

---

**MEMORANDUM TO:** Mayor and City Council  
Planning Commission

**FROM:** Caroline Seiden, Planner

**DATE:** August 2, 2024

**SUBJECT:** Final Staff Analysis  
Application SDP-9759-2024: 715/725 Progress Way

**APPLICANT/OWNER**

Brian Morris  
MFV 700 NFA, LLC and DNIP4 NFA, LLC  
4600 Wedgewood Blvd  
Frederick, MD 21703

**ATTORNEY**

Phil Hummel  
Miles and Stockbridge  
11 N. Washington Street, Suite 700  
Rockville, MD 20850

**ENGINEER**

Ian Duke  
VIKA Maryland, LLC  
20251 Century Boulevard  
Germantown, MD 20874

**ARCHITECT**

Adel Nur  
Bignell Watkins Hasser Architects  
One Park Place  
Annapolis, MD 21401

**TAX MAP REFERENCE:**

Tax Assessment Map # FT32

**TAX ACCOUNT NUMBERS:**

ID # 09-03860002

**REQUEST**

MFV 700 NFA, LLC and DNIP4 NFA, LLC (“Applicant”) has submitted Schematic Development Plan (SDP) application SDP-9759-2024 (Exhibit #1). This plan is in accordance with Sketch Plan SK-8180-2019, known as 700 North Frederick Avenue, approved by Resolution R-54-19 (Exhibit #38). The plan proposes to subdivide Parcel “S” into two Lots (Lots 7 and 8) and to develop 14,750 square feet of commercial development.

**LOCATION**

The subject area of the application (“Site” or “Property”), Parcel “S” is located at 725 Progress Way and is part of the 43.96–acre Matan redevelopment of the previous IBM property. The currently unimproved lot is bounded by Bunsen Place to the northwest, the North Frederick

Avenue linear park (and North Frederick Avenue) to the northeast, 705 Progress Way (Chick-fil-A) to the southeast and Progress Way to the southwest. Vehicular access to the site is from Progress Way.



*Location of Project Area*

The site was previously improved with a parking lot supporting the original IBM campus. The structures have since been demolished as part of the initial phase of development under SDP-8597-2020 and the area is currently stabilized with lawn.

## **PROJECT BACKGROUND**

The subject property (“Site” or “Property”) was originally developed for IBM and most recently vacated by Leidos. Concurrent with Leidos’ departure, the property was purchased by MFV 700 NFA, LLC and DNIP4 NFA, LLC MDF. The new property owners received a Sketch Plan approval in 2019 for commercial, employment and industrial uses and allows up to 650,000 square feet of development split over two “blocks” equating to an FAR of approximately .34 over 44 acres (SK-8180-2019). More specifically, the sketch plan permits up to 10% of the redeveloped floor area as retail commercial uses and up to 100% of employment/office or other commercial/institutional uses.

The current SDP application is the second schematic development plan to implement the approved sketch plan by replacing outmoded office buildings with a range of flexible commercial uses at a highly visible intersection. The first schematic development plan, SDP-8597-2020, was approved in 2020, followed by three final site plans that implement the SDP.

SDP-9759-2024 is specifically focused on defining uses, building footprints, site circulation and open and amenity space in conformance with the requirements of SK-8180-2019 for Parcel S.

A joint public hearing for SDP-9759-2024 was held on July 1, 2024. There was no public oral testimony or written testimony received prior to the close of the record.

Comments and questions discussed by the Mayor and City Council and Planning Commission during the public hearing related to:

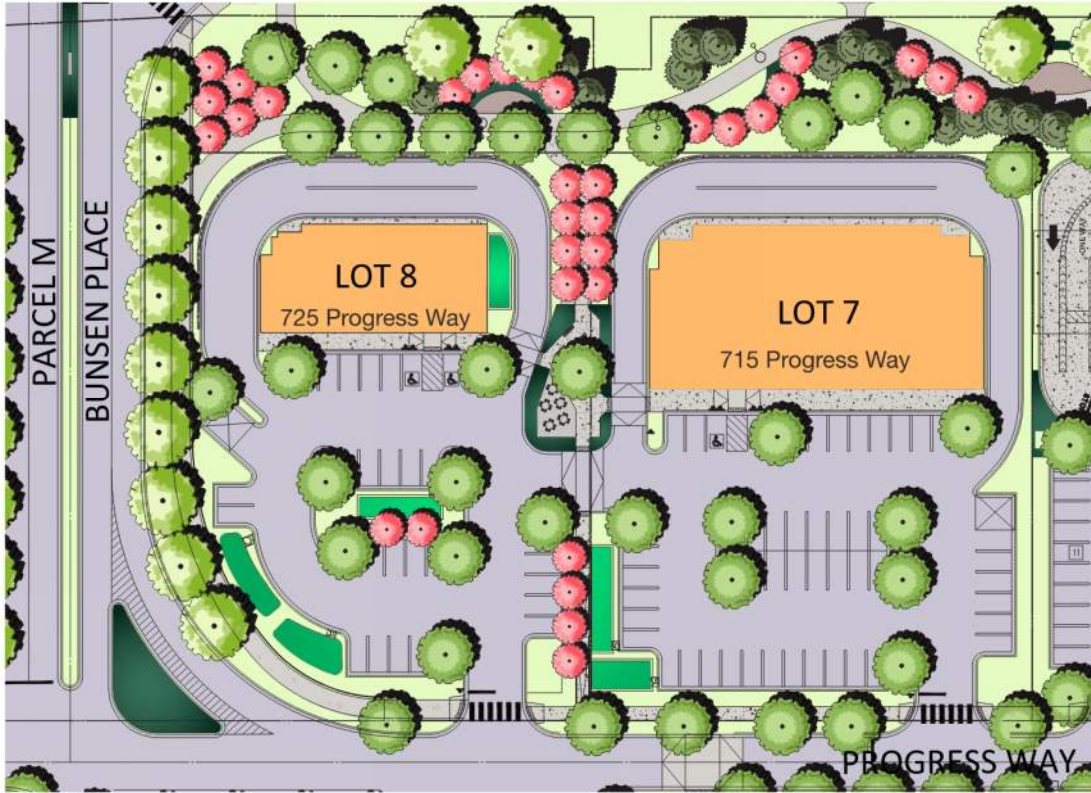
- Maintenance responsibility for the shared outdoor seating area
- Pedestrian connectivity between the existing and proposed buildings and the Frederick Avenue linear park
- Elimination of drive-through lanes if not required by prospective tenants

At the conclusion of the hearing, the Planning Commission announced, by motion, the closing of their record on July 31, 2024 with recommendation scheduled for August 7, 2024. Subsequently, the Mayor and City Council announced by motion, the closing of their record on August 14, 2024 with policy discussion and final action anticipated for September 3, 2024.

In response to the comments received during the joint public hearing, the applicant has submitted a supplemental response letter (Exhibit # 46) as well as revised plans (Exhibits #48-#64). The analysis, below, focuses on the revised plans and the applicant's responses to joint public hearing comments. Items unchanged from the July 1, 2024 joint public hearing are discussed in the Preliminary Background Report (Exhibit #44).

### **SCHEMATIC DEVELOPMENT PLAN PROPOSAL:**

Application, SDP-9759-2024, proposes to construct two commercial buildings with up to 14,750 square feet of retail use at 715 and 725 Progress Way. Each structure is proposed to be located on its own lot, with Lot 7 improved with a 10,100 square foot building and Lot 8 improved with a 4,650 square foot building. Each building is proposed to have a maximum building height of 30 feet and each building proposes a drive-through that circulates around the northeast side of each building parallel with the Frederick Avenue liner park. The lots share an internal vehicular connection as well as a shared pedestrian connection from Progress Way to the linear park and an outdoor dining area midway between Progress Way and the park and located between the two buildings. Egress to the lots will be from two access points on Progress Way with access to North Frederick Avenue at a signalized intersection at Bunsen Place.



Staff Comments

Staff is supportive of the plan and confirms that the schematic development plan conforms with the requirements of the Sketch Plan, noting that the square footage of proposed retail spaces is the maximum permitted for the remainder of Block “A” under Sketch Plan SK-8180-2019.

Parking

A total of 74 surface parking spaces are provided throughout the site (above the 66 required), including 4 ADA spaces. Additionally, the project provides 4 bicycle spaces and 2 motorcycle spaces.

Vehicular Parking (Car)									
Lot	GFA	Use	Fraction Rate	Required	Provided including ADA	ADA Required	ADA Provided including Van	ADA Van Required	ADA Van Provided
Lot 7	10,100	retail	1/225	45	48	2	2	1	2
Lot 8	4,650		1/225	21	26	2	2	1	2
<b>Total</b>	<b>14,750</b>			<b>66</b>	<b>74</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>4</b>

Bicycle & Motorcycle Spaces					
	Car Parking Provided	Bicycle Spaces Required	Bicycle Spaces Provided	Motorcycle Spaces Required	Motorcycle Spaces Provided
Lot 7	48	2	2	1	1
Lot 8	26	2	2	1	1
<b>Total</b>	<b>74</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>2</b>



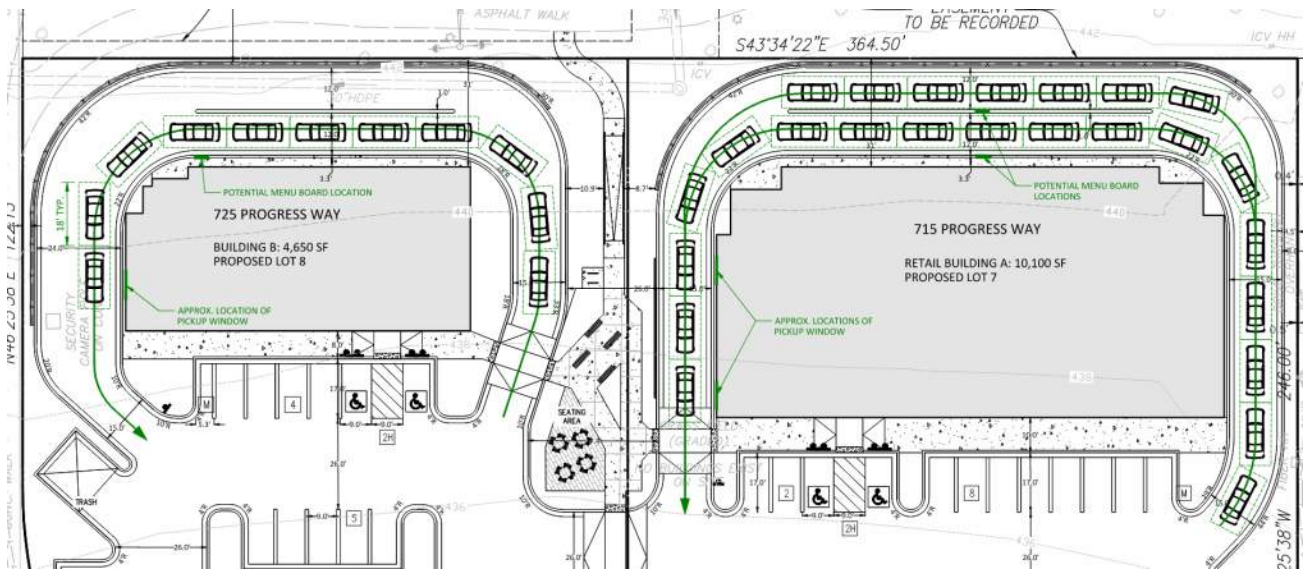


Exhibit #60

### Staff Comments

Staff is supportive of the circulation plan and is pleased that the applicant has provided another connection from the North Frederick Avenue linear park through to Progress Way. While the mid-parcel vehicular connection does break the pedestrian spine, the raised crosswalk is designed to ensure slower movements. It is staff's belief that the mid-parcel vehicular connection is a preferable circulation pattern for the overall development. With the proposed design, parking for both lots is more readily available for drivers without forcing additional turning movements and traffic onto Progress Way. More importantly, truck turning movements for trucks servicing each of these lots is far more efficient with proposed traffic pattern.

In response to the City Council and Planning Commission's questions about the drive-through lanes, the applicant has included the following note on the SDP cover page: "Drive-through facilities shown on the approved schematic development and not required at the time of final site plan shall be reduced or eliminated. The final design of such modification will be reviewed at final site plan." Staff would encourage the applicant to incorporate additional green or open space into a final site plan should drive-through lanes be removed from a final site plan.

### Amenities and Landscape Plan

As noted earlier, the project includes a shared outdoor seating area and a tree-lined allée (pedestrian path) connecting to the linear park. The path is purposely off-set to ensure that bicyclists coming from the linear park are forced to slow through the project.



### Staff Comments

Staff is supportive of the shared outdoor dining and believes that it is a superior design to two smaller outdoor spaces that would otherwise be designed for each lot. As noted previously, while the plan meets the MXD zone's green space requirements, providing additional green and public open space is encouraged should the either or both of the drive-throughs not be required at final site plan.

### Architectural Elevations

The applicant has submitted four-sided preliminary architectural elevations for the two retail buildings (Exhibit #62) and has also included this conceptual architecture in the updated Design Guidelines (Exhibit #63). The Guidelines call for articulation on all buildings, a minimum 30% glazing at tenant entrances, water tables and high-quality materials.



PLAN SOUTH ELEVATION (FRONT)



PLAN WEST ELEVATION (SIDE)



PLAN EAST ELEVATION (SIDE)



PLAN NORTH ELEVATION (REAR)

Lot 7 –Preliminary Architecture



PLAN SOUTH ELEVATION (FRONT)



PLAN WEST ELEVATION (SIDE)



PLAN EAST ELEVATION (SIDE)



PLAN NORTH ELEVATION (REAR)

Lot 8 –Preliminary Architecture

## Staff Comments

Staff is comfortable with the preliminary architecture for the building fronts and sides. While the applicant has added awnings to the rear elevations facing the North Frederick Avenue linear park, additional details, such as false windows, additional brickwork, and doors with more detail, should be incorporated in this elevation at final site plan.

## **SUMMARY:**

### **STAFF FINDINGS, ANALYSIS AND RECOMMENDATION**

#### **FINDINGS:**

Approval of SDP-9759-2024, by the City Council is dependent upon the findings required under § 24-160D.10 (b) of the City Code. The following outlines the required findings and justifications for a City Council approval of application SDP-9759-2024.

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

The plan is consistent with approved Sketch Plan SK-8180-2019, approved by the Mayor and City Council by Resolution R-54-19 on August 19, 2019. The sketch plan permits the replacement of the Property's existing improvements with up to 650,000 square feet of commercial density. The Sketch Plan permits up to 10% (or 65,000 square feet) of the redeveloped floor area as retail commercial uses and up to 100% (or up to 650,000 square feet) of employment/office or other commercial/institutional uses. Specifically, Block A, which includes Parcel "S" is limited to 20,000 square feet of retail. The current application, SDP-9759-2024 is the second Schematic Development Plan application under the approved Sketch Plan, and permits up to 14,750 square feet of retail on Block A. This is the maximum remaining retail square footage permitted for Block A as defined by the Sketch Plan following the development of the 5,250 square foot Chick-fil-A.

All uses proposed in the SDP, both in type and approximate location, are in accordance with the chart of permitted uses included in the Sketch Plan. The building heights conform to the six-story maximum provided in the Sketch Plan as well.

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

(a) Application SDP-9759-2024 will be developed with two commercial buildings, in conformance with Approved Sketch Plan K-8180-2024.

(b) Application SDP-9759-2024 contributes to a mix of land uses for the overall 44-acre development, including retail, office, warehouse, research and development, recreational and open space that work to complement one

another. While the proposed development does not provide residential uses, the property was never envisioned to include residential uses.

- (c) Application SDP-9759-2024 encourages the efficient use of land by redeveloping an existing site within an established area with existing transportation options and providing additional opportunities for synergistic retail along the North Frederick Avenue corridor. Furthermore, the SDP reduces reliance on the automobile and encourages pedestrian and other non-vehicular circulation systems by locating adjacent to complete streets with comfortable sidewalks, attractive landscaping, and efficient connections to adjacent uses.
  - (d) The SDP also encourages design flexibility through the inclusion of well-considered design guidelines, providing an elevated level for urban design, architecture, streetscape and open space.
- (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:

Application SDP-9759-2024 is in accord with and fulfills recommendations from the City's Master Plans 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 re-designating it as commercial/ industrial-research-office and rezoning 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.

SDP-9759-2024 proposes redeveloping the Property with commercial/ employment/industrial uses, in compliance with the above stated Master Plan recommendations. SDP-9759-2024 achieves the general and specific Master Plan recommendations through the predominant mix of flexible buildings to accommodate a wide range of employers, with a small amount of supporting retail uses. 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.

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

The application is compatible and harmonious with the adjacent area. The buildings are sited to be compatible with the layout of adjacent Chick-fil-A and Sheetz site plans, with buildings and drive-throughs adjacent to the linear park and parking adjacent to Progress Way. Properties to the north and east across North Frederick Avenue and Montgomery Village Avenue respectively include a range of commercial uses and the adjacent property to the northwest is a distribution center, all of which are compatible with the proposed mix of retail along North Frederick Avenue and large, flex buildings with interior courtyards designed to accommodate distribution, among other uses. The project relies upon the existing road network and improves pedestrian connectivity both within and outside the property. The planned continuation of the Frederick Avenue linear park also provides recreational opportunities for both on-site workers and nearby residents.

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

This application complies with the City's adequate public facilities requirements, as follows:

1. **Traffic Impacts (§ 24-245)** - The applicant has included a Traffic Statement (Exhibit #19), performed by The Traffic Group. The Statement confirms that the proposed redevelopment will not generate an additional 30 peak hour trips. City staff has, therefore, confirmed that a Traffic Impact Study is not required for this plan (Exhibit #20) and therefore the application complies with the City's Adequate Public Facilities requirements for § 24-245.
2. **Schools (§ 24-246)** - SDP-9759-2024 does not propose any residential development; therefore, the schools test does not apply.
3. **Water and Sewer Services and Public Utilities (§ 24-247)** - The subject SDP area is located within water category W-1 (public water available) and sewer category S-1 (public sewer available), and thus satisfies the requirements of § 24-247 for water and sewer.
4. **Fire and Emergency Services (§ 24-248)** - The City's Adequate Public Facilities Ordinance (APFO) requires that any development project be served by at least two fire stations within a ten-minute response time. The Site is located within a ten-minute response time of three fire stations: Station 8 (Gaithersburg), Station 31 (Rockville/Darnestown) and Station 34 (Germantown/Milestone). Therefore, adequate fire and emergency services are provided.

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

The proposed plan will be integrated within the existing road networks and utility infrastructures. No staging or phasing program is necessary and the development will be implemented through either one or two final site plan applications. The development can be constructed without disruption to adjacent properties or the surrounding traffic patterns as the property is currently vacant and there is adequate staging space within the property to ensure no disruptions to the surrounding area during construction.

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

The plan advances the overall Matan development vision by providing retail uses to support the employment uses on adjacent parcels and the overall community. The project provides an additional connection to the Frederick Avenue linear park. The development will also provide a larger tax base for the City to generate additional revenue that helps support a wider array of public programs, services and improvements.

### **STAFF RECOMMENDATION**

Staff has reviewed the Applicant's revised plans and is of the opinion that the applicant has adequately addressed the questions raised by both the Mayor and City Council and the Planning Commission.

Staff is supportive of the submitted Schematic Development Plan, SDP-9759-2024. The plan meets and accomplishes the purposes, objectives and minimal standards and requirements of the MXD Zone. Additionally, the proposed plan furthers the visions and goals of the City Master Plan, by providing support for employment and residential uses in the North Frederick Avenue corridor. The development will also provide a larger tax base which will generate additional revenue to support the City's economy. The development will not adversely affect the character of the surrounding neighborhood. The proposed preliminary architecture and design guidelines ensure that the project will be of a superior quality and compatible and harmonious with the surrounding neighborhoods.

**Staff recommends THAT THE PLANNING COMMISSION, BASED ON THE EVIDENCE AND TESTIMONY SUBMITTED TO THE RECORD AND THE FINDINGS IN THE FINAL STAFF ANALYSIS, RECOMMEND APPROVAL OF SDP-9759-2024, TO THE MAYOR AND CITY COUNCIL ONE (1) CONDITION:**

1. Applicant must submit revised Schematic Development Plan, as required, to satisfy all City staff comments prior to signing of plans by Planning staff;