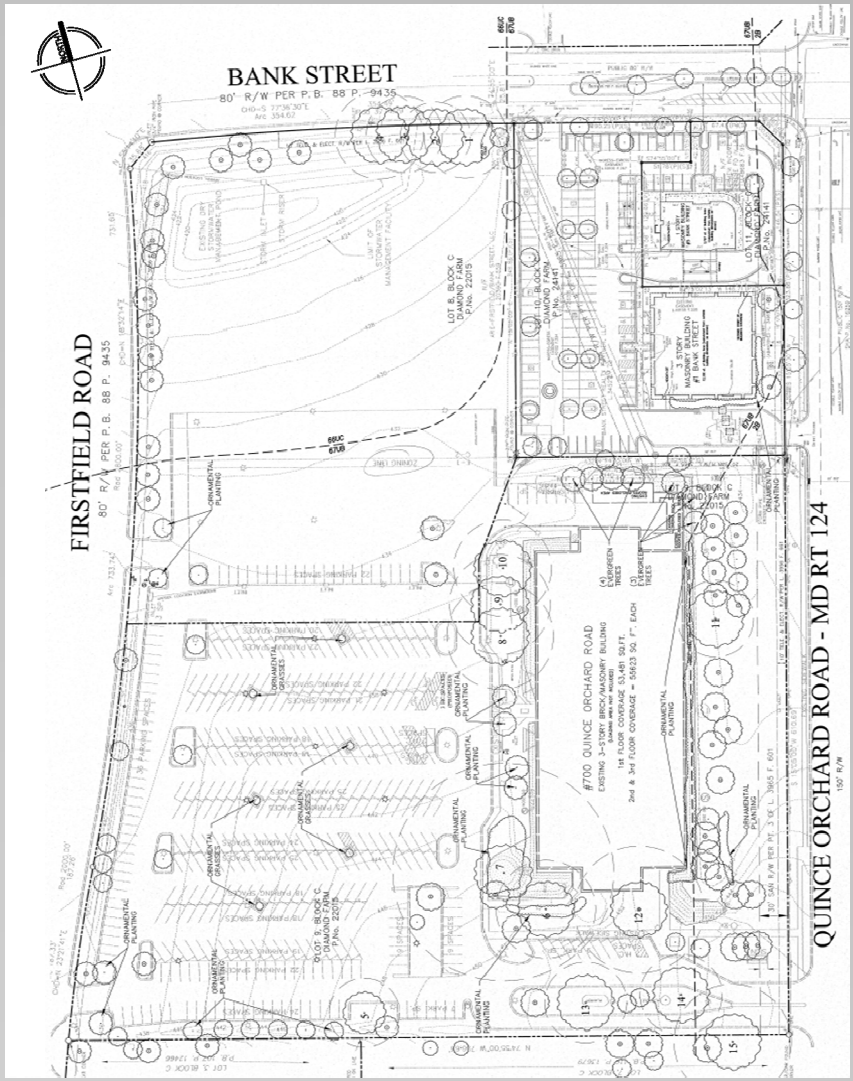
Ballard Spahr LLP

Rock Creek property group

PROPERTY & CONTEXT

Property Data

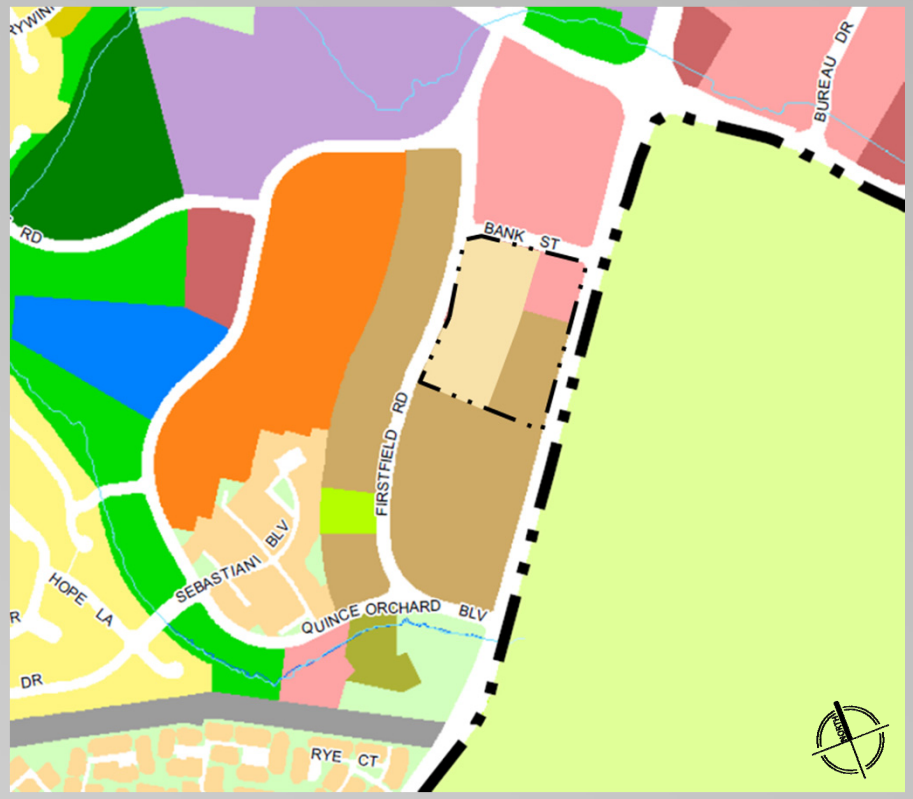
- 15.38 total acres
- 4 Lots
  - Lot 8: E-1 & C-2, 4.6 acres
  - Lot 9: E-1, 8.53 acres
  - Lot 10: C-2, 1.72 acres
  - Lot 11: C-2, 0.53 acres
- Existing Uses
  - 164,520sf vacant office building
  - 30,000sf medical/general office building
  - 2,500sf bank
  - Surface parking
  - Stormwater pond
  - Lawn areas


FIRSTFIELD ROAD
80' R/W PER P.B. 88 P. 9435
BANK STREET
80' R/W PER P.B. 88 P. 9435
QUINCE ORCHARD ROAD - MD RT 124
150' R/W
#700 QUINCE ORCHARD ROAD
EXISTING 3-STORY BRICK/MASONRY BUILDING
1st FLOOR COVERAGE = 54,491 SQ.FT.
2nd & 3rd FLOOR COVERAGE = 55,623 SQ. F. EACH
ORNAMENTAL PLANTING
ORNAMENTAL GRASSES
LOT 8, BLOCK C
DIAMOND FARM
P.No. 22015
LOT 10, BLOCK C
DIAMOND FARM
P.No. 24141
LOT 11, BLOCK C
DIAMOND FARM
P.No. 24141
LOT 9, BLOCK C
DIAMOND FARM
P.No. 22015
LOT 5, BLOCK C
DIAMOND FARM
P.No. 22015
EXISTING DR STORMWATER MANAGEMENT POND
UNIT OF STORMWATER MANAGEMENT FACILITY
EXISTING 3-STORY MASONRY BUILDING
#1 BANK STREET
ZONING DIAGRAM
ZONING DIAGRAM
ZONING DIAGRAM

PROPERTY & CONTEXT

Surrounding Land Uses

- Transitional site that can serve as a hub between retail and employment uses
- Incorporates diverse uses that reflect the greater area with the necessary addition of residential infill that will provide the 24/7 activity
- Two distinct building types – towns & potential 2-over-2s – that offer new opportunities missing in the vicinity.
- Provides open space and walkable streets in association with these new uses



Detached House	Townhouse Piggyback Condo	Hotel	Research and Development	HOA Park	Utilities
Duplex	Condominium	Live-Work Townhouse	Industrial	Religious	Vacant / Undeveloped
Townhouse	Senior Housing	General Commercial	School	City Facility	City Boundary
Back-to-Back Townhouse	Apartment	Office	Public Park/Open Space	General Government	

PROPERTY & CONTEXT

Connections

- Break up of superblock into walkable smaller areas will create porosity necessary to encourage pedestrian use
- Residential infill and introduction of a finer-grain block pattern will encourage multi-modal travel
- Supports LEED Neighborhood Development
  - Smart Location and Linkage
  - Neighborhood Pattern and Design

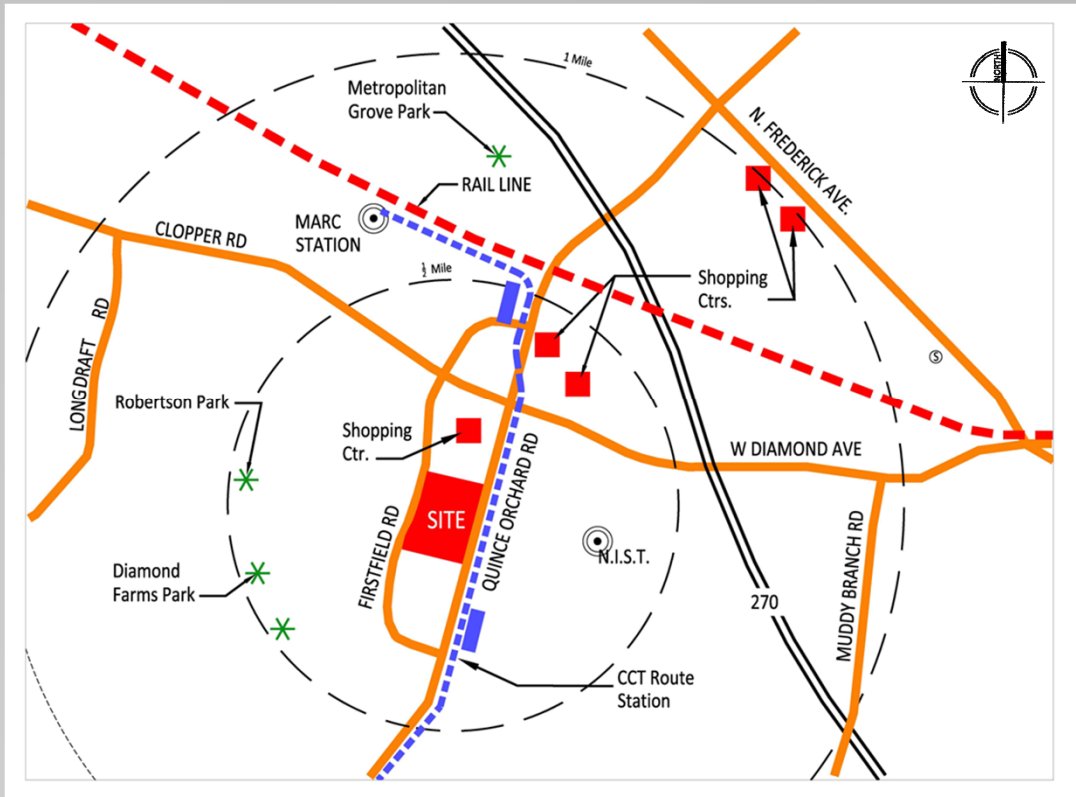
Existing Transit
Potential Transit Loop

New pedestrian connection
New vehicular connection
ADA/crosswalk improvements

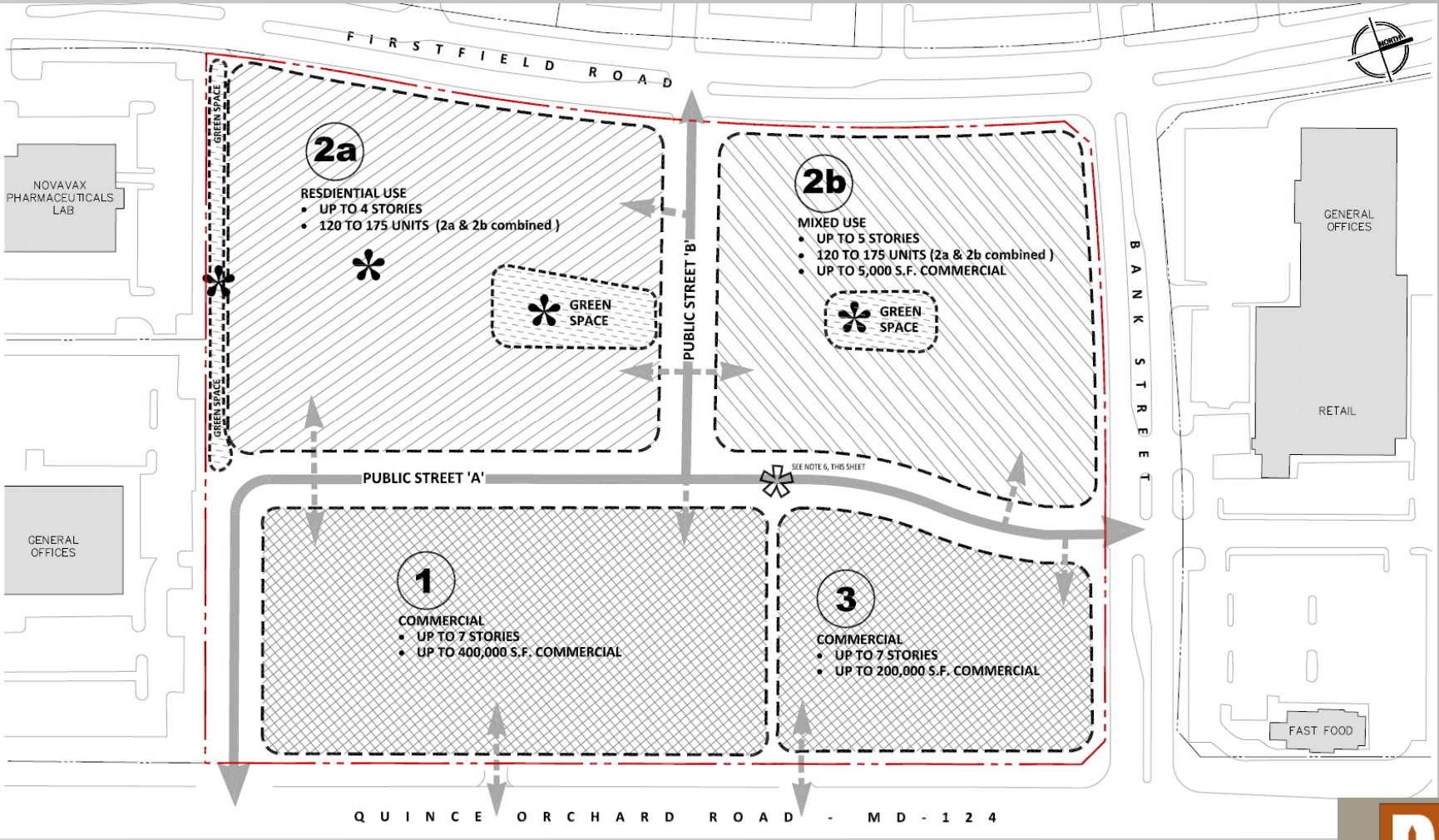
PROPERTY & CONTEXT

Adjacent Services & Amenities

- Three shopping centers within ½ mile
- Robertson Park and Diamond Farms Park within ½ mile
- Brown Station Elementary School within one mile
- Ride-On and Metro Bus routes along Firstfield Street, Clopper Road, and Quince Orchard Road within ½ mile: 56, 61, 71, & 78
- Metropolitan Grove Marc Station and future Corridor Cities Transitway ("CCT") within a mile
- Access to I-270
- Clopper Road and Quince Orchard Road are bike-friendly routes



PROPOSED SKETCH PLAN



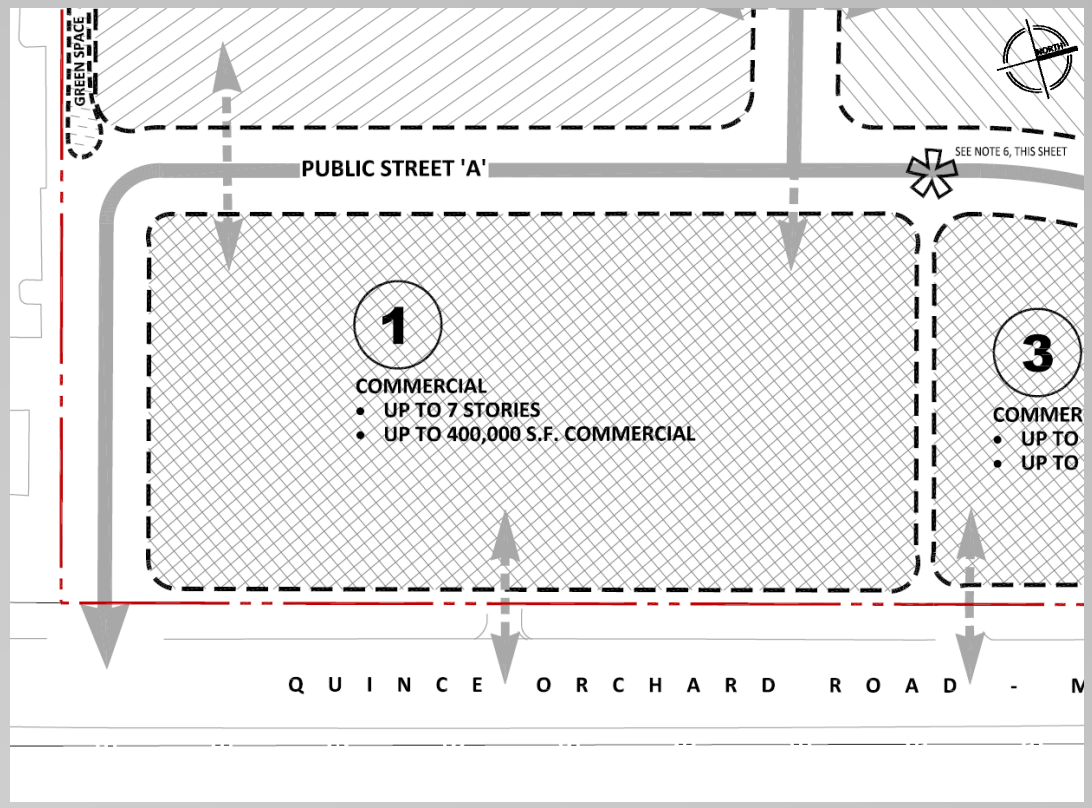
Ballard Spahr LLP

Rock Creek property group

PROPOSED SKETCH PLAN

Block 1

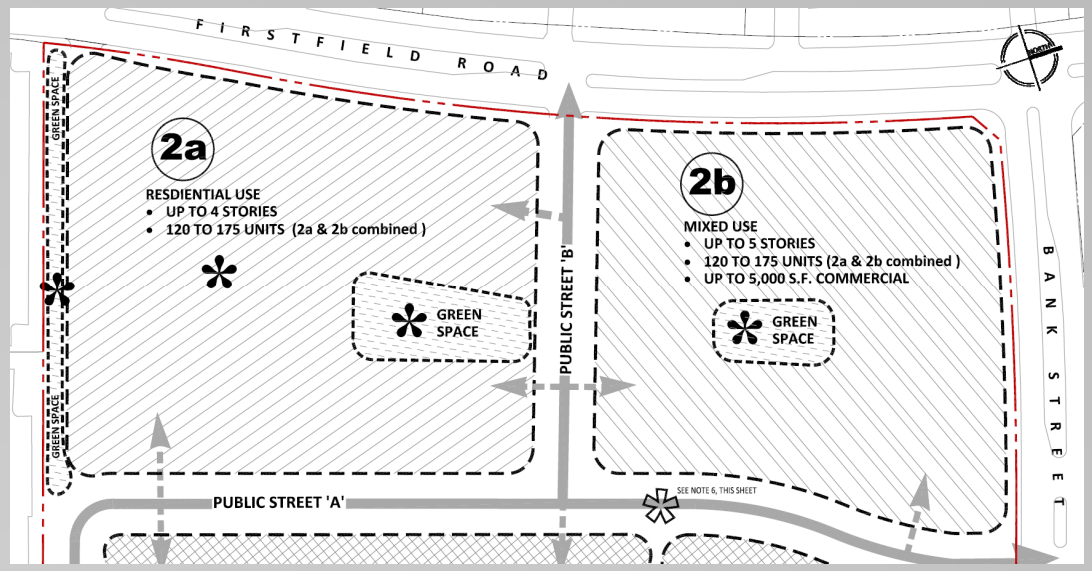
- Southeast block
- Layout: frontage on Quince Orchard Road, maintain existing access to Quince Orchard, new internal and new potential mid-block connections
- Uses: 400,000sf commercial
  - Restricted to higher employment uses
  - Potential interim design allows for immediate tenant
- Height: up to 7 stories



PROPOSED SKETCH PLAN

Blocks 2A & 2B

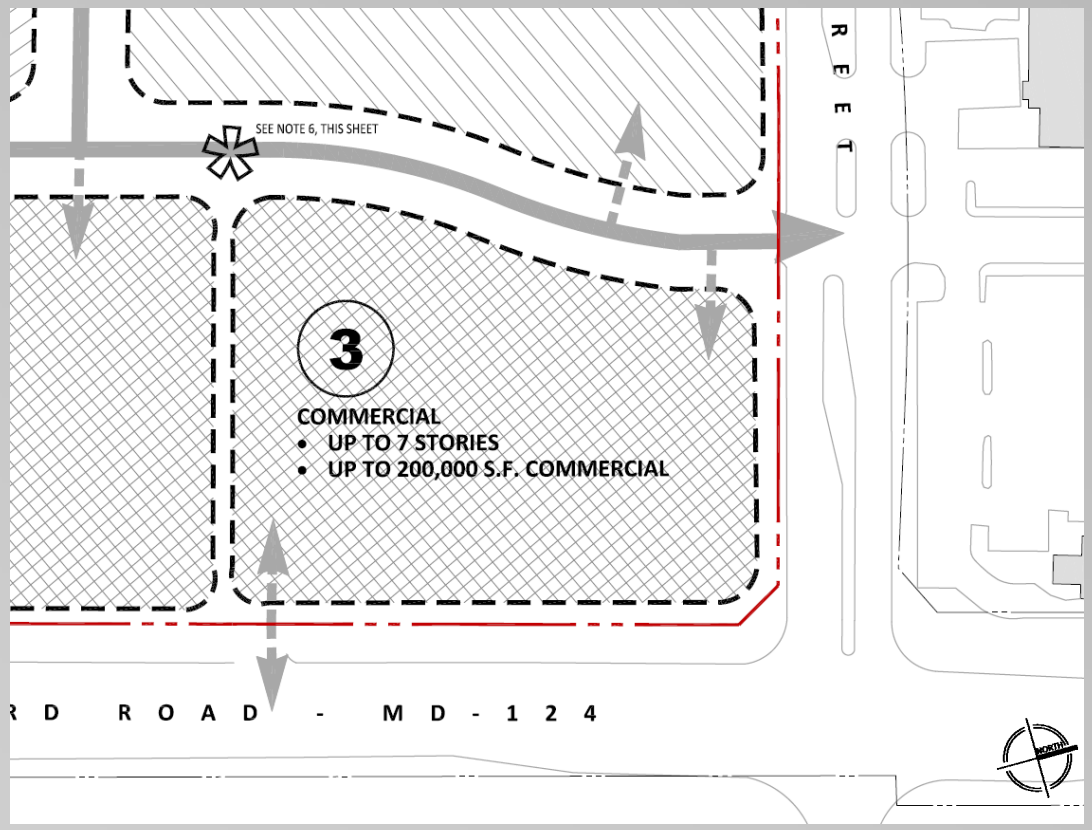
- Western blocks: 2A & 2B split by new east-west road
- 2A to southwest & 2B to northwest
- Layout: frontage on Firstfield Road & Bank Street; maintain existing access to Firstfield & Bank & new pedestrian connection along south property line
- Uses:
  - 120 – 175 units total on both blocks
  - Up to 5,000sf commercial on 2B
- Height
  - Up to 4 stories on 2A
  - Up to 5 stories on 2B



PROPOSED SKETCH PLAN

Block 3

- Northeast block
- Layout: frontage on Quince Orchard Road & Bank Street, maintain existing access points with upgrade streetscapes
- Uses: 200,000sf commercial
  - Short term: existing uses
  - Long term: more expanded set of commercial uses
- Height: up to 7 stories



PROPOSED SKETCH PLAN

POTENTIAL USES

BLOCK 1
- LAB/OFFICE
- R & D TECHNOLOGY
- INTEGRATED LIGHT MANUFACTURING
- OFFICE/GENERAL & MEDICAL
- GENERAL RETAIL & PERSONAL SERVICE
- RESTAURANT
- BANK
- COMMUNITY THEATRE
- ACCESSORY USES CUSTOMARILY INCIDENTAL AND SUBORDINATE TO THE PRINCIPAL OR PRIMARY USE

BLOCK 2a
- RESIDENTIAL:
  -TOWNHOUSE

BLOCK 2B
- RESIDENTIAL:
  -TOWNHOUSE
  -TWO OVER TWOs
- COMMERCIAL
  -GENERAL RETAIL
  -PERSONAL SERVICE

BLOCK 3
- R & D TECHNOLOGY
- INTEGRATED LIGHT MANUFACTURING
- OFFICE/GENERAL & MEDICAL
- MEDICAL CLINIC (REQUIRES SPECIAL EXCEPTION)
- GENERAL RETAIL & PERSONAL SERVICE
- HOTEL
- RESTAURANT
- BANK
- COMMUNITY THEATRE
- ACCESSORY USES CUSTOMARILY INCIDENTAL AND SUBORDINATE TO THE PRINCIPAL OR PRIMARY USE

EXISTING ZONING: C-2 & E-1
PROPOSED ZONING: MXD
SITE ACREAGE: 15.38±

NOTES

1. LOCATION OF SYMBOLS AND ELEMENTS MAY BE ADJUSTED AT SDP INCLUDING MOVING THE BANK STREET CONNECTION TO THE WESTERN EXISTING ISLAND BREAK.
2. GREEN AREA WILL BE AVERAGED BASED ON THE ENTIRE MXD ZONED AREA.
3. DENSITY TO BE BASED ON GROSS TRACT AREA.
4. AT SDP, PUBLIC STREET B MAY BE REALIGNED TO CONNECT ACROSS STREET A TO QUINCE ORCHARD ROAD.
5. COMMERCIAL DENSITY BETWEEN BLOCKS 1 & 3 WILL BE SHARED, AND NOT EXCEED 0.75 FAR.
6. PUBLIC STREET A MAY BE IMPLEMENTED IN PHASES. TO BE DETERMINED AT SITE DEVELOPMENT PLAN (SDP).

DEVELOPMENT PHASING

A. BLOCKS 2A, 2B
B. BLOCK 1
C. BLOCK 3

*- SEE NOTES 4 AND 6, ABOVE.

VIKA DVA Ballard Spahr LLP ROCK CREEK property group

PLAN BENEFITS

Synergies

- Infill Development
  - Existing infrastructure
  - Existing services & amenities
  - New investment
- New Employment
  - Renovated/replaced buildings
  - Updated uses
- New Fee-Simple Housing
  - New building types
  - Ownership housing
  - High-end product for local employees
- New Open Space
  - Green area of 25-40%
  - New SWM
  - New tree canopy

ROCK CREEK property group

PLAN BENEFITS

Open Space

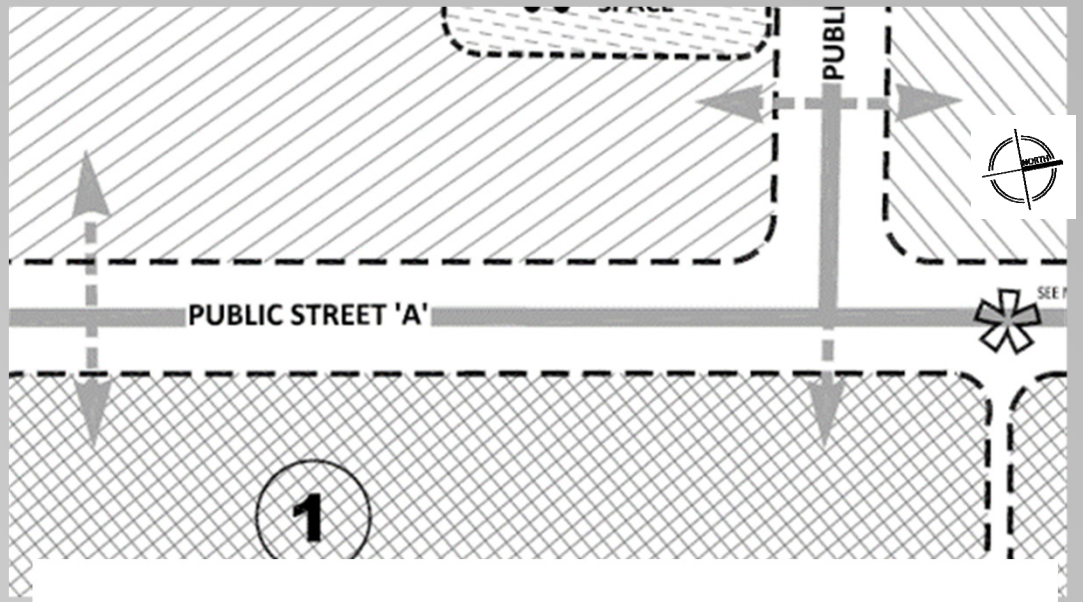
- Conversion of Surface Parking & SWM pond to usable space
- Active/Passive Recreation Opportunities
- Buffer/Ped Connection along Existing Office

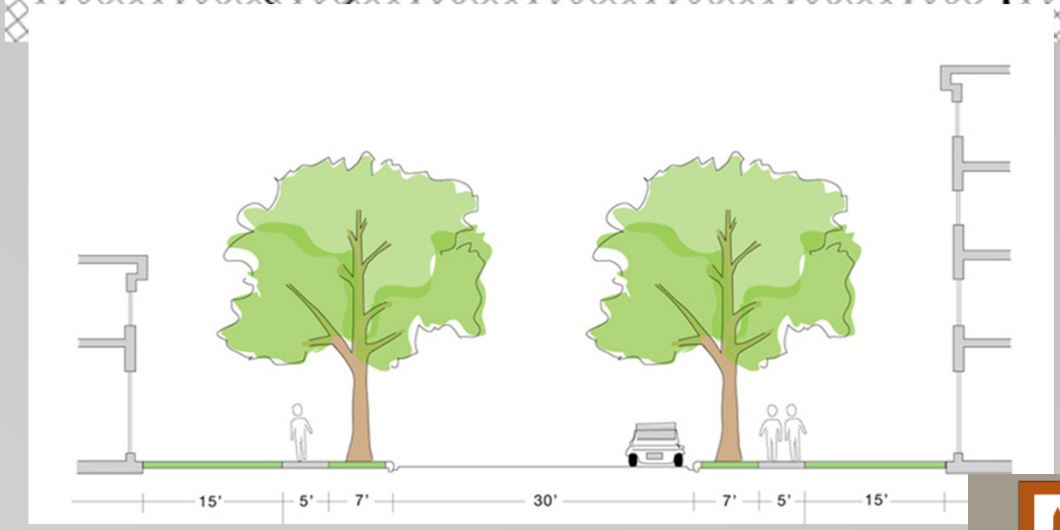
VIKA DVA Ballard Spahr LLP Rock Creek property group

PLAN BENEFITS

Streetscape

- Unifying Element
- Complete Streets Design
  - Vehicular Circulation & Parking
  - Pedestrians & Bikes
  - Tree Canopy & Green Elements
  - Furnishings & Lighting
- Potential Promenade on Residential Side of Public Street A



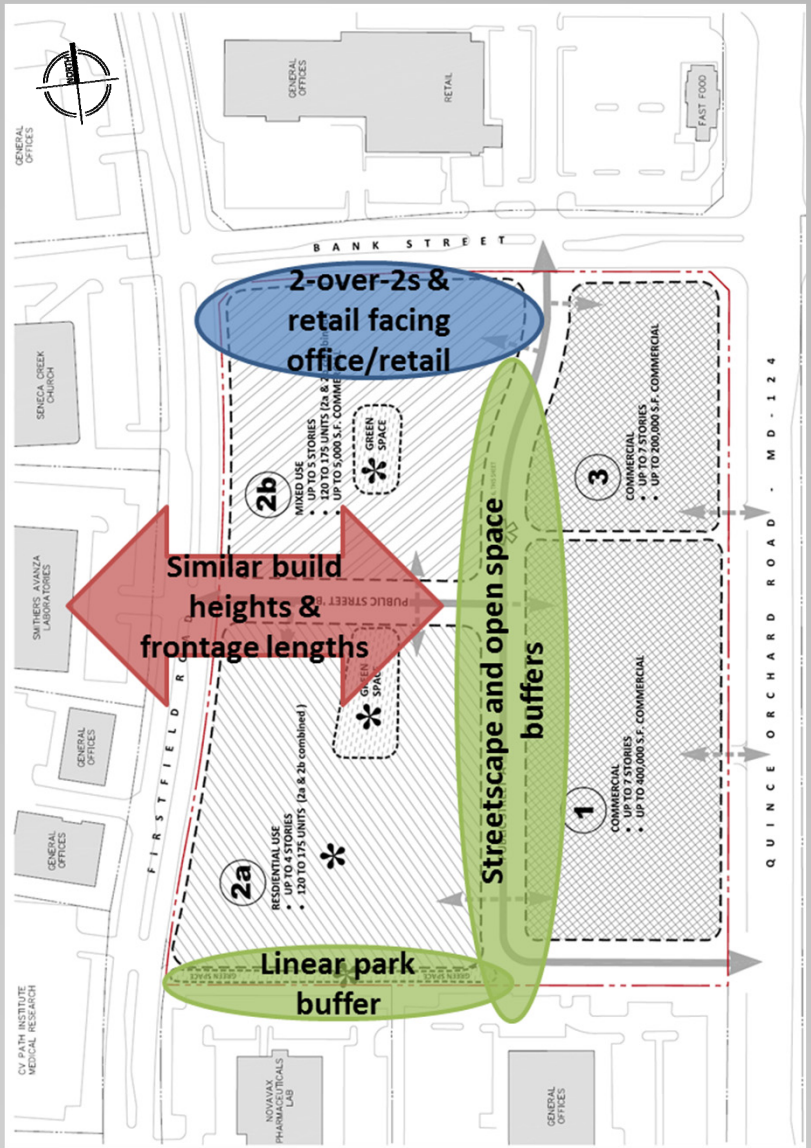


VIKA DVA Ballard Spahr LLP ROCK CREEK property group

PLAN BENEFITS

Compatibility & Massing

- Eliminating super-block configuration
- 2-over-2s facing taller retail/office to north
- Streetscape & open space buffers along residential/commercial interface
- Similar building heights & frontage lengths along the west



FROM POTENTIAL TO PROGRESS

Milestone

Rock Spring

Tower Oaks

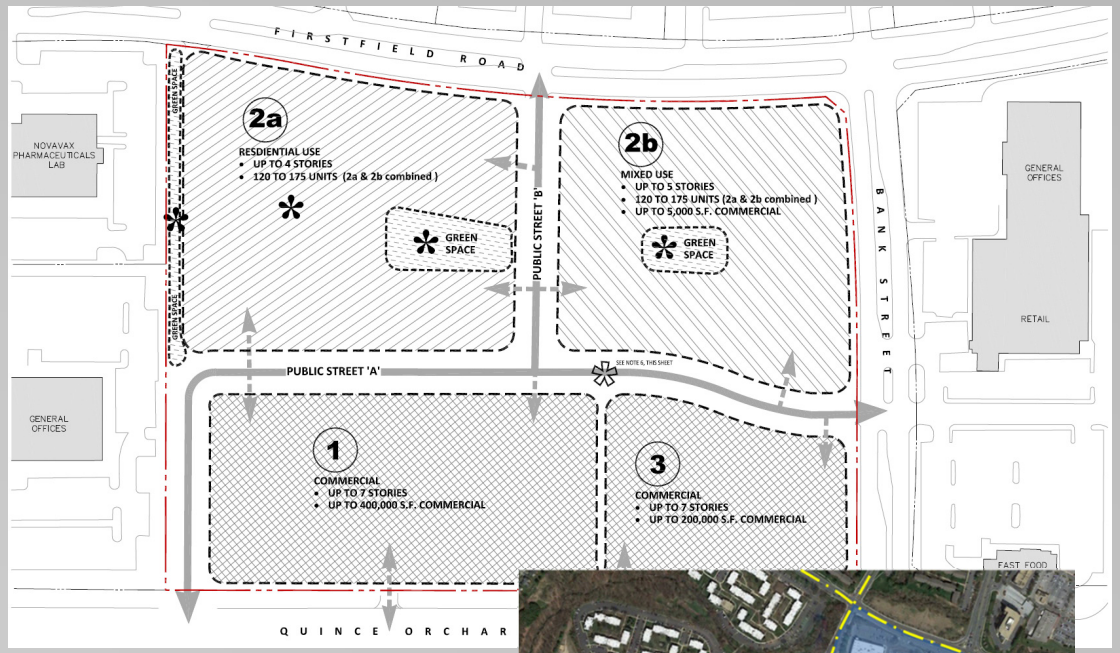
Mallory Square

Ballard Spahr LLP

Rock Creek property group

FROM POTENTIAL TO PROGRESS

- Seize opportunity to do more with Property than permitted under Euclidean zoning and create vibrant walkable community that complies with MXD Zone and Master Plan
- Ready to meet demands of employers, employees, and residents for immediate and long-term and revitalize property to be internally and externally harmonious



DESIGN PRECEDENTS

TOWNHOUSE 1

TOWNHOUSE 2

TOWNHOUSE 3

TOWNHOUSE 4

ROCK CREEK
property group

DESIGN PRECEDENTS

LAB / OFFICE 1

LAB / OFFICE 2

LAB / OFFICE 3

LAB / OFFICE 4

VIKA

DVA

Ballard Spahr LLP

ROCK CREEK property group

Compliance with Requirements

- MXD Zone
  - Design flexibility and coordination of architectural style of buildings and signage
    - ✓ Various architectural styles and designs that are harmonies within the Property and surrounding community
  - Integration of uses
    - ✓ Residential uses and commercial uses, anchored by community and recreational amenity spaces
    - ✓ Integrate the various uses through roads, paths and green space, while still allowing each to create a distinct personality on the respective blocks
  - Compatibility
    - ✓ MXD Zone provides robust planning and architecture as well as multiple uses that are harmonious internally and externally; institute uses on the Property that will be beneficial to the existing amenities, such as the nearby public transit, shopping centers, recreational parks, restaurants, elementary school, and various employment opportunities
    - ✓ Proposed mix of uses creates a built in customer base, in addition to the existing customers, to support the amenities on the Property and in the surrounding community
  - Efficient use of land
    - ✓ Commercial and retail uses on will be located closely to residences
    - ✓ By co-locating residential and commercial uses, trips that otherwise would go between the two segregated uses are now removed from the road network.
    - ✓ By adding viable commercial uses in a vacant space alongside other employment and commercial uses, trips between the two are shortened
  - Superior natural environment.
    - ✓ Enhance the environment by removing impervious surfaces and reintroducing green areas; among these green areas will be the open spaces on the residential development and landscaped buffers
- Master Plan: no specific recommendation, but does foresee opportunities to expand the vitality of the area

VHA DVA Ballard Spahr LLP Rock Creek property group

REPOSITIONED OFFICE BUILDINGS

Rockaway Executive Center - Rockaway, NJ
(before & after)

UNISYS - Blue Bell, PA
(before & after)

Ballard Spahr LLP

Rock Creek property group

DVA

Ballard Spahr
LLP

Rock Creek
property group

CERTIFICATE OF PUBLICATION

RECEIVED
APR 11 2016
CITY OF GAITHERSBURG
FINANCE & ADMINISTRATION

The Washington Post Company hereby certifies that it is the publisher of The Washington Post; that The Washington Post is a newspaper of general circulation, published daily in the City of Washington, District of Columbia; that The Washington Post has been so published continuously for more than one year prior to the date of first publication of the notice mentioned below; that the undersigned person is the duly authorized agent of The Washington Post Company to execute this certificate on its behalf; and that a notice of which the annexed is a true copy was printed and published in said newspaper on the following date(s) at a cost of $389.24 and was circulated in the Washington metropolitan area.

Published 2 time(s). Date(s):31 of March 2016
07 of April 2016

THE WASHINGTON POST

By

Nicole McKinney
BILLING MANAGER

NOTICE OF PUBLIC HEARING The Mayor and City Council and the Planning Commission of the City of Gaithersburg, Maryland, will conduct a joint public hearing on Zoning Map Amendment Z-7262-2016 on MONDAY APRIL 18, 2016 AT 7:30 P.M. or as soon thereafter as this matter can be heard in the Council Chambers at 31 South Summit Avenue, Gaithersburg, Maryland. The applicant requests approval of Zoning Map Amendment Z-7262-2016, to rezone four properties on 15.38 acres from the C-2 (General Commercial) and E-1 (Urban Employment) zones to the MXD (Mixed Use Development) zone and establish a new sketch plan, in accordance with § 24-160D.9(a) (Application for the MXD Zone and sketch plan approval) of the City Code. The subject properties are located at 700 Quince Orchard Road, 1 Bank Street, 5 Bank Street, and 14 Firstfield Road. Further information may be obtained from the Planning and Code Administration Department at City Hall, 31 South Summit Avenue, between the hours of 8 a.m. and 5 p.m., Monday through Friday, or visit the City's website at www.gaithersburgmd.gov. Rob Robinson, Long Range Planning Manager Planning and Code Administration # 1194

DRAFT

City of Gaithersburg

31 South Summit Avenue
Gaithersburg, Maryland 20877

Mayor and City Council Regular Session Minutes
City Hall - Council Chambers
Monday, April 18, 2016

I. CALL TO ORDER

A Mayor and City Council regular session was called to order at 7:30 p.m. with Mayor Ashman presiding. Council Members present: Harris, Marraffa (left at 10:41 p.m.), Sesma, Spiegel and Wu. Staff present: City Manager Tomasello, Deputy City Manager Enslinger, City Attorney Board, Economic and Business Development Director Lonergan, Director of Finance and Administration Walker, Paralegal Klingler, Community Planning Manager Schwarz, Long Range Planning Manager Robinson, Sustainability Planner Backe, Engineering Services Division Chief Mumpower, Neighborhood Services Division Chief Roman, Chief of Police Sroka, Police Sergeant Scarff, Police Officer III Jordan, Assistant City Attorney Johnson, Parks, Recreation and Culture Director Potter, Director of Human Resources Yocklin, Director of Community & Public Relation Monaco, Director of Information Technology Cottrell and Municipal Clerk Stokes. Planning Commission present for joint public hearing: Bauer, Hopkins, Kaufman, Weich, and Winborne.

* * * * * * * * *

VIII. JOINT PUBLIC HEARING

A. **Zoning Map Amendment: Z-7262-2016, the Applicant Requests Approval to Rezone Four Properties on 15.38 Acres From the C-2 (General Commercial) and E-1 (Urban Employment) Zones to the MXD (Mixed Use Development) Zone and Establish a New Sketch Plan, in Accordance with § 24-160D.9(a) (Application for the MXD Zone and Sketch Plan Approval) of the City Code. The Subject Properties are Located at 700 Quince Orchard Road, 1 Bank Street, 5 Bank Street, and 14 Firstfield Road**

Long Range Planning Manager Robinson presented the above joint public hearing to the Mayor and City Council and Planning Commission. An application was submitted requesting approval of Zoning Map Amendment Z-7262-2016, to rezone four properties on 15.38 acres from the C-2 (General Commercial) and E-1 (Urban Employment) zones to the MXD (Mixed Use Development) Zone and establish a new sketch plan, in accordance with § 24-160D.9(a) (Application for the MXD Zone and sketch plan approval) of the City Code. The hearing was duly advertised in *The Washington Post* on March 31 and April 7, 2016 and 21 exhibits are currently in the record file. He added that the applicant's intent is to expand beyond the existing Euclidean zoned uses to create opportunities for redevelopment and

integrate multiple commercial and residential uses throughout the subjected properties in a fully-designed and complementary way.

Erica Leatham, Ballard Spahr, representing the applicants, stated the application represents a continuation of the City's mixed use vision for the Quince Orchard corridor, taking advantage of the existing infrastructure and creating new jobs. The applicant is seeking to revitalize the property and create a series of improvements and uses that will bring about positive and long-term results for residents and retail. Stated that the proposed development has undergone significant changes to better align with the City's goals and objectives and encourage the continuation of employment uses on the property.

Andy Glick, Rock Creek Property Group, introduced the team and mentioned that members are local developers and owners of commercial properties active in Montgomery County and the Washington, D.C. areas for over 20 years. The group understands Gaithersburg's market; the challenges faced with said property, but have created a business plan and team to make the development successful. The plan will mass market the property regionally and nationally to find tenants. Their architects have retrofitted the existing building. The rezoning would be beneficial to area businesses and assist brokers with attracting a wider range of tenants to the proposed mixed use site of office, retail and townhomes.

Josh Sloan, Vika, noted the applicant has taken a broader context for the site and has looked more at the internal workings. He presented the sketch plan and reviewed the proposed housing types, land uses, transportation options, vehicular and pedestrian traffic, connections, and the amenities surrounding the project. He reiterated that the proposed mixed use community will include residential, commercial and retail. The sketch plan divides the property into three blocks: Block 1 proposes up to 400,000 square feet of commercial, using the existing building (heights limited to seven stories) with a combination of lab/office, R&D technology, retail/restaurant, and other uses; Block 2A and 2B proposes 120 to 175 residential units (heights four to five stories, more dense), with a possible commercial component; and Block 3 proposes a cap of 200,000 square feet of commercial uses (same uses identified for Block 1, with the addition of a medical clinic and hotel, heights limited to seven stories). He reviewed the benefits of the MXD rezoning such as infill development, new employment, new fee simple housing up to four stories, and additional open space. He further reviewed the massing, streetscapes with a unifying element, pedestrian and bike friendly environment with appropriate lighting.

Aris Mardirossian, developer, spoke of a live, work hub for the Quince Orchard area. Stated the applicant is seeking to bring new tenants and people into the neighborhood and create a mixed use development.

Members of the City Council and Commission questioned the number and mix of residential units, an alternative plan for the existing office building, and phasing of the project. It was noted that the Economic Development Committee and economic staff have expressed issues with the challenges of the current building and the plan to reuse said structure. The applicant is committed to finding a tenant for the retrofitted building / property. Concerns were further expressed with the readapted reuse of the existing development, challenge of creating urban living in a commercial area, buildout of residential and the possibility of a vacant building during the phasing. Staff responded that the City Council has the right under the MXD Zone to put conditions on the plan. The conditions could be tied to phasing which is a policy decision. Staff will continue to work with the applicant on refining the aspects and obligations of the plan. The Council concurred that it was time to

DRAFT

re-examine the entire corridor. In addition, it was mentioned that the interacted piece of the neighboring federal property and other existing commercial and retail in place could create synergy.

There were no speakers from the public.

Motion was made by Lloyd Kaufman, seconded by Ruthzaly Weich, that the Planning Commission record on Z-7262-2016, Requesting Approval to Rezone Four Properties on 15.38 Acres From the C-2 (General Commercial) and E-1 (Urban Employment) Zones to the MXD (Mixed Use Development) Zone and Establish a New Sketch Plan, in Accordance with § 24-160D.9(a) (Application for the MXD Zone and Sketch Plan Approval) of the City Code. The Subject Properties Located at 700 Quince Orchard Road, 1 Bank Street, 5 Bank Street, and 14 Firstfield Road, remain open until 5 p.m. on Friday May 20, 2016 (32 days), with anticipated recommendation June 1, 2016.

Vote: 5-0

Motion was made by Neil Harris, seconded by Ryan Spiegel, that the Mayor and City Council record on Z-7262-2016, Requesting Approval to Rezone Four Properties on 15.38 Acres From the C-2 (General Commercial) and E-1 (Urban Employment) Zones to the MXD (Mixed Use Development) Zone and Establish a New Sketch Plan, in Accordance with § 24-160D.9(a) (Application for the MXD Zone and Sketch Plan Approval) of the City Code. The Subject Properties Located at 700 Quince Orchard Road, 1 Bank Street, 5 Bank Street, and 14 Firstfield Road, remain open until 5 p.m., Friday, June 10, 2016 (53 days), with anticipated Policy Discussion July 5, 2016.

Vote: 5-0

* * * * * * * * *

XVII. ADJOURNMENT

There being no further business to come before this session of the City Council, the meeting was duly adjourned at approximately 10:50 p.m.

Respectfully submitted,

Doris Stokes, Municipal Clerk

DRAFT

Ballard Spahr LLP

1909 K Street, NW
12th Floor
Washington, DC 20006-1157
TEL 202.661.2200
FAX 202.661.2299
www.ballardspahr.com

Erica A. Leatham
Tel: 202.661.7654
Fax: 202.661.2299
leathame@ballardspahr.com

May 18, 2016

Via E-mail

City of Gaithersburg Mayor and Council
31 S. Summit Avenue
Gaithersburg, Maryland 20877

City of Gaithersburg Planning Commission
31 S. Summit Avenue
Gaithersburg, Maryland 20877

Re: Public Comment to Z-7262-2016
Zoning Map Amendment 700 Quince Orchard Road, 14 Firstfield Road, 1 Bank Street and 5 Bank Street

Dear Councilmembers and Commissioners:

On behalf of the Applicant, we submit this letter to add to the public record on the pending rezoning request, Z-7262-2016. Several questions were raised during the April 18, 2016 Public Hearing for which we wished to provide clarifications or additional information.

Neighborhood Context. As noted at the Public Hearing, a majority of the Mayor and Council concluded that it is appropriate to re-evaluate the entire Quince Orchard corridor in light of present development trends and demographic and economic forecasts. The State has defined the corridor as a growth and revitalization area under PlanMD and the site will only continue to benefit by its location between the Kentlands and Metropolitan Grove Activity Centers. In addition, and also as noted at the hearing, the Corridor Cities Transitway has two stops planned, one to the north and one to the south of the property, making the site ideally located for higher density and mixed use.

The overall area rests on a strong employment base, from Quince Orchard Boulevard to the south and further, the Kentlands (MedImmune) and Metropolitan Grove Activity Centers to the north, and NIST to the east. And, there are also major and minor retail centers housing/in three miles, as well as a mix of existing housing types. Please refer to Exhibit A. Specifically, Quince Orchard Plaza, immediately to the north of the site, already provides retail opportunities to the site and will be even more valuable under a mixed use scenario as it will provide amenities to the new office/housing for the site, effectively an incentive for future office relocations.

Existing residential development is located to the northwest and west in the form of several apartment communities. In addition, the Orchard Place townhome community (approximately 147 townhomes along Sebastiani Boulevard) is located to the southwest.[1] Fitting the proposed

[1] This community was developed in the 1980s.

development plan into this larger neighborhood context complements the existing mixed use character of the greater sub-region and enhances the immediate Quince Orchard/Firstfield corridor by adding a new "live" component to take advantage of the existing "work" and "play" nearby.

Finally, the addition of new fee simple residential units, as well as either an upgrade to or the full redevelopment of the DRS building, will result in increases in property values, thereby expanding the City's tax base, for all neighboring properties.

Mixed Use Redevelopment Precedents. At the Public Hearing, the Applicant discussed four different townhouse/office redevelopment sites in Montgomery County that reflect the intent of the subject proposal.

As noted, this is a new movement as large employers and land owners adapt to changing trends in the market. Although there are only a handful of examples in the DC metro region precisely like what is being proposed here, planning principles support the addition of mixed use zoning, and residential uses, in office parks to make the most of existing infrastructure and land scarcity to support high-tech population growth. In other parts of the country, there are many developments underway that propose residential/office integration, including the Bell Labs research facility in Holmdel, New Jersey and Hewlett-Packard's campus in Marlborough, Massachusetts; even Google is acquiring land near its campus to add residential uses. Practice and research both suggest that mixed use environments are more attractive to office tenants of any size and that new residents are interested in living near their work.

The scale of residential to commercial to make the projects successful varies by region and by property, though, as discussed at the Public Hearing and below, even a relatively small proportion of residential units has successfully enlivened a community. In this instance, the 175 residential for-sale units, combined with the 147 existing townhomes, and hundreds of multi-family units, represent a critical mass of residential options to serve the four million square feet of commercial development in the corridor.[2]

Please note that at the Public Hearing, the Applicant did not properly represent the final conditions of those properties. Please accept these clarifications into the record:

1. Tower Oaks – currently in the process of approval of 375 units (225 townhouse units, 30 detached units and 120 multi-family units) on a site originally programmed for 755,000 square feet of office. Several hundred thousand square feet of office currently exist within Tower Oaks, along with 136 townhouse units (an element of the original approval) and limited retail/restaurant uses.

[2] CoStar lists four million square feet of commercial uses within a one mile radius.

2. Mallory Square – the first of two buildings that together allow up to 682 multi-family units and 1,650 square feet of retail uses is now occupied. The project includes 3,500 square feet of non-residential uses, supplementing another 4.4 million square feet within a mile of the site. This project was one of the earliest to take advantage of the switch from single-use to mixed-use zoning under the Great Seneca Science Corridor Master Plan that encouraged diversification of land use to support the growing employment environment.

3. Milestone – The 2009 Germantown Employment Area Sector Plan recognized the need to encourage a mix of uses to support the existing office uses by rezoning the Milestone Business Park. The first phase of development has been approved to add 485 residential units and up to 28,250 square feet of retail to the existing (approximately) 650,000 square feet of office, retail and light industrial uses.

4. Rock Spring – Construction and sale of 168 townhouse units on a former industrially-zoned property. Rock Spring is an 30 year old office park with more than three million square feet of office space near the Beltway and I-270 in North Bethesda and has seen a steady increase in office vacancies over the last decade; Montgomery County is currently in the nascent stages of a new master plan to allow a broader mix of uses to keep the area viable. As an early ULI review and the current sector plan have shown, an infusion of residential uses is the first piece of the puzzle to keep Rock Spring thriving.

In addition, but not identified at the Public Hearing, EYA recently built and sold units on a former industrially zoned property along Little Falls Parkway in Bethesda. This is an example of a mature development that has been successfully integrated into a non-residential area (houses are priced at $1.4M). In that instance, there are only 30 units surrounded by mainly industrially zoned land, but very close to other residential and other retail areas.

Phasing. The Applicant intends to proceed with Blocks 1 and 2 simultaneously, subject to market conditions and will prepare a Schematic Development Plan that takes into account the anticipated tenancy of the building and its relationship to the residential component.

Specifically, since the Public Hearing, the Applicant has commenced the initial steps of an intense marketing campaign for the former DRS Building, using a specialized brokerage team based in the City and focused on attracting tenants that benefit from the proximity to NIST, MedImmune and transportation infrastructure. Although the rezoning has not been approved, and, therefore, the Applicant, cannot market the mixed use concept as an amenity, all interested parties are briefed on the pendency of the application and the desire to redevelop the parking lot for residential use and relocate the parking. The Applicant also intends to collaborate with the Department of Economic Development to reach out to potential tenants. With this effort in place – and once the MXD Zone is approved – the Applicant will be able to directly respond to the concerns raised at the Public Hearing about the transition/buffer between the commercial and residential use.

The Applicant will use the precedent from the Orchard Place integration into a commercial area and the best practices derived from other local mixed use conversions when it returns at Schematic Development Plan and Site Plan with a detailed plan, including Design Guidelines.[3] The Guidelines will ensure that the full streetscape and landscaping is installed along both sides of Public Street A prior to residential occupancy so that the view of the building is mitigated (whether it is the existing building or the construction of a new building).

Very truly yours,

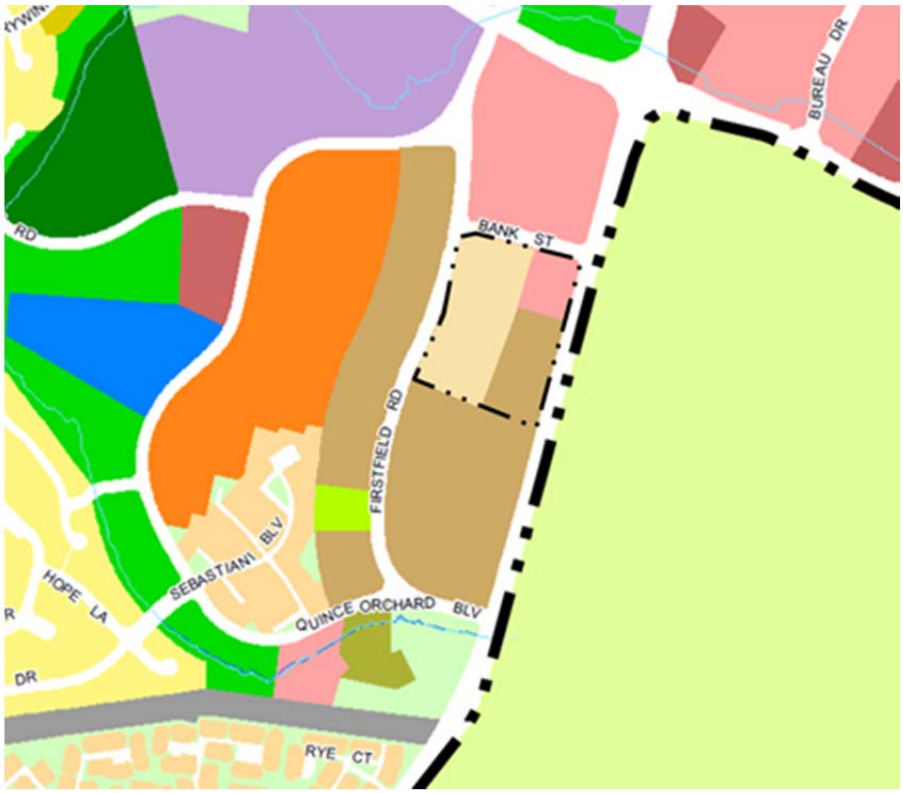
Erica A. Leatham

EAL/akm

cc: Rob Robinson
Rockside-700, LLC
Josh Sloan
Bob Vujcic

[3] As with all regulatory applications, the streetscape and landscape features will be part of the Schematic Design Plan application/approval rather than the policy approval of the rezoning application and Sketch Plan. The Applicant is committed to preparing such details once the zone is approved and more attention can be paid to the land planning and development details.

Exhibit A


BUREAU DR
BANK ST
FIRSTFIELD RD
SEBASTIANI BLV
HOPE LA
QUINCE ORCHARD BLV
RYE CT
Detached House
Duplex
Townhouse
Back-to-Back Townhouse
Townhouse Piggyback Condo
Condominium
Senior Housing
Apartment
Hotel
Live-Work Townhouse
General Commercial
Office
Research and Development
Industrial
School
Public Park/Open Space
HOA Park
Religious
City Facility
General Government
Utilities
Vacant / Undeveloped
City Boundary