

THE MAGNOLIA, SPECTRUM AT WATKINS MILL  
STATEMENT IN SUPPORT OF  
SKETCH PLAN AMENDMENT APPLICATION

**I. INTRODUCTION**

The Applicant, BPTC Thirteen, LLC, is submitting this Application to amend Sketch Plan Z-301A for the Spectrum at Watkins Mill project (the "Spectrum") to permit the multifamily apartments approved on Block R (the "Project" or "Magnolia") to move forward with (a) an increase in density from 158 units to 244 units, and (b) the conversion of the Project from the limited "senior only" building to one that is multi-generational (the "Application").<sup>1</sup> As detailed below, the Application is in response to the increased demand for housing options not only for residents moving to the area in response to the expansion of Life Science and technology jobs in the area but also for seniors who prefer to live in attainable, multi-generational buildings designed with similar amenities and features as found in age-restricted housing for independent seniors.



FIGURE 1: RED: SPECTRUM—BLUE: BLOCK R (MAGNOLIA)

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<sup>1</sup> Pursuant to Section 24-198(c)(1)(ii) of the City Zoning Ordinance, for amendments involving an increase in density more than ten percent (10%) or 5 units, which ever is greater, the sketch plan is to be amended by the filing of a new application in accordance with Section 24-160D.9.

## II. BACKGROUND

The Spectrum at Watkins Mill East ("Spectrum") includes approximately 33 acres located in the northwest quadrant of North Frederick Avenue and Watkins Mill Road and zoned Mixed-Use Development (MXD). The Spectrum is surrounded by a variety of uses. The area north of the Spectrum is improved with a stormwater management facility, a PEPCO utility corridor, and commercial uses. Commercial and residential uses are located across North Frederick Avenue to the east, and commercial uses are located across Watkins Mill Road to the south. To the west across Paramount Park Drive is the former Humane Society of the United States headquarters site, also zoned MXD, a portion of which is currently being used as a "drop off" Medical Day Care facility providing "...specialty care for the elderly dealing with disabilities and dementia".<sup>2</sup> To the southwest, across I-270, is Watkins Mill Town Center, the unbuilt portion of which is being processed for development as a large 700,000 SF Life Science Facility<sup>3</sup> and a mix of associated commercial and residential uses by entities related to the Applicant.

### A. Prior Approvals and Existing Development

Sketch Plan Z-301A was approved by Ordinance O-2-12 on March 19, 2012, and amended from time to time, the most recent being ASK-8940-2021 ("Current Sketch Plan" or "Approved Sketch Plan"). The Current approvals for the Spectrum permit the phased development of 214,810 square feet of mixed office, restaurant, commercial, service, and 859

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<sup>2</sup> "Adult Medical Day Care Program - Worldshine Care." *Worldshine Care - Adult Medical Day Care*, 5 July 2023, [worldshinecare.com/adult-medical-day-care-program/](http://worldshinecare.com/adult-medical-day-care-program/).

<sup>3</sup> *Watkins Mill Town Center Urban Core | Gaithersburg, MD*, [www.gaithersburgmd.gov/government/projects-in-the-city/watkins-mill-town-center-urban-core](http://www.gaithersburgmd.gov/government/projects-in-the-city/watkins-mill-town-center-urban-core). Accessed 25 July 2024.

multifamily residential units, including the existing 158 units approved for the Subject Property.

Under the Approved Sketch Plan, the approved Schematic Development, and Final Site Plan approvals, approximately 40,000 square feet of retail and restaurant uses in multiple buildings have been constructed at the Spectrum. Notable elements include:

- *Paramount East and West*, a 224-unit apartment building, which opened in 2013 (Buildings A & C on the Sketch Plan);
- *Majestic*, a 243-unit apartment building, which opened in 2016 (Building H on the Sketch Plan);
- *Firebirds Restaurant* (approximately 6,500 square feet);
- *Outdoor dining and Performance Pavilion* at Performers' Park;
- *Royal Farms* convenience store and service station (approximately 4,800 square feet);
- *Starbucks* (approximately 2,500 square feet).

Additionally, approximately two (2) acres in the southwestern corner of the Spectrum were dedicated to Montgomery County in 2011 for a 6<sup>th</sup> District Police Station, and approximately 1.8 acres on the western side were dedicated to the City in 2013 for a Senior Center. The 6<sup>th</sup> District Police Station was designed and approved and is currently under construction. The Senior Center has neither been designed nor built, and construction is not anticipated in the City's capital budget. The Applicant has dedicated significant right-of-way for transportation improvements, including the Watkins Mill Interchange, which supports the Spectrum and the surrounding community.

### **III. THE SITE: BLOCK R**

This Application is for a Sketch Plan Amendment to permit the multifamily apartments approved on Block R – the Magnolia Apartments - to move forward with (a) an increase in density from 158 units to 244 units and (b) an inclusive apartment design and program that is multi-generational rather than "senior only."

As shown in the proposed Sketch Plan below, the Block R Site consists of approximately 1.75 acres and is located on the western side of the stream valley buffer at the center of the Spectrum. The Application seeks increased density on the existing site and the removal of the "seniors only" restriction.

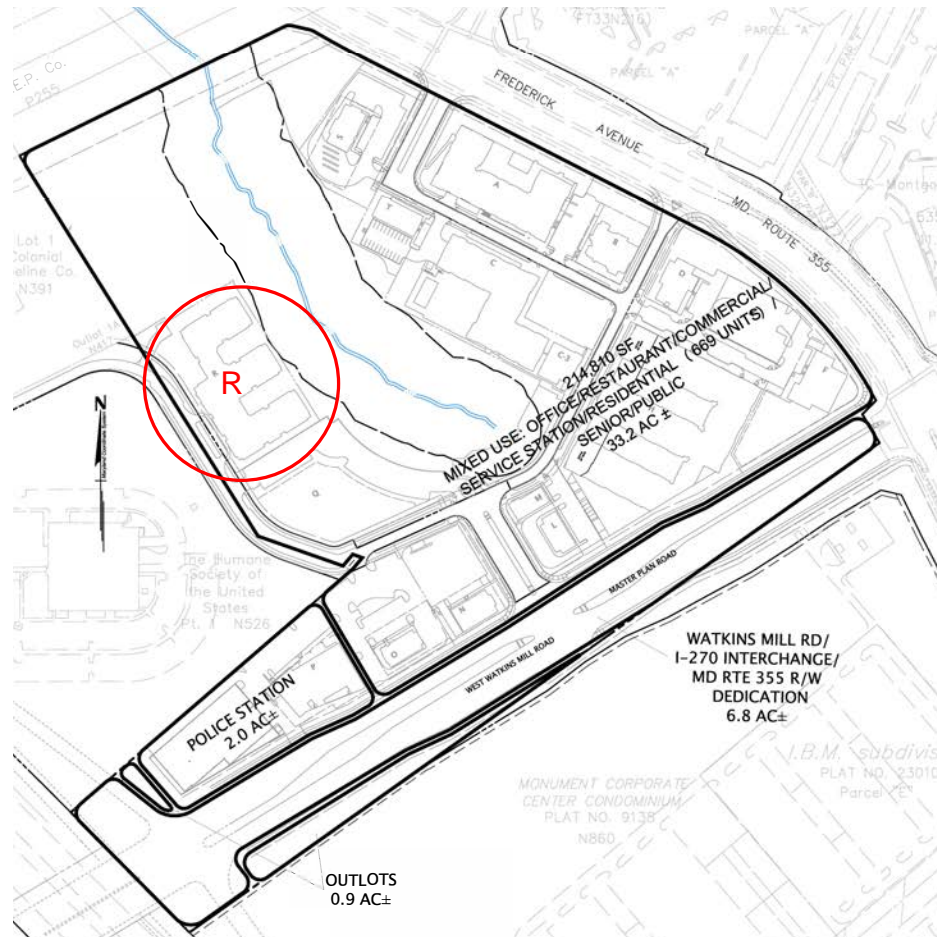


FIGURE 2: PROPOSED AREA OF AMENDMENT

### A. Additional Density

A critical design element of the Magnolia addresses its topographic challenge—the site's rapid fall to the east toward the forested area.



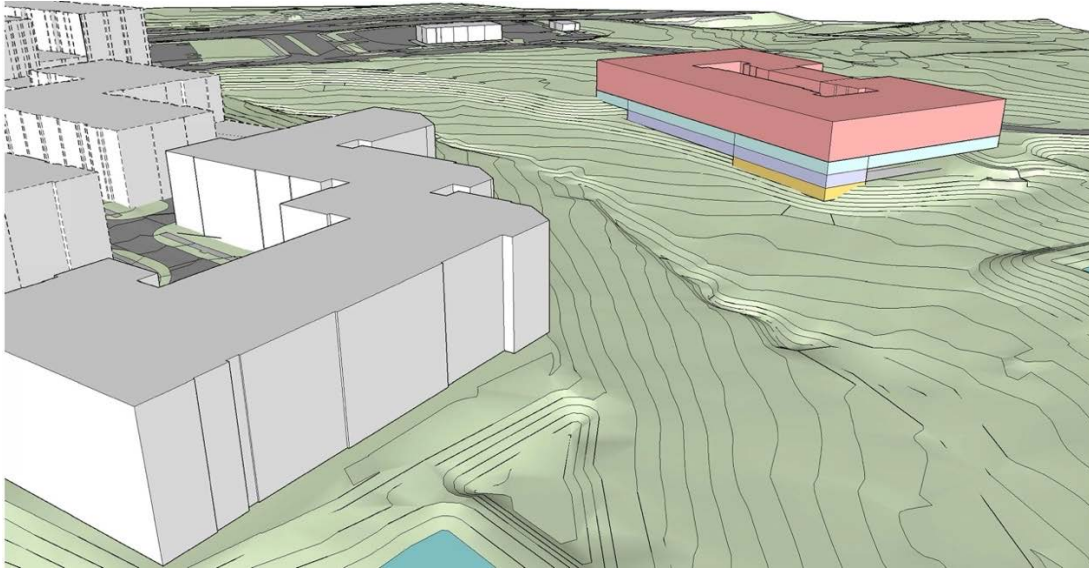


Figure 5: Unit Terracing- Facing West

Due to the significant grade difference across the property, the façade fronting the stream valley buffer will have a maximum height of seven stories on the northeastern corner and will step down to four stories at the southwestern corner. Parking will be provided in two and a half levels below grade, with elevator service, as shown in the concept building plans included in the submission.

## **B. Removal of "Age-Restricted" Designation**

In 2005-2006, the City determined that it needed a new Center for the exclusive use of the older population of the City and surrounding environs. The City also wanted the adjacent apartment [Building R] to be designated as 'age-restricted,' with the goal of having the apartments walkable to and supporting the new Senior Center. Senior City Staff members asserted that the new Senior Center would act as a 'unique driver' for the age-restricted units.

The Applicant then agreed to (a) provide the site and adjacent parking at no cost to the City, (b) to allow the City to designate Building R as senior restricted, with the condition

that the parcel dedicated would be built and used as the contemplated senior center.<sup>4</sup> It was a 'quid pro quo' agreement – the City would build a 30,000 Senior Center; afterward, the Applicant would develop market-rate senior housing next door.

The City included the Senior Center in Phase 1A to allow for its construction early in the Spectrum's development<sup>5</sup>, while Building R (the Magnolia) was placed in Phase 2 and tied to the commencement of construction of Exit 12 of I-270.<sup>6</sup> The phasing schedule was designed to enable completion of the Senior Center before the commencement of apartments on Parcel R. The adjacent road was then constructed, allowing full access to the Senior Center property and the Building R site, and the land was subsequently dedicated to the City for the Senior Center.

As the new Senior Center went through space planning, the City determined that the Center should be enlarged from 10,000 to 30,000 square feet – requiring the Applicant to provide the additional 50 parking spaces needed for the larger facility while concurrently reducing the footprint available to construct the Building R. At that time, conventional financing was available for non-subsidized stand-alone single service senior housing.

#### **IV. 2004-2024. CHANGING CIRCUMSTANCES**

The past twenty years have seen dramatic changes in the City of Gaithersburg, the country, and the world. Not only have Life Science and technology emerged as strong economic engines in the area, but medical advances have dramatically changed how seniors

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<sup>4</sup> See, Agreement of Dedication, Montgomery County Land Records, L. 39284, F. 483, Section 2.B.

<sup>5</sup> See, SDP-05-003, Note 1.

<sup>6</sup> Ibid.

think about and experience aging. Today's seniors are working longer<sup>7</sup> and are benefiting from restorative treatments such as knee replacements and coronary angioplasty. Moreover, dramatic demographic changes have occurred in Gaithersburg, creating a vibrant, multi-cultural community that is far more diverse culturally and economically than in the past.

### **A. Life Science/Technology Emerges as an Economic Engine**

According to the Montgomery County Economic Development Corporation, more than 300 Life Science companies specializing in immunology, cell and gene therapy, biopharmaceuticals, research and development, and manufacturing are located in Montgomery County, with most clustered along I-270.<sup>8</sup> These companies currently employ about 26,000 workers.<sup>9</sup> With the National Institute of Standards and Technology (NIST) headquarters nearby and one of the largest concentrations of Life Science companies in the country, there will be continuing opportunities to bring high-paying jobs to Gaithersburg that will support economic development in the City. The West Watkins Life Science Development, which is projected to generate 2,200 or more high-paying jobs, would be a particularly impactful development.<sup>10</sup>

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<sup>7</sup> According to Transamerica Center for Retirement Studies, "Almost half of Baby Boomer workers (49 percent) expect to work past age 70 or do not plan to retire." See, *Four Generations of Workers Are Preparing for Retirement ...*, [transamericainstitute.org/docs/default-source/research/emerging-from-the-covid19-pandemic-four-generations-retirement-press-release.pdf](https://transamericainstitute.org/docs/default-source/research/emerging-from-the-covid19-pandemic-four-generations-retirement-press-release.pdf). Accessed 24 July 2024.

<sup>8</sup> "Where Leading-Edge Life Sciences Happens." *MCEDC*, 24 May 2024, [thinkmoco.com/about/news/where-leading-edge-life-sciences-happens/](https://thinkmoco.com/about/news/where-leading-edge-life-sciences-happens/).

<sup>9</sup> *Ibid.*

<sup>10</sup> Trammell Crow Company's West Watkins Life Science buildings incorporate a 2,200 adjacent parking deck to accommodate the new employees in a single shift. Some Life Science companies utilize additional split shifts.



FIGURE 6: PROJECT RENDERING. WEST WATKINS LIFE SCIENCE BUILDINGS

Life Science executives are drawn to Montgomery County because of its proximity to federal government facilities, including NIST, the Federal Food and Drug Administration (FDA), the National Institutes of Health (NIH), and others. Additionally, 30 percent of adults in Montgomery County have a master's degree or higher.<sup>11</sup> Nevertheless, many of the young scientists working for local Life Science companies are and will continue to be recruited from top graduate schools nationwide. Understandably, at the top of the mind for Life Science executives considering expansion are the questions: "*Where will my employees live?*" and "*Is the project located in the area and community they want?*"

The I-270 Corridor has lagged in developing the sort of communities and housing in sufficient numbers that these employers seek. While other jurisdictions - including Northern Virginia and Frederick County – work hard to attract high-tech employers, the local response is anemic. Life Science and technology firms struggle to recruit employees to the area; this

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<sup>11</sup> MCEDC

real challenge can be seen in LinkedIn, Adzuna, and other more specialized search vehicles, as well as the websites of Life Science and high-tech companies.<sup>12</sup>

These companies are seeking mixed-use, walkable communities that include a mix of restaurants and other uses. They want ample luxury apartments for entry-level employees and for-sale housing, including 2-over-2s, townhouses, cottages, and executive housing for senior managers. Working closely with the City, the developer has continued to improve the Watkins Mill project in ways that address these requirements, including the approval of the Stevenson-Metgrove project south of the Urban Core (233 For Sale Units, including a mix of 2-over-2s, townhouses with affordable for sale product), and Paramount North (234 multifamily rental units). While these are meaningful additions, the proposed 700,000 SF Watkins Mill Life Science project is anticipated to generate 2,200 or more jobs.

## **B. Changes in the Senior Housing Landscape**

Today, Senior Housing carries distinct designation informed by regulatory constraints, financing requirements, Federal Fair Housing regulations, etc. These are:

- Age-restricted
- Independent Living
- Assisted Living,
- Memory Care, and
- Skilled Nursing

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<sup>12</sup> The number of job postings on LinkedIn has typically varied between 75 and 400 at any given time and is currently at more than 100 listings for the Gaithersburg/Rockville corridor. *See*, [www.linkedin.com/search/results/all/?keywords=gaithersburg+Life+Science+jobs&origin=TYPEAHEAD\\_ESCAPE\\_HATCH&sid=1%2CM](https://www.linkedin.com/search/results/all/?keywords=gaithersburg+Life+Science+jobs&origin=TYPEAHEAD_ESCAPE_HATCH&sid=1%2CM). Accessed 24 July 2024.

A newer category – Continuing Care Retirement Community (CCRC) -- is the increasingly dominant and fastest-growing segment. It combines most or all of Independent Living, Assisted Living, Memory Care, and Skilled Nursing elements into an integrated facility.

**1. Age-Restricted (Magnolia Designation):** Age-restricted properties typically are reserved for a population that is 55 years of age and older who are active and self sufficient. While some of these projects market "independent living", Fannie Mae suggests:

"To differentiate between Independent Living and age-restricted, find out what services are being offered to residents, specifically meals, and if the property has a commercial kitchen. (Unlike an Independent Living property, an age-restricted property will generally not have a commercial kitchen.)"<sup>13</sup>

Fannie Mae does not provide financing to construct age-restricted senior housing and instead focuses on Independent Living, Assisted Living, Alzheimer's/ Dementia Care, or any combination thereof.<sup>14</sup>

Age-restricted housing is typically a 'for-sale' product for Active Adults (1) located in a resort-style setting (for example, Leisure World, Sun City communities, or the Villages in Florida), (2) an older project developed at a time most apartments did not include features like elevators, low threshold doorways, and wider doors that

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<sup>13</sup> "Seniors Housing." *Seniors Housing | Fannie Mae Multifamily*, multifamily.fanniemae.com/financing-options/specialty-financing/seniors-housing. Accessed 24 July 2024.

<sup>14</sup> "Seniors Housing Financing." *Seniors Housing Term Sheet | Fannie Mae Multifamily*, multifamily.fanniemae.com/financing-options/specialty-financing/seniors-housing-financing-term-sheet. Accessed 24 July 2024.

are helpful for seniors with mobility issues, or (3) an income restricted project financed using governmental sources requiring restrictions on renter income.

**a. For Sale Product in a Resort Style: Community.** Sprawling "Active Adult Living" projects are prevalent in Florida and other parts of the South. These modern Active Adult Communities typically offer market-rate, for-sale condominiums, townhomes, and single-family homes in communities that typically include walking and biking paths, golf courses, tennis courts, pickleball courts, bocce courts, gardens, salons, movie theaters, media centers, creative arts studios, card and game rooms, bistros, and club rooms. Montgomery County's only example is Leisure World of Maryland, which offers two clubhouses, three recently renovated restaurants, a ballroom, indoor and outdoor pools, tennis courts, a 5,400 SF fitness facility, walking trails, and a 180-hole championship golf course.<sup>15</sup>

**b. Older Accessible Buildings with Elevators.** An example of this form can be found at Kentlands Manor, built in 1999<sup>16</sup>. These apartments offered the advantages of elevators, threshold-free unit entry, wider doorways, and the like, which were not found in older garden-style apartments. These features are now required in all newer apartments under the Americans with

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<sup>15</sup> "Active Adult Living in Montgomery County." *Leisure World of Maryland*, 24 Apr. 2023, [leisureworldmaryland.com/](http://leisureworldmaryland.com/).

<sup>16</sup> "Kentlands Manor (Senior Apartments) - Apartments in Gaithersburg, MD." *Kentlands Manor Senior Apartments*, 12 Oct. 2023, [www.kentlandsapts.com/](http://www.kentlandsapts.com/).

Disabilities Act of 1990<sup>17</sup> and the Fair Housing Act of 1968<sup>18</sup>. The primary amenity offered at Kentlands Manor, according to its website, is

"...free membership to the Kentlands Citizen's Assembly, which offers two Olympic-size pools, a beautiful clubhouse, exercise equipment, and tennis courts. During the summer they offer free concerts on the weekends, pool parties as well as other activities. Grandchildren are free on the weekend."<sup>19</sup>

Kentlands Manor residents undoubtedly benefit from membership in this large community asset, which fosters multi-generational connections.

**c. Income-Restricted Housing.** An example of the third type of "active adult" senior housing is *Seneca Creek Senior Living*, located at 19105 Frederick Road in Germantown. This government-funded, income-restricted project<sup>20</sup> includes 111 units with shared laundry facilities, an exercise room, and a car-share service<sup>21</sup>. Other local examples of income-restricted senior housing developed, acquired, or refinanced using government-sponsored

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<sup>17</sup> "The Americans with Disabilities Act." *ADA.Gov*, [www.ada.gov/](http://www.ada.gov/). Accessed 24 July 2024.

<sup>18</sup> "Housing Discrimination under the Fair Housing Act." *HUD.Gov / U.S. Department of Housing and Urban Development (HUD)*, [www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/fair\\_housing\\_act\\_overview](http://www.hud.gov/program_offices/fair_housing_equal_opp/fair_housing_act_overview). Accessed 24 July 2024.

<sup>19</sup> "Amenities." *Kentlands Manor Senior Apartments*, 27 Jan. 2023, [www.kentlandsapts.com/amenities/](http://www.kentlandsapts.com/amenities/).

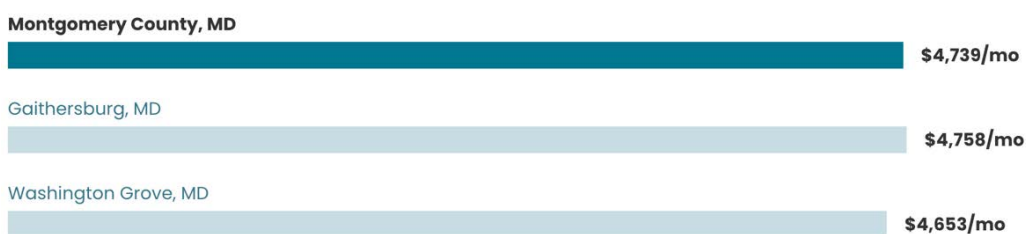
<sup>20</sup> The total development cost for the 111-unit, Seneca Creek Senior Living project was \$40,329,342. Montgomery County provided \$7,770,842 in subordinate financing and a Payment in Lieu of Taxes (PILOT) agreement. Seneca Creek developers also utilized four percent (4%) Federal Low-Income Housing Tax Credits (LIHTC), Freddie Mac-sponsored senior loan financing, and a deferral of developer fees. *See, "Montgomery County, MD." Montgomery County Executive Marc Elrich and Councilmember Marilyn Balcombe to Lead Ribbon-Cutting to Celebrate Grand Opening of Seneca Creek Senior Living in Gaithersburg on Thursday, April 18*, [www2.montgomerycountymd.gov/mcgportalapps/Media\\_Detail.aspx?NaID=5804](http://www2.montgomerycountymd.gov/mcgportalapps/Media_Detail.aspx?NaID=5804). Accessed 24 July 2024.

<sup>21</sup> "Seneca Creek Senior Living: Senior Apartments in Germantown, MD." *Seneca Creek Senior Living - Brand New Senior Living in Germantown, MD*, 11 July 2024, [senecacreekseniors.com/?gad\\_source=1&gclid=CjwKCAjwzIK1BhAuEiwAHQmU3qvTlFPPcOW7FNdFpwCANIRq3qIEGwfbx9sCtT4nT7AHLdn8ww\\_2dRoC2VgQAvD\\_BwE](http://senecacreekseniors.com/?gad_source=1&gclid=CjwKCAjwzIK1BhAuEiwAHQmU3qvTlFPPcOW7FNdFpwCANIRq3qIEGwfbx9sCtT4nT7AHLdn8ww_2dRoC2VgQAvD_BwE).

financing include Victory Court Senior Apartment<sup>22</sup>, Covenant Village<sup>23</sup>, the Gardens at Traville Senior Apartments<sup>24</sup>, Willow Manor at Clopper Mill<sup>25</sup>, and Hampshire Village.<sup>26</sup>

**2. Independent Living.** This second tier of care provides meals and transportation (often on an "a la carte" basis for a fee). These units resemble typical market-rate apartments but generally with notably smaller units. In Gaithersburg, the average monthly rent for Independent Living is \$4,758.<sup>27</sup>

Average monthly cost of Independent Living in Montgomery County, MD vs. nearby counties



This average is impacted by the inclusion of income-restricted properties; the median cost for a *single occupancy*, one-bedroom apartment in an Independent Living facility is \$6,844/month.

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<sup>22</sup> <https://www.victorycourt.com/>

<sup>23</sup> "Covenant Village: Victory Housing." *Victory Housing, Inc. | Assisted Living & Multi-Family Housing*, 8 May 2024, [www.victoryhousing.org/covenant-village/](http://www.victoryhousing.org/covenant-village/).

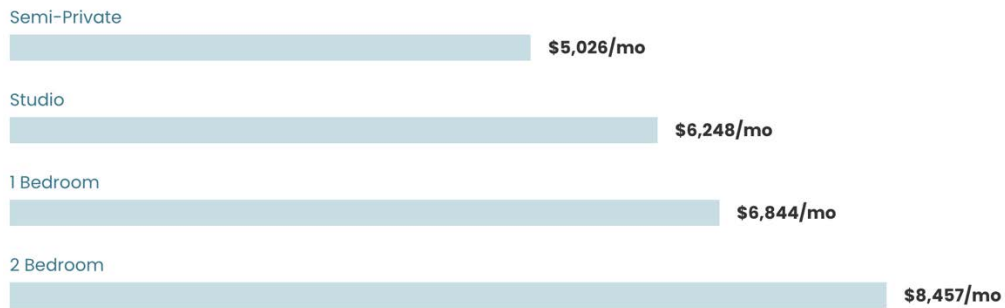
<sup>24</sup> "Gardens of Traville Senior Apartments - Apartments in Rockville, MD." *Apartments.Com*, 24 July 2024, [www.apartments.com/gardens-of-traville-senior-apartments-rockville-md/mhwqesj/](http://www.apartments.com/gardens-of-traville-senior-apartments-rockville-md/mhwqesj/).

<sup>25</sup> "Willow Manor at Cloppers Mill (Seniors 62+) - Apartments in Germantown, MD." *Apartments.Com*, 24 July 2024, [www.apartments.com/willow-manor-at-cloppers-mill-seniors-62-germantown-md/10z93jg/](http://www.apartments.com/willow-manor-at-cloppers-mill-seniors-62-germantown-md/10z93jg/).

<sup>26</sup> <https://www.apartments.com/hampshire-village-senior-62-silver-spring-md/3e5bnbg/>

<sup>27</sup> "10 Best Independent Living Communities in Montgomery County, MD." *A Place for Mom*, [www.aplaceformom.com/independent-living/maryland/montgomery-county](http://www.aplaceformom.com/independent-living/maryland/montgomery-county). Accessed 25 July 2024.

### Median monthly costs of Independent Living in Montgomery County, MD by room type



Additional fees are charged for services and for couples; however, a schedule for these costs vary by facility and are not readily available.

**3. Assisted Living.** Residents in these facilities are provided non-medical care and assistance with Activities of Daily Living (ADLs), which can include bathing, dressing, toileting, or ambulating. Additional fees are charged for medical services. These communities are regulated by the state or local government. A 2023 New York Times series entitled "Dying Broke" found that "rents are often rivaled or exceeded by charges for services, which are either packaged in a bundle or levied a la carte."<sup>28</sup>

### Average monthly cost of Independent Living in Montgomery County vs. other types of senior living



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<sup>28</sup> Rau, Jordan. "Dying Broke: Extra Fees Drive Assisted-Living Profits. The New York Times. Nov. 19, 2023. <https://www.nytimes.com/2023/11/19/health/long-term-care-assisted-living.html>

**4. Memory Care.** These facilities provide services to residents with Alzheimer's disease or dementia and are typically secured to prevent wandering.

**5. Skilled Nursing.** These facilities offer a higher level of nursing or ambulatory care.

**C. Continuous Care Retirement Communities (CCRC)**

Facilities that provide a continuum of housing and care options, including Independent Living, Assisted Living, Memory Care, and Skilled Nursing carry the designation Continuous Care Retirement Communities (CCRCs). These projects typically are provided in a campus like setting, often in a gated community. Gaithersburg is fortunate to have one of the oldest examples of a CCRC– the 1,216-unit Asbury Methodist Village –which grew from its founding in 1926 to become an early CCRC in 1981.<sup>29</sup>

**D. Magnolia Market Study For Use as a Senior-Only Facility**

The Applicant contacted two of the nation's largest developers and financiers of Senior Housing, requesting a review of the proposed site. Del Webb, which builds 55+ Age-Restricted, Active Living Communities nationwide, rejected the site. Welltower, which is intimately familiar with the market through its participation in the new The Carnegie at Washingtonian Center, provided a Market Study and also rejected the site.<sup>30</sup> The Carnegie offers Independent Living, Assisted Living, and Memory Care at its Gaithersburg campus. Noting that most new senior living options now deliver a continuum of care, the Welltower

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<sup>29</sup> “Our History: Asbury Methodist Village.” *Asbury*, 21 Sept. 2023, [www.asbury.org/asbury-methodist-village/history/](http://www.asbury.org/asbury-methodist-village/history/).

<sup>30</sup> Welltower Report on Senior Housing, Gaithersburg Trade Area – July 11, 2024.

study found the Magnolia site "very challenging from a supply perspective," concluding there is an oversupply of (non-subsidized) senior housing in the area.<sup>31</sup>

## **V. NEED FOR NEW APPROACHES FOR SENIORS**

While Montgomery County has an abundant supply and a robust pipeline for senior housing designed for financially well off elders, a significant need exists for market rate, attainable units for elders, as well as subsidized units for seniors. In an article entitled "The 2030 Problem: Caring for Aging Baby Boomers,"<sup>32</sup> National Institute for Health (NIH) researchers urged communities to move away from Senior Centers and "senior-only" housing and instead encourage the development of housing and community centers that facilitate "cross-age interaction."<sup>33</sup>

In fact, Gaithersburg has already embraced this change from a "senior only" to a multi-generation approach relative to the Senior Center. In 2004, the City envisioned a senior-only facility. After the Applicant had dedicated the land for this facility, the City convened a Site Selection Task Force to thoroughly research the sites where the new Senior Center facility could be constructed.<sup>34</sup> The results placed the proposed Senior Center at the Spectrum/Watkins Mill East Site 7<sup>th</sup> out of 7 despite there being no land, site work, utilities, or paving costs.<sup>35</sup>

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<sup>31</sup> E-mail to Applicant which included the Market Study. 12 July 2024.

<sup>32</sup> Knickman, James R, and Emily K Snell. "The 2030 Problem: Caring for Aging Baby Boomers." *Health Services Research*, U.S. National Library of Medicine, Aug. 2002, [www.ncbi.nlm.nih.gov/pmc/articles/PMC1464018/](http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1464018/).

<sup>33</sup> The 2030 Problem, p. 877.

<sup>34</sup> See, *Mature Adult Recreations Center Site Selection Task Team Report*, August 10, 2009, page 13.

<sup>35</sup> See, ranking chart. Exhibit B

		Sites													
		Bohrer Park Expansion		Bohrer Park Stand Alone		Casey East at Watkins Mill		Consumer Products Safety Commission		Fair-grounds		GE Combined		NIKE	
		Value	Result	V	R	V	R	V	R	V	R	V	R	V	R
Multi-plier 5	Cost/Ease of Acquisition	9.5	47.5	9.5	47.5	8	40	4.5	22.5	2	10	7.5	37.5	5.5	27.5
	Adequate Parking w/ large spaces	10	50	10	50	5	25	10	50	10	50	10	50	10	50
	Size Shape Topography	9	45	9	45	6	30	7	35	8	40	9	45	7	35
Multi-plier 4	Utilities	10	40	7	28	2	8	9	36	7	28	7	28	10	40
	Compatible w/ Adjacent Uses	10	40	10	40	10	40	5	20	10	40	10	40	7	28
	One Story Construction	7	28	7	28	5	20	7	28	10	40	8	32	8	32
	Access/Traffic	10	40	10	40	6	24	4	16	6	24	8	32	8	32
	Expansion Potential	3	12	9	36	0	0	9	36	10	40	6	24	9	36
	Environmental Considerations	8	32	7	28	7	28	6	24	7	28	9	36	6	24
	Pre-empting Existing Uses	0	0	5	20	10	40	10	40	2	8	10	40	8	32
Multi-plier 3	Compatible with Master Plan	10	30	10	30	10	30	5	15	10	30	10	30	10	30
	Public Transportation	8	24	8	24	8	24	6	18	6	18	6	18	8	24
	Park Like	9	27	9	27	3	9	5	15	3	9	9	27	5	15
Multi-plier 2	Location to Service Area	5	10	5	10	5	10	5	10	6	12	6	12	6	12
	Shopping & Dining	4	8	4	8	10	20	0	0	7	14	4	8	8	16
	Pedestrian/Bike Access	7	14	7	14	6	12	8	16	6	12	9	18	7	14
<b>Grand Total</b>		447.5		475.5		360.0		381.5		403.0		477.5		447.5	
<b>Order</b>		3rd		2nd		7th		6th		5th		1st		3rd	

More recently, the county and jurisdictions across the country -- (including local examples of Hyattsville, southern Prince Georges County, Baltimore County, Anne Arundel County, and Silver Spring's Weinburg Intergenerationation Center) -- have shifted away from "Senior Only" facilities toward an inclusive "Multi-Generational Center" or "Intergenerational Center" model.

Recently, Gaithersburg issued a Request for Proposal (RFP) to envision a Multi-generational Facility in the City that would provide "a balance of indoor recreation facilities

and amenities for residents of all ages with an emphasis on improving existing senior center programs throughout the City of Gaithersburg.<sup>36</sup>

NIH researchers encourage policymakers to consider three stages of aging: "the healthy-active phase, the slowing-down phase where the risk of becoming frail or socially isolated increases, and the service-needy phase when an elder can no longer continue to live in the community."<sup>37</sup>

During the healthy-active stage, most seniors prefer to remain in their homes, and many continue to work. Surveys show that most older people prefer a mixed-age neighborhood over one restricted to people their own age.<sup>38</sup> During the "slowing down phase," seniors often seek multifamily living, convenient parking or alternative means of transportation, "roll in" showers, and maintenance-free living, researchers said, noting: "At this phase of aging, many elders want to move into smaller housing units that are more aging-friendly but still are affordable and integrated in the community. It is important to begin developing such options on a large scale."<sup>39</sup>

### **A. The Economic Realities of Senior Housing**

While they are the fastest-growing segment of senior housing, CCRCs are not an economically feasible option for many seniors, particularly those living on the east side of

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<sup>36</sup>*Procurement | Gaithersburg, MD*, [www.gaithersburgmd.gov/Home/Components/RFP/RFP/351/2454](http://www.gaithersburgmd.gov/Home/Components/RFP/RFP/351/2454). Accessed 24 July 2024.

<sup>37</sup> The 2030 Problem. p. 868.

<sup>38</sup> *Ibid*, p. 877.

<sup>39</sup> *Ibid*, p. 868.

Gaithersburg. According to NIH, most CCRCs require a significant upfront deposit, a sizeable monthly fee, and the ability to pay for ancillary services as they become necessary.

The average initial payment is about \$402,000, but the fees can range widely, from \$40,000 to more than \$2 million, according to NIC, which tracks costs at some 1,100 CCRCs in 99 major U.S. markets.<sup>40</sup> On a local basis, this model is found at *Grandview Bethesda* (\$536,000 upfront plus \$3,333 per month) and *Asbury Methodist Village* in Gaithersburg (\$143,000 upfront plus \$2,698 per month), with 80% of the unspent upfront payment returned when the former resident's unit is resold.

These models appeal to seniors who want to live in an 'adults-only' environment and have significant financial resources—often generated by selling their homes. However, among homeowners, there are substantial inequities in home equity levels by race and ethnicity. As a recent study conducted by the Joint Center for Housing Studies of Harvard University found, "older black homeowners have the lowest median equity at \$123,000, compared to \$251,000 for older white homeowners, \$200,000 for older Hispanic owners, and \$270,000 for older owners who are Asian, multiracial, or another race."<sup>41</sup>

Given these economic realities, the trend toward an increase in demand for rental units that serve aging renters is expected to increase. However, a model that demands

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<sup>40</sup> See, AARP *How Continuing Care Retirement Communities Work*, <https://www.aarp.org/caregiving/basics/info-2017/continuing-care-retirement-communities.html>

<sup>41</sup> *Harvard*, [www.jchs.harvard.edu/sites/default/files/reports/files/Harvard\\_JCHS\\_Housing\\_Americas\\_Older\\_Adults\\_2023\\_Revised\\_040424.pdf](http://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Housing_Americas_Older_Adults_2023_Revised_040424.pdf). Accessed 24 July 2024.

payment of a hefty upfront entrance fee is unrealistic for most senior renters. "(O)lder renters have only 2 percent of the net worth of older homeowners,"<sup>42</sup> Harvard researchers found.

Older Baby Boomers (those born between 1946 and 1964) are more likely to be homeowners than the younger cohort. "The number of older renters", according to a 2023 report, "will continue to rise as those aged 50-64, who have lower homeownership rates, enter old age." Older adults of color are much more likely to rent, and to live in multifamily settings.<sup>43</sup> According to the 2024 Gaithersburg Housing Element:<sup>44</sup> "Black households are disproportionately more likely to rent (65.2%) compared with other households."<sup>45</sup>

## 1. **Changing Demographics**

Gaithersburg policymakers face unique challenges in addressing residents' present and future needs. In recent years, the City has seen dramatic increases at the lower and at the higher levels of educational attainment. According to the City's 2019 Visioning Exercise, during the six years between 2010 and 2016: (T)he number of adults without a high school diploma increased by more than 1,600 or 41 percent. ... However, the number of adults with a graduate degree increased by almost 3,000, or 33 percent in the same period."<sup>46</sup>

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<sup>42</sup> Ibid.

<sup>43</sup> Ibid, p. 5.

<sup>44</sup> *The Housing Element | Gaithersburg, MD*, [www.gaithersburgmd.gov/government/projects-in-the-city/housing-element](http://www.gaithersburgmd.gov/government/projects-in-the-city/housing-element). Accessed 24 July 2024.

<sup>45</sup> Ibid, p. 58.

<sup>46</sup> "City of Gaithersburg Visioning Exercise Data Analysis," *Virginia Commonwealth University Center for Urban and Regional Analysis*, February 2019. p. 101

To ensure the brightest possible future, the Applicant believes that meeting the needs of the new highly educated workers as well as the senior population who do not have the financial resources to move to a CCRC, or who prefer to live in a multi-generational residential building, can best be accomplished at the Magnolia through careful development that provides attainable, multi-generational housing opportunities for seniors who are both "healthy-active" and those who are in the "slowing down phase" as well as highly-educated newcomers drawn to jobs in the area.

Shifting demographics are occurring countywide. According to a 2018 report entitled, *Meeting the Housing Needs of Older Adults in Montgomery County*<sup>47</sup> : "Between 2015 and 2040, the population of older White adults is expected to decline by 17%, while the population of BIPOC [Black, Indigenous, People of Color] older adults is expected to increase by 133%."<sup>48</sup> The report also noted that "one in three older adults in the county are foreign-born."

Many seniors who live on the east side of Gaithersburg do not have a home to sell, have limited savings, and need an affordable solution that will enable them to age in place. Many also want or need to live with, in the same building, or near family members who are also renters. Most traditional senior housing options have age restrictions and prohibit a relative from living with an elder. According to the City's Visioning Report, nearly 40 percent of the City's population in 2016 was foreign-

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<sup>47</sup> "Meeting the Housing Needs of Older Adults in Montgomery County." *Montgomery Planning*, 24 May 2018, [montgomeryplanning.org/resources/senior-housing-study/](http://montgomeryplanning.org/resources/senior-housing-study/).

<sup>48</sup> *Ibid*, p. 22

born.<sup>49</sup> For recent immigrants facing language barriers, living away from family in an age-restricted setting may be disorienting.

Spectrum apartments are designed to meet these needs and currently are offered for the following monthly rent:

- Paramount Studio (Separate Sleeping Area) - \$1,760 per month.
- Spectrum Majestic Jr. One Bedroom - \$1,804 - \$1,849 per month.
- Paramount One Bedroom - \$1,862 - \$2,062 per month.
- Majestic One Bedroom - \$1,890 - \$2,000 per month.<sup>50</sup>

While affordability is an important reason many seniors seek non-age-restricted living, personal preference is also a factor.

## **2. Changing Preferences**

Today's older Americans, particularly Baby Boomers and immigrants, prefer to live in mixed-aged, multi-generational communities. They may choose this option because they want to live with their children or near their grandchildren, and/or they may prefer to live in more diverse communities that enable them to interact with younger people.

According to the Council on Aging, age-restricted retirement communities tend to be predominantly white, politically conservative, and not multi-generational.<sup>51</sup> But the Council sees a trend toward senior living that "values inclusion over exclusion", noting:

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<sup>49</sup> Visioning Exercise, p. 8.

<sup>50</sup> Senior and market-rate apartments typically have additional charges for internet, pets, and parking. However, the charges for market-rate units are typically significantly less than those charged at "Senior Only" buildings. *Spectrum Apartment rent as of July 2024 and is subject to change and unit amenities.*

<sup>51</sup> Dlabuda. "Multigenerational Housing: What Makes a Community a Paradise for Seniors?" *Council on Aging of Central Oregon*, 18 Mar. 2024, [www.councilonaging.org/blog/multigenerational-housing-what-makes-a-community-a-paradise-for-seniors/](http://www.councilonaging.org/blog/multigenerational-housing-what-makes-a-community-a-paradise-for-seniors/).

"Boomers seem destined to transform the business of aging. For a growing number of older adults, living with neighbors of all ages and all walks of life makes more sense. These seniors believe that intergenerational connections are not just valuable for them but also for their community and country."<sup>52</sup>

In a separate study of multi-generational housing, the Urban Land Institute found:

"Culturally, as the U.S. population continues to grow and evolve through immigration, more new residents – particularly those of Asian and Latino descent – are bringing with them a tradition of living with multiple generations."<sup>53</sup>

The seniors who are aging in place at the Spectrum have chosen to live in apartments buildings which offer multi-generational living - where they can choose to live with, in the same building, or near family members - in adaptable apartments with elevators, underground parking, pools, libraries, business centers, exercise facilities, scheduled resident activities, a summer concert series, and walkable restaurants and retail amenities.

## **VI. THE MAGNOLIA**

### **A. Enhanced Accessibility**

The Applicant proposes to develop the Block R site as a market-rate multifamily project with approximately 244 units. The Magnolia has been designed to include features that appeal to seniors and others with mobility impairments or disabilities, including elevator service for all units, valet trash, underground parking, FOB-controlled unit access, exercise facilities with some equipment designed for seniors and those with disabilities, and on-site maintenance services. These enhanced accessibility units will include the following features:

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<sup>52</sup> Ibid.

<sup>53</sup> "Residential Futures II: Thought Provoking Ideas on What's Next for Multi-generational Housing and Intergenerational Communities". Urban Land Institute, 2014.

- Roll-in Showers: While the current code mandates that all units accommodate grab bars within bathrooms, many of the Magnolia's Podium-level units have been designed to offer roll-in/low-threshold showers that can accommodate either a pull-down seat or a shower chair. These showers will also include hand showers.
- Side-by-Side Washer/Dryer: This is a highly desirable feature not typically found in new multifamily developments, and it is helpful for residents who struggle with lifting.
- Toilet areas: Accessible units have been designed to enable the installation of another unique feature - grab bars for both left- or right-handed occupants.
- Flooring: On podium levels, units will have high-end luxury vinyl tile (LVT) and tile flooring throughout, making unit navigation easier for those using wheelchairs or walkers.
- Notification System for Hearing and Vision-Impaired Units: Enhancements for the hearing and sight-impaired can be installed throughout the building based on need.

By eliminating the age restriction and adding units to the Block R Site, the Project will provide needed housing for workers in the City's growing technology and Life Sciences industries, which is crucial to retaining existing companies and attracting new companies.

## **B. The 'East Side' School Issue**

It is anticipated that the unit mix at the Magnolia will be a mix of studios, one-bedroom, one-bedroom dens, and two-bedroom units. Although Spectrum Apartments (Paramount and Majestic) successfully maintained occupancy at 97-99%<sup>54</sup> and attracts both "empty nesters" and highly educated newcomers, it has not been successful at attracting and retaining families with school-aged children. The reality is that the highly educated young

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<sup>54</sup> As of July 24, 2024, the Majestic was 98.75% leased, and the Paramount was 98.21% leased, with the following availability: Majestic : 1 studio, 1 one Bedroom, 1 one-bedroom den; Paramount: 1 studio, 1 one Bedroom, 1 three Bedroom.

professionals who move into Spectrum Apartments are unwilling to send their children to schools with extremely low achievement scores. Instead, they simply move.<sup>55</sup>

Both Apartments.com and the independent rating service "Great Schools.org" publish school ratings on a scale of 10 to 1 (10 being the highest rating):

West Side of Germantown – Quince Orchard Cluster

- Rachel Carson Elementary 8 out of 10
- Lakelands Middle School 7 out of 10
- Quince Orchard High School 9 out of 10

East Side of Germantown – Watkins Mill Cluster

- Watkins Mill Elementary 2 out of 10
- Montgomery Village Middle School 2 out of 10
- Watkins Mill High School 4 out of 10

This stark difference makes it extremely difficult to retain families once the oldest child reaches school age and the parents learn of the teaching gap.<sup>56</sup>

The Applicant developed the 224-unit Paramount with 25 three-bedroom units but changed course at the Majestic and offered large two-bedroom den units instead. Due to the quality of schools in the cluster and the ready availability of older, naturally occurring affordable rental townhomes and [condos](#) in the area, the three-bedroom units are relatively difficult to lease – and other than the affordable housing units - are almost always not occupied by families with school-age children.

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<sup>55</sup> Families willing to stay on the East side of Gaithersburg can usually find a half dozen or more townhomes in Montgomery Village for \$2,200 to \$2,600 a month with more space and an outdoor yard (See Zillow).

<sup>56</sup> This is especially true given the supply of relatively low cost, naturally occurring affordable townhomes and condos in Montgomery Village, which can often be leased for less than 3-bedroom apartments (See Zillow).

A July 23, 2024, analysis of three-bedroom units at the Spectrum found the following:

- 10 of the 3-bedroom units (40%) were occupied with a combination of unrelated adults or related adult family members,
- 5 units (20%) were leased by a single adult,
- 3 Units (12%) by a couple, with an infants or toddler,
- 1 unit occupied by a three-generation family (parents, adult son, child), and
- 3 Units with school-aged children.

## **VI. SUMMARY**

In summary, the City's Economic Engine requires more housing if it is to attract the employers needed to spur economic development. The Applicant's proposal to develop Magnolia as a multi-generational community will optimize Spectrum's housing options to appeal to a broad range of seniors and younger tenants who want the benefits of living in a project with modern, well-designed amenities in a walkable mixed-use, mixed-age community. The Project, as proposed in this Application, is more responsive to market conditions than age-restricted housing and will better contribute to the continued success of the Spectrum, the surrounding area and Gaithersburg as a whole.

## **VII. SUBMISSION REQUIREMENTS – SECTION 24-160D.9**

The Application includes the following as required pursuant to Section 24-160D.9 of the Zoning Ordinance: (1) an application form and fee; (2) a sketch plan reflecting the boundaries of the entire tract and the applicable information required by Section 24-169(a);

(3) a proposed phasing or staging plan of development, public facilities and information regarding such plan's consistency with the provision of master-planned or otherwise necessary public facilities; and (4) a statement demonstrating general compliance with any master plan recommendations for the property, including any special conditions or requirements related to the property set forth in the master plan.

#### **A. REQUIRED FINDINGS**

Pursuant to Section 24-160D.10(a) of the Zoning Ordinance, a sketch plan may only be approved by the City Council upon findings that:

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

(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 area and adjacent areas.

#### **1. The Application meets or accomplishes the purposes, objectives, and minimum standards and requirements of the zone.**

*A. It is the objective of this zone to establish procedures and standards for the implementation of master plan use recommendations for comprehensively planned multi-use projects. It is also intended that this zone provide a more flexible approach to the comprehensive design and development of multi-use projects than the procedures and regulations applicable under the various conventional zoning categories. In so doing, it is intended that this zoning category be utilized to implement existing public plans and pertinent city policies in a manner and to a degree more closely compatible with said city plans and policies than may be possible under other zoning categories. The specific purposes of this zone are: To establish standards and procedures through which the land use objectives and guidelines of approved and adopted master plans can serve as the basis for evaluating an individual development proposal, as well as ensuring that development proposed will*

*implement the adopted master plan and other relevant planning and development policies and guidelines for the area considered for MXD zoning.*

The Application proposes:

- To build upon an existing multi-use development that includes a complementary mix of residential, commercial, employment, open space, amenities, and future public uses.
- The increase in the number of units proposed in the Project is in response to an observed increased demand for housing to support surrounding job growth.
- The additional dwelling units proposed will expand the customer base for the commercial uses within and surrounding the development, strengthening their success.
- The Applicant is committed to using the approved architectural styles and streetscapes included in the Design Guidelines for Spectrum, which will continue to be harmonious within the Subject Property and with the surrounding residential, employment, and commercial uses.
- The Application proposes to retain the internal and external pedestrian, bicycle, and vehicular connections and the development's shared amenities and open spaces.
- The Application is responsive to changes in the rental marketplace offering age-inclusive accessible units at an attainable cost.

*B. To encourage orderly, staged development of large-scale, comprehensively planned, multi-use developments by providing procedures for various zoning and plan approvals, including development phasing.*

While no phasing plan is included as part of the Application, the majority of the development is built out, and the Applicant expects to continue moving forward with the proposed multifamily building until it is constructed, with the remainder of the unbuilt areas of the Spectrum being completed in an orderly fashion consistent with market demand and public budgetary policy.

*C. To encourage design flexibility and coordination of architectural style building and signage.*

Architectural details will be determined at the time of Final Site Plan and will comply with the approved Design Guidelines for the Spectrum. It is intended that the Magnolia will

utilize the same high-quality design and materials used in the existing multifamily projects within the development.

*D. To ensure the integration and internal and external compatibility of applicable residential and nonresidential uses by providing a suitable residential environment that is enhanced and complemented by uses such as commercial, recreational, open space, employment and institutional uses and amenities within a multi-use development. A multi-use development is defined as a single parcel or a group of contiguous parcels of land zoned MXD, which, among the various parcels comprising that contiguous area, include residential, commercial, recreational, open space, employment and institutional uses and amenities.*

By increasing the number of units and removing the age restriction from Block R, the Application broadens the mix of residential uses in a manner responsive to long-term market conditions, while also working to increase support for the adjacent commercial tenants. The Magnolia as proposed and designed will appeal to both seniors and workers in the City's growing tech and R&D employment base, while also supplying additional newly constructed Moderately Priced Dwelling Units (MPDUs) and Workforce Housing units. This change enhances both the feasibility and marketability of the proposed multifamily building, thereby contributing to the continued viability and vitality of the Spectrum. The proposed building will be linked to the other uses at the Spectrum, including the complementary commercial uses at the Spectrum, by pedestrian, bicycle, and vehicular connections, shared amenities and open spaces.

*E. To assure compatibility of the proposed land uses with internal and surrounding uses by incorporating higher standards of land planning and site design than could be accomplished under conventional zoning categories and to provide a superior quality of development exceeding that which could be achieved under conventional zoning regulations and procedures.*

The proposed residential project will continue to enhance the mixed-use, amenity-rich, multi-generational approach and the superior quality of development as the existing

development at the Spectrum by utilizing enhanced site design, diverse and high-quality architectural elements, structured parking, and well-landscaped amenity spaces that are internally and externally linked by pedestrian and roadway connections. The development proposed in the Application will maintain pedestrian connectivity to existing and proposed elements of the Project and will be constructed in accordance with applicable Design Guidelines to ensure compatibility within the Project.

*F. To encourage the efficient use of land by: locating employment retail uses convenient to residential areas; reducing reliance upon automobile use and encourage pedestrian and other non-vehicular circulation systems; retaining and providing useable open space and active recreation areas close to employment and residential populations; and providing for the development of comprehensive non-vehicular circulation networks, separated from vehicular roadways, which constitute a system of linkages among residential areas, open spaces, recreational areas, commercial and employment areas, and public facilities.*

The Application encourages the efficient use of land by:

- Siting the new multifamily building in close proximity to the established residential buildings, commercial and employment uses, and open space and amenity areas. The Project will be connected to these existing uses and the surrounding uses via multiple transportation options, including vehicular roadways, bus transit, and pedestrian and bike facilities along MD 355 (North Frederick Avenue), Watkins Mill Road, Spectrum Avenue, Spectrum Boulevard, and Paramount Park Drive. This creation of housing close to jobs and commercial uses will enhance the existing horizontal mix of uses and help reduce overall vehicle miles traveled.
- Continuing to provide open space that serves as an amenity for employees, customers, residents, visitors, and the surrounding areas.
- Allowing the long-delayed multifamily building to move forward will help address the critical need for housing units in high demand in this area.

*G. To provide superior natural environment by the preservation of trees, natural topographic and geologic features, wetlands, watercourses and open spaces.*

The development proposed in the Application will be constructed around existing stormwater management and forest conservation approvals for the entire Spectrum project. Consistent with the prior approvals, the Applicant will, if and as necessary, provide additional stormwater management features to specifically address the minimal impervious area increase from the previously approved plans.

*H. To allow development only in a phased or staged fashion to ensure the adequacy of the provision of public facilities and the concurrent implementation of community amenities.*

Parcel R is subject to a Phasing Plan and is within Phase 2 under SDP-05-003, as revised from time to time. The Electric, gas, phone lines, public water, and sewer were installed as part of the Phase 1 approvals and construction, and continue to be available at the site. Fire and Police protection are adequate. Montgomery County has determined schools to be adequate at all levels to accommodate the proposed additional multifamily units, and traffic requirements will be shown to be satisfied at the Schematic Development Plan (SDP) level.

In summary, the Application meets the purposes and objectives of the MXD Zone.

1. Mixed-Use Requirements of the MXD Zone (Section 24-160D.3)

a. Section 24-160D.3(a)(4) provides the following within the MXD zone:

*Residential uses may be mixed with proposed commercial/industrial/employment uses, rather than located in a separate residential area on the site, upon a finding by the city council that combining residential and nonresidential uses at one location, within a site, will not adversely affect the overall development proposed.*

The Application proposes multifamily residential uses adjacent to commercial uses in the Spectrum. The layout and design of the Spectrum promotes compatibility among the uses and creates a compact, walkable, live/work/play community.

b. Section 24-160D.3(a)(4) provides the following within the MXD zone:

*In order to establish an appropriately mixed character within the entire MXD zoned area, the following percentages of floor area proposed on site as shown on a sketch plan shall not exceed:*

<i>Retail commercial –</i>	<i>60%</i>
<i>Employment/office –</i>	<i>65%</i>
<i>Other commercial/institutional –</i>	<i>15%</i>

*Individual percentages may be exceeded by approval of the city council upon Application by an applicant and for good cause shown; provided, however, the cumulative total of all categories shall not exceed one hundred (100) percent.*

Under this proposed Amendment, the "Retail commercial" percentage will remain under the MXD's Zone's maximums 60%, the "Employment/office" percentage will remain under 65%, and the "Other commercial/institutional uses" will remain under 15%.

## 2. Density in Conformance with the Master Plan (Section 24-160D.4)

While the 2003 and 2009 Master Plans do not include specific recommendations or limits for residential or commercial/employment/industrial development on any of the Properties within the Spectrum, the overall commercial/employment/industrial density for the Subject Property is 212,100 square feet over 40.10 acres, or 0.12 FAR, well below the 0.75 FAR allowed in the MXD Zone.

## 3. Compatibility Standards (Section 24-160D.5)

*All uses shall conform to the purposes of the Mixed-Use Development Zone and shall be compatible with all uses, existing or proposed, in the vicinity of the area covered by the proposed*

*planned development. In order to assist in accomplishing such compatibility, the following requirements shall apply:*

*All right-of-way requirements, setbacks, height limits, open space or buffer areas recommended in an area master plan or special conditions or requirements stated therein to protect properties adjacent to the MXD zoned areas shall be incorporated into all plans subject to approval under the zone.*

The siting and mix of uses proposed by the Application promotes compatibility among the uses and creates a compact, walkable, live/work/play community. The development proposed by the Application will not exceed the height limitation for the Spectrum. Further, buffers are maintained along the stream valley buffer and forest conservation areas.

The building is not proposed to be constructed within 100 feet of an adjoining property not zoned MXD or in a residential category that is developed for one-family detached homes. No building is proposed to be constructed to a height greater than its distance from any adjoining property not zoned MXD.

4. Minimum Green Area (Section 24-160D.6)

*(a) The amount of green area, including designated parks, public and private open space, active and passive recreational areas, required for the residential portion of a mixed use development shall be not less than forty (40) percent of the total area shown for residential use. ... for the commercial/employment/industrial portion of a mixed use development shall be not less than twenty-five (25) percent of the total area devoted to commercial/employment/ industrial uses, except that comparable amenities and/or facilities may be provided in lieu of green area if the city council determines that such amenities or facilities are sufficient to accomplish the purposes of the zone, and would be more beneficial to the proposed development than strict adherence to the specific green area requirement.*

The development as proposed enjoys the same footprint as that previously approved under SDP-9269-2022. This results in a 'Green Area' for the Spectrum of approximately 45%, and will continue to meet the MXD Zone's 'green area'

requirements by providing at least 40% of the residential area and 25% of the commercial area as green area.<sup>57</sup>

5. Underground Utilities (Section 24-160D.7(b))

*All utility lines in the Mixed-Use Development Zone shall be placed underground. The developer or subdivider shall ensure final and proper completion and installation of utility lines. Poles and lamps for street lighting shall be provided by the developer in accordance with the approved site plan.*

The on-site utilities serving the Project will be placed underground, except for the pre-existing overhead utility lines along Frederick Avenue.

**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.**

*The Application is in accord with the Master Plan:*

- *Process and Overview Element of the 2009 Master Plan:*
  - *State Vision 3, Growth Areas: Growth is concentrated in existing population and business centers, growth areas adjacent to these centers, or strategically selected new centers.*
    - ⇒ The Spectrum, including Parcel R, are within the City's designated growth areas.
  - *State Vision 4, Community Design: Compact, mixed-use, walkable design consistent with existing community character, located near available or planned transit options is encouraged to ensure efficient use of land and transportation resources and preservation and enhancement of natural systems, open spaces, recreational areas, and historical, cultural, and archeological resources.*
    - ⇒ The Spectrum features a compact, walkable, mixed-use design which the Application will strengthen and enhance. The Spectrum is served by Metro bus service, and continues to feature green areas and

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<sup>57</sup> See, SDP-9169-2022,

Performers Park. The Watkins Mill road connection from Route 355 to Route 118 also provides bicycle, pedestrian, and vehicular connections to the MARC rail station at Metropolitan Grove Road.

- *State Vision 5, Infrastructure: Growth areas have the water resources and infrastructure to accommodate population and business expansion in an orderly, efficient, and environmentally sustainable manner.*
  - ⇒ The Spectrum is currently served by public water, sewer, electricity, internet, and roads
- *State Vision 7, Housing: A range of housing densities, types, and sizes provides residential options for citizens of all ages and incomes.*
  - ⇒ The Application will provide an affordable option for the current and future Gaithersburg residents of all ages and incomes, including notably both new workers joining the workforce as well as the elderly who do not have the desire or the financial resources to move to non-subsidized senior housing.
- *State Vision 10, Resource Conservation: waterways, forests, agricultural areas, open space, natural systems, and scenic areas are conserved.*
  - ⇒ The proposed Project preserves the adjacent forest and stream valley and open space
- *State Vision 11, Stewardship: Government, business entities, and residents are responsible for the creation of sustainable communities by collaborating to balance efficient growth with resource protection.*
  - ⇒ The proposed development of Building R is consistent with Spectrum's mission of creating a vibrant, sustainable mixed-use community.
- *City Guiding Strategy: Support compact building design and a mix of land uses that promotes sustainable development, creates more secure communities, provides a variety of land use options, and improves environmental outcomes.*
  - ⇒ The proposed Project continues Spectrum's compact, sustainable development approach with a vibrant mix of commercial and

residential uses, designed to encourage walkable communities and superior environmental outcomes.

- *Transportation Element of the 2009 Master Plan Transportation Element of the 2009 Master Plan:*
  - *Objective 3: Encourage and promote the City of Gaithersburg as a multi-modal community and reduce the dependence upon single occupancy vehicles (SOV)*
    - ⇒ The Spectrum project is served by Metro Bus service, and contributed the land and economic support to facilitate the construction of the Watkins Mill Interchange, allowing direct exits and entrances to I-270.
  - *Objective 4: Ensure that land use and transportation decisions, strategies, and investments are in step and consistent with the health, safety, and welfare goals of the City of Gaithersburg, its neighborhoods, and its citizens*
    - ⇒ Investments in the construction of the Watkins Mill Road connecting the east side of I-270 to the west, the Watkins Mill Interchange, the 6<sup>th</sup> District Police Station dedication, the Parklands community west of I-270, as well as the Spectrum, individually and collectively, work to be in step with promoting the health, safety, and welfare goals of the City of Gaithersburg, its neighborhoods, and its citizens.
  - *Encourage developers to improve environmental quality and promote energy-efficient transportation by providing for a range of transportation alternatives to the automobile, including public transit amenities and projects conducive to bicycling and walking.*
    - ⇒ The Spectrum has facilitated transportation in and around the area by, among other actions: dedicating land for the Watkins Mill Interchange, completing the construction of Watkin Mill road connection from Rt 355 to Route 118 (including pedestrian and bicycle connections), and facilitating the Metro Bus stop at the Spectrum.

The Application is in accord with and fulfills the following recommendations from the City's Annual Strategic Plan:

- Key Strategies for Economic Development include:
  - Support implementation of the Gaithersburg Master Plan and Frederick Avenue Corridor and Vicinity Capacity Study
  - Facilitate appropriate private and public investment in existing and new affordable housing
- Key Strategies for Housing include:
  - Identify and address barriers to fair housing and educate housing consumers and providers
  - Ensure that the current and future housing stock allows residents to remain in the City as their financial, employment, and familial situations change
  - Support development community to ensure that affordable housing requirements are met and enforced over the control period
  - Support initiatives that improve the rental housing stock in the City
  - Encourage appropriate mix of rental and homeownership units as the ratio changes over time
  - Meet the current and future housing needs of a wide range of populations
  - Ensure the City's rental and ownership housing stock is appropriate for current residents and for those wishing to remain in the City as their housing needs change
  - Explore opportunities to increase the housing supply near transit

The Application is in accord with the Land Use Element of the 2009 Master Plan, which confirms MXD zoning for the Spectrum<sup>58</sup>. The Application implements a

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<sup>58</sup> The Land Use element of the Master Plan is the “core element” of the Master Plan, which proposes “...the most appropriate and desirable patterns for the general location, character, extent, and interrelationship of the uses of public and private land, on a schedule that extends as far into the future as is reasonable.

number of the Guiding Strategies of the City's Master Plan (2009 Process and Overview), including limiting development to areas already served by adequate public facilities and diversifying the City's housing stock, and accomplishes the City's objectives of promoting economic development and increasing the City's tax base.

While a masterplan is not a requirement, Magnolia embraces the goals of the Housing Element,<sup>59</sup> which sets forth the following overarching goal:

*"Ensure the availability and consideration of needs for senior housing and housing for individuals with disabilities."*

It then sets the following relevant subgoals:

1. Encourage design features "that could be adapted to accommodate people of all ages and abilities".
2. "Explore establishing a minimum percentage of multifamily rental units above the 5% requirement for Fair Housing Accessibility."
3. "Preserve existing and approved age- and ability-restricted housing projects."
4. "Track changes in the City's senior population to assess the need for age-restricted units.
5. "Ensure projects include site design considerations for individuals with disabilities and seniors including equitable access to green/ open spaces."<sup>60</sup>

As envisioned by the Applicant, the Magnolia would include enhanced accessibility units based on Universal Design principles, and 100% of units would meet Fair Housing

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The Land Use element establishes the mix or types of land uses allowed and the appropriate zoning classification to accommodate said use for parcels of land..".See, <https://www.gaithersburgmd.gov/services/planning-services/city-master-plan>.

<sup>59</sup> See, *The Housing Element | Gaithersburg, MD*, [www.gaithersburgmd.gov/government/projects-in-the-city/housing-element](http://www.gaithersburgmd.gov/government/projects-in-the-city/housing-element). Accessed 24 July 2024.

<sup>60</sup> Ibid, p. 107.

Accessibility standards.<sup>61</sup> All building amenity spaces and terraces will meet ADA standards and the forest preserve provides easy access to nature.

While the Applicant is unaware of any pending ability-restricted projects slated to receive Section 811 Supportive Housing for Persons with Disability HUD funding, removal of the age restriction at the Magnolia would make enhanced accessibility units available for those with disabilities, regardless of age. As has been covered extensively in this statement, preserving the age restriction on this property means it cannot be developed. Simply put: there is no demand at this location for age-restricted, market-rate senior housing as the products and their financing have evolved. By contrast, as demonstrated by the existing Paramount and Majestic projects, a multi-generational approach will continue to expand access to modern, accessible, and in-demand housing.

Due to its location and amenities, Spectrum Apartments primarily attracts newcomers taking jobs in the surrounding tech, Life Science, and medical industries and empty nesters looking to downsize. Typically, prospects seek studios and one-bedroom or one-bedroom + den units, although Spectrum also offers two-bedroom, large two-bedroom + den (Majestic), and three-bedroom units (Paramount). The Applicant has found both the two-bedroom + den and three-bedroom units relatively difficult to lease due to the quality of schools in the cluster and the ready availability of rental townhouses and condominiums in the immediate area.

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<sup>61</sup> Note: all units in buildings with elevators must be accessible under the Fair Housing Act.

**3. The application and sketch 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 land uses in the adjacent area and will act to enhance the established mix of residential and non-residential uses and amenities included in the sketch plan. The proposed Project is compatible with and will complement, enjoy and support the existing Spectrum elements, as well as nearby multifamily, commercial, and employment areas that offer the opportunity to live, work, play, and shop within a short distance.

The Subject Property's use is consistent with the character of this section of Frederick Avenue, which includes a mix of multifamily, commercial, office, utility, and research and development uses. The additional residential density will contribute to the vitality and viability of commercial uses at the Spectrum nearby commercial uses, and will provide options to live near work in and around the Spectrum, while not adversely impacting existing development and adjacent properties.

## **VI. CONCLUSION**

For the reasons stated above, the Application to amend the Sketch Plan: (1) meets or accomplishes the purposes, objectives, and minimum standards and requirements of the MXD Zone; (2) is in accord with the Master Plan recommendations for the Spectrum; and (3) is internally and externally compatible and harmonious with existing and planned land uses in the MXD zone areas and adjacent areas, and, therefore, the Applicant respectfully requests its approval.

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