

RESOLUTION NO. R-54-19

RESOLUTION OF THE MAYOR AND CITY COUNCIL OF GAITHERSBURG
GRANTING APPROVAL OF SKETCH PLAN SK-8180-2019, 700 NORTH
FREDERICK AVENUE, FOR APPROXIMATELY 44 ACRES OF PROPERTY
ZONED MIXED USE DEVELOPMENT (MXD)

SK-8180-2019

OPINION

Sketch plan application SK-8180-2019 zoned Mixed Use Development (MXD), has come before the Mayor and City Council for approval. The City Council's authority in this matter is pursuant to § 24-160D.9(a) "Application for the MXD Zone and sketch plan approval" of the City of Gaithersburg Zoning Ordinance (Chapter 24 of the City Code), which authorizes the Council and Commission to conduct public hearings on a sketch plan application following appropriate notification procedures and to take action on the application within ninety (90) days of the close of the hearing record, following receipt of a recommendation by the City Planning Commission.

The subject case involves approximately 44 acres of land and concerns the development of the subject property ("Property") at 700 North Frederick Avenue. The Property is located at the southwest quadrant of the intersection of North Frederick Avenue (MD 355) and Montgomery Village Avenue (MD 124). The Property fronts MD 355 and is immediately adjacent to the industrial/warehouse use (FedEx) located at 800 North Frederick Avenue. The Property consists of one parcel identified as Parcel C, Plat No. 19929, 43.4 acres. The sketch plan application was submitted to the City Planning and Code Administration on May 3, 2019. This application was designated as SK-8180-2019.

OPERATIVE FACTS

A. Background

The Property was annexed into the City of Gaithersburg in 1992 as part of Annexation X-161 by resolution R-49-92 and classified as I-3 (Industrial and Office Park). At the time of annexation, the Property was developed with two office buildings built in the 1960s, surface parking and green space. Annexation Agreement X-161 included the following key provisions:

- All existing approved development and uses therein on the Property, including but not limited to all structures and parking spaces and areas, shall be grandfathered into Gaithersburg as conforming development.

- Gaithersburg agrees to permit resubdivision of the Subject Property by replatting so long as any lot created complies with the standards and criteria for a record lot as set forth in the Gaithersburg Subdivision Regulations.
- Gaithersburg agrees to permit future additional development or redevelopment of the Subject Property in excess of the Existing Development and Additional Development in compliance with the Gaithersburg I-3 Zone and applicable governmental codes and regulations as such requirements thereof may be modified by the terms and conditions of this Agreement.
- Gaithersburg agrees that additional parking spaces built on the Subject Property for development which occurs subsequent to the annexation of the Subject Property may be sized in accordance with Section 59-E-2.2 of the Montgomery County Code as written on the Effective Date of this Agreement and will not be subject to parking space size requirements of the Gaithersburg Code. All non-traffic generating areas, including but not limited to meeting rooms and corridors, shall not be used by Gaithersburg to determine the number of parking spaces required for future development on the Subject Property.

In compliance with recommendations from the 1997 Neighborhood Six Land Use Plan, the City, on April 7, 1997, approved Zoning Map Amendment Application Z-285, Ordinance O-12-97, comprehensively rezoning approximately 105 acres, including the subject Property, from I-3 (Industrial and Office Park) to MXD (Mixed Use Development). This comprehensive rezoning did not include new sketch plans, nor did it alter any terms of the Annexation Agreement. Vested site plans were retained; only the zoning of the parcel changed.

Since annexation, numerous amendments to the site plan have been approved allowing modifications to the existing office development, including the construction of an enclosed entryway to connect the entrances of the two office buildings. As it currently stands, the office complex includes 500,000 square feet of space over two and three stories.

B. Current Application:

On May 3, 2019, Ian Duke of VIKA Maryland, LLC on behalf of MATAN Companies submitted an application for sketch plan SK-8180-2019. The plan proposes up to 650,000 square feet of commercial/ employment/ industrial uses, which is a .34 FAR over approximately 44 acres. The uses for the Property include the following:

- Integrated Light Manufacturing
- Repair and Business Services, including but not limited to carpenter, cabinet, plumbing
- Laboratories
- Research, Experimental and Testing Laboratories
- Manufacture, Compounding, Processing, Assembly and Ancillary Retail Sales
- Wholesale businesses

- Distribution/Warehouse, excluding self-storage
- Personal service businesses such as barbershops and drycleaners
- Offices
- Fitness centers, amusement and recreational facilities
- Child and/or adult day care
- Banks
- Retail
- Restaurants, Bars
- Rental of trucks, ancillary to uses listed above (not to exceed rental of 30 trucks)
- Automobile filling stations
- Automatic automobile car wash, ancillary to Automobile Filling Stations

The proposed Plan divides the Property into two "Blocks." The Plan further envisions appropriately scaled and located proposed open spaces and a circulation system that promotes and enhances connectivity to the surrounding area for vehicles, pedestrians, and bicycles.

A joint public hearing before the Mayor and City Council and the Planning Commission was held on June 3, 2019. During the course of the hearing the, questions and comments raised related to the subject application included:

- The reason for the 6-story maximum heights;
- The Applicant's experience with mixed-use development;
- The functionality of the open/green spaces, specifically, whether or not they will be open to the general public;
- The connectivity with the adjacent FedEx property;
- The type of retail that will be included; and
- The form any parking will take (surface or garage).

There were no speakers from the public during the public hearing.

The Applicant submitted a statement to address those comments received during the public hearing. The Planning Commission record on SK-8180-2019 closed as of five (5) PM, Friday July 5, 2019. The Planning Commission reviewed the SK-8180-2019 application at its regular meeting on July 17, 2019.

The Commission during the course of their discussion on the SK-8180-2019 application voiced their support and approval of the proposed sketch plan. The Commission discussed connectivity and accessibility into and through the Property, and noted the prominent location of the Property as an entry to the City and its viability for the Arts in Public Places program. The Commission cautioned against the potential for an over/under weighted mix of tenants, which can cause problems with parking if too many tenants require vehicle storage, and commented on keeping the Site open for reuse in a mixed use environment.

The Planning Commission recommended approval of the SK-8180-2019 application to the City Council with no conditions.

C. Evaluation and Findings

The City Council, upon careful review of the evidence of record, agrees with the findings, conclusions and the recommendation of approval for sketch plan SK-8180-2019 by the City Planning Commission and City staff. The City Council finds those recommendations to be well reasoned and adopts and incorporates their findings as part of this action. The City Council further agrees with the Planning Commission in that the procedures governing the application for the MXD Zone and approvals necessary to seek building permits are subject to a multi-step process and that this is only one of several steps of the process that subsequently includes Schematic Development Plan reviews and approvals.

The City Council finds that application SK-8180-2019 meets the submission requirements and the standards and requirements for approval of the subject sketch plan, as set forth in §24-160D.9(a) in that:

1. The Applicant filed, together with the prescribed application fee, an application for approval of a sketch plan, including a boundary survey, an approved natural resource inventory, and a sketch plan defining the nature, density, location of uses, access, circulation, and preservation features;
2. The Applicant provided as part of the SK-8180-2019 application a request and justification statement that addressed the application's proposed phasing or staging of development; public facilities and demonstration of general compliance with the Master Plan recommendations for the property, including any special conditions or requirements related to the property set forth in the Master Plan;
3. The City Council and City Planning Commission have conducted a joint public hearing on the application subject to the notification procedures in section 24-196 of the City Code;
4. The Planning Commission delivered its recommendation to the City Council on July 17, 2019, within thirty (30) days of the close of the Commission's hearing record on July 5, 2019; and
5. The Council is taking action on the application within ninety (90) days after the close of the Council's hearing record on July 26, 2019.

Furthermore, the City Council finds from the evidence of record that the application for sketch plan approval, SK-8180-2019, as currently amended, fulfills the findings required under §24-160D.10:

(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 SK-8180-2019 proposes a multi-use development with commercial, employment and industrial uses in multiple buildings, developed primarily in two phases.
- b. Application SK-8180-2019 proposes multiple uses and maximum building heights, allowing for building design flexibility and various architectural styles and designs that are harmonious within the Property and with the surrounding industrial and commercial uses.
- c. Application SK-8180-2019's proposal of a flexible range of commercial/employment/ industrial uses is compatible with neighboring warehouse/ industrial and commercial uses and consistent with the character of the Northern Employment District.
- d. Application SK-8180-2019 envisions providing employment uses in attractive buildings with accompanying commercial and inviting green areas to serve both employees and patrons, thus promoting internal compatibility and complementing nearby established residential uses.
- e. Application SK-8180-2019 seeks to preserve the existing wetlands and watercourses on the Property by designating the subject area as "naturalized space". The Application also proposes incorporating green spaces and employee amenity open spaces throughout the Project.
- f. Application SK-8180-2019, as submitted, encourages the efficient use of land by:
 - i. Siting new employment opportunities in close proximity to established residential communities and retail/commercial development. The Project will be connected to these existing residential and commercial uses via multiple transportation options, including vehicular roadways, bus transit, and pedestrian and bike facilities along MD 355, Montgomery Village Avenue, and Watkins Mill Road. This creation of jobs close to housing and retail will foster a horizontal mix of uses and help reduce overall vehicle miles traveled.
 - ii. Providing open space that will serve as an amenity for both employees and nearby residents patronizing the commercial uses on site.

- iii. Redeveloping a functionally obsolete office complex into a modern employment hub intended to provide industrial/ flex space, which is in high demand in the local market. The subject site is well-situated to the proposed commercial/ industrial/ employment uses, given its location between high-traffic roadways within the Northern Employment Zone of the Frederick Avenue Corridor.
- g. Application SK-8180-2019 contains a minimum of ten (10) acres and is located adjacent to and readily accessible from North Frederick Avenue (355). This access is 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.

(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

The SK-8180-2019 application is in accord with and fulfills recommendations from the City's Master Plan and the City's Annual Strategic Plan:

The Property was first included in the 1997 Neighborhood Six Land Use Plan as part of Study Area 3. The 1997 Plan characterized Area 3 as dominated by industrial-research-office uses. Specific recommendations for the Property included redesignating it as commercial/ industrial-research-office and rezoning in to MXD. In the 2001 Frederick Avenue Corridor Land Use Plan, the Property was included in the Northern Employment District. The 2001 Plan reconfirmed all land use designations and zoning recommendations from the 1997 Neighborhood Six Land Use Plan, thus reaffirming the commercial/ industrial-research-office designation for the Property. Subsequently, both the 2003 and 2009 Land Use Elements reaffirmed the commercial/ industrial-research-office use designation for the Property. SK-8180-2019 proposes redeveloping the Property with commercial/ employment/ industrial uses, in compliance with the above stated Master Plan recommendations. The Applicant intends to develop an employment hub, providing a diverse range of jobs for nearby residents. No residential uses are proposed for the Property, in compliance with long-standing Master Plan recommendations for the Property. Unlike other MXD projects, residential uses have never been recommended for the Property since its inclusion in the 1997 Neighborhood Six Land Use Plan.

Key Action Items for "Economic Development" from the City's FY 2020 Strategic Plan include "create a strategy to increase the City's inventory of space suitable for biotechnology companies". SK-8180-2019's proposed development and focus on employment/ industrial uses could easily accommodate biotech users within industrial/ flex buildings. Key Action Items for "Planning and Development" from the FY 2020 Strategic Plan include "identify properties that present opportunities for adding value to the City," and "designate Gaithersburg Enterprise Zone, Frederick Avenue Corridor and

Lakeforest Mall as priority areas for redevelopment.” SK-8180-2019 presents an opportunity to redevelop an aging, functionally obsolete office complex along the Frederick Avenue Corridor into a modern employment hub with accompanying commercial uses, thus adding value to the City.

(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 SK-8180-2019 is compatible and harmonious with the adjacent area. As the 2001 Frederick Avenue Corridor Land Use Plan expressed, the Property is located in the Northern Employment District, a district dominated by car dealerships, retail uses, hotels and large office complexes. The Property’s proposed commercial/ employment/ industrial uses are consistent with the current character of the Northern Employment District. Commercial and industrial uses, as opposed to residential, are most appropriate and compatible given the adjacent I-3 and C-2 zoned properties and the Property’s proximity between high-traffic roadways. The Applicant’s vision is to create an employment hub that will complement nearby commercial and residential areas, contributing to the greater mix of uses that offer the opportunity to live, work and shop within a short distance. Additionally, the Project proposes green spaces along North Frederick Avenue, continuing the existing linear park on the adjacent property and offering a welcoming appearance at the Property’s direct access point and a comfortable environment for pedestrians and cyclists. Green areas along the Property’s boundaries will provide employees opportunities to gather while also creating an effective barrier from I-270 and Montgomery Village Avenue.

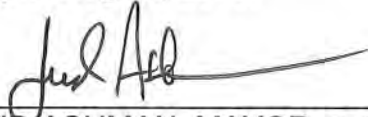
In summary, the City Council finds Application SK-8180-2019 actualizes the recommendations set forth in the City’s Master Plan, is in accordance with §§ 24-160D.9.(a) and 160D.10(a), is in the public interest and should be approved due to the presence of substantial evidence in the record to indicate that the subject Sketch Plan has accomplished the purposes of the MXD Zone, as well as generally accepted City planning and land use policies.

SKETCH PLAN SK-8180-2019

RESOLUTION

NOW, THEREFORE BE IT ORDAINED by the City Council of Gaithersburg, that SK-8180-2019, being an application filed by MATAN Companies, requesting approval of Sketch Plan is hereby approved.

ADOPTED by the City Council this 19th day of August, 2019.

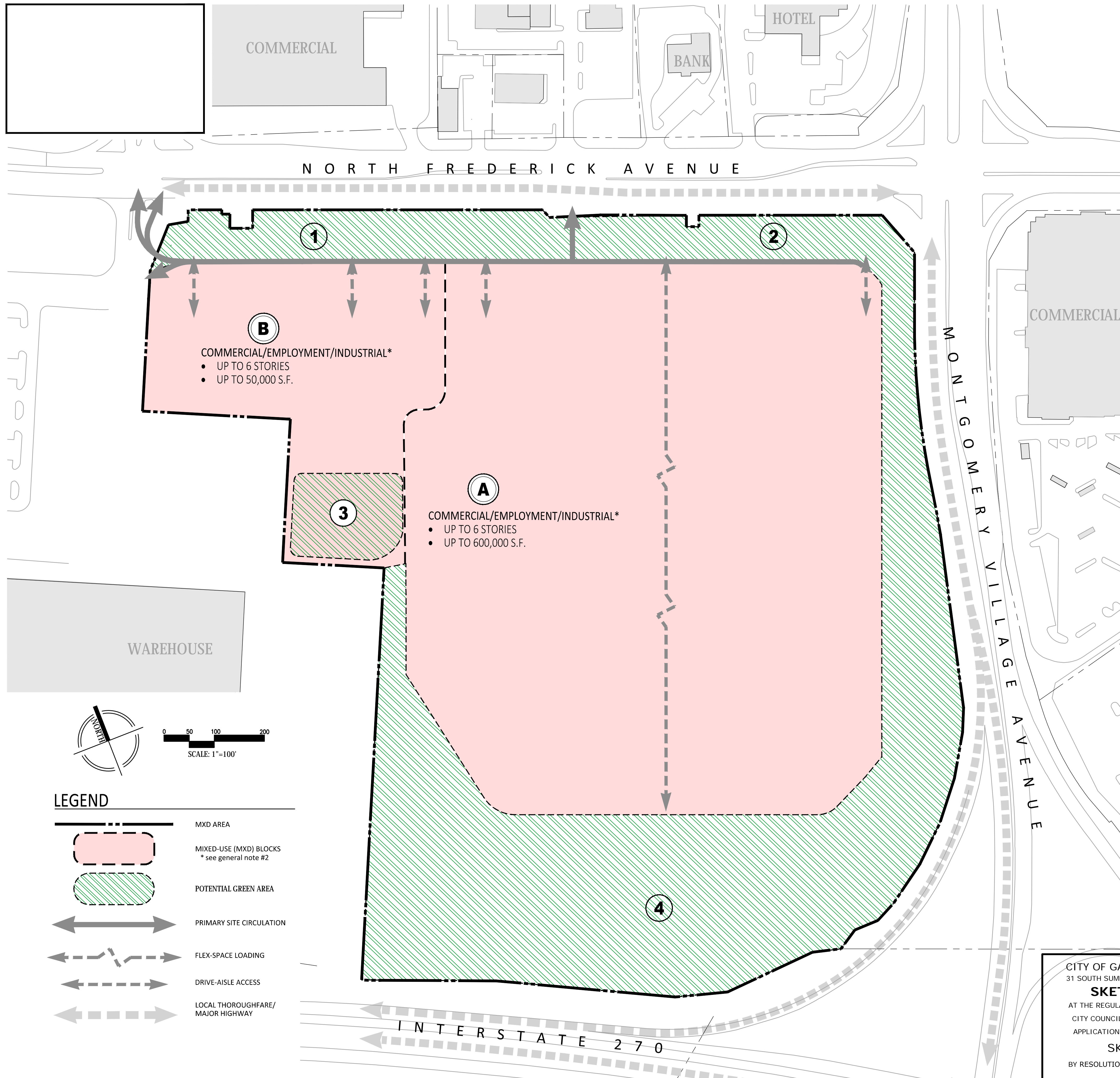


JUD ASHMAN, MAYOR and
President of the Council

THIS IS TO CERTIFY that the foregoing Resolution was adopted by the City Council in a public meeting assembled on the 19th day of August, 2019.

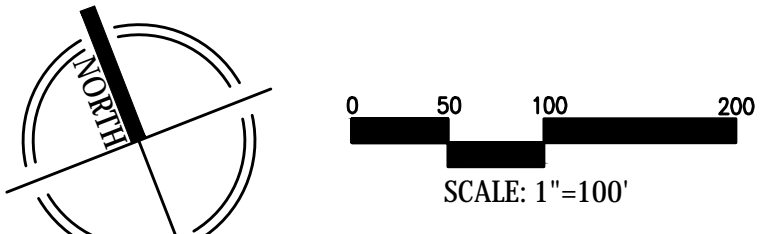


Tony Tomasello, City Manager



B
 COMMERCIAL/EMPLOYMENT/INDUSTRIAL*
 • UP TO 6 STORIES
 • UP TO 50,000 S.F.

A
 COMMERCIAL/EMPLOYMENT/INDUSTRIAL*
 • UP TO 6 STORIES
 • UP TO 600,000 S.F.



LEGEND

- MXD AREA
- MIXED-USE (MXD) BLOCKS
*see general note #2
- POTENTIAL GREEN AREA
- PRIMARY SITE CIRCULATION
- FLEX-SPACE LOADING
- DRIVE-AISLE ACCESS
- LOCAL THOROUGHFARE/ MAJOR HIGHWAY

GENERAL NOTES

1. This property is zoned MXD.
2. Total commercial FAR shall be up to 650,000 square feet.
3. This sketch plan establishes the following percentages of floor area based on good cause shown:
 - a. Retail commercial: up to 10% (up to 65,000 square feet). Retail commercial uses include personal service businesses, fitness centers, amusement and recreation facilities, child and/or adult day care, principal retail, restaurants, and bars.
 - b. Employment/office: up to 100% (up to 650,000 square feet)
 - c. Other commercial/institutional: up to 100% (up to 650,000 square feet)

Principal retail uses within the retail commercial use category on Block A may not exceed 20,000 square feet. Principal retail uses within the retail commercial use category on Block B may exceed 20,000 square feet, provided the maximum cumulative retail commercial density on both blocks does not exceed 65,000 square feet.
4. Applicant may adjust the block boundaries and other designated areas identified within each phase at time of SDP. Subject to Note 3 above, this sketch plan permits shifting up to 15% of the proposed density approved for one block to the other, provided the maximum cumulative density of 650,000 square feet is not exceeded.
5. Proposed buildings will be a maximum of 6 stories in height. Stories do not include basement or mezzanine floors. Subject to the maximum heights specified, actual building heights will be determined at SDP.
6. Location of symbols and site elements may be adjusted at SDP.
7. Initial SDP application must include comprehensive design guidelines that will include standards for architectural facades, parking lot design, open space design, and signage.
8. Under Annexation Agreement X-161 (as amended), Applicant has the option to develop the property with the uses permitted by right in the I-3 Zone and under the development standards of the I-3 Zone, which may be amended as mutually agreed upon. Applicant also has the right to develop the property with the additional uses and development standards permitted in the MXD Zone. All buildings shall be set back a minimum of 30 feet from North Frederick Avenue, Montgomery Village Avenue, and the adjoining property (Parcel H). All other setbacks, including minimum distances between main buildings, shall be determined at SDP. The design criteria for commercial or industrial surface parking lots of Article XI (Off-Street Parking and Loading) of the Zoning Ordinance shall apply, subject to any parking waiver granted under Section 24-222A of the Zoning Ordinance. Uses other than those listed on the sketch plan require a sketch plan amendment. The MXD Zone application and processing procedures apply.
9. The required number of parking spaces will be based on gross leasable area.

OPEN SPACE STRATEGY

The green area shall not be less than 25% of the total area devoted to non-residential uses. Potential green area typology (by area):

- 1** LINEAR PARK: shared path, plantings, & seating
- 2** LINEAR PARK: shared path, plantings, & seating
- 3** EMPLOYEE AMENITY: open lawn, shaded seating, plantings
- 4** NATURALIZED SPACE: native habitat plantings (upland to stream edge)

Location and size of green areas to be finalized at SDP.

DEVELOPMENT PHASING

1. Phasing boundaries may be adjusted and densities shifted per General Note 3 above at time of SDP. Phases of development and potential green areas may be sequenced in any order or combined.

1. **(A)**
2. **(B)**

Existing Zoning: MXD, Site: 44.16 acres

Permitted Uses	Block B	Block A
Integrated Light Manufacturing	X	X
Repair and Business Services, including but not limited to carpenter, cabinet, plumbing	X	X
Laboratories	X	X
Research, Experimental and Testing Laboratories	X	X
Manufacture, Compounding, Processing, Assembly, and Ancillary Retail Sales	X	X
Wholesale businesses	X	X
Distribution/Warehouse, excluding self storage	X	X
Personal service businesses such as barber shops and drycleaners	X	X
Offices	X	X
Fitness centers, amusement and recreational facilities	X	X
Child and/or adult day care	X	X
Banks	X	X
Retail	X	X
Restaurants, Bars	X	X
Rental of trucks, ancillary to uses listed above (not to exceed rental of 30 trucks)	X	X
Automobile filling stations	X	X
Automatic automobile car wash, ancillary to Automobile Filling Stations	X	X

CITY OF GAITHERSBURG MAYOR & COUNCIL
 31 SOUTH SUMMIT AVENUE, GAITHERSBURG, MARYLAND 20877
SKETCH PLAN APPROVAL
 AT THE REGULARLY SCHEDULED MEETING OF THE MAYOR AND CITY COUNCIL HELD ON August 19, 2019
 APPLICATION NO. SK-8180-2019 WAS GRANTED
SKETCH PLAN APPROVAL
 BY RESOLUTION R-54-19 WITH zero (0) CONDITIONS.
 DATE 8/20/2019 BY *Jawon Mihford*

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