
MEMORANDUM TO: Planning Commission
FROM: Gregory Mann, Planner
DATE: July 15, 2015
SUBJECT: Staff Analysis
ASDP-6950-2015: Kentlands Market Square

APPLICANT/OWNER:

Ken Miller
Beatty Management Company, Inc.
6824 Elm Street
Suite 200
McLean, Virginia 22101

ATTORNEY:

Erin E. Girard
Linowes and Blocher, LLP
7200 Wisconsin Avenue
Suite 800
Bethesda, Maryland

TAX MAP REFERENCE:

FS13 – 09-03203814
FS13 – 09-03203825
FS13 – 09-03699003

REQUEST:

Application ASDP-6950-2015 has been filed requesting an amendment to the schematic development plan for the property known as Kentlands Market Square in Gaithersburg, Maryland¹. The Applicant is requesting a change in use to allow up to five (5%) percent of the approved commercial tenant space to be used for office and/or educational uses, with a limitation of 2.5% being located along Market Street, with any second floor leasable space to be excluded from either cap. The Applicant is not proposing any physical changes to any of the buildings or site. The subject property is zoned MXD (Mixed use Development) and is currently developed as a retail/commercial center.

¹ Exhibit 1

GENERAL INFORMATION

LOCATION:

The subject property is located within the Kentlands subdivision and is bordered by Kentlands Boulevard to the north.



PROJECT BACKGROUND²

Application ASDP-6950-2015 was filed on March 4, 2015 by Ken Miller of Beatty Management Company, Inc. The application was presented to the Mayor and City Council as a courtesy review during their May 18, 2015 regular meeting, pursuant to § 24-198(C)(2)(C) of the City Code. Following the courtesy review, the Council directed staff to have the amendment be referred to the Planning Commission for further evaluation, public hearing and recommendation. The Council will then, following the Planning Commission recommendation, vote on the application³.

A public hearing was held by the Planning Commission on June 17, 2015. During the course of the hearing the Planning Commission asked for clarification if second floor leasable space is counted towards the proposed five (5%) percent cap. The Applicant clarified that the amendment is proposing to exclude all second floor leasable space from either cap.

There were seven (7) speakers from the public during the public hearing. The seven (7) speakers voiced concerns over the proposed amendment, and the following aspects of the proposed amendment were discussed:

- Request for a long-term strategic leasing plan for Kentlands Market Square; and
- Compliance with the *Kentlands Boulevard Commercial District Special Study Area Master Plan*.

The Planning Commission announced, by motion, the closing of their record for ASDP-6950-2015 on July 9, 2015 at 5 PM, with anticipated recommendation on July 15, 2015. At the close of the Planning Commission's record, fifteen (15) public comments had been received.

In response to the public comments raised during the public hearing and subsequently received written testimony, the Applicant has submitted a statement addressing the public's comments⁴.

AMENDMENT TO SCHEMATIC DEVELOPMENT PLAN PROPOSAL:

During the public hearing, the Applicant formally revised the proposed amendment by reducing the request of approved commercial tenant space to be used for office and/or educational uses from ten (10%) percent to five (5%) percent, with a further limitation of 2.5% being located along Market Street, with all second floor leasable space to be excluded from either cap. The Applicant also withdrew the request to convert two (2) standard parking spaces along Market Street into a single handicap space. The proposed amendment is not proposing any physical changes to any of the buildings or site. The Applicant has subsequently submitted a revised site plan taking into account the

² Reference Exhibit 43: Preliminary Background Report, for additional background information including Zoning & Site Plan History, Public Facilities, and application reviewed at public hearing.

³ Exhibit 9

⁴ Exhibit 53

aforementioned changes⁵. As stated in the Applicant's statement, the requested amendment is necessary for Beatty to more immediately meet the demands of the market and address current vacancies.

Instead of delineating the location of the proposed uses within Market Square, and to facilitate future leasing flexibility, the Applicant is requesting a blanket approval for the proposed caps. Staff supports the Applicant's request to not delineate specific tenant spaces.

MXD Zone

The property, which is currently developed as a retail/commercial center, is zoned MXD (Mixed Use Development). The purpose and intent of the MXD zone is to encourage the efficient use of land by locating employment and retail uses convenient to residential areas and reducing the reliance upon automobiles.

As stated in the Applicant's statement⁶, the proposed amendment meets the intent of the MXD zone since it will provide a diverse and harmonious mix of uses within the shopping center. Further, the amendment will provide employment, commercial, and education uses convenient to residential areas, reinforcing the walkability of the Kentlands by further reducing the reliance upon automobiles. Staff concurs with the Applicant's statement and agrees that the proposed amendment accomplishes the intent and purposes of the MXD zone.

Master Plan

The subject property is included in the 2003 Master Plan under the *Kentlands Boulevard Commercial District Special Study Area*. The special study area (SSA) provides guidance for the future growth of the Kentlands Commercial District. The SSA encourages development that supports both the long-term vision and short term needs for the area, as well as promoting a mix of uses.

The SSA also provides a framework for the future build-out of the Kentlands commercial district, with mid-term and long-term recommendations, as well as redevelopment guidelines. While the SSA primarily focuses on physical changes to the Kentlands commercial district, the SSA also provides suggestions for future ground floor uses. In regards to Kentlands Market Square, the SSA recommends ground floor office uses along Kentlands Boulevard and encourages retail uses for ground floor spaces along Market Street and Center Point Way.

As stated in the Applicant's statement⁷, the proposed amendment is intended to address the short-term needs of the shopping center, while upholding the long-term goals of the SSA by providing a shopping destination that provides a rich mix of uses. To remain in conformance with the SSA, the amendment proposes a limitation of 2.5% of

⁵ Exhibits 52a-52e

⁶ Exhibit 5

⁷ Exhibit 53

office/education uses along Market Street to ensure that the retail orientated nature of the shopping center is preserved. Staff concurs with the Applicant's statement that the proposed amendment is substantially in accord with the SSAs recommendations and that it will provide a mix of supporting uses while not conflicting with the vision of a retail-centric shopping center.

STAFF FINDINGS ANALYSIS AND RECOMMENDATIONS

ASDP-6950-2015

Approval of ASDP-6950-2015, by the City Council is dependent upon the findings required under § 24-160D.10(b) of the City Code. The following outlines the required findings and justifications for a City Council approval of application ASDP-6950-2015.

(1) The plan is substantially in accord with the approved sketch plan

The subject property is part of sketch plan Z-262⁸, which covers approximately 353 acres, and permits both residential and non-residential development. The non-residential development of the sketch plan reflects 2,200,000 square feet of development as follows:

100,000 sq. ft. neighborhood office/retail
900,000 sq. ft. office
850,000 sq. ft. regional retail
350,000 sq. ft. regional retail expansion or office

At the time of approval, the sketch plan was approved to permit a broad range of undefined uses that were encouraged to facilitate a mix of uses, including but not limited to, retail, office, service, and education. The amendment is not proposing any physical changes to any of the buildings or site, but instead requests approval to convert up to five (5%) percent of the approved commercial tenant space to be used for office and/or educational uses, with a limitation of 2.5% being located along Market Street. Therefore the proposed amendment is substantially in accord with the approved sketch plan.

(2) The plan meets or accomplishes the purposes, objectives and minimum standards and requirements of the zone:

- a) Application ASDP-6950-2015 will increase the mix of uses in the Market Square shopping center by providing employment, commercial, and educational uses, within an existing retail center.
- b) Application ASDP-6950-2015 will provide more diverse uses on the property creating employment opportunities in close proximity to existing residential.
- c) Application ASDP-6950-2015 contributes to the greater Kentlands development, which is zoned MXD, by providing supporting and complementary uses with adjacent properties located within the Kentlands subdivision.

⁸ Exhibit 56

- d) Application ASDP-6950-2015 encourages the efficient use of land by: locating a mix of uses, including employment, retail, commercial, and educational uses near residential; reducing the reliance upon automobiles and encouraging pedestrian and other non-vehicular circulation.

(3) The plan is in accord with the area master plan and any accompanying special condition or requirements contained in said master plan for the area under consideration:

The subject property was not included as a specific map designation in the 2009 Maser Plan. Consequently, the property is regulated by the 2003 Master Plan: *Kentlands Boulevard Commercial District Special Study Area (SSA)*.

The SSA was approved promoting a broad mix of mutually supportive uses. Further, the SSA recommends the subject property remain largely retail oriented by suggesting the concentration of office uses along Kentlands Boulevard and retail uses along Market Street and Center Point Way.

The amendment will provide a mix of complementary and supportive uses to an existing retail-centric shopping center. Further the proposed amendment will limit the total permitted amount of office and education uses to 5%, with a maximum limitation of 2.5% being located along Market Street, which will preserve the SSAs overall vision of a retail oriented shopping center. Therefore the proposed amendment is in accord with the area master plan.

(4) The plan will be internally and externally compatible and harmonious with existing and planned land uses in the MXD zoned area and adjacent areas:

The subject property borders residential, commercial, office, and educational uses which are similarly zoned MXD. Therefore the proposed uses will be compatible and harmonious to both the adjacent properties and with similar uses in the MXD zone.

(5) That existing or planned public facilities are adequate to service the proposed development contained in the plan:

Application ASDP-6950-2015 complies with the City of Gaithersburg Adequate Public Facilities Ordinance as follows:

1. Traffic Impacts:

Based on the amount of traffic that will be generated by the proposed uses, the Applicant has obtained a determination that the standards are not applicable to the application's proposed development. None of the proposed uses will generate an additional thirty (30) weekday peak hour trips that would require a traffic impact study.

2. **Adequacy of School Capacity:**

Since the application proposes commercial uses, it will have no impact on the school system. Therefore the proposed application is exempt from the school test of the Adequate Public Facilities Ordinance.

3. **Water and Sewer Services and Public Utilities:**

The subject property currently has WSSC water and sewer categories of W-1 and S-1 respectively.

4. **Fire and Emergency Services:**

The property is located with a ten-minute response time of three (3) fire stations: Gaithersburg Fire Station 8, Rockville Fire Station 31, and Travilah Fire Station 32.

(6) That the development staging or phasing program is adequate in relation to the provision of public facilities and private amenities to service the proposed development:

The Applicant is only requesting a change in use for the property and maintaining the existing building and on-site improvements. Therefore, no staging or phasing plan is required.

(7) That the plan, if approved, would be in the public interest:

The proposed amendment will increase the marketability of the property by helping to facilitate the leasing of existing vacant spaces with uses that will be supportive and harmonious with the current businesses and residential communities.

STAFF RECOMMENDATION

Staff is supportive of the submitted Amendment to Schematic Development Plan, ASDP-6950-2015, as it is in conformance with § 24-160D.10(b) of the City Code, and is substantially in accord with the *Kentlands Boulevard Commercial District Special Study Area*. In summary, the proposed amendment will continue the overall vision and standards of the Kentlands by providing a sustainable mixed-use shopping center that will enhance its continuing benefits to the community. Staff is of the opinion that the proposed mix of uses will complement the existing retail and help to facilitate the leasing of existing vacant spaces. The amendment will increase the vitality of the property by providing an agglomeration of complementing internal uses, further promoting positive externalities for existing and future establishments. Overall, the amendment will further the liveliness of the property and will allow Market Square to better compete with local competitors, while preserving the retail nature of the shopping center.

Staff recommends THAT THE PLANNING COMMISSION, BASED ON THE EVIDENCE AND TESTIMONY SUBMITTED INTO THE RECORD AND THE FINDINGS IN THE FINAL STAFF ANALYSIS, RECOMMEND APPROVAL OF AMENDMENT TO SCHEMATIC DEVELOPMENT, ASDP-6950-2015, TO THE MAYOR AND CITY COUNCIL WITH NO CONDITIONS.