

**JOINT STATEMENT OF JUSTIFICATION AND SUPPORT FOR
ZONING MAP AMENDMENT AND SCHEMATIC DEVELOPMENT PLAN
APPLICATION (“JOINT STATEMENT”)**

GATEWAY LAKEFOREST & 702 RUSSELL AVENUE

The Applicant, 417 Development LLC, and its related entities, Perry-Russell, LP, Frederick Avenue Associates, and Professional Equity, LP (collectively "Applicant"), by its attorneys, Casey L. Cirner and Miles & Stockbridge P.C., submits this Joint Statement¹ to demonstrate conformance of the proposed zoning map amendment and schematic development plan application, with all the applicable review requirements and criteria, as set forth below:

I. INTRODUCTION

The Applicant proposes to reclassify approximately 6.49 acres (282,704 square feet) of land prominently situated in the southeast quadrant of the intersection of N. Frederick Avenue and Lakeforest Boulevard from the C-2 (General Commercial) Zone to the CD (Corridor Development) Zone for a mixed-use urban redevelopment. As depicted on the Schematic Development Plan (“SDP”), the Applicant proposes to replace two (2) of the three (3) existing commercial office buildings (481 N. Frederick Avenue and 101 Lakeforest Boulevard) at the Property (defined below) with an approximate eight (8) story multifamily residential building with up to 410-units and 20,100 square feet of ground floor commercial uses served by structured parking. The third (3rd) office building (702 Russell Avenue) will be repositioned for future redevelopment pursuant to the proposed CD rezoning.

The subject properties are located at 481 N. Frederick Avenue, 101 Lakeforest Boulevard and 702 Russell Avenue and are known of record as Parcel B-1 (101 Lakeforest Boulevard), Parcel B-2 (702 Russell Avenue) and Parcel 14 (481 N. Frederick Avenue) of the

¹ All graphics included in this Joint Statement are for illustrative purposes and are not binding on the Applicant. All plans and documents filed as part of the Application are incorporated into this Joint Statement.

Lakeforest Montgomery Village Subdivision, respectively recorded as Plat Nos. 11703, 12711 and 13061 (collectively the “Property”). The Property is within the planning boundaries of the Frederick Avenue Corridor of the City of Gaithersburg 2009 Master Plan Land Use Element (“Master Plan”) and the Fairgrounds Commercial District subplanning area of the 2001 Special Study Area Frederick Avenue Corridor Land Use Plan (the “Corridor Plan”). Properties similarly zoned C-2, CD (Corridor Development) and MXD (Mixed Use Development) occupy the immediately surrounding area.²

In accordance with §§ 24-4.4(G)(1); 24-12.3; 24-4.2 and 24-12.5 of the City Code of Gaithersburg (“City Code”), the Applicant files a zoning map amendment and schematic development plan application (“Application”) to rezone the Property to allow for its initial redevelopment with an approximate eight (8) story multifamily residential building containing up to 410-units and up to 20,100 square feet of commercial uses served by structured parking (the “Project”) and for the future redevelopment of the existing commercial office building and surface parking at 702 Russell Avenue. This urban redevelopment Project will contribute to the successful revitalization of the Frederick Avenue Corridor by redeveloping two (2) underutilized properties with a modernly designed multifamily residential building that will attract the residents essential to establishing a vibrant and sustainable mixed-use corridor. The Applicant respectfully requests that the Mayor and City Council (“City Council”) grant approval of the Application.

² 481 N. Frederick Avenue was initially included in the Frederick Avenue Corridor depicted in the Corridor Plan. Corridor Plan, p. 5. However, the 2009 Master Plan Land Use Element effectively expanded the Frederick Avenue Corridor to include the entire Property, for which it recommends CD Zoning. Master Plan, p. 90.

II. BACKGROUND

The Applicant is the original developer of the Property, having acquired out parcels from the Lakeforest Mall development in the late 1970's³. The Applicant has continuously demonstrated its commitment to the City of Gaithersburg ("City") through its stewardship of the Property and continued efforts to attract and retain tenants. However, the three (3) office buildings are nearing the end of their useful lives. The Applicant now has a significant opportunity to reinvest in the City. To advance the Project, the Applicant consolidated existing tenants at the Property into 702 Russell Avenue under long-term leases.

The Applicant, therefore, seeks to rezone the Property to the CD Zone for the future redevelopment of 702 Russell Avenue and initial redevelopment of the approximate four (4) acres at the corner of N. Frederick Avenue and Lakeforest Boulevard with the residential and commercial uses envisioned by the Master Plan and at densities and with a unit mix responsive to market demands. The CD Zoning is necessary to implement residential uses at the Property that are otherwise prohibited in the existing C-2 Zone. The rezoning will also enable the proposed urban form of development that will place this Class A contemporary building prominently at the street edge, along enhanced streetscapes that promote walkability. The Project design and proposed streetscape improvements will activate the public realm and generate pedestrian interest and economic activity along the Frederick Avenue Corridor ("Corridor").⁴

The Project will include public amenities in the form of streetscape improvements that include ADA compliant ten (10) foot wide shared use paths along Lakeforest Boulevard and

³ The Property was acquired pursuant to those deeds dated September 7, 1977, September 28, 1979, and April 2, 1982, and respectively recorded among the Land Records for Montgomery County, Maryland in Liber 5014, folio 357, Liber 5447, folio 295 and Liber 5851, folio 386.

⁴ The Frederick Avenue Corridor, in which the Property is situated, is recognized as a major transportation corridor in the City bounded and influenced by a mix of uses. Master Plan, p. 79. The Application proposes to rezone the Property to the CD Zone consistent with the goals and recommendations for the Property set forth in the Master Plan. Master Plan, p. 91.

N. Frederick Avenue frontages to replace existing sidewalks at the back of curb. The proposed paths will include grass panel separations from the road to enhance the pedestrian level of safety and comfort and will be activated with greenery, trees, landscaping, street furniture and a storefront window system incorporated into the building design. A private mid-block (east/west) pedestrian connection between N. Frederick Road and Russell Avenue is proposed along the rear Property line to provide convenient access and connection to existing Corridor uses. The building will feature colorful artistic details and the structured parking facing south on N. Frederick Avenue will be flanked with greenery to create a sense of place.

The building design also includes Class A resident amenities featuring a large interior courtyard with active and passive programming and a swimming pool. The Applicant proposes to program closures of the on-site private streets behind the multifamily building for various resident/public activities, such as, farm markets, food truck events, or a game night, to engage the City residents with the Project.

The Project will provide environmental benefits by implementing environmental site design stormwater management techniques and reestablishing green space, forest canopy and landscaping at a location dominated by impervious surfaces. Minor edge condition site edits will be made to 702 Russell Avenue to ensure coordinated and adequate internal circulation, commercial truck circulation, and access within and among the Project.

The Project represents new life and reinvestment in the Corridor segment south of Montgomery Village Avenue (MD Route 124), whereas most corridor development has occurred to the north.⁵ It will attract residents to the City because of its proximity to transit and I-270, neighborhood schools, and walkability among established retail, restaurant,

⁵ To date, most approved corridor development has occurred north of Montgomery Village Avenue, such as the Spectrum, 700 Frederick Avenue and the proposed Travis Avenue rezoning (Z-8911-2021 and SP-8910-2021).

employment and service uses. These features, in addition to its Class A amenities, will establish an urban setting that will enhance the Project's livability for future City residents.

The Application benefits the City by increasing the tax base and will generate permanent employment opportunities in the form of operation, leasing, management and maintenance of the multifamily building and its commercial component. A wide range of benefits generated by the Project support its approval including, without limitation: (a) the redevelopment of an underutilized and outdated office park with a new attractive multifamily building; (b) a modernly designed building that will activate the Corridor streetscape; (c) the provision of additional housing opportunities served by a variety of transit options; (d) the reinvigoration of an established commercial community; (e) contribution to the City's housing stock; and (f) creation of additional legally restricted Moderately Priced Dwelling Units.

III. EXISTING CONDITIONS AND SURROUNDING AREA

The Property is rectangular in shape and consists of three (3) record lots that comprise the entire block on the south side of Lakeforest Boulevard between N. Frederick Avenue and Russell Avenue. Each lot is improved with a four (4) to five (5)-story Class B commercial office building⁶ approximately 50,000 square feet in size.⁷ The existing buildings are reminiscent of the early 1980's suburban office park⁸ and surface parking surrounds each building to form building setbacks at least one hundred twenty (120) feet from Lakeforest Boulevard, as depicted below:

⁶ The office buildings at 481 N. Frederick Avenue and 702 Russell Avenue also include drive-thru service uses.

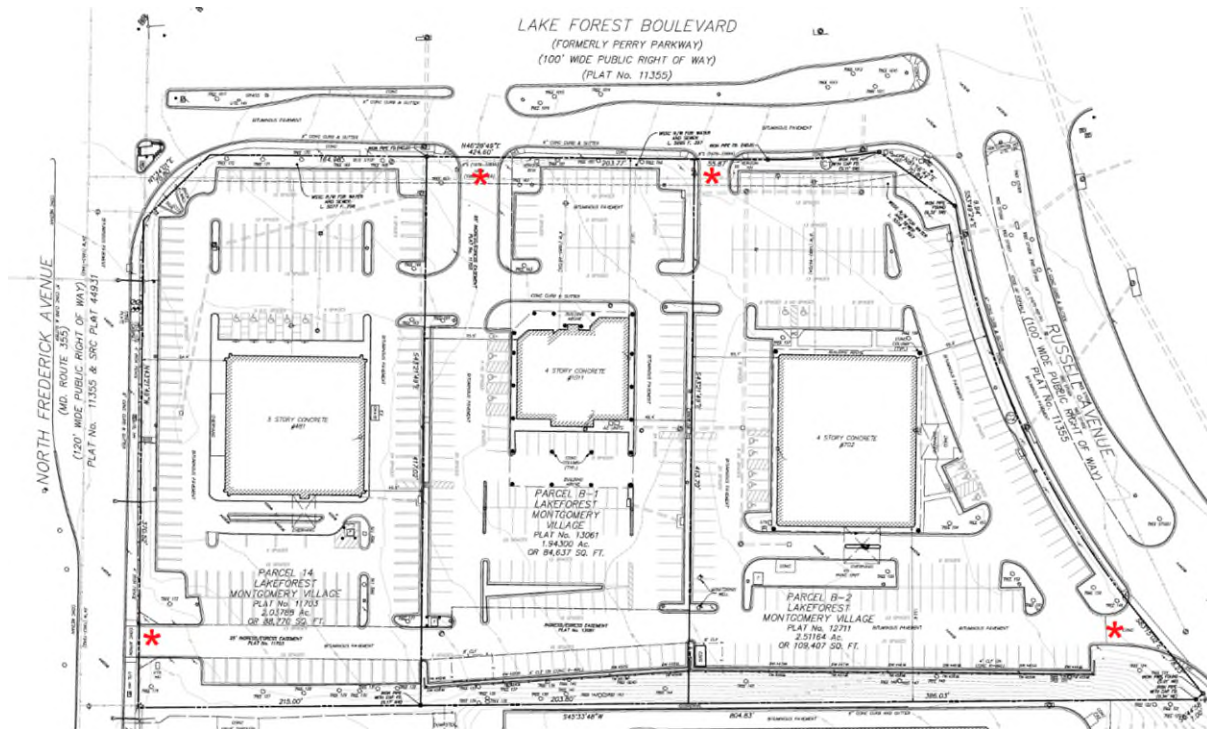
⁷ The buildings on the respective properties are 57,600 square feet (481 N. Frederick Avenue), 42,500 square feet (101 Lakeforest Blvd) and 54,180 square feet (702 Russell Avenue) in size.

⁸ The dated architecture includes light-colored concrete structure with rounded corner columns, dark framed storefronts with either mirror, tinted or clear glass on all four (4) sides and a mechanical penthouse treated with light-colored metal screening.



The Property has notable topographic features that slope downward approximately twenty (27) feet east from N. Frederick Avenue towards Russell Avenue. A retaining wall extends almost the entire length of the southern property line in response to the approximate sixteen (16) foot grade differential at the rear of the Property. There are no wetlands, floodplains, forest or specimen trees on the Property, as reflected on the Natural Resource Inventory/Forest Stand Delineation ENV-9310-2022, approved on January 19, 2023, and submitted as part of the Application. The site is predominantly impervious with minimal trees, shrubs and green area limited to the Property perimeter and within the parking lot islands.

Public rights-of-way bound the Property on three (3) sides, which has, with its various truncations, approximately four hundred twenty (420) feet of frontage along N. Frederick Avenue (six (6) lane divided major arterial road); six hundred (600) feet along Lakeforest Boulevard (four (4) lane divided collector street); and four hundred sixty (460) feet along Russell Avenue (four (4) lane divided collector street). As depicted below, the Project will maintain the four (4) existing points of vehicular access along these frontages:



A mix of commercial, office, retail and service uses, largely classified in the C-2 zone, surround the Property. As depicted below, commercial office buildings with general and medical office uses and first floor retail face the Property to its north across Lakeforest Boulevard. To the East across Russell Avenue, is Lakeforest Mall, recently re-zoned from C-2 to the MXD Zone for redevelopment with up to 1,400,000 square feet of commercial uses, 1,600 residential units including GAP housing, civic uses and green/open space areas, as recommended by the 2021 Master Plan for Lakeforest Mall (“Lakeforest Master Plan”). A single-story commercial building (former Sport & Health) abuts the Property to the Southeast. Gaithersburg Square Shopping Center faces the Property across N. Frederick Avenue, is zoned CD and consists of a strip center with retail, service and restaurant uses including big box retailers. Intervening pad sites improved with quick serve restaurants and a gas station front on N. Frederick Avenue. Diagonal to the Property across N. Frederick Avenue/Lakeforest Boulevard intersection, is a big box retailer (Burlington Coat Factory) zoned C-2. Adjoining the Property to its South is a bank in the CD zone, as well as a grocery

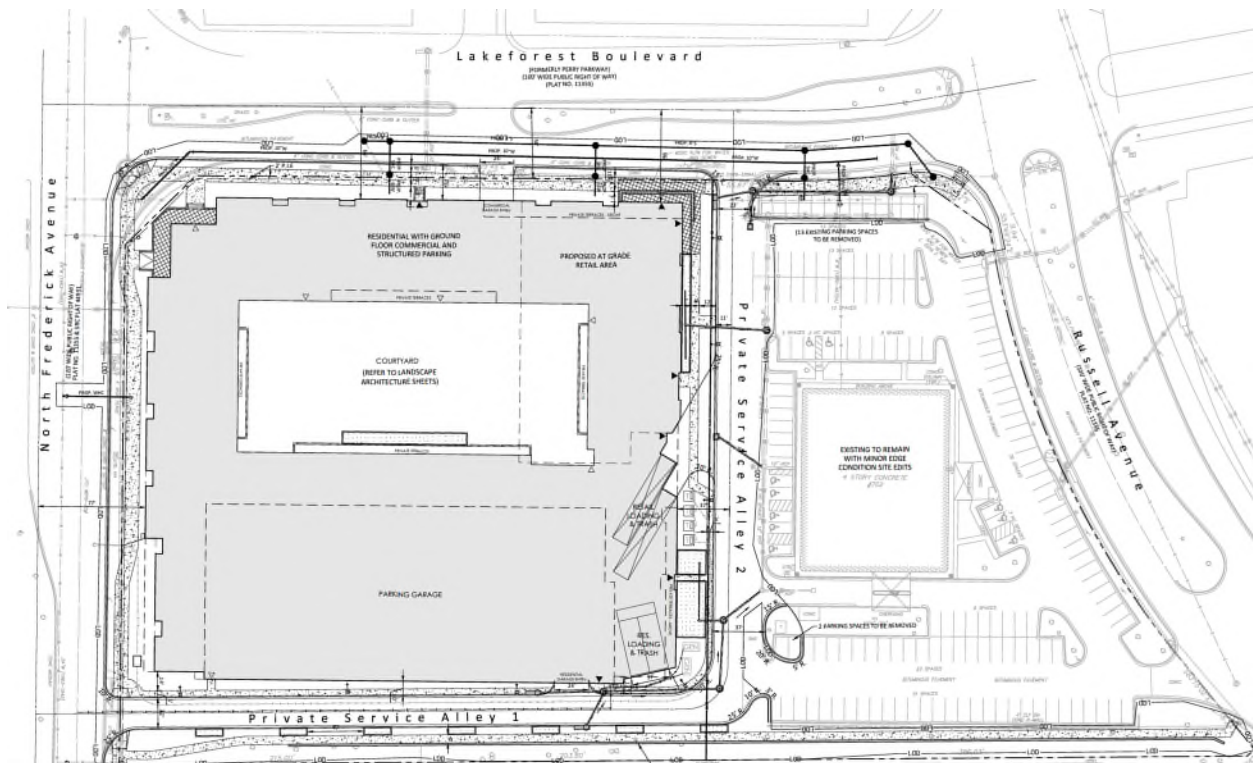
store that now occupies the former Sports Authority building in the C-2 zone. Across Odend'hal Avenue are garden style and high-rise apartments.



The Property is located on N. Frederick Avenue with convenient vehicular access to I-270, and 370. It is centrally located to various transit options, including the Metropolitan Grove, Washington Grove and Gaithersburg MARC train stations. They are a short distance on the Montgomery County RideOn Bus (Routes 61 and 57) departing from the nearby Lakeforest Transit Center. The Lakeforest Transit Center is an approximate half (½) mile walk from the Property and provides access to the Shady Grove Metro Station located approximately three (3) miles from the site. The Property will be located less than eight hundred (800) feet from a MD 355 Bus Rapid Transit station (N. Frederick Avenue/Whetstone Drive intersection), which is in the Preliminary Engineering phase.

IV. THE PROJECT

The Project proposes mixed-use infill redevelopment within the Corridor. The proposed multifamily residential building will be prominently located on N. Frederick Avenue and Lakeforest Boulevard to create an urban environment. The building composition consists of approximately eight (8) residential floors containing up to 410 units, approximately 20,100 square feet of commercial space, one (1) level of below grade structured parking and above-grade structured parking rising to six (6) levels and tucked into the rear of the building. The Project consolidates Parcel B-1 (101 Lakeforest Boulevard) and Parcel 14 (481 N. Frederick Avenue) into a single record lot for the multifamily residential building and makes minor edge modifications to Parcel B-2 (702 Russell Avenue) to seamlessly transition the existing conditions into the Project, depicted below:



The multifamily residential building takes advantage of the site topography by placing the building's ground floor on N. Frederick Avenue to activate the streetscape. The building's residential lobby faces Lakeforest Boulevard at the N. Frederick

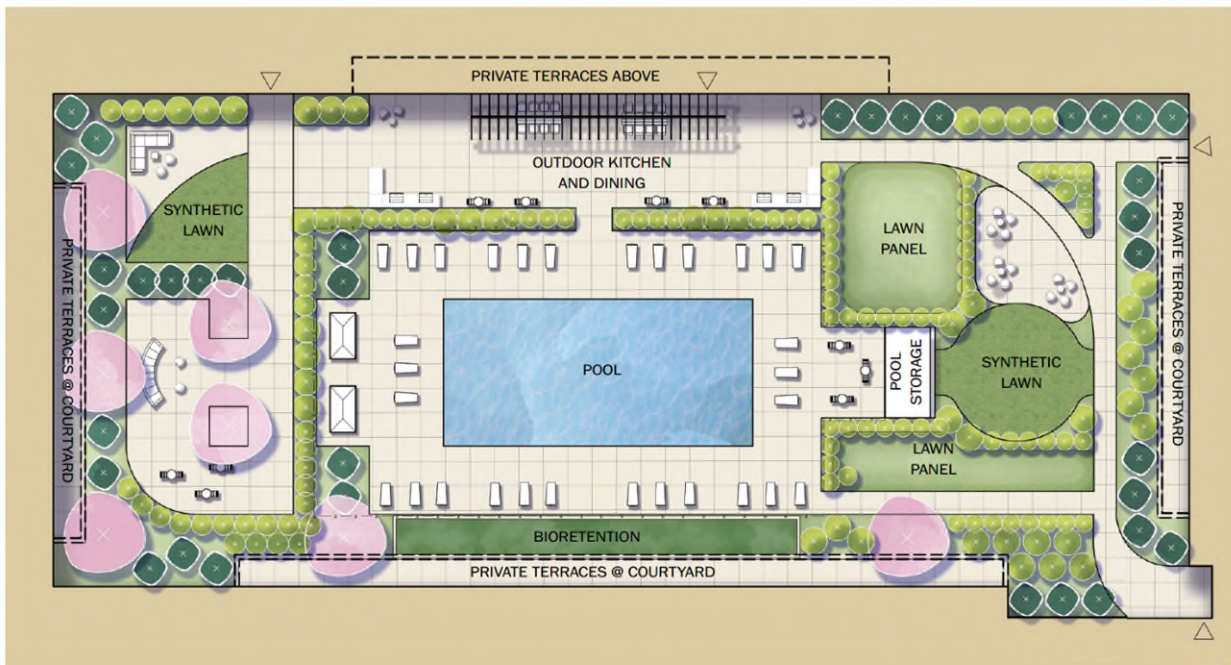
Avenue/Lakeforest Boulevard intersection and the entrance to the ground floor commercial faces Lakeforest Boulevard at the opposite end of the building. Its location is dictated by the sloping site topography that creates an approximate twelve (12) foot grade differential between N. Frederick Avenue and the Property. The commercial use will be identified by prominently placed “wayfinding” signage on the N. Frederick Avenue building façade, the multifamily lobby placement and the attractive activated streetscape along Lakeforest Boulevard.

A mix⁹ of residential units responsive to market demand will be served by various amenities typical of a Class A multifamily building. The amenity programming will include interior and exterior spaces reflective of existing urban trends at the first (1st) floor. The interior amenity spaces include a two (2)-story lobby entrance, a lobby/amenity area with seating, enlarged mail/package room equipped for high delivery volumes, a leasing office, clubroom and fitness room. Accessible from the lobby/amenity area is a courtyard approximately one half (1/2) acre in size with defined areas for residents to enjoy the outdoors and ample sunlight.

As depicted below, a swimming pool surrounded by decking activated with lounge chairs, café tables and chairs will be centered in the courtyard. Grilling stations with shaded and unshaded seating and dining tables are proposed for resident gatherings, cookouts and relaxation next to the pool. The courtyard’s west end features lounge seating areas, café tables and chairs and synthetic turf lawn to create passive quieter spaces for reading, reflecting, yoga, meditation, or smaller gatherings. The courtyard’s east end features a larger synthetic turf lawn and lounge seating around tables for residents to play and socialize.

⁹ To provide for the flexibility to adjust the unit mix at the next step of this process, the Project tested the multifamily building for transportation adequacy based on a dense unit mix, which includes 72 studio, 324 one-bedroom/one-bedroom w/ den, 104 two-bedroom units and no three-bedroom units. The Applicant ultimately will conduct a market study to determine the appropriate mix of units, including the appropriate number of three-bedroom units to include in the Project.

Planting beds with ornamental and understory trees and shrubs and a micro bioretention facility define these various amenity spaces. The planting beds also buffer the ground floor residential unit terraces that open into the courtyard, from the amenity spaces, to ensure privacy. Balconies from the upper residential units also overlook the internal courtyard.



The building will comprise up to 450,000 gross square feet, including the commercial and service components, is served by approximately 763 structured parking spaces, including ADA parking spaces, secured parking access from each residential floor, and various Class A amenities.¹⁰ Public amenities include an activated streetscape along Lakeforest Boulevard and artistic design and/or greenery features on the structured parking and building elements facing N. Frederick Avenue and greenery incorporated into the building's elevation at the pedestrian level along Private Service Alley 2.

The Project proposes a self-sustaining complementary mix of uses. The proposed residential density is supported by a ground floor neighborhood serving retail use. The

¹⁰ The total number of vehicular parking spaces provided by the Project will be determined at final site plan.

multifamily building uses will complement the existing employment building by providing adjacent housing with a ground floor commercial use. The balance of uses will establish a walkable Community where City residents can live, work and play.

A. Architectural Design

The mixed-use residential/commercial building implements IgCC green building designs. As set forth on the Architectural Elevations filed as part of this Application, the building architecture uses contemporary design aesthetics that include a range of design elements that are created with simple, clean, and linear lines. These design elements are incorporated with layers of natural and warm color tones for the building façade composition. Building materials will feature glass, metal trims, masonry and solid panels in contrasting earth tone colors and will synergize with the built environment.

Specifically, the eight (8)-story multifamily residential building will be placed at the street edge along Lakeforest Boulevard and N. Frederick Avenue. The lobby fenestration insets the building entrance into the Property at and away from the street intersection to ensure pedestrian safety and a high level of pedestrian comfort. A sleek and modern canopy covers the lobby for practical function. Windows are placed along the street level to maximize internal natural light, promote a dynamic and activated pedestrian realm and create external visual interest that will attract pedestrian activity. Operable windows, balconies and solid vertical panels will characterize the body of the multifamily building to create pleasing proportions and a proportional human scale.



B. Access and Circulation

The Project will utilize all existing points of vehicular access to the Property. In addition, two-way internal vehicular circulation is proposed throughout the site via an east/west mid-block driveway that extends behind the multifamily building from N. Frederick Avenue to Russell Avenue (“Private Service Alley 1”) and a north/south mid-block driveway situated between the proposed and existing buildings (“Private Service Alley 2”) that connects from Lakeforest Boulevard to Private Service Alley 1.¹¹ Private Service Alley 1 and 2 will be constructed for two-way vehicular travel with up to six (6) foot sidewalks and grass panels, where appropriate, similar to the Commercial Service Road typology. See § 19-16, City Code; Regulation No. Reg-1-19, p. 20.

¹¹ Private Service Alley 1 and 2 are private streets to provide the Applicant the flexibility for temporary activities and to ensure that the site is secured during and after construction.

Private Service Alley 2 also functions as a service drive for commercial loading access at the east of the multifamily building. Curbside pickups and deliveries will be managed at the commercial loading space access. Residential loading is situated on the south side of the multifamily residential building on Private Service Alley 1.

Pedestrians will access the Property and the multifamily building from the proposed ten (10) foot wide shared use paths along Lakeforest Boulevard and N. Frederick Avenue and the existing pedestrian facilities along Russell Avenue. The pedestrian network will provide direct access to the multifamily building lobby at the Lakeforest Boulevard/N. Frederick Avenue intersection and the entrance to the commercial use on Lakeforest Boulevard. The expansive shared use path along Lakeforest Boulevard will be activated by landscaping and seating and connect the Project residents to the variety of established and proposed commercial uses along the Corridor and at Lakeforest Mall.

Sidewalks will extend from the perimeter pedestrian network internally throughout the Property along Private Service Alley 1 and 2. Grass panels and bioretention facilities will separate the ADA compliant segment of the proposed sidewalk along Private Service Alley 2 for a safe and efficient connection between Lakeforest Boulevard and the secondary commercial and residential entrances. The sidewalk will wrap the back of the multifamily building to the building and structured parking access. The sidewalk along Private Service Alley 1 will provide safe and efficient pedestrian access within the Corridor and to the Transit Center by a creating a mid-block pedestrian connection between the Frederick Avenue and Russell Avenue sidewalks.

Residents and commercial patrons will access the structured parking on the north side of the building from Lakeforest Boulevard. A secondary garage entrance for residents is proposed from Private Service Alley 1 on the south side of the multifamily residential building.

D. Parking and Loading

The Project will be served by seven hundred sixty-three (763) vehicular parking spaces in a six (6) level below and above-grade parking garage. 702 Russell Avenue will be served by a mix of surface and structured parking spaces in the Project in accordance with § 24-7.5(D) of the City Code.¹² Both parking facilities will include the requisite ADA and van accessible parking spaces and motorcycle parking spaces. The Project will also provide sixty-four (64) bicycle parking spaces in a temperature controlled and fire protected room on the ground floor of the multifamily building accessible from both the parking garage and the elevators in the building's southwest corner.

The loading docks and service areas will be internally located to the Property between the proposed building and 702 Russell Avenue (commercial use) and at the southeast building corner (residential use). The loading docks will incorporate roll up-doors that will remain closed when not in use and thereby integrated into the building architecture and be screened by landscape plantings and the retaining wall along the south of the Property. These areas are carefully positioned in the most efficient location with the least effect on internal pedestrian and vehicular circulation, considering loading vehicle lengths and proposed truck access, and their views are screened from the roads binding three (3) sides of the Property.

C. Open Area; Landscape & Lighting

The CD Zone was established for urban development and does not mandate a minimum open area requirement. In addition, urban development promotes higher densities to take advantage of existing multi-modal transit systems and are typically served by off-site

¹² Section 24-7.5(D) of the City Code provides that “[a]ll required parking spaces shall be located on the same lot as the main building or structure, or on adjacent lots not further than one thousand five hundred (1,500) feet from the boundary of the lot that contains the primary building or structure for which they are required.”

public parks or green spaces. This reduces the green and “open area” expectations for individual development sites and shifts the “open area” internal, within the building envelope, to focus on the resident’s private enjoyment and relaxation.

The proposed external “open areas” appropriately focus on the public space, sidewalks and shared use paths. Overall, the Project proposes up to twenty nine percent (29%) “open area” for recreation, light and air, including landscaping features, the amenities, courtyard, sidewalks, walkways and active and passive recreational areas.¹³ The Project results in a slight increase in imperviousness over existing conditions and implements current and updated stormwater management practices where none previously existed.

The Project will be landscaped with a mix of approximately thirty-four (34) canopy trees strategically placed along N. Frederick Avenue, Lakeforest Boulevard and Private Service Alley 1 and 2. The interior courtyard amenity space will be landscaped with ornamental trees and shrubs in planting beds that provide visual and physical buffers among and between the ground floor unit interior terraces and the resident amenity spaces.

The Project exterior will be well lit. The proposed lighting will not cause light trespass beyond the Property lines and will create a safe environment after daylight hours.

The Applicant will, at the appropriate time, provide a code compliant sign package for the Project.

¹³ “Open area” is defined in Section 24-16.15 – “O” Terms of the City Code as “an area of land associated with and located on the same tract of land as a major building or group of buildings in relation to which it serves to provide light and air, or scenic, recreational or similar purposes. Such space shall, in general, be available for entry and use by the occupants of the building involved, but may include a limited proportion of space so located and treated as to enhance the amenity of the development by providing landscaping features, screening for the benefit of the occupants or those in neighboring areas or a general appearance of openness. Open area may include, but not be limited to, lawns, decorative plantings, sidewalks and walkways, and active and passive recreational areas, including children's playgrounds, fountains, swimming pools, wooded areas and watercourses; but shall not include parking lots or vehicular surfaces, accessory buildings other than swimming pools nor areas of open space so located or so small or so circumscribed by buildings, parking or drainage areas as to have no substantial value for the purposes stated in this paragraph.”

V. Findings Required for Zoning Map Amendment

Section 24-4.2(B)(4) of the City Code sets forth the findings that the City Council must make before approving the Zoning Map Amendment application for CD zoning. The following statements describe how the proposed Project fulfills these findings:

1. *The rezoning application meets or accomplishes the purposes, objectives, and minimum standards and requirements of the zone; and*

a. *Purpose of the CD Zone. Section 24-4.4(A)*

i. *Encourage development, redevelopment and renovation of declining or underutilized properties along the corridor.*

The Project redevelops a portion of an underutilized 6.49-acre site by replacing two (2) “aged” and “outdated” office buildings and large impervious surface parking lots with mixed use residential/commercial building to create Class A space that will contribute to the City’s available housing stock and attract residents to the Corridor. The Property is currently improved with a total of 154,280 square feet of general offices in three (3) office buildings, four (4) to five (5) stories tall and surrounded by surface parking. The existing site design and lack of updated stormwater management has rendered the existing conditions obsolete and the structures are nearing the end of their useful life. The Applicant intends to replace two (2) of the office buildings immediately with the proposed multifamily residential building, including up to 410 units and 20,100 square feet of commercial uses. The Zoning Map Amendment will reposition the third (3rd) building, which is fully occupied with long-term leases, for future redevelopment. The CD zoning is critical to the proposed redevelopment of the Property since residential uses are not otherwise permitted in the existing C-2 Zone.

ii. *Create a more sustainable development pattern and enhance the city's sense of place.*

The Project will create a more sustainable and cohesive development pattern by placing the proposed multifamily building at the street edge to create uniformity along N.

Frederick Avenue and Lakeforest Boulevard consistent with the vision for the Fairgrounds Commercial District articulated in the Corridor Plan. Corridor Plan, p. 2, 15. This will eliminate the significant setbacks for two (2) existing buildings at the Property that currently disassociate the built environment from the Corridor, thereby reconfiguring the existing “haphazard” development pattern and implementing the desired urban form of development. *Id.* The proposed development pattern will adhere to the character of the district by implementing the same consistent building edge “determined by the commercial businesses that front Frederick Avenue”. Corridor Plan, p. 15. This will advance the goals and provisions of the Master and Corridor Plans by eliminating irregular setbacks along these roads, further unifying the corridor zoning and establishing a consistent and activated street edge. Corridor Plan, p. 2, 15.

The Project will enhance the City’s sense of place through its prominent geographic location, design and programmed amenities. The Project’s prominent location is an individual characteristic that will enhance the City’s sense of place. Vehicles traveling N. Frederick Avenue, the City’s major north-south transportation artery, turn onto Lakeforest Boulevard to access the existing (and proposed redeveloped) Lakeforest Mall. This traffic pattern establishes the Property as the *de facto* gateway to the Mall Property and a visual landmark identifiable within the Corridor from points beyond.

The placement, modern design and architecture are significant components of the Project’s individual character that will also enhance the City’s sense of place. The multifamily building lobby will create visual interest at the N. Frederick Avenue/Lakeforest Boulevard intersection. The building location uses the sloping site topography by tucking the parking under and within the multifamily building to eliminate views of surface parking prevalent throughout the Corridor. The building placement and pedestrian friendly streetscapes, with ten (10) foot wide shared use paths and street trees, will activate and

enhance the pedestrian experience around the Project perimeter. The Project will include artistic and/or greenery elements on the parking garage walls facing northbound traffic on N. Frederick Avenue for an attractive and distinctive feature that will enhance the planned visual character and the sense of place to be conveyed throughout the Corridor.

The Applicant also proposes to program closures of Private Service Alley 1 for various resident/public activities, which may include, farm markets, food truck events or game night, to engage the surrounding residents with the Project. This will generate interactions among the Project and City residents to reinforce the sense of place established by the Project.

iii. Promote revitalization within the Corridor by encouraging new private investment that also fosters equity and livability.

The Project will contribute to the revitalization of the Corridor segment (between Montgomery Village Avenue/MD Route 124 and Summit Avenue) by making a substantial economic investment in the redevelopment of an underutilized 6.49 acre site that will serve as a gateway to the future development of Lakeforest Mall. Corridor Plan, p.1.

The Project fosters equity and livability by contributing to the lack of available housing stock. It is generally recognized that there is a lack of market rate and affordable housing in the City. A need for an additional 6,700 – 9,700 housing units to meet the 2045 projected household demand is recently referenced in the Lakeforest Master Plan. See Lakeforest Master Plan, p. 31. The need includes affordable housing, as the July 2021 Dwelling and Estimate Population Report (“DU Report”) identified only approximately 1,521 income-restricted units in the City. DU Report, p. 29. City Staff has also noted in its October 18, 2022 City Council Memorandum on the Analysis of Impediments - Fair Housing Plan (“AI Memo”) that there are 1,900 publicly supported rental-housing units in the City, of which 496 are Moderately Priced and Work Force multifamily units. AI Memo, p. 5.

The Project proposes market rate and affordable housing in direct proximity to an existing and proposed multi-modal transit system (e.g. Lakeforest Transit Center, Shady

Grove Metro Station, Proposed 355 BRT and MARC). This fosters equity by creating housing opportunities for those that rely on transit for mobility and fosters livability by providing more than a single transportation option.

Livability is further fostered by the Project's shared use path system that will provide safe and efficient pedestrian access to the Lakeforest Transit Center and throughout the Corridor, as well as opportunities for City residents to gather during programmed private street closures. The upgraded circulation system further improves livability within the Corridor by creating comfortable and convenient pedestrian routes and direct access to various existing and proposed uses. This will make the Project a desired location within the Corridor, which will enhance the Corridor's economic vitality and spark revitalization within the Corridor.

- iv. Create clearly defined regulations that provide more certainty of what is feasible on a property and create opportunities to add value through density and mix of uses.*

The CD Zone will enable the Project to be redeveloped with the proposed mix of 450,000 square feet of new residential uses (up to 410 units), including up to 20,100 square feet of commercial uses, on an assemblage of land, as recommended by the Master Plan. Master Plan, p. 90. The proposed mix of uses is reflective of the Master Plan recommendations and appropriately weighted residential in response to the market demand for housing, including Moderately Priced Dwelling Units. §24-13.3 of the City Code. The commercial use intentionally comprises a small component of the Project that is conveniently accessible within the multifamily building to ensure it attracts a neighborhood serving retail or service use for a self-sustaining development. The synergy created by the proximity to the existing employment building at 702 Russell Avenue will also facilitate a walkable community and enhance the success of the commercial use. The residential uses and densities are also necessary to add value to the Property, create the balanced mix of uses contemplated

by the Master Plan and to ensure the success of the commercial component within the multifamily building. *Id.*

- v. Promote quality development through flexible development standards and a proactive design approach.*

Through the flexible development standards afforded by the CD zone, the Project proposes quality development and attractive architecture with a modern and urban *design* that is reflected in the building's placement and the layered materials consisting of storefront window systems, vertical elements at the building edges, operable windows, solid masonry and balconies. The allowable building height in the CD zone creates the appropriate unit densities to balance the provision of a significant internal amenity space for a Class A resident experience. The flexibility in building setbacks provides for building placement at the street edge that will consistently define the streetscape. It will also enable the above-grade parking structure to be tucked into the rear of the building. The Project promotes a proactive design approach through artistic and greenery treatments on the rear of the multifamily building and above-grade parking structure, as depicted below:



VIEW LOOKING NORTH - FROM N FREDERICK AVE

b. Uses – Section 24-4.1

Section 24-4.1 and Table 24-4.1-1 of the City Code allow as permitted uses in the CD Zone: multifamily attached dwellings, entertainment and recreational uses, professional business services and retail and personal service commercial uses. These use categories enable redevelopment of the Property with the Project and include the neighborhood serving retail or personal service uses that are envisioned for the ground floor commercial space in the multifamily building, such as a grocery store, bank, retail store(s) and business(es), health club(s), restaurant(s) and other personal service business(es).

c. Minimum locational requirements – Section 24-4.4(B)

i. No land shall be classified in the Corridor Development Zone, outside of annexations and comprehensive rezonings, unless the land is located within an area so designated on an approved and adopted land use master plan.

The Property may be classified in the CD Zone pursuant to the Application because the Property is located within the Frederick Avenue Corridor, as designated in the Master and Corridor Plans, and recommended for CD zoning in both of those plans. Master Plan p. 79, 90-91; Corridor Plan p. 14-15.

ii. When undertaking new development or redevelopment in the CD Zone, all uses identified for specific areas or properties within an approved and adopted master plan shall be applied in those areas specified, unless otherwise approved by the mayor and city council within the context of a schematic development plan.

The Project includes a balanced mix of residential, commercial and employment uses in accordance with the commercial-office-residential land use recommendation for the Property set forth in the Master and Corridor Plans. Master Plan p. 90-91; Corridor Plan p. 15.

d. Development standards – Section 24-4.4(C)

i. Floor Area Ratio.

Consistent with the base densities established in Table 24-4-4-1 of the City Code, the Application proposes approximately 504,180 square feet of gross floor area (or 1.78 FAR),

which includes approximately 450,000 square feet of gross floor area for the Project and approximately 54,180 square feet of gross floor area at 702 Russell Avenue. § 24-4.4(C)(1), City Code. The Application includes 6.49 acres, which is allocated a base FAR of 3 FAR, yielding approximately 848,442 square feet of gross floor area that may be developed at the Property. The Project utilizes approximately 450,000 square feet of gross floor area at the project application scale, thereby leaving over 398,000 square feet of gross floor area for the redevelopment of 702 Russell Avenue. No FAR bonuses are proposed with this Application. § 24-4.4(C)(2), City Code.

ii. Height.

The Applicant proposes a maximum building height of eight (8) stories and up to one hundred twenty (120) feet for the Project. § 24-4.4(C)(3), City Code. As proposed, the residential building height does not exceed the ten (10) story or one hundred twenty (120) feet of height allowable for such properties without master plan height specifications.

iii. Building and/or structure setbacks.

Building setbacks are not prescribed in the CD Zone and will be established as part of the Project consistent with the recommendations in the Master and Corridor Plans to have buildings placed at the street edge. § 24-4-4(C)(4)(a), City Code. As reflected on the plans submitted with the Application, the multifamily residential building will be located upon a corner lot with frontage on N. Frederick Avenue and Lakeforest Boulevard. The lobby entrance will face Lakeforest Boulevard at its intersection with N. Frederick Avenue to elevate its visibility and create visual interest at this principal location. The building will be set back approximately fifteen (15) feet from N. Frederick Avenue and fifteen (15) feet from Lakeforest Boulevard, with an approximate forty-nine (49) foot rear setback. No portion of the buildings are proposed to be located on land that is currently or proposed to be right-of-way or a walkway, bikeway or sidewalk. § 24-4-4(C)(4)(a), City Code. No residential side

streets are proposed as part of the Project. § 24-4-4(C)(4)(c), City Code. The adjoining property is not in a residential zone. However, a setback of at least fifteen (15) feet will be maintained between the proposed multifamily residential building and the existing building at 702 Russell Avenue. § 24-4-4(C)(4)(b), City Code. Thus, as further depicted on the plans filed with the Application, the Project satisfies the building and placement requirements.

iv. Design Guidelines.

There are no adopted design guidelines, including, building setbacks and lot coverage, signage, amenity programming, public area, landscaping, streetscaping, and open areas or pedestrian realm design. § 24-4.4(E), City Code. The Architectural Elevations filed with this Application address massing, scale, form, architectural elements, and materials and will serve to guide the character of the ground floor retail and propose treatments for the above ground parking garage.

v. Parking and access.

The parking and access requirements of the CD Zone will be met on-site within a structured parking lot facility under the multifamily building that meets § 24-7.5 of the City Code. §§ 24-4-4(F) and 24-7.2, City Code. The structured parking facility will be designed for safe and convenient vehicle and pedestrian use and have vehicular use ramps with a twelve percent (12%) grade. § 24-7.5(F), City Code. The structured parking facility will contain approximately 709 perpendicular standard, seventeen (17) low turnover and seventeen (17) parallel parking stalls in accordance with the parking schedule set forth in § 24-7.2(c) of the City Code and approximately twenty (20) of those parking spaces will be accessible. Ten (10) motorcycle parking spaces will be located on the structured parking ground floor and sixty-four (64) resident bicycle parking will be provided within the multifamily building in accordance with § 24-7.5(H) of the City Code. 702 Russell Avenue will be served by one hundred forty-seven (147) surface parking spaces, including ten (10)

accessible parking spaces, six (6) of which are van accessible, and thirty-four (34) structured parking spaces in accordance with § 24-7.5(D) of the City Code.¹⁴

Pedestrian access to the Project from the streets and parking will be via the existing and proposed pedestrian network. Interior access drives, such as Private Service Alley 1 and 2, will provide vehicular interconnection between the proposed and existing uses and shared access to the surrounding street network. § 24-7.5(E), City Code. The proposed shared use paths along Lakeforest Boulevard and N. Frederick Avenue and proposed sidewalks along the Private Service Alley 1 and 2 will provide pedestrian connections within the Corridor.

vi. Buffers and Screening.

Adequate buffers will be incorporated into the Project design where necessary. § 24-4-4(G), City Code. These buffers include the existing retaining wall along the rear boundary of the Property, which will buffer the adjoining commercial uses from the Project, and strategically placed landscaping, all as reflected on the plans submitted with the Application.

2. *The rezoning application is in accord with recommendations in the applicable land use master plan for the property and is consistent with any special conditions or requirements contained in said land use master plan; and*

The Application is in accord with the following Master Plan recommendations set forth in the site-specific map designation for the Property by proposing reclassification of the Property to the recommended CD Zone for redevelopment with a mix of uses:

The 15.7-acre area contains several multi-story retail/office buildings, a bank and a private park with a lake, all with large surface parking lots. This area's location along the Frederick Avenue corridor makes it a prime candidate for redevelopment in the future. As part of the Fairgrounds Commercial District of the Frederick Avenue Corridor, a mixed use project with a balance mix of commercial/office and residential uses would be appropriate. Consolidation of the smaller lots with larger lots is encouraged. Any redevelopment proposal should consider and relate to the potential redevelopment of Lakeforest Mall and be sensitive to the existing multifamily residential development in the surrounding areas.

¹⁴ See Footnote 12.

Applicable Strategic Direction: Planning, Economic, Housing

Land Use and Zoning Actions:

- Adopt Commercial-Office-Residential land use designation
- Recommend zoning change from C-2 to CD for Parcels 14, B-1, B-2...Lakeforest

Master Plan p. 90-91.

The Applicant recognizes that the Property is suitable for redevelopment and therefore, proposes to initially replace two (2) of the three (3) existing commercial office buildings with a modernly designed multifamily residential building containing up to 410-units and 20,100 square feet of commercial uses. Master Plan p. 90. The Applicant will retain 702 Russell Avenue for its existing employment uses until it is redeveloped in the future. This strikes the Master Plan's desired balance of uses by retaining employment uses and proposing residential densities that will support up to 20,100 square feet of ground floor commercial uses and ultimately enhance the vibrancy and sustainability of the Corridor.

The Project implementation will include the consolidation of the smaller two (2) of the three (3) existing lots in accordance with the Master Plan. *Id.* The site design moves the proposed buildings to the street edge to reflect the character of the Fairgrounds Commercial District in the Corridor Plan "defined by the commercial businesses that front Frederick Avenue." Corridor Plan, p. 12. The proposed building placement will establish consistency in lieu of "haphazard development patterns" at the N. Frederick Avenue/Lakeforest Boulevard intersection and contribute to the unification of the area as desired in the Corridor Plan by rezoning additional properties to the CD Zone. Corridor Plan, p.15.

The proposed building design will "improve the aesthetic quality" of the corridor by adding a modernly designed building to the corridor featuring design elements and aesthetics not widely implemented within Corridor. Corridor Plan, p. 1. For instance, the multifamily residential building includes operable windows, solid panel articulations, balconies and

artistic and/or greenery walls on the above-grade parking structure. Overall, the Project will advance the Master and Corridor Plan streetscape, design and consistency goals through building placement, the use of transparent materials along the ground floor that will activate the pedestrian environment and incorporation of unique artistic elements.

3. *The rezoning application will be internally and externally compatible and harmonious with existing and planned land uses in the areas within the proposed rezoning and adjacent areas; and*

This Project will blend harmoniously and be compatible with the existing and proposed uses within the adjacent areas. The residential component of the Project is compatible and harmonious with the existing mix of commercial, medical office, retail and service uses that occupy the adjacent areas because the existing uses are conveniently located to serve the Project residents within a short walk. The commercial component of the Project will be compatible and harmonious with the existing and proposed uses in the area because it will service the existing employment and residential uses, as well as the Project's (internal) residential use.

The external features of the adjacent uses consist of an eclectic group of buildings of varying heights, utilizing an array of construction materials in a wide range of colors. The proposed earth tone color palette will blend the Project harmoniously into the surrounding area and use of glass, contrasting materials, balconies, and operable windows in a modern design, complimented through site landscaping, will ultimately enhance the neighborhood by providing a unique experience for those that live, work, and play in this part of the City.

Moreover, the prominent location of the Property and building height will create a relatable and attractive gateway to the future Lakeforest Mall redevelopment. Master Plan, p. 90. The existing four (4)-story office building at 702 Russell Avenue will transition the Project to the proposed Lakeforest Mall (Block G and H) shared use paths and multifamily buildings facing the Project across Russell Avenue. Blocks G and H of the proposed

Lakeforest Mall (SDP-9736-2924) development consist of three (3) multifamily buildings approximately six (6) stories in height (without a numerical height limitation) that will be compatible with the Project through the use varying brick, panels, siding and board and batten materials.

4. *That the rezoning, if approved, would reflect the goals and intent of the city's strategic plan.*

The proposed CD zoning will reflect goal #10 of the City's FY 22 Strategic Plan ("Strategic Plan"), "reinvestment of aging commercial properties." See, Strategic Plan, p. 8. It is necessary for the Applicant to rezone the Property to the CD zone to redevelop it with a new and vibrant contemporary multifamily building. Furthermore, the Project will implement Strategic Plan goal #11 by establishing a "mix of housing options for a variety of income levels" that will provide legally restricted MPDU units to increase the supply of affordable housing in the City. Strategic Plan, pgs. 8 and 14.

VI. Findings Required for CD Schematic Development Plan Approval

Section 24-120-5(F)(2) of the City Code sets forth the findings that the City Council must make before approving the CD Schematic Development Plan. The following statements describe how the proposed Project fulfills these findings:

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

As detailed in Section V.1 above, the proposed Project meets or accomplishes the purposes, objectives and minimum standards and requirements of the CD Zone.

2. *The plan is in accord with the area master plan and any accompanying special condition or requirements contained in said master plan for the area under consideration; and*

As detailed in Section V.2 above, the proposed Project is in accord with the Master Plan and the Corridor Plan and any accompanying special conditions or requirements contained therein for the area under consideration.

3. *The plan will be internally and externally compatible and harmonious with existing and planned land uses in the CD zoned area and adjacent areas; and*

As provided in Section V.3 above, the proposed Project will be internally and externally compatible and harmonious with existing and planned land uses in the CD zoned and adjacent areas.

4. *The existing or planned public facilities are adequate to service the proposed development contained in the plan; and*

- i. *Traffic Impact Study - Section 24-14.3*

As set forth in the Traffic Impact Study performed by Wells + Associates in accordance with the scoping agreement reached with the City and filed as part of this Application, the Project will generate approximately 42 new a.m. peak hour trips and approximately 184 new p.m. peak hour trips beyond the trips vested at the Property by the existing 100,100 square feet of office uses. It is also anticipated that the existing road network will be adequate to serve the Project.

- ii. *School Capacity - Section 24-14.4*

There is adequate school capacity for the proposed Project. The FY 2025 City APFO Schools Capacity Memo, effective August 1, 2024, confirms that there is available student capacity within the applicable Gaithersburg Elementary, Middle and High Schools, without payment of a MCPS Utilization Premium Payment (“GUPP”) at any school level. The projected FY 2025 capacity for Gaithersburg High School is 102%, 86.6% for Gaithersburg Middle School and 83% for Gaithersburg Elementary

School. The maximum school capacity for each of these schools is 150% and each school's capacity is lower than 150%. Therefore, adequate school capacity exists for the Project. It is noteworthy that students generated by the Lakeforest Mall development will attend the schools within the Watkins Mill Cluster.

iii. Water and Sewer Service - Section 24-14.5

The Property is located in the W-1 and S-1 water and sewer categories and there is adequate on-site sewer and water service to serve the Project through a sewer main located in Lakeforest Boulevard and the connection to water service in Lakeforest Boulevard once the service lines are relocated from the Property into the right-of-way.

iv. Fire and Emergency Services - Section 24-14.6

There is adequate police and fire protection to serve the Property. The two (2) nearest fire stations, MCFRS Station 8 (Gaithersburg-Washington Grove Volunteer Fire Department), which is approximately 0.8 miles from the Property at the intersection of Russell Avenue and Montgomery Village Avenue (MD Route 124) and Station 28, which is approximately 4.6 miles from the Property located at 7272 Muncaster Mill Road in Derwood, both have ten (10) minute response times to the Property. The City of Gaithersburg Police Department will serve the Property and is approximately 1.1 miles from the Property at 14 Fulks Corner Avenue in Gaithersburg. Shady Grove Hospital is also approximately 5.6 miles from the Property.

5. *That the plan, if approved reflect the goals and intent of the city's strategic plan.*

As detailed in Section V.4 above, the proposed Project, if approved, will reflect the goals and intent of the City's strategic plan.

VII. Conclusion

The Application proposes to redevelop underutilized commercial properties with a mix of uses that will renew the Applicant's investment in the City while advancing the City's vision for a vibrant and sustainable Frederick Avenue Corridor and implement goals under the City's Strategic Plan. For this and the foregoing reasons, the Applicant respectfully requests that the Application be approved.

Respectfully submitted,

Miles & Stockbridge P.C.



Casey L. Cirner

September 10, 2024

Date