

Official Notices



Published in The Washington Post on December 30, 2021

Location

Washington County, DC

Notice Text

NOTICE OF JOINT PUBLIC HEARING

The Mayor & City Council and the Planning Commission of the City of Gaithersburg, Maryland, will conduct a public hearing on Schematic Development Plan SDP-9073-2021 on

**TUESDAY
JANUARY 18, 2022
AT 7:30 P.M.**

or as soon thereafter as this matter can be heard virtually by teleconference online and phone.

The applicant requests approval of the Schematic Development Plan, SDP-9073-2021, located within the Kentlands Square Shopping Center. The applicant is requesting to construct three infill commercial buildings totaling 21,700 square feet within the existing parking lot along Main Street.

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 by visiting the City's website at: <http://www.gaithersburgmd.gov/government/projects-in-the-city> .

Jasmine Forbes, Planner
planning@gaithersburgmd.gov
Planning and Code Administration

Official Notices



Published in The Washington Post on January 6, 2022

Location

Washington County, DC

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Jasmine Forbes, Planner
planning@gaithersburgmd.gov
Planning and Code Administration

KENTLANDS SQUARE - PHASE II

GAITHERSBURG, MD

SITE DEVELOPMENT PLAN SDP-9073-2021

Kentlands Square Infill Sites
Joint Public Hearing Presentation

January 18, 2022



BOOTH STREET

GREAT SENECA HIGHWAY 35,000 VPD

Lowe's

KENTLANDS BOULEVARD



GREAT SENECA HIGHWAY

KENTLANDS BOULEVARD

Robert J Kelly
DDS & Associates









CITY OF GAITHERSBURG MAYOR & COUNCIL
31 SOUTH SUMMIT AVENUE, GAITHERSBURG, MARYLAND 20877

**SCHEMATIC DEVELOPMENT
PLAN APPROVAL**

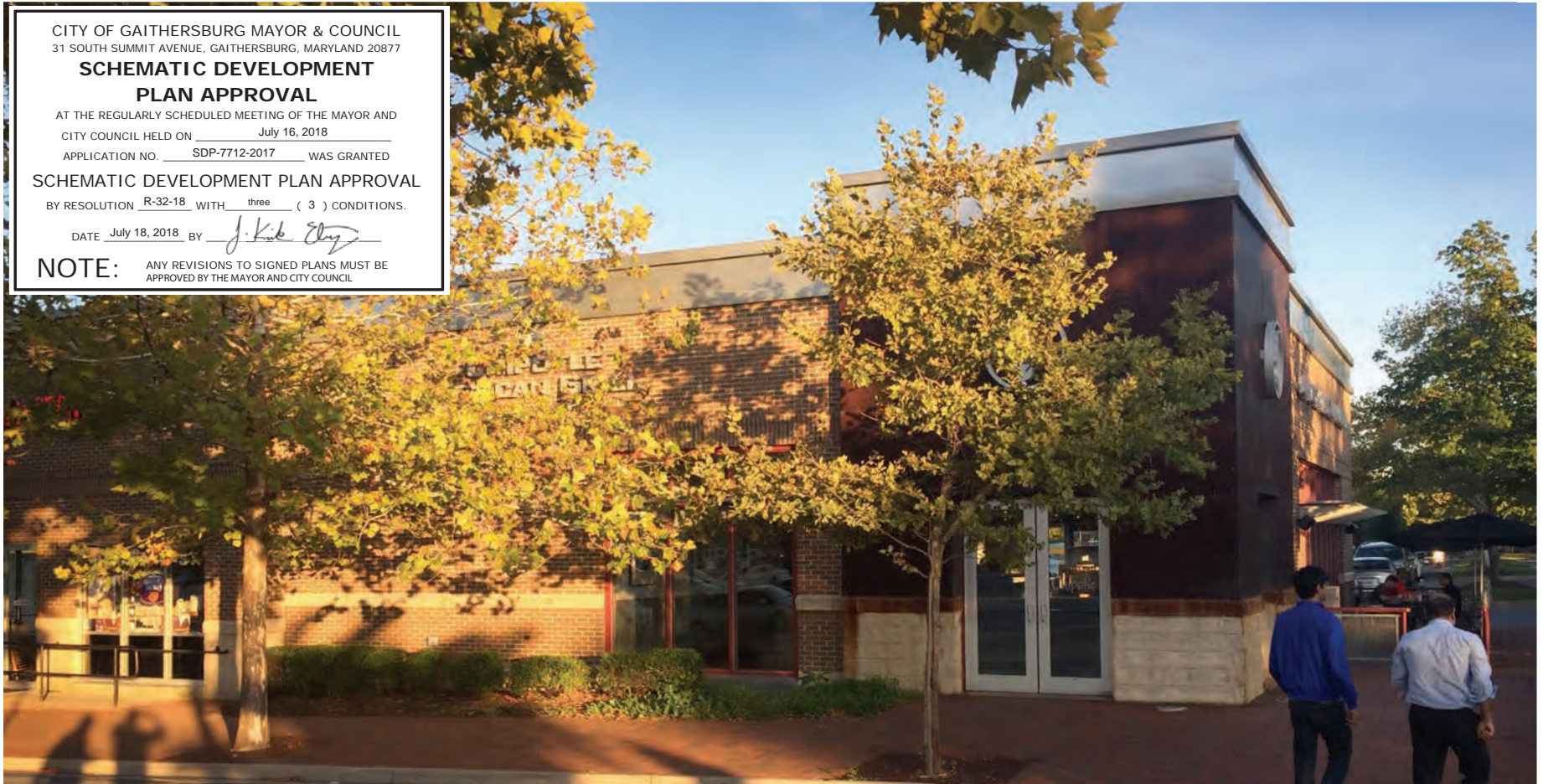
AT THE REGULARLY SCHEDULED MEETING OF THE MAYOR AND
CITY COUNCIL HELD ON July 16, 2018
APPLICATION NO. SDP-7712-2017 WAS GRANTED

SCHEMATIC DEVELOPMENT PLAN APPROVAL

BY RESOLUTION R-32-18 WITH three (3) CONDITIONS.

DATE July 18, 2018 BY J. Kirk Elzy

NOTE: ANY REVISIONS TO SIGNED PLANS MUST BE
APPROVED BY THE MAYOR AND CITY COUNCIL



TORTI
GALLAS +
PARTNERS

Saul Centers
A Real Estate Investment Trust

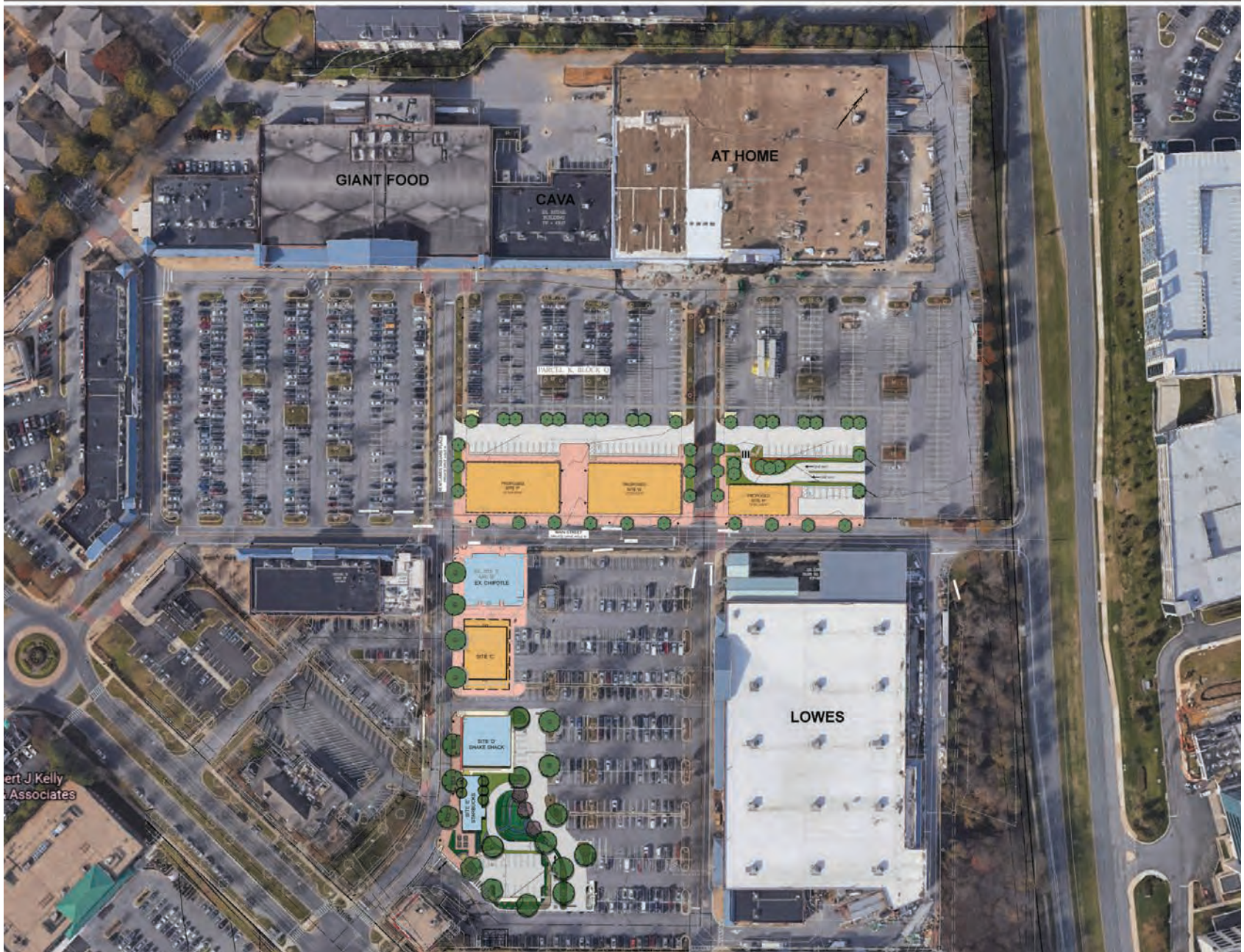
Revised November 2021 - by Rodgers Consulting, Inc.
September 20, 2017

KENTLANDS SQUARE

PARCEL L: SITES C, D, & E; PARCEL K: SITES F, G, & H
STREET VISION, BUILDING STOREFRONT AND
SIGNAGE DESIGN GUIDELINES







ert J Kelly
Associates



MEMORANDUM TO: Mayor and City Council
Planning Commission

FROM: Jasmine Forbes, Planner II

DATE: January 18, 2022

SUBJECT: Preliminary Background Report: Application SDP-9073-2021;
Kentlands Square Infill Pad Sites.

APPLICANT/OWNER:

Vince Burke
Saul Holdings Limited Partnership
7501 Wisconsin Avenue, Suite 1500
Bethesda, Maryland, 20814

ATTORNEY:

Matt Gordon
Selzer Gurvitch Rabin Wertheimer & Polott, P.C.
4416 East West Highway, Fourth Floor
Bethesda, Maryland, 20814

ENGINEER

William 'K.C' Reed, PE
Rodgers Consulting, Inc.
19847 Century Boulevard
Germantown, Maryland, 20874

TAX MAP REFERENCE:

Tax Map Sheet: FS13, Block Q
ID#: 160903203483

REQUEST:

Application SDP-9073-2021 has been filed requesting Schematic Development Plan (SDP) approval for three infill pad sites within the existing Kentlands Square Shopping Center. The three new infill buildings will total 21,700 square feet and will not exceed two stories in height.

LOCATION:

The Subject Property is approximately 22.3 acres and contains 237,414 square feet of commercial buildings. The Kentlands Square Shopping Center is generally bounded by Great Seneca Highway to the east, Kentlands Boulevard to the south, and Booth Street to the west. The extents of the subject application are internal to the existing shopping center.



Location Map

REQUIRED ACTIONS

Approval of SDP-9073-2021, by the City Council is dependent upon the findings required under § 24-160D.10 of the City Code as follows:

- (b) *The city council shall approve a schematic development plan only upon the finding that:*
- (1) *The plan is substantially in accord with the approved sketch plan; and*
 - (2) *The plan meets or accomplishes the purposes, objectives and minimum standards and requirements of the zone, and other requirements of the City Code; and*
 - (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; and*
 - (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; and*
 - (5) *That existing or planned public facilities are adequate to service the proposed development contained in the plan; and*
 - (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; and*
 - (7) *That the plan, if approved, would be in the public interest.*

Therefore, the Applicant has the burden of showing that the application complies with the purpose and intent of the MXD Zone and the master plan. Additionally, evidence must be shown that the application will be compatible and harmonious with the surrounding planned and existing land uses and will accomplish the objectives, minimum standards, and requirements of the zone.

As part of the application package, the applicant has submitted a project compliance statement letter (Exhibit #39). The Applicant's letter outlines the project narrative and required findings in compliance with the MXD zone.

ANNEXATION, ZONING, AND SITE PLAN HISTORY:

Annexation and Site Plan History

On January 19, 1967, the Mayor and Town Council, by Resolution R-22-66¹, annexed the Property into the City as part of Annexation Application X-088. At the time of annexation, the Property was zoned R-A (Low Density Residential) by Resolution R-23-66². On March 2, 1989, the Property was rezoned to the MXD (Mixed Use Development) Zone as part of the Zoning Map Amendment Application and associated Sketch Plan Z-262, by Ordinance O-3-89³. The Z-262 associated Sketch Plan approved 2,200,000 square feet of non-residential uses. The Sketch Plan was later amended on April 1, 1991 as Application Z-262(A) by Ordinance O-8-91, which allowed up to 1,400,000 square feet of non-residential use in the overall Kentlands subdivision⁴. Based on information contained in the City's records, the Kentlands subdivision currently has an estimated 1,068,572 square feet of non-residential uses. This application increases the non-residential square footage total to approximately 1,090,272 square foot, which is well below the cap established by Z-262(A).

On March 2, 1992, the Mayor and City Council adopted Resolution R-21-92 approving Schematic Development Plan, SDP-3, which included the Kentlands Square Shopping Center area and allowed 344,977 square feet of retail and 27,574 square feet of garden center⁵. On May 6, 1992 Final Site Plan application K-977 was approved by the Planning Commission for 344,977 square foot retail center⁶.

On July 17, 2017, the Mayor and City Council approved Sketch Plan SK-7503-2017 by Resolution R-44-17⁷. The approval was for 784,080 square feet of commercial uses and up to 1,450 residential multi-family units. The Sketch Plan identified the Property as Block 4 and 5. The approval for Block 4 and 5 was for the following:

- Block 4: Mixed Use up to 12 stories, 450 units maximum and 300,000 square feet of Commercial/Office
- Block 5: Mixed Use up to 1-story and up to 15,000 square feet of commercial

On July 16, 2018, the Mayor and City Council approved Schematic Development Plan application SDP-7712-2017 by Resolution R-32-18 for three infill pad sites totaling 16,000 square feet within Lowes parking lot⁸. During the December 6, 2017 Planning Commission Recommendation meeting for SDP-7712-2017, there was a question about the role of Master Plan recommendations; the authority of existing site plans; and how SDP-7712-2017 was

¹ Exhibit #14

² Exhibit #15

³ Exhibit #17

⁴ Exhibit #18

⁵ Exhibit #20

⁶ Exhibit #22

⁷ Exhibit #26

⁸ Exhibit #25

processed from a regulatory perspective. In the Staff's Master Plan memo it noted, that a site plan is not vested until it receives SDP and final site plan approval⁹. Master Plans do not obligate property owners to implement the plan's recommendations. As noted in the Applicant's justification letter, since this SDP application is intended to leverage near-term redevelopment opportunities at the Property that has vested rights under previous Final Site Plan approvals, this SDP must similarly be reviewed under the 1997 Master Plan and Sketch Plan Z-262(A). The interim development proposed for this application will not preclude Sketch Plan SK-7503-2017 for long-term redevelopment of this section of the Kentlands Square in accordance with the Commercial District Master Plan.

MASTER PLAN

1988 Master Plan¹⁰

As part of the adopted 1988 Master Plan, this Property, within Neighborhood Four, Study Area 4 was recommended for a variety of land uses, including commercial, industrial/research/office, mixed residential, open space and institutional.

1997 Master Plan¹¹

The Subject Property was included in the 1997 Master Plan, under Neighborhood Four, as part of Study Area Four, Map Designation 26. The master plan stated:

“Retain the designation of approximately 47 acres of land, currently zoned MXD, and consisting of the Kentlands Square Shopping Center and surrounding commercial development, as commercial-industrial-research-office (Map Designation 26). It is intended that this property retain the MXD zoning to allow for future redevelopment of the blocks of parking within the shopping center and surrounding commercial development. Development of the vacant land within this map designation should conform to the “urbanism” principles established on the plan developed at the March 1996 Charrette for Kentlands/Lakelands. This includes providing buildings that front on the street with parking in the rear which will create a higher quality public space between opposing buildings that face the street.”

Land Use and Zoning Actions:

- *Adopted commercial-institutional-research-office land use designation*
- *Property remains MXD.*

⁹ Exhibit #28

¹⁰ Exhibit #16

¹¹ Exhibit #35

Kentlands Boulevard Commercial District Special Study (2008)¹²

The Subject Property was part of the Kentlands Boulevard Commercial District Special Study Area. The Kentlands Boulevard Commercial District Special Study Area, adopted in 2008, established the long-term vision for this area of Kentlands, while recognizing the need for incremental change in the near-term to support that vision, such as the infill development proposed by this application. The study identified the Subject Property as Block D and E. The plan stated the following recommendations:

Block D

Long Term Recommendations:

- Opportunity to build the principle open space in the northern half of KBCD.
- Potential for development on the western side of the block for public or private use. At a minimum, 50% of the block should be dedicated to open space. Special attention should be made to link the residential (to the north of Blocks A1 & A2) to the new open space.
- Capitalize on the close proximity to the CCT station with redevelopment occurring in conjunction with transit station development.
- Reinforce the connection from Main Street to Great Seneca Highway with the short side of the block providing access and secondary frontage.

Block E

Long Term Recommendations:

- Prime location for the CCT station and station parking.
- Redevelopment should occur in conjunction with transit station development.
- Potential development block as multi-story, mixed use building. As the probable location for the CCT station, Block E has the best potential for high intensity development (mid-to high-rise).
- Reinforce the connection from Main Street to Great Seneca Highway with the north side of the block providing access and secondary frontage.

2009 Master Plan

The Property was not included as a specific map designation in the 2009 Master Plan. The 2009 Master Plan designated the Property as Commercial/Industrial-Research-Office.

¹² Exhibit #23

SURROUNDING LAND USE/ PHYSICAL CHARACTERISTICS:

The Subject Property is approximately 2.42 acres. The following table demonstrates the land use and zoning for the surrounding properties:

Direction	Zoning	Land Use
North	MXD (Mixed Use Development)	Residential/Commercial
South	MXD (Mixed Use Development)	Commercial
East	MXD (Mixed Use Development)	Residential
West	MXD (Mixed Use Development)	Office



Zoning Map

ADEQUATE PUBLIC FACILITIES ORDINANCE (APFO):

Traffic Impacts

The Applicant submitted a Traffic Impact Study (TIS), designated as application number TRF-9074-2021, performed by Wells and Associates, Inc. According to the TIS, the proposed development will generate an additional 39 AM and 44 PM peak hour trips. The analysis concludes that there is sufficient transportation capacity to accommodate the proposed development and all studied intersections will continue to operate at acceptable levels. The Department of Public Works has reviewed and approved the traffic impact study¹³. Therefore, the application complies with the requirements of the City's APFO for traffic impacts (§ 24-245).

Adequacy of School Capacity

The proposed development is for commercial use, and will have no impact on the school system. Therefore, the proposed development is exempt from the school test of the Adequate Public Facilities Ordinance (§ 24-256).

Water and Sewer Services and Public Utilities

Category W-1 and S-1 of Washington Suburban Sanitary Commission (WSSC) services currently serve the Subject Property. As referenced in the Applicant's statement, the application complies with the requirements of the City's APFO for water and sewer (§ 24-247).

Fire and Emergency Services

The City's APFO requires that at least two (2) fire stations serve any development project within a ten-minute response time. The Subject Property is located within a ten-minute response time of Station 8 (Gaithersburg), Station 22 (Germantown/Kingsview), Station 31 (Rockville) and Station 32 (Travilah). Therefore, as referenced in the Applicant's statement, the site complies with the requirements for the Adequate Public Facilities requirements for Emergency Services (§ 24-248).

NATURAL RESOURCES INVENTORY AND FOREST DELINEATION

As part of this application, the Applicant submitted an approved Natural Resources Inventory (NRI) & Forest Stand Delineation (FSD) Plan, designated as application ENV-7463-2016, which was approved on December 13, 2016¹⁴. According to the approved NRI/FSD, the Property is within the Upper Muddy Branch Sub watershed of the Potomac Direct Watershed, Class I-P. The site is not within a special protection area and there are no FEMA floodplains within 100 feet of the site. There are also no specimen trees located on or within 100 feet of the site. No rare, threatened or endangered species were observed on the site.

¹³ Exhibit #38

¹⁴ Exhibit #5

SCHEMATIC DEVELOPMENT PLAN PROPOSAL

Site Plan

The Applicant is requesting approval for three infill pad sites (Sites F,G, H) within the existing shopping center parking lot located adjacent to the At Home store and other commercial tenants along Main Street. The new infill buildings will total a maximum of 21,700 square feet and not exceed two stories in height. The project also includes space for outdoor seating/dining. The proposed uses include office, restaurant, retail, personal service businesses, child care, bank and integrated light manufacturing.



Rendered Site Plan

Infill pad sites F and G are proposed to be up to 9,100 square feet of building area. Site H is proposed to be up to 3,500 square feet of building area and also includes a double stack drive-through. Tenants for this site have not been determined. The plan currently does not have final building footprints, but instead the maximum build-to-lines. This provides the Applicant flexibility for each building depending on market conditions. Staff does note that the final building footprints will be provided at Final Site Plan. According to the Applicant, construction is not anticipate to include all of the infill sites concurrently, but envisions each site coming to fruition as market conditions allow.

According to the City's Best Practices Memo for drive-through lanes, food/beverage based establishments (restaurants, coffee shops, etc.) should have drive-through lanes that ranges between 200-260 feet to allow for ten car lengths of queue/stacking¹⁵. There should also be seven spaces between the lane entrance and menu boards. As shown in the Applicant's vehicle stacking exhibit, the drive-through will have a stacking capacity of up to twelve cars and approximately 211 feet of drive-through length. The drive-through will be located in the rear of the building.

¹⁵ Exhibit #29

The application includes additional trash enclosures for the proposed buildings. As shown on the plans, each building will have its own separate collection area. The final location of the trash enclosures will be determine at final site plan.



Rendered Site Plans

The plan proposes to improve the pedestrian experience along Main Street by providing a 16-foot width sidewalk. The sidewalk will include tree plantings and street lights similar to the existing streetscape improvements completed along Kentlands Square Place.



Photo of Streetscape Improvement for the Starbucks on Kentlands Square Place

Parking

Parking is provided in surface spaces and calculated based on the square footage of the entire shopping center. The addition of the proposed buildings will require the shopping center to provide a total of 1,631 parking spaces and currently contains 1,796 spaces. The construction of the three infill sites will result in a loss of 386 parking spaces, which will bring the provided parking total to 1,410. This reduction creates a 221 parking space deficit. As such, the Applicant is requesting a parking waiver. Pursuant to § 24-160D.8(a) of the City Code, the Council, at the time of schematic development plan review, shall determine the appropriate approximate number of spaces. At the time of final site plan approval, the Commission shall determine the final number of spaces, based upon considerations of safety, convenience, pedestrian and vehicular circulation and added landscaping within parking lot areas. In addition, the Planning Commission may reduce the number of spaces required for any use in Article XI, Section 24-219(b) of this Code where such reduction will meet the purposes of the MXD zone. The Applicant submitted a parking demand analysis to justify the need for the parking waiver¹⁶. As stated in the analysis, the Applicant's traffic

¹⁶ Exhibit #33

engineer conducted a study of the shopping center parking lots on Wednesday, June 9, 2021 and Saturday, June 12, 2021 from 10:00am to 10:00 pm. The parking assessment is based on field observations, forecasted parking occupancy and demand within the shopping center and Lots 3 and 4 (location of the proposed infill pad sites). The engineer noted, while the parking occupancy counts were collected during the pandemic, the counts were not adjusted for COVID-19 conditions since information provided by the Applicant indicates that sales at the development exceeded previous years for the major tenants that occupy the site. The analysis noted that the parking waiver for a reduction of 221 spaces would be adequate for the shopping center parking supply. Based on the reduced 1,410 space parking supply, the estimated future peak season parking demand ranges from 1,070 spaces to 1,175 spaces, resulting in a surplus of 340 to 235 spaces. The study of Lots 3 and 4 indicated that the future peak season parking demand for the uses primarily utilizing these lots would result in a 282 surplus spaces on the weekday and 222 surplus spaces on a Saturday during the peak shopping season in December.

Parking (for overall count, Parcels D, E, K and L):
Required: 1 space per 225 SF building area
Previously approved 1 space/1,000 sf outdoor garden center

Outdoor Garden 'C': 17,733 sf
17,733 sf = 18 spaces required for Garden Center

Sub-total building area = $403,542/225 = 1,793.5$ required for building area
 $1,793.5 + 18 = 1,812$ (includes (3) ADA spaces per SDP-7712-2017)
 $1,812 \times 0.10 = 181$ *10% reduction if over 200,000 SF
 $1,812 - 181 = \mathbf{1,631}$ spaces required
SDP-7712-2017 approved (34) new parking spaces

Net Parking per sites

-168 parking spaces lost for Sites 'C', 'D' & 'E'

-218 parking spaces lost for Sites 'F', 'G' & 'H'

Total parking spaces remaining = - 386 parking spaces

1,796 total parking spaces

- 386 spaces remaining

1,410 spaces provided

1,631 parking spaces required

-1,410 spaces provided

- 221 deficit parking spaces

Motorcycle Parking

Motorcycle Spaces required: 2% of 50 spaces = 1 motorcycle space

Bike Rack locations to be determined at time of final site plan

Parking Chart

Table 4

Proposed Conditions Parking Summary (Adjusted to reflect peak season conditions)

Condition	Size	Units
Proposed Densities		
Proposed Pad Sites 'F', 'G', & 'H'	21,700	SF
Sites 'C', 'D' & 'E'	16,000	SF
Existing Building 'A'	3,000	SF
Existing Building 'B'	4,600	SF
Existing Anchor 'A' Building	107,804	SF
Existing Anchor 'B' Building	62,000	SF
Existing Anchor 'C' Building	107,827	SF
Existing Non Anchor Building	80,611	SF
Outdoor Garden 'A'	-	SF (eliminated)
<u>Outdoor Garden 'C'</u>	<u>17,733</u>	<u>SF</u>
Sub-Total - Building Area	421,275	SF
	<u>Lots 3 & 4 Only</u>	
Total Lots 3 & 4 Only:	143,763	SF

Proposed Parking Summary
(Adjusted to reflect peak season conditions)

<u>Overall Site</u>	<u>Weekday</u>	<u>Saturday</u>
Parking Demand at peak hour of peak shopping season	2.54 spaces/1,000 SF 1070 spaces	2.79 spaces/1,000 SF 1175 spaces
Proposed Parking Supply	1410 spaces	1410 spaces
Surplus/Deficit at peak hour of peak shopping season	340 spaces	235 spaces
Percent Occupancy at peak hour of peak shopping season	76% percent	83% percent
 <u>Lots 3 & 4 Only</u>		
Parking Demand at peak hour of peak shopping season	1.35 spaces/1,000 SF 194 spaces	1.77 spaces/1,000 SF 254 spaces
Proposed Parking Supply	476 spaces	476 spaces
Surplus/Deficit at peak hour of peak shopping season	282 spaces	222 spaces
Percent Occupancy at peak hour of peak shopping season	41% percent	53% percent

Parking Analysis Table

Architecture

The Applicant is proposing to adopt and utilize the same design guidelines that was approved for Sites C, D and E as part of SDP-7712-2017¹⁷. The design guidelines include diagrams and pictures of representative buildings, which provide a sense of the type of context-sensitive and creative design that will ultimately be used for the final buildings. The guidelines will allow the Applicant flexibility at final site plan to respond to market conditions and tenant needs.

¹⁷ Exhibit #32

Design Guidelines¹⁸

The intent of the guidelines is to enhance the retail experience in the Kentlands Square Shopping Center. The guidelines encourage a consistent level of quality in design, materials, construction, and customer wayfinding and identify creation while placing minimal restraints on creativity.

The guidelines discuss the following:

- Walkable Street Vision
- Streetscape and Context
- Storefront Design Guidelines
- Tenant Signage

To provide further clarity, the guidelines include sample diagrams and representative pictures of existing buildings that envisions that type of design can occur for these infill sites.

Landscape

As part of the Schematic Development Plan, a preliminary landscape plans for the three infill sites was included. The plan contains shade trees throughout the sites. The final location and type of landscape will be determine at final site plan. The greenspace area of the SDP area will be increased to approximately 0.187 acres, which is the result of a reduction in paved parking areas. A Forest Conservation Plan was approved for the overall Kentlands subdivision, therefore this application is not required to submit forest conservation plan.

STORMWATER MANAGEMENT AND SEDIMENT EROSION CONTROL

In accordance with the requirement for the submission of a Schematic Development Plan, Section 24-160D.9(b)(1), the Applicant has submitted a preliminary stormwater management plan and sediment erosion control plan applications SWM-9072-2021 and SEC-9071-2021¹⁹. The Department of Public Works staff is currently reviewing both applications. The Applicant is anticipated to have the preliminary plans approved prior to the closing of the record for the Planning Commission.

¹⁸ Exhibit #32

¹⁹ Exhibits #12 and #13

SUMMARY

The Applicant has submitted for consideration Schematic Development Plan SDP-9073-2021. This is a complete application as set forth in § 24-160G.6(c) of the City Code. A joint public hearing with the Mayor & City Council and Planning Commission has been scheduled for January 18, 2022.

Because this is the initial public hearing and Staff continues to complete their analysis of the proposed project, no formal recommendation is provided at this time. A recommendation will be provided by Staff prior to the Planning Commission's recommendation discussion. Staff will continue to work with the Applicant on refining the plan, in response to comments offered at the public hearing or entered into the record.

For the purpose of concluding the public hearing, Staff recommends:

1. The Planning Commission make a motion hold the record open until 5:00 PM on February 24, 2022 (37 days) with a Recommendation to the Mayor & City Council tentatively scheduled for March 2, 2022.
2. The Mayor & City Council make a motion to hold the record open until 5:00 PM on March 16, 2022 (58 days) with Policy Discussion tentatively scheduled for April 4, 2022.



Gaithersburg-Germantown Chamber of Commerce, Inc.

910 Clopper Road, Suite 205N, Gaithersburg, Maryland 20878 (301) 840-1400, Fax (301) 963-3918

February 18, 2022

Planning Commission
Mayor and City Council
Planning Staff
City of Gaithersburg

RE: Kentlands Square Shopping Center – Schematic Development Plan Application SD 9073-2021

The Gaithersburg-Germantown Chamber of Commerce supports the proposed infill project in the Kentlands Square Shopping Center. While this shopping center is a great asset in the community, the format is not conducive to a full shopping and dining experience. Adding the additional buildings will create more walkable, more interactive opportunities. Having the infill buildings not only provide additional commercial options, they create a more pleasant street scape which will motivate shoppers to walk from one place to another as opposed to driving from store to store.

Like the new Starbucks and the upcoming Shake Shack, the next phase of this infill plan will have a positive effect on Kentlands Square Shopping Center.

We request a favorable recommendation.

Sincerely,

A handwritten signature in black ink that reads "Marilyn Balcombe".

Marilyn Balcombe
President & CEO
mbalcombe@ggchamber.org



C. Robert Dalrymple, Esquire

bdalrymple@sgrwlaw.com

Direct Dial: 301-634-3148

Matthew M. Gordon, Esquire

[mgordon@sgrwlaw.com](mailto:mgonord@sgrwlaw.com)

Direct Dial: 301-634-3150

February 24, 2022

Via Email

The City of Gaithersburg
The Honorable Jud Ashman, Mayor
Members of the City Council
Planning Commission
31 S. Summit Avenue
Gaithersburg, Maryland 20877

RE: SDP-9073-2021, Schematic Development Plan application for Kentlands Square Infill Sites (the "Application" or "SDP") – Saul Holdings Limited Partnership's ("Saul" or the "Applicant") Response Statement to the January 18, 2022, Joint Public Hearing ("Response Statement")

Dear Mayor Ashman and Members of the City Council:

On behalf of the Applicant, please accept this letter as our submittal of additional information and clarifications in connection with certain questions and comments raised during the Joint Public Hearing on January 18, 2022. This Response Statement is intended to clarify and refine certain components of the SDP, which were the subject of discussion by the Mayor, Council, and Planning Commission at the recent public hearing.

The property that is the subject of this Application is approximately 2.42 acres of land (the "SDP Area") within a larger existing shopping center site owned by Saul that totals approximately 33.8 acres across two separate parcels (known as the "Kentlands Square" or the "Property"). The SDP Area is located within one of these two parcels, specifically, the ±22.29-acre parcel that is improved with several existing retail buildings (totaling approximately 237,000 square feet) and a surface parking lot ("Parcel K"). Parcel K includes Giant, At Home, Cava Grille, and a variety of other retail tenants. As described in greater detail in the Application materials previously submitted, Saul is proposing redevelopment of a portion of the existing surface parking lot on Parcel K with three building sites comprising up to 21,700 square feet of commercial uses at the

Selzer Gurvitch Rabin Wertheimer & Polott, P.C.

4416 East West Highway • Fourth Floor • Bethesda, MD 20814-4568 Phone:

(301) 986-9600 • Fax: (301) 986-1301 • Toll Free: (888) 986-9600

www.selzergurvitch.com

February 24, 2022

Mayor Jud Ashman and City Council and Planning Commission

Page 2 of 9

SDP Area (the “Project”). Sites “F” and “G” are proposed to be up to 9,100 square feet each, and Site “H” is proposed to be up to 3,500 square feet, with the cumulative total not to exceed 21,700 square feet. Sites “F” and “G” would be occupied by one or more tenants, and Site “H” would be occupied by a restaurant with a drive-through.

The SDP Area is subject to the sketch plan approval for a larger tract of land of approximately 352 acres in accordance with Ordinance No. O-3-89 (the “Kentlands Sketch Plan”). Following approval of the Kentlands Sketch Plan, the Mayor and Council approved Schematic Development Plan SDP-3 on March 2, 1992, which included the SDP Area and allowed 344,977 square feet of retail and 27,574 square feet of garden center. The Planning Commission subsequently approved Final Site Plan K-977 for Kentland Square on December 9, 1992, with this Final Site Plan having been amended on several occasions since 1992 to allow for build-out of the Property. As explained in greater detail below, the Kentlands Sketch Plan (and the associated SDP-3 and Final Site Plan K-977, as amended) contains development rights to support the development proposed by this Application.

During the joint public hearing, four (4) primary themes or topics emerged through questions raised relative to the SDP. The Applicant has identified those categories of questions below and incorporated responses with supplemental plans and diagrams in certain instances. With this background in mind, Saul respectfully submits the following for the Mayor and Council’s consideration.

A. Questions concerning the relationship between the SDP and the Kentlands Boulevard Commercial District Special Study’s long-term vision for Kentlands Square

There were several questions relating to the Application’s compatibility with the long-term vision recommended by the Kentlands Boulevard Commercial District Special Study (the “KBCD Master Plan”). Similar questions were also evaluated during the review of the Schematic Development Plan Application No. 7712-2017 that was approved by the Mayor and Council on July 16, 2018, which authorized Saul to construct three (3) infill buildings located on the adjacent Parcel L to the east (the “Recent SDP”). In this respect, the Recent SDP was reviewed and evaluated under the terms and conditions of the controlling Kentlands Sketch Plan, which predates the KBCD Master Plan. The controlling Kentlands Sketch Plan was approved in connection with the mixed-use commercial focused vision for the Property identified in the 1988 Master Plan’s Neighborhood Four Land Use recommendations. Similarly, the subsequent 1997 Master Plan recommended the future redevelopment of the blocks of parking within the shopping center and surrounding commercial development at Kentlands Square. *See* Neighborhood Four Land Use Plan, p. 22. Additionally, even the KBCD Master Plan was proposed as a “plan for incremental change [in order to] [e]ncourage development that supports the long-term vision for the area while *fulfilling short term needs.*” *See* KBCD Master Plan, p.

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1.6 and 4.4. In summary, the addition of the infill commercial sites proposed will make Kentlands Square more market-responsive and thereby enhance Saul's ability to deliver the long-term vision of the KBCD Master Plan in the future.

Consistent with City staff's memo on Master Plans, Site Plans and Relationships dated December 29, 2017, this Application was submitted as an incremental redevelopment and based upon vested rights arising from the Kentlands Sketch Plan that allow for additional complementary commercial uses at the Property. *See* Exhibit 28. The Application concerns maintaining and enhancing the existing (and vested) configuration of the Kentlands Square shopping center. As noted in Staff's memo, master plans do not obligate a property owner to implement the plan's recommendations. Until such time that Saul submits a schematic development application and final site plan application to implement the KBCD Master Plan's long-term vision for the Property, interim development proposals (such as this SDP) are evaluated under the Kentlands Sketch Plan and prior 1988 and 1997 Master Plan recommendations referenced above.

B. Questions relating to the SDP and long-term redevelopment plan included in Sketch Plan SK-7503-2017

The Applicant emphasizes that this SDP is separate and apart from Sketch Plan Application SK-7503-2017, which was approved by the Mayor and Council on July 17, 2017 ("Saul Sketch Plan") and represents the first phase of the Applicant's long-term redevelopment strategy for the entire Kentlands Square Property in accordance the KBCD Master Plan. The Applicant notes that the Saul Sketch Plan was filed to respond to conditions created by K-Mart vacating its location on Parcel K, and Saul's participation in long term planning efforts related to the Corridor Cities Transitway (CCT). However, after receiving approval of the Saul Sketch Plan, the former K-Mart space was leased to At Home and funding and planning discussions for the CCT stalled. Saul owns several single-story retail properties in its portfolio, upon which they have long term vertical mixed-use development plans. The Applicant continually evaluates, and updates plans with an eye on value creation, economic feasibility, long term sustainability, and implementing the highest and best real estate use for a site at any given time, as they have and will continue to do here at the Kentlands Square properties.

In response to questions and comments about how the long-term vision illustrated in the Saul Sketch Plan is compatible with the interim infill sites proposed by this SDP, the Applicant has prepared overlay, pedestrian access concept, and pedestrian signage exhibits to illustrate how the Application is complementary to Saul's Sketch Plan, copies of which are attached hereto. As illustrated on the overlay exhibit, the SDP Area covers a portion of Block 4, 5, and 6 of the Saul Sketch Plan. The three (3) proposed infill building sites are integrated into the street network envisioned by the Saul Sketch Plan such that these interim uses would function alongside the

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phased long-term redevelopment in a compatible manner. As reflected on the overlay exhibit, the streetscape improvements proposed will allow for safe and efficient pedestrian circulation from the SDP Area to other portions of Kentlands Square. In this respect, the SDP substantially conforms with the KBCD Master Plan goals of “improving the public realm by *creating and maintaining a network of walkable streets* ... [and] attractive, accessible public spaces ...” as well as promoting “*a critical mass and broad mix of mutually supportive uses*” to enhance “conditions for ... pedestrians, and ... *the efficient use of ... parking resources.*” See Commercial District Master Plan, p.4.4 (emphasis provided). The replacement of surplus surface parking spaces with streetscape improvement and activating commercial uses will spur additional opportunities for reinvestment that are necessary for the Saul Sketch Plan to come to fruition in the long-term.

In responses to specific questions concerning the proposed drive-through use at Site “H,” Saul notes that its intent is to remove the drive-through use when market conditions support redevelopment of Block 4 of the Saul Sketch Plan. Given that Block 4 of the Saul Sketch Plan is approved for up to 450 dwelling units and 300,000 square feet of commercial/office uses (and up to 12 stories of building height), Saul acknowledges that the drive-through use will eventually need to be eliminated to make way for a more vertical, mixed-use redevelopment contemplated by the Saul Sketch Plan. The other two buildings are to be developed without a drive-through condition or brand specific architecture and as such, their retention could be further analyzed as specific phasing and implementation plans for the vertical development come to light. For example, the Saul Sketch Plan included approval for a 1-story building with up to 15,000 square feet of commercial uses as part of Block 5. In this respect, building site “G” proposed by this SDP is entirely consistent with the long-term vision of the Saul Sketch Plan.

C. Questions concerning the parking demand analysis and Applicant’s requested parking waiver

As discussed during the joint public hearing, Saul is seeking approval of a parking waiver of 221 spaces (approximately 13.5% of the total code required parking, 1631 spaces) to allow for implementation of the three (3) commercial building sites proposed. As illustrated in the Kentlands Square Parking Analysis prepared by Wells + Associates (the “Parking Analysis”), the unit mix and type of uses at Kentlands Square have unique characteristics that generate substantially less demand for parking spaces than the parking requirement schedule in Section 24-219 of the Zoning Ordinance.

In response to questions regarding the location of excess parking spaces and the seasonality of parking demand and supply at Kentlands Square, Wells + Associates prepared a Supplemental Parking and Traffic Information Memo dated February 22, 2022 (the “Supplemental Parking Analysis,” a copy of which is attached hereto). The Supplemental Parking Analysis illustrates

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that there was a surplus of 746 parking spaces in the parking areas closest to the SDP Area (Lots 1 through 4 on Figure 1) during the weekday peak hour of June in 2021, and that there was a surplus of 677 parking spaces in the parking areas closest to the SDP Area (Lots 1 through 4 on Figure 2) during the weekend peak hour of June 2021. The Supplemental Parking Analysis assumed that the various pad sites and infill buildings as part of the recently approved and proposed SDP will include a mix of soft-goods, service uses, and/or restaurants. In any event, the mix of uses will be consistent with the range of commercial uses throughout the larger Property and driven by Saul's coordinated strategy for Kentlands Square and provide an accurate estimate of the future parking demand at the Property. This future mix of uses was used to project the future parking occupancy at Kentlands Square identified in the Supplemental Parking Analysis and is consistent with the application of the City's code when estimating the parking required for shopping centers. Significantly, the Supplemental Parking Analysis' assumption that the various infill buildings will be comprised of a mix of restaurant and retail tenants results in a conservative estimate for the future parking demand at the Property, which further supports a finding that there will continue to be excess parking available at the shopping center throughout the year and during peak season conditions. As described in greater detail below, the Supplemental Analysis accounts for parking spaces that were being used by Lowe's for seasonal mulch or garden supplies."

The Supplemental Parking Analysis also includes an evaluation of parking surplus during the peak shopping season in December. The analysis illustrates that the majority surplus parking spaces during peak shopping season in December are in and immediately adjacent to the SDP Area (identified as Lots 2, 3, and 4). Overall, there is a surplus of 282 spaces on weekdays and 174 spaces on weekends in and around the SDP Area (and next to the Starbucks and Shake Shack) during peak shopping season in December peak shopping season. As noted in Figures 3 and 4, the surplus of parking spaces are not impacted by Lowe's seasonal use of parking spaces for mulch and garden supplies because that use does not occur during the peak shopping season of December. In summary, the Supplemental Parking Analysis clearly and overwhelming demonstrates that there is between two (2) to eight (8) times as many surplus parking spaces to accommodate the square-footage proposed by the SDP Area during all peak shopping hours of the year.

In response to questions concerning the ability for customers to park their vehicles in one section of Kentlands Square and cross-shop at different stores safely, Saul has prepared a pedestrian circulation exhibit. While the Parking Analysis demonstrates that there will continue to be abundant convenience parking spaces, the pedestrian circulation exhibit reinforces the fact that these three (3) infill building sites (in conjunction with the nearby Starbucks, Chipotle and Shake Shack) will incorporate sidewalks and open space that better support multimodal transportation options at the shopping center. At time of Final Site Plan, Saul would work with the City to develop other enhancements to the pedestrian safety network, e.g. enhanced signage, rumble strips, pedestrian flags, etc.

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In light of the questions concerning Lowe's seasonal use of surface parking spaces for storage of mulch and garden supplies during the warmer months, Saul has further studied the Parking Analysis to confirm any impacts to excess parking spaces. As described above, the Supplemental Parking Analysis factored in Lowe's seasonal use of parking areas for mulch and garden supplies. More specifically, Figures 5 and 6 in the Supplemental Parking Analysis demonstrates that there is sufficient parking supply (a surplus of between 372 to 449 parking spaces in Lots 1 through 4) to accommodate the SDP and Lowe's seasonal use of spaces for mulch during the weekday and weekend peak hours. Saul also recognizes that this product offering is valued by both the community and Lowe's, and should not be disrupted unnecessarily, only to gain additional surplus parking spaces. Saul acknowledges that this utilization of the parking lot by Lowe's needs to be actively managed by it as the landlord to ensure that the tenant remains in the agreed upon zone, maintains the product offering in an orderly manner, and does not disrupt other parking areas or customer circulation.

In summary, the requested waiver of 221 parking spaces will enhance the public health, safety, and general welfare at Kentlands Square and the greater surrounding community by allowing for the replacement of excess surface parking spaces with: (a) pedestrian streetscape improvements that promote safe and efficient multimodal circulation options through the Property, (b) additional landscape and streetscape areas, public space and stormwater management facilities, and (c) street-activating commercial uses that enhance the City's commercial tax base.

D. Questions concerning the design and layout of the proposed drive-through

In response to questions concerning the design and operation of the proposed drive-through at Site "H," the Applicant is providing additional details on the drive-through concept. In recent years, Saul has seen significant market demand for drive-through and drive-up uses throughout its portfolio, a trend that was strengthened by the COVID-19 pandemic and the resulting constraints around in-store dining. Saul believes that drive-through retail stores are an important component in serving the community and providing a varied and competitive merchandising mix for the Kentlands consumers. Saul notes that the drive-through layout is conceptual given that no specific tenant has been identified for Site "H".

The City Best Practices guidelines primarily focused on a drive-through with one lane, a menu board and a pickup window for a traditional fast-food restaurant. As noted above, the market has changed and will continue to evolve, particularly due to COVID lifestyle changes. The SDP shows how a two-lane drive-through meets the intent or exceeds the City's Best Practices guidelines. Since there is no tenant identified at this time, Saul will be looking at several options for drive-through uses in addition to the traditional fast food or fast casual restaurants as the Project moved forward. Some current examples of this evolving market are pickup or drive through for mobile app, pre-orders only. The double lane is a more efficient use of land and

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provides options on how to use the lanes in the future. For example, one lane could be pickup only which is proving to be more popular and more efficient way of moving cars thereby allowing the second lane to be for traditional orders and pickup. More and more users, whether restaurants or retail are migrating to mobile pre-orders only, available for drive-through pickup. As this proposal proceeds to Final Site Plan, Saul will work closely with the City and a specific user to adjust the drive-through within the SDP Area as needed to allow a number of possible users to accommodate this evolving market.

Given the multitude of drive-through users coming to the market in the last several years, the drive-through layout was designed to ensure consistency with the spirit and intent of the City's Best Practices and for the ultimate layout to be determined at the time of Final Site Plan. While the Best Practices did not include a two (2) lane drive-through option, the conceptual layout utilizes a dual lane system to provide sufficient stacking capacity and is otherwise consistent with the design criteria in the City's Best Practices. The double drive-through lane allows eight (8) cars to stack (160 feet total/20 feet per car) to the order boards with the remaining 80 feet (4 cars) to stack to the pickup window. The double lane allows more car stacking to the order/menu board as compared to a traditional single lane drive-through. The double lane approach is a more efficient, urban use of land and can be further refined at the time of Final Site Plan application. In summary, the drive-through layout meets the following standards in the City's Best Practices:

- The drive-through lanes are located on the service side of the building such that a street edge with pedestrian walkways is created along the main private drive aisle.
- The drive-through lane entrance is located to the interior of Kentlands Square with sufficient separation from all access points on adjacent public streets.
- The drive-through lanes are separated from the adjacent parking areas with curbs.
- Pedestrian access to the building minimizes conflicts with drive-through lanes to the maximum extent practicable.
- The drive-through lanes incorporate approximately 240 feet of stacking length and can accommodate twelve (12) cars within the stacking lanes. Therefore, the drive-through lanes provide stacking that is within the recommended range (200 to 260 feet) for a restaurant as provided in the City's Best Practices.

Since no end user is defined for the drive-through and the SDP illustrates a conceptual layout, Saul notes that the final determination of the drive-through lane layout might include some number of adjustments to the orientation and siting of Building Site "H", the adjacent parking,

landscaping, and drive aisle on the east side of the building, and the streetscape areas on all sides of the building. Thus, Saul acknowledges that the ultimate layout and design of the drive-through will need to be determined at the time of Final Site Plan application for Site “H”.

E. Questions concerning the viability and market for multi-family uses at Kentlands Square

In responses to questions concerning the market demand for multi-family dwellings at Kentlands Square, Saul has every intention to continue to grow and develop its portion of the Kentland’s Commercial Boulevard District through vertical mixed-use development. Saul spent considerable time, effort, and capital developing and entitling this vision through the Saul Sketch Plan process. The Applicant did not take this effort lightly, as we share in the City’s enthusiasm for the KBCD Master Plan and intend to deliver on that vision. However, Saul is a careful and prudent investor with a generational approach to real estate development. As such, they build projects of quality and durability that match that investment horizon. The high-rise buildings envisioned by the KBCD Master Plan require enhanced construction techniques and materials, which come at great cost, particularly at this moment in time. When the market will support rents for high-rise multi-family construction that is consistent with Saul’s architectural style and standards, the Applicant will pursue implementation of residential uses at the Property as shown on the Saul Sketch Plan. The Applicant notes that there are multiple schematic development plan approvals for multi-family projects in the Kentlands Commercial Boulevard District (the Council has approved multi-family buildings for the 913-917 Quince Orchard Road and Kimco Market Square properties in the last several years), and neither of those projects have moved forward to Final Site Plan. Thus, the lack of multi-family projects proceeding to Final Site Plan application further supports Saul’s conclusion that the market does not support mixed-use, multi-family residential uses at the Property at this time.

Thank you for your time and consideration reviewing this Response Statement and accompanying plans and diagrams. The Applicant’s team will be available to answer questions at the upcoming Planning Commission and Mayor and Council meetings on the SDP.

Very truly yours,

Selzer, Gurvitch, Rabin, Wertheimer & Polott, P.C.

C. Robert Dalrymple

C. Robert Dalrymple

Matthew M. Gordon

Matthew Gordon

cc: Members of the Planning Commission
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