

MEMORANDUM TO: Mayor and City Council
Planning Commission

FROM: Rob Robinson, Long Range Planning Manager

DATE: February 24, 2023

SUBJECT: Staff Analysis: Application Z-9444-2022

APPLICANT/OWNERS

Lakeforest Development LLC
550 Long Point Rd
Mount Pleasant SC 29464

TAX MAP REFERENCE:

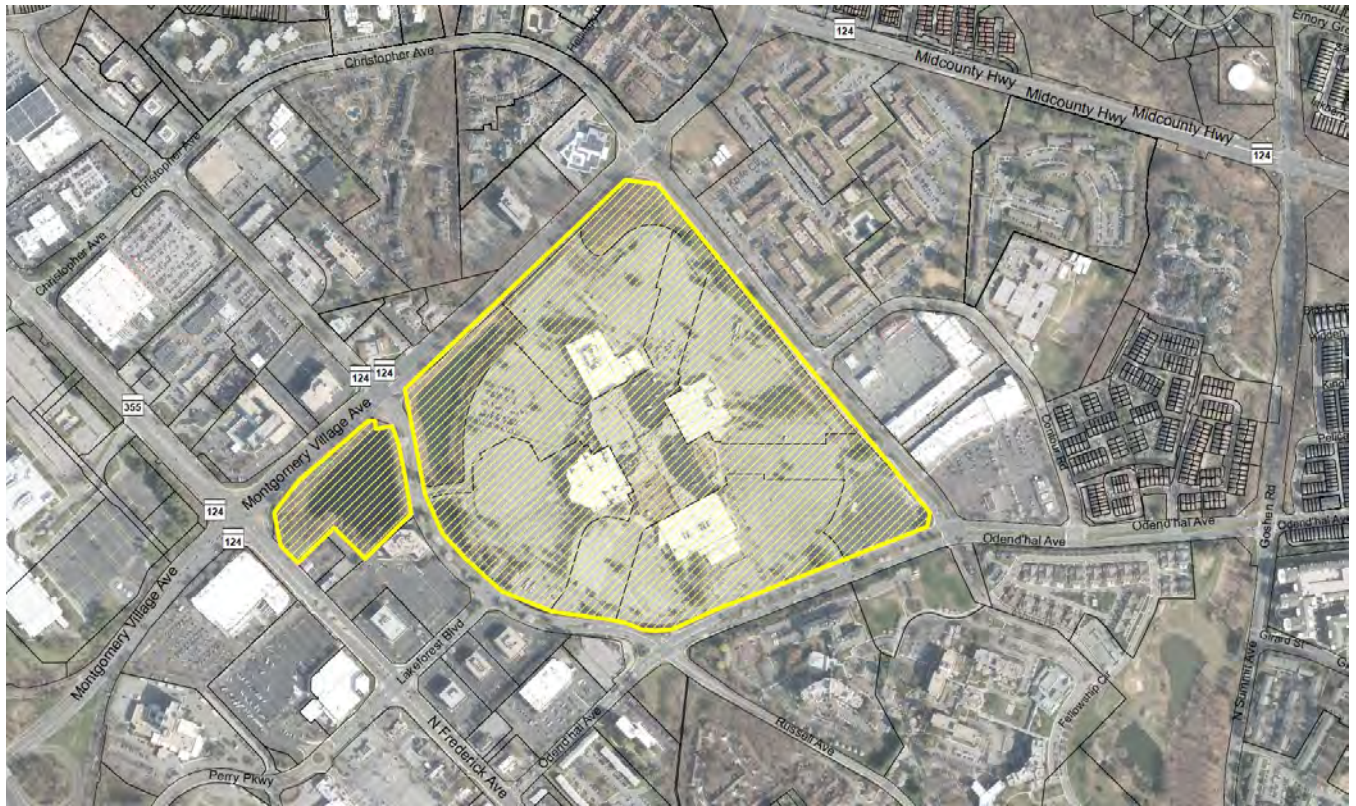
Tax Sheet: FT42, FT43

TAX ACCOUNT NUMBER:

Parcel N001-ID# 09-01751442
Parcel N769-ID# 09-01751497
Parcel N869-ID# 09-01751464
Parcel N934-ID# 09-01806937
Parcel N045-ID# 09-01806926
Parcel N075-ID# 09-01751475
Parcel N898-ID# 09-01806948
Parcel N634-ID# 09-01751453

REQUEST

The Applicant, Lakeforest Development LLC (WRS), has submitted zoning map amendment application Z-9444-2022, to rezone from C-2 to MXD and establish a new sketch plan for Lakeforest Mall, in accordance with § 24-160D.9(a) “Application for the MXD Zone and sketch plan approval” of the City Code. The Application proposes up to ±1.2 million square feet of commercial uses and up to 1600 residential units on approximately 102 acres.



Location

GENERAL INFORMATION:

LOCATION:

The subject area of the application (“Site” or “Property”) comprises a ±102-acre site currently improved with the ±1,049,000 square-foot indoor Lakeforest Mall with approximately 7,000 surface parking spaces and three stormwater management ponds. The Site includes eight (8) parcels, four (4) of which coincide with the large anchor retail uses, one (1) of which is the remaining core of the Mall, and three (3) of which are stormwater management ponds/facilities. The Property is bounded by Odendhal Ave. to the south, Lost Knife Rd. to the east, Russell Ave. to the west, and Montgomery Village Ave. (MD 124) to the north¹.

¹ Ex. 22 The Preliminary Background Report provides a complete Zoning, Site Plan, and Hearing Submission Overview.

REQUIRED ACTIONS:

Zoning Map Amendment Z-9444-2022

As stated, the Applicant is requesting a map amendment from the C-2 Zone 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.*

Z-9444-2022 SKETCH PLAN PROPOSAL:

The Applicant, as stated, has submitted an application seeking to rezone and establish a new sketch plan for the Lakeforest Mall in accordance with § 24-160.D.9(a) “Application for the MXD Zone and sketch plan approval.”

A joint public hearing before the Mayor & City Council and the Planning Commission was held on January 17, 2023². During the course of the hearing the following aspects of the proposed plan were presented:

- The proposed development details, including block layout, building heights, and uses;
- Identifying a strategy for connectivity and internal circulation;
- The green network envisioned;
- The intent for the relocated Lakeforest Transit Center and filling of Pond 3;
- The vision of an entertainment district;
- The intent for various open spaces; and
- The project’s relation and context to the greater surrounding area.

² Ex. 105

The Applicant, during the public hearing, presented a mixed-use full redevelopment of the Lakeforest Mall to allow for a multi-stage, mixed-use community with up to:

- 1,600 dwelling units comprised of multi-family (rental and ownership), townhomes, and GAP housing (2 over 2, triplex, et al.)
- 750,000 square feet of employment uses (hereinafter defined to include professional office, financial institutions and banks, medical office, life sciences, research and development, and integrated light manufacturing uses
- 250,000 square feet of large format retail uses
- 220,000 square feet of neighborhood scaled commercial and entertainment/amusement uses.

The Z-9444-2022 Sketch Plan³ (Plan) proposes dividing the redeveloped Mall into 16 blocks, A through O:

- Block A is a community park
- Blocks C, B, D and E, will define the commercial core of the Property
- Block F is the location of the relocated Lakeforest Transit Center
- Block J is identified as a community green space and amenity location
- Blocks G through O, comprising the southern portion of the Property is envisioned to be a mix of townhouse, Gap housing, and multi-family condominium units.

While the sum of the maximum “up-to” commercial square footage and residential unit caps proposed for each block total more than the overall caps identified above, the densities identified across the different blocks are intended to create flexibility for the various uses and will be refined at the time of schematic development plan (SDP) and final site plan(s), reflecting the overall caps.



Z-9444-2022 Sketch Plan

³ Exhibit 110

There were 32 people who offered testimony at the hearing. The common themes of the testimony included integration of civic uses for the greater area, preservation of the existing forested areas, and daylighting the 84" storm drain pipe on the Lakeforest site. At the time of the Planning Commission's record closing, 64 additional comments were received, mainly as a "form" email that encourages the public hearing themes expressed regarding preserving trees and pond 3, green area percentages, and daylighting. In response to comments made during the hearing, the Applicant has submitted supplementary statements.

CHANGES TO PLAN / STATEMENT RESUBMISSION:

As stated, in response to the comments received during the public hearing and submitted into the record, the Applicant has submitted response statements⁴, one overall and one each addressing the existing tree stand and daylighting the storm drain.

OVERALL STATEMENT:

As mentioned, the Applicant has submitted a comprehensive response statement that addresses seven (7) topics.

1) The Applicant first addresses how the Sketch Plan create a unique sense of place. In the response, the following are noted:

- Blocks A and O create large civic green spaces that will anchor the Project at the gateway intersections.
- The Project envisions a waterfront entertainment/dining district on Block B with immediate proximity to residential and employment uses, and the future re-located Transit Center.
- The Project incorporates an employment node within the heart of the development and in proximity to a mix of residential uses, Block B's entertainment/dining district, and a modern, enhanced Transit Center.

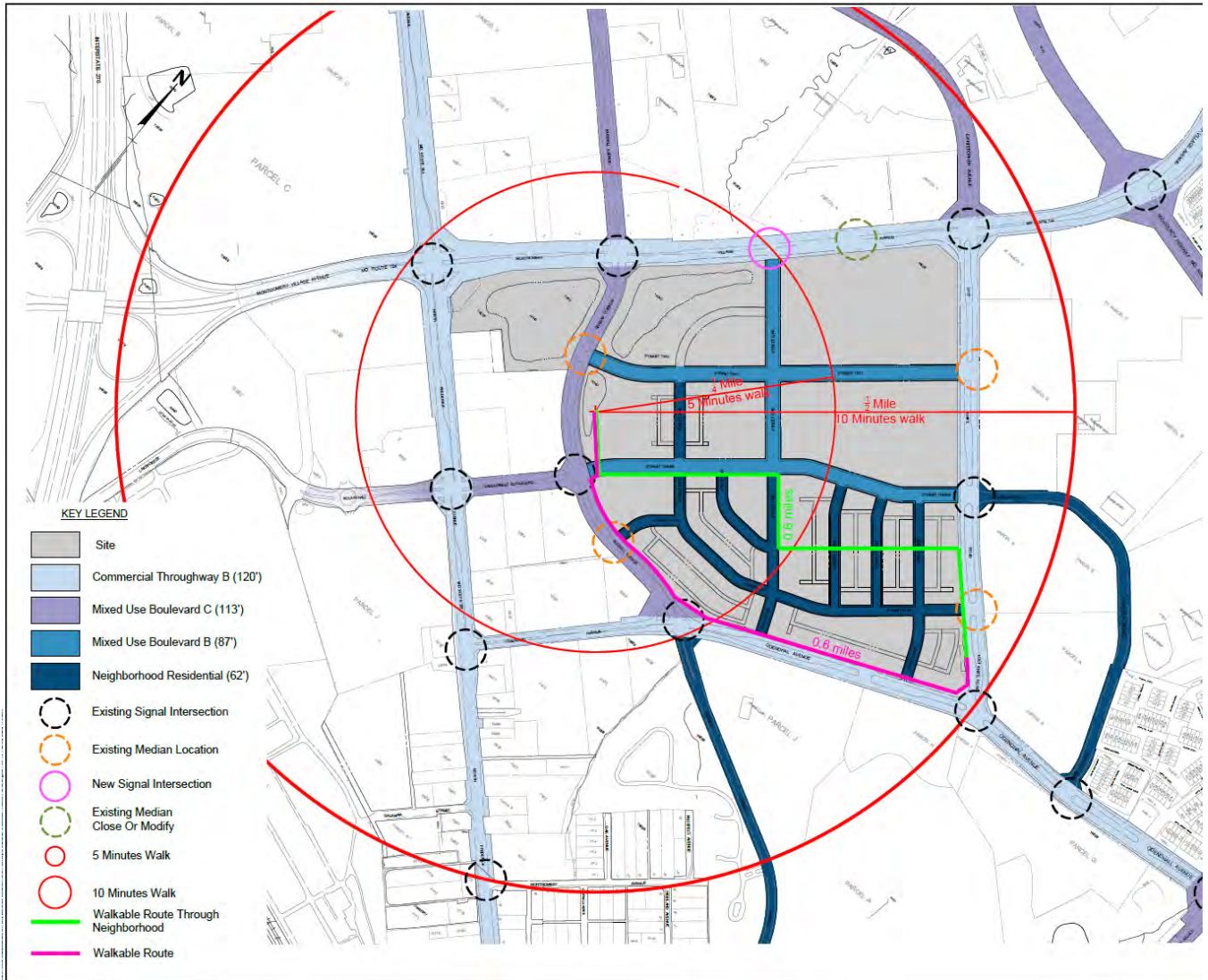
Staff notes that other elements that are drivers of a "sense of place" will be more fully examined at SDP with design guidelines that will include architecture, signage, open space programming, landscaping strategy, and public art.

2) The Applicant then reaffirms the Lakeforest Mall Master Plan (Master Plan) Special Condition that establishes an overall minimum green area of 35% in response to comments that state the Master Plan requires 40% of the total residential acreage and 25% of the total commercial acreage be provided as green area. The Master Plan includes a Special Condition that provides "[f]or a singular holistic redevelopment plan application for the entire Plan area, establish an overall minimum of 35% green area."

Staff supports this and notes the extensive discussion during the Master Plan process in developing this special condition and the analysis presented where staff explained this condition may likely result in more green area than required by code.

⁴ Exhibits 106, 107, 108

3) The Applicant addresses the re-location of the Lakeforest Transit Center to Block F and its impact on current Ride-On service along Odendhal Avenue. The response notes the Montgomery County Department of Transportation (MCDOT) has expressed strong support for re-locating its transit operations to a modern facility with adjacency to Russell Ave. to allow for safe and efficient circulation of the MD 355 BRT and has advised that re-location of its transit operations does not mean that it will discontinue Ride-On bus service at the existing stop along Lost Knife Rd. A new walkshed exhibit has been submitted that illustrates that the relocated Transit Center will equate to an additional 10-minute walk from the current location. Staff supports the relocation and its operational benefits related to the future MD 355 BRT.



4) The Applicant addresses the elimination of the smallest stormwater management pond. The memo notes, in consultation with Maryland Department of Environment (MDE) and the Army Corps of Engineers (ACOE), it is determined that the third stormwater management pond does not serve regional stormwater management demands. However, the Master Plan incorrectly assumed that all three “ponds function as regional stormwater management ponds” when discussing its retention.

Staff supports the elimination of the smallest stormwater pond as it is not a regional facility, that its function will be accommodated through the comprehensive stormwater management strategies proposed, will advance the Master Plan vision of the transit center relocation, and MDE has submitted the concept is approvable subject to a future formal Category A, joint permit application.

5) The Applicant response includes how the redevelopment can incorporate a civic use that serves the broader area. The response notes the Sketch Plan designates civic and public amenity uses across multiple Blocks, with future programming and design to be defined at the time of SDP. Further, the Applicant has revised the Sketch Plan, in addition to minor clerical revisions, to call out the potential for a civic use with up to 30,000 square feet of gross floor area (a use that will provide recreational, educational, social, or cultural activities, support and programming) on Blocks C, D, E, or F. The Applicant will explore opportunities to lease space to a non-profit or through a public private partnership for civic uses on Blocks C, D, E, or F. Other stakeholders will need to participate in discussions on funding, operating, and programming for such a civic use.

Staff notes the response is in keeping with the Master Plan discussions and recommendations. The Master Plan did not require a specific civic use nor expressed it is the developer's responsibility to fund or operate such regional uses desired.

6) The Applicant's statement next responds to the elimination of the tree save area. The Applicant notes the tree save area was created in 1998 in connection with amendments to the prior entitlements for the Mall that contemplated continued use of the site under the C-2 Zone. The response argues, given that the Property is the subject of this Application for rezoning to allow for comprehensive redevelopment under the MXD Zone, it is appropriate for the City to evaluate how forest conservation measures can be implemented at the site in a manner that enhances environmental site design and furthers the Master Plan vision. In this respect, the existing tree save area is of low retention value and approximately 16 acres of new forest/tree cover will be planted throughout the Project through redevelopment. A more detailed response is included in a separate memo. Staff will respond to that memo.

7) Lastly, the Applicant's memo responds to if it is feasible to daylight the existing storm drain system that runs beneath the Mall. The memo states that daylighting this stormwater pipe would render approximately 30-40 acres of the Property undevelopable. This is significant given that the developable portion of the Property is approximately 75 acres. The Applicant states required daylighting would result in a scenario where the existing Mall improvements remain in place; they would not move forward with the rezoning and sketch plan. A more detailed response is included in a separate memo. Staff will respond to that memo.

TREE STAND STATEMENT:

The Applicant had a certified arborist assess the condition of the 1.67-acre tree save area in question. A memo summarizing the findings has been submitted, along with an exhibit⁵ including photographs of trees in decline. The memo notes:

- This stand is of moderate health
- It is dominated by oak species
- The stand is in relative decline due to its observed reduction of canopy growth and prevalence of herbaceous and deciduous invasives replacing natives within the stand's understory.
- Of the approximately 28 specimen trees cataloged in this stand only about 10 or one third of the trees are in good health. The remaining specimens are in fair or poor health
- The presence of the large percentage of invasive species, coupled with the fact three of the forests' edges are adjacent to roadways suggests the trees and overall habitat are going to continue to decline in health and overall quality. Forests adjacent to roadways have a higher likelihood of invasive species encroachment, disease, and safety concerns
- The death and decline of the largest contributors of canopy with the establishment of aggressive invasives in this stand signals that this stand may continue to degrade in health.
- The loss of this stand will be mitigated with a minimum of an estimated net 16 acres of forest/tree cover planted within the new community in coordination with the minimum of 35% green area.

Staff is supportive of clearing this tree save area and concurs with the memo's findings. Many of the public comments characterize this stand as healthy specimen trees and worthy of retention. Staff notes the City and the Mid-Atlantic region have seen a rapid decline in older oak's over the past five years. While the causes are still being studied, staff has submitted into the record a 2022 article from the University of Maryland Extension Service⁶ titled "Browning and Defoliation of White Oaks." Staff notes that many of the symptomatic factors listed are reflected in the exhibit's photographs submitted, namely frass, trunk wounds, and branch dieback. Staff is of the opinion that this stand will continue to decline and may lose 60% of its canopy trees in the near term. Its edge site and situation, coupled with proposed redevelopment is not conducive to it being a sustainable environmental amenity. The mitigation proposed more than offsets this loss.

DAYLIGHTING 84" STORM DRAIN PIPE STATEMENT:

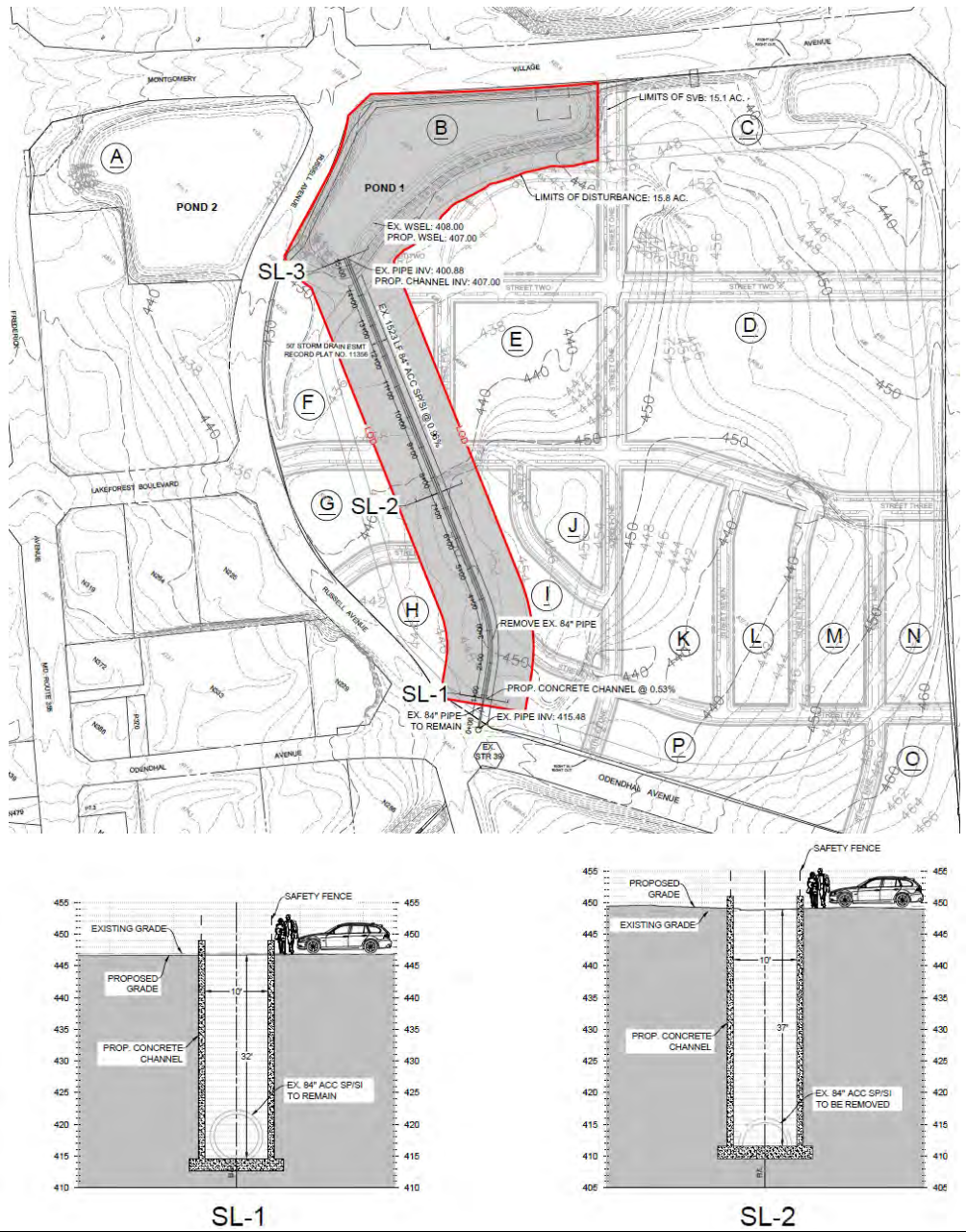
In reaction to the numerous comments advocating for daylighting the private 84" (seven-foot in diameter) storm drain pipe on-site traveling from Odendhal Ave. north on a diagonal to Pond 1, the Applicant drafted a separate response and analysis. The statement references two attached exhibits⁷ that illustrate two different daylighting scenarios.

⁵ Exhibit 107

⁶ Exhibit 111

⁷ Exhibit 108

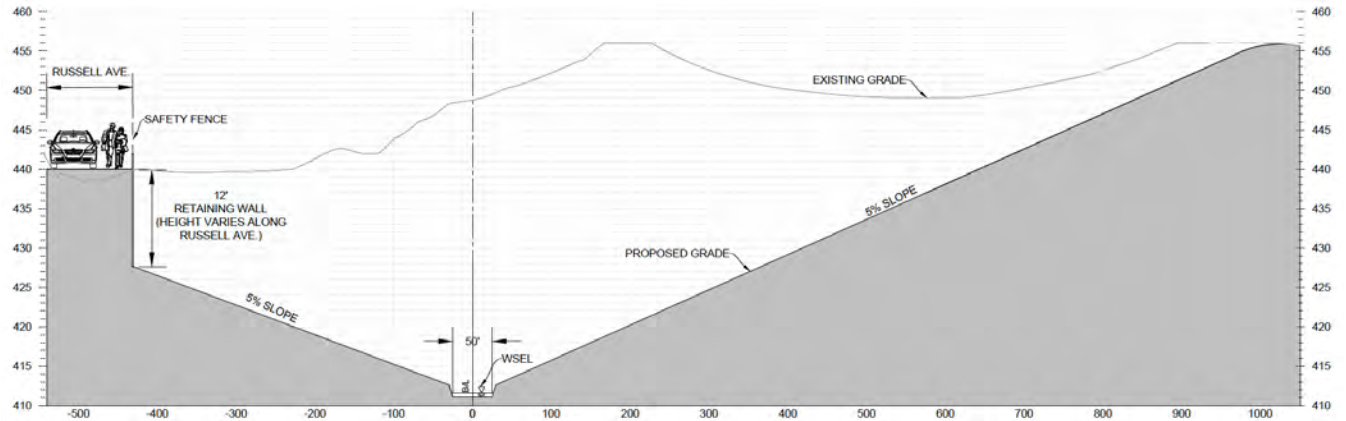
Exhibit 1 shows the information necessary to just 'daylight' the storm drain pipe, while maintaining a concrete channel to convey water. This leaves the pipe/drainage way in the same location with RED outlining the limits of disturbance (LOD). The seven-foot (7') diameter pipe entering the site, below Odendhal Road is approximately 30' deep. A concrete channel installed to replace the pipe would be 10' wide and over 30' deep particularly in the middle of the site where the grade is higher. A width of 10' wide would convey water and flood events to Pond 1. This alternate form of water conveyance within the same general area, aside from being an aesthetic liability, would affect Blocks F, G, H, and I.



Staff concurs that this scenario is a non-starter. It would be nothing more than a 10' wide, 30' deep reinforced concrete drainage ditch with no aesthetic or amenity value as hoped for in the public comments and would only negatively impact the proposed design.

Exhibit 2 concerns a scenario that reflects a true daylighted stream as advocated for. Understanding that one foot (1') of flood water can float a car, Exhibit 2 shows a 50' wide base flow channel that will be between 1.5 to 2 feet deep. The RED is the LOD and the YELLOW is the new required stream valley buffer. The floodplain and 25' building restriction line (BRL) is not determined. To accomplish daylighting a pipe 30' below grade, approximately 37 acres of the developable 75 will be needed to lower the site, provide appropriate side slopes, stream valley buffer, floodplain and floodplain BRLs, retaining walls, etc. to make this work. This scenario would open the possibility of MDE and ACOE review and standards for waterways and floodplains. Walls of varying height will be needed to hold up Russel Ave., Odendhal Ave. and the proposed Street 1 on the Sketch Plan. To create the "stream valley" Blocks B, E, F, G, H, I and J will be eliminated. The east west roads would not connect. In particular, the Master Plan recommended Lakeforest Blvd. to Contour Rd. connection would not occur. Block F with the Transit Station would need to be relocated, or not included. Pond 1 and Block B with the entertainment district would also need to be reevaluated or moved since the grading, storage and flood elevations for Pond 1 will need to be changed.





Staff agrees that while this scenario would create a dramatic stream valley park, it would also render the Project economically infeasible not just from the cost side, but from the reduced development capacity perspective. The site work needed would greatly limit any developer's ability to realize the Master Plan and its recommendations. Staff does not support daylighting the storm pipe and is concerned that any such requirement will in fact curtail Master Plan envisioned redevelopment and result in continued C-2 Zoning and vested operations.

STAFF FINDINGS ANALYSIS AND RECOMMENDATIONS

Z-9444-2022

FINDINGS:

Approval of Z-9444-2022 and its subject parcels (Property), by the City Council is dependent upon the findings required under § 24-160D.10 of the City Code. The following outlines the required findings and justifications for a City Council approval of application Z-9444-2022:

(a) The City Council shall approve MXD zoning and the accompanying sketch plan only upon finding that:

(1) The application meets or accomplishes the purposes, objectives, and minimum standards and requirements of the zone; and

a) Application Z-9444-2022 provides a mixed-use community development with its own “sense of place” that draws people of all ages, including families, and offers unique experiences, amenities and opportunities that will allow for the multiple uses’ design flexibility and afford various architectural styles and designs that are harmonious within the Property and with the surrounding community.

b) Application Z-9444-2022 is designed to integrate the various uses through roads, paths and green spaces, while still allowing each use or block to create a distinct personality.

c) Application Z-9444-2022 provides that 35% of the 102-acre site will be devoted to green spaces and expands recorded conservation areas.

d) Application Z-9444-2022 contributes to the mix of land uses including amenity and entertainment, employment opportunities with a focus on job creation generally and having a variety of jobs that offer new opportunities and upward mobility, and offers a wide range of for-sale and rental residential at various price points including multi-family, townhomes, and Gap housing.

e) Application Z-9444-2022 contains a minimum of ten (10) acres and is located adjacent to and readily accessible from Russell Avenue, Odendhal Avenue, Lost Knife Road, and Montgomery Village Avenue and are all adequate to service the proposed development. It is intended that access will be available both within and to the site so that traffic does not have an adverse impact on the surrounding area or cause internal circulation or safety problems.

f) Application Z-9444-2022, encourages the efficient use of land by: locating employment uses proximate to residential and shopping/entertainment uses and green recreational areas; reducing reliance upon automobile use with a centralized design with bicycle and pedestrian facilities and leveraging the proposed future Lakeforest Transit Center; explores internal and external connectivity to connect to the various neighborhoods through a path network; and providing new green spaces while removing extensive impervious surfaces related to large parking fields.

g) Application Z-9444-2022 sites all non-residential uses at least 100 feet from surrounding residential uses.

(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

Application Z-9444-2022 is in conformance with the Lakeforest Mall Master Plan recommendations for the Property, which recommend an integrated and coordinated mix of uses with an emphasis on employment uses, an interconnected network of useable open spaces and green areas, an enhanced Lakeforest Transit Center, and a mix of housing types that foster a variety of rental and ownership opportunities across a broad spectrum of affordability. Application Z-9444-2022 proposes rezoning the Lakeforest Mall from the C-2 zone to the MXD Zone as called for in the Lakeforest Mall Master Plan and is the zoning that can accommodate the Master Plan's vision. Specifically, Application Z-9444-2022 adheres to the special conditions of the Lakeforest Mall Master Plan in that:

- The application provides 35% Green Area across the 102-acre site.
- The application establishes a residential unit cap of 1,600 units with the following percentages:
 - Townhouses: up to 10%
 - Gap Housing: at least 25%
 - Multifamily (rental and owned): 40%-65%.
- The application reflects stand-alone (single retail tenant) or solely retail (multi-tenant, but all retail) facilities that do not reflect vertical mixed-uses are limited to a maximum of 5-acres total, including surface parking lots, across the entirety of the redevelopment.
- The application reflects stand-alone retail or solely retail facilities' building footprints must not exceed 30,000 square feet each.

(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.

Application Z-9444-2022 is compatible and harmonious with the adjacent residential and commercial areas. The broad mix of proposed uses and users allows multiple opportunities for the Property to develop and integrate into the greater surrounding community. The implementation of MXD Zoning will afford uses that will complement the surrounding vicinity and may be a catalyst for future growth on other sites. Application Z-9444-2022 focuses on maximizing employment opportunities at the Property and creating a neighborhood for residents to live, work and play. The Z-9444-2022 Sketch Plan proposes a street grid that will be both internally and externally compatible by creating safe and efficient transportation options to and from the Property, including a connection between Lakeforest Boulevard and Contour Road. All adjacent Blocks within the Property will face outward to the existing neighborhoods and not only focus on the internal blocks of the new neighborhood. The Application's vision is focused on delivering of a critical mass of active employment, commercial and recreational uses and housing options, served by a street network with pedestrian and bicycle connections accessible to residents within and surrounding the Property. The enhanced and relocated Lakeforest Transit Center and associated green network, and commercial and employment uses will be a regional asset to the greater surrounding area.

STAFF RECOMMENDATION

The Applicant has submitted for consideration zoning map amendment and sketch plan application Z-9444-2022, proposing up to ~1.2 million square feet of commercial uses and up to 1600 residential units on approximately 102 acres. This application is implementing the Lakeforest Mall Master Plan. Staff, in reviewing the Z-9444-2022 application, made note that the rezoning and sketch plan are only the first step in a multi-phase entitlement process and many details that will actualize the Lakeforest Mall Master Plan will be further defined at subsequent application stages. Staff is of the opinion that the concerns voiced during the public hearing regarding contextual issues and the project's "sense of place" will be vetted through any approved Design Guidelines submitted in conjunction with the initial SDP application. The Applicant will be expected in these Guidelines to address more than residential architecture. Issues such as parking management, relationship of uses/blocks, internal and external connectivity, programming of open space, both community and commercial signage, public art, and contextual responses to phasing over time must be included or further vetted. In short, the Applicant must provide definitive measures to create the successful project proffered, including revised market and fiscal impact reports reflecting the actual SDP development numbers.

Staff is supportive of the subject Z-9444-2022 application with conditions. The Z-9444-2022 sketch plan reflects the visions and recommendations established in the Lakeforest Mall Master Plan and developed through an intensive public engagement process. Approval of the Z-9444-2022 Sketch Plan is the first step towards this project becoming the catalytic, City-asset as envisioned in the Lakeforest Mall Master Plan.

Staff recommends that the Planning Commission, based upon the findings presented herein and the evidence in the record, recommend approval of Z-9444-2022 to the Mayor & City Council with the following conditions:

1. Applicant to receive approval from the Maryland State Highway Administration to allow the relocation of the Montgomery Village Avenue signalized intersection to the Mall site prior to schematic development plan approval.
2. Applicant to receive Maryland Department of the Environment Category A joint permit application (JPA) approval for the relocation of the 84" storm pipe and filling of Pond 3.
3. Applicant shall submit a revised Strategic Market Analysis, prepared with methodology and assumptions determine in consultation with City staff. The analysis shall also include detailed evaluation of the financial feasibility of the large format retail at up to 250,000 square feet, and the "two (2) stacked larger retail floorplates" format described in the SOJ, relative to the Master Plan recommendation that the preferred retail be that of "Neighborhood goods and services, including restaurants..."
4. Applicant shall submit a revised Fiscal Impact Analysis that incorporates the data and assumptions from the revised Strategic Market Analysis and SDP, and prepared with methodology determined in consultation with City staff.