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

**FROM:** Laura Mehfoud, Long Range Planner

**DATE:** April 3, 2025

**SUBJECT:** Preliminary Background Report:  
Application Z-9928-2024 Zoning Map Amendment and  
Schematic Development Plan  
**481 N Frederick Ave, 101 Lakeforest Blvd, 702 Russell Ave**

**APPLICANT**

VIKA Maryland, LLC  
20251 Century Boulevard Suite 400  
Germantown, MD  
20874

**OWNER**

Perry-Russell LP, Frederick Avenue Associates, and Professional Equity LP  
6000 Executive Blvd Suite 400  
North Bethesda, MD  
20852

**TAX MAP REFERENCE**

Tax Map: FT 42, Parcels: N319, N264, N225

**TAX ACCOUNT NUMBER**

160901951618  
160902006166  
160901951618

## **REQUEST**

The Applicant, VIKA Maryland, LLC, has submitted amendment to zoning map application Z-9928-2024, to rezone a 6.5 acre area, consisting of 3 parcels, from the C-2 (General Commercial) zone to the CD (Corridor Development) zone, and to establish a schematic development plan (SDP), in accordance with City Code § 24-4.4 (H) "Application for CD Zone and schematic development plan approval." The SDP proposes a new multifamily residential building with ground floor commercial uses. In support of these requests, the Applicant has included a statement of justification and support (Statement), included as exhibit 41.

## **LOCATION**

The subject properties ("Site") include three parcels located at 481 N Frederick Ave, 101 Lakeforest Blvd, and 702 Russell Ave. The Site is bound by Lakeforest Blvd to the northwest, N Frederick Ave to the southwest, Russell Ave to the northeast, and commercial properties to the southeast.



## **REQUIRED ACTIONS**

### **Zoning Map Amendment Z-9928-2024**

As stated, the Applicant is requesting a zoning map amendment to change the Site's existing C-2 (General Commercial) zone to the CD (Corridor Development) zone. Staff notes that this application was submitted after the adoption of the new zoning ordinance. Section 24-4.4 of the new zoning ordinance requires an applicant to submit a schematic development plan as part of the zoning map amendment application when rezoning to CD:

*(H) Application for CD Zone and schematic development plan approval.*

*(1) An applicant shall file, together with the prescribed application fee, an application for the establishment of the CD Zone, to be processed pursuant to the provisions of Section 24-12.3– Zoning Map Amendments, and as part of this application for separate approval, a schematic development plan pursuant to the provisions of Section 24-4.2 – Floating Zones and Section 24-12.5 – Schematic Development Plans.*

*(2) An application to establish CD zoning must receive approval of both the rezoning and schematic development plan. The city council cannot approve such application without approving both the rezoning and schematic development plan.*

Section 24-12.3 states that zoning map amendment applications are subject to a joint public hearing, followed by Planning Commission recommendation, then final action by City Council.

Section 24-4.2(B) lays out the findings required for approval of the CD zone by map amendment:

*(4) Decision criteria for establishment of a floating zone by map amendment. The city council may approve the mapping of a CBD, CD, MCD, or MXD zone by map amendment only upon finding that:*

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

*(b) 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*

*(c) 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*

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

Section 24-12.5(F) lays out the findings required for approval of a schematic development plan in conjunction with a CD zone map amendment:

*(2) Decision criteria for CD schematic development plan. The city council may approve a schematic development plan either as part of a zoning map amendment or standalone only upon the finding that:*

*(a) The plan meets or accomplishes the purposes, objectives and minimum standards and requirements of the zone; and*

*(b) 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*

*(c) 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 (d) The existing or planned public facilities are adequate to service the proposed development contained in the plan; and*

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

The Applicant's Statement includes a discussion of how each of the above findings are met.<sup>1</sup> As noted in City Code Section 24-4.4, the zoning map amendment and schematic development plan are part of one application and both must be approved - the City Council cannot approve the application without approving both the rezoning and the SDP.

## **EXISTING LAND USE/PHYSICAL CHARACTERISTICS**

The Site totals 6.5 acres and is developed with three 4-story office buildings surrounded by surface parking. The office buildings were constructed in the late 1970s and early 1980s, and as noted in the Applicant's Statement, are "nearing the end of their useful lives."<sup>2</sup> Surface parking for the three existing parcels is all connected, and vehicular access is provided from N Frederick Ave, Lakeforest Blvd, and Russell Ave. A Natural Resources Inventory/Forest Stand Delineation (NRI/FSD) reflecting current conditions was approved January 19, 2023.<sup>3</sup> There are no forested areas or specimen trees on site and no threatened or endangered species. There are steep slopes (greater than 25%) along the outer edges of the Site, between the parking areas and the property boundaries, and a retaining wall along the southeast edge of the Site.

## **NEIGHBORHOOD LAND USE AND ZONING**

The Site is currently zoned C-2 and contains three office buildings. Additional office buildings are located across Lakeforest Blvd and are zoned C-2. Lakeforest Mall is located northeast of the Site across Russell Ave. This property has been rezoned to MXD and has an approved schematic development plan with a mix of commercial, employment, and residential uses as well as a new transit center proposed along Russell Avenue. The Gaithersburg Square shopping center is located across N Frederick Ave

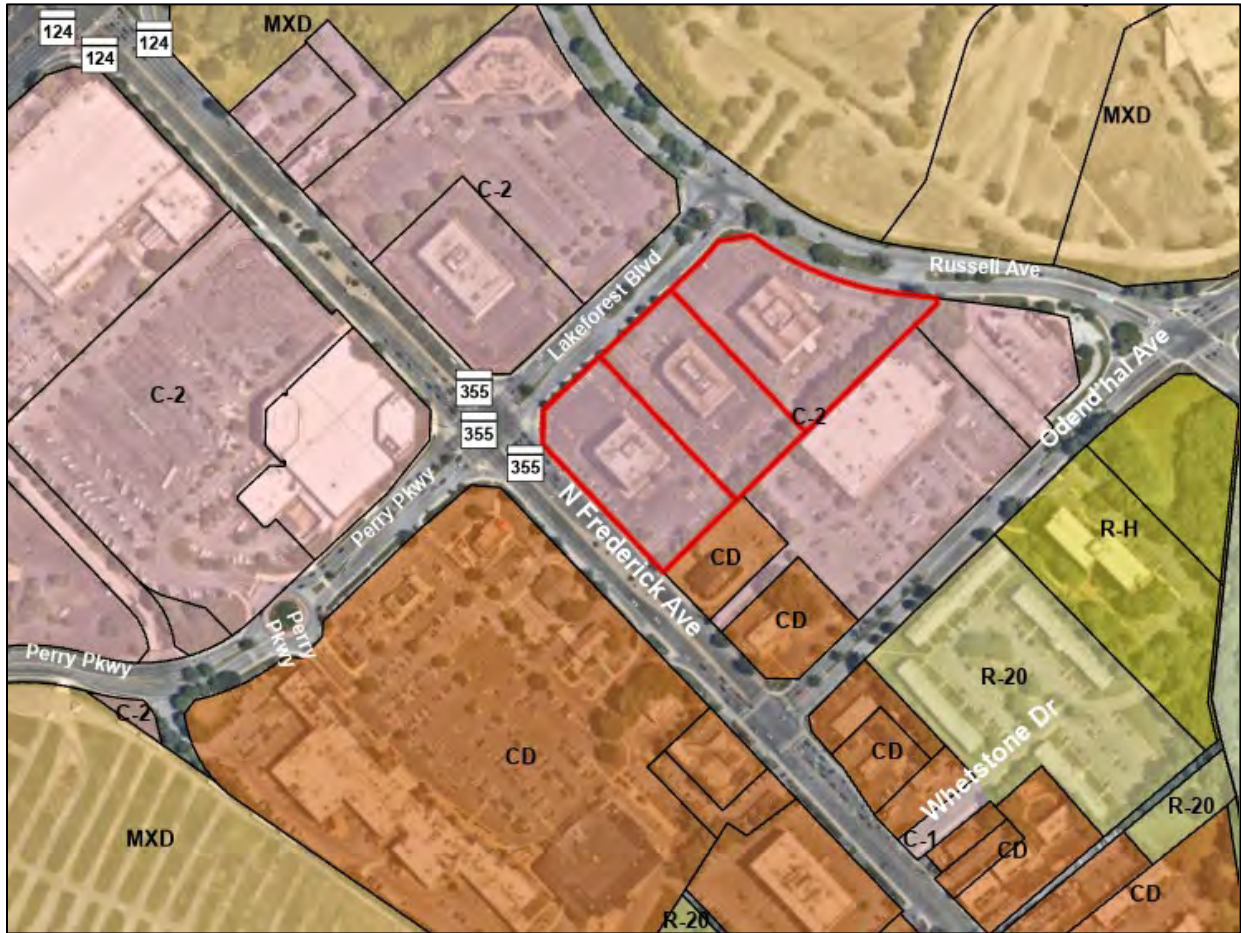
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<sup>1</sup> Exhibit 41

<sup>2</sup> Exhibit 41, page 3

<sup>3</sup> Exhibit 6

and zoned CD. A grocery store, zoned C-2, and a bank, zoned CD, abut the Site to the southeast.



## **ZONING AND SITE PLAN HISTORY**

### **Annexation and Zoning**

Properties comprising the Site were annexed into the Town of Gaithersburg by the Mayor and Town Council in 1961 by resolution R-14-61 and were zoned R-20. The Site was rezoned to C-2 in the 1960s.

### **Master Plan and Zoning**

The Site is included as a map designation in the 2009 Master Plan Land Use Element.<sup>4</sup> The Master Plan recommends a commercial-office-residential land use designation and rezoning to CD (Corridor Development). The narrative states that future redevelopment should include a “balanced mix of commercial/office and residential uses,” should

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<sup>4</sup> Exhibit 45

consolidate existing lots into larger lots, and should relate to any future redevelopment of the Lakeforest Mall property.

### **Site Plan History**

The existing office buildings on the Site were approved with the following site plans:

- 481 N Frederick Ave: S-523 in 1977
- 101 Lakeforest Blvd: S-674 in 1981
- 702 Russell Ave: S-605 in 1979

Subsequent minor site plan amendments were approved for changes in use and parking lot restriping.

### **ADEQUATE PUBLIC FACILITIES ORDINANCE (APFO)**

#### **Water and Sewer Services and Public Utilities**

The Site is currently developed with both public water and public sewer service and has WSSC categories of S-1 and W-1; thus, the Site satisfies the requirements of the water and sewer standards of the APFO, § 24-247.

#### **Fire and Emergency Services**

The Site is within the ten-minute response areas of four Montgomery County Fire and Rescue stations: Station 8 (Gaithersburg), Station 28 (Gaithersburg/Muncaster), Station 31 (Rockville) and Station 34 (Germantown/Milestone). Thus, the Site satisfies the requirements of the fire and emergency services standards of the APFO, § 24-248.

#### **Schools**

The Site is within the Gaithersburg Cluster and is served by Gaithersburg Elementary, Gaithersburg Middle, and Gaithersburg High. According to the FY 25 City APFO Schools Capacity Memo, no residential development moratoriums are in place as capacity exists at all schools serving the City. Thus, the school capacity standards of § 24-246 are satisfied. Additionally, none of the schools serving the Site are currently subject to the utilization premium payment fee.

#### **Traffic Impacts**

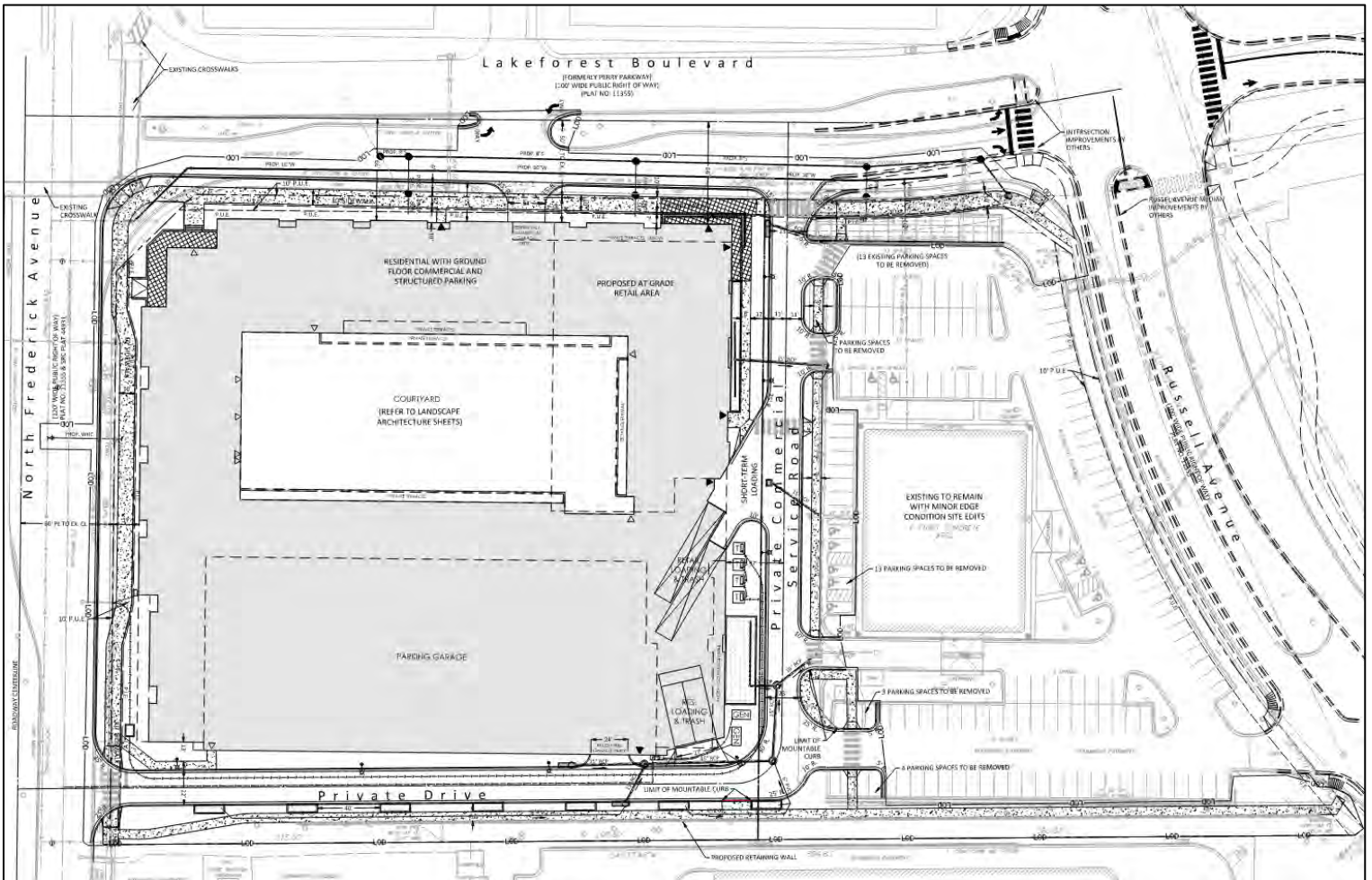
The Applicant submitted a Traffic Impact Study (TIS), designated as application number TRF-9929-2024, performed by Wells and Associates, Inc. According to the TIS, the proposed development will generate 226 AM and 371 PM peak hour trips. The analysis concludes that under total future conditions, all of the study intersections will continue to operate at acceptable CLV standards during both the AM and PM peak hours and no mitigation is required. The Department of Public Works has reviewed and approved the

traffic impact study. Therefore, the application complies with the requirements of the City's APFO for traffic impacts (§ 24-245).<sup>5</sup>

## **Z-9928-2024 PROPOSAL**

### **Schematic Development Plan**

As required by § 24-434(H)(1), the Applicant has submitted a schematic development plan (SDP) as part of the zoning map amendment application.<sup>6</sup> The SDP proposes removing the existing office buildings at 481 N Frederick Ave and 101 Lakeforest Blvd and constructing a new 8 story multi-family rental building with ground floor commercial uses. The residential building will include up to 410 units with up to 20,100 square feet of commercial space. The existing office building at 702 Russell will remain with minor edge and parking lot improvements. As noted in the Applicant's Statement, "the Applicant will retain 702 Russell Avenue for its existing employment uses until it is redeveloped in the future."<sup>7</sup>



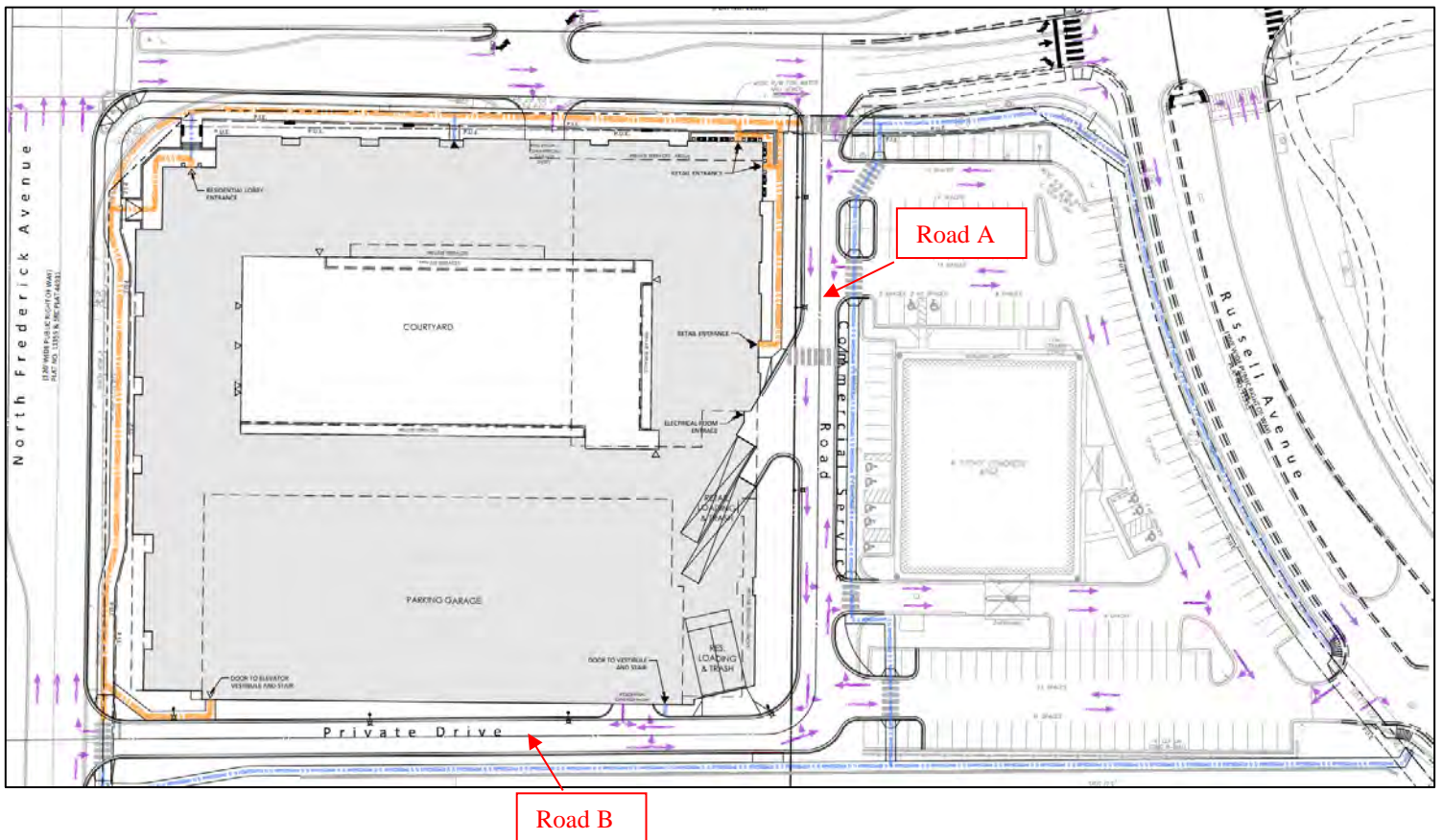
*SDP Excerpt, Exhibit 37*

<sup>5</sup> Exhibit 44

<sup>6</sup> Exhibit 37

<sup>7</sup> Exhibit 41, page 26

The new residential building will be setback approximately 16 feet from the N Frederick Ave and Lakeforest Blvd rights of way. It will include structured parking for both residents and patrons of the commercial use, and an interior courtyard with amenities for residents. The lobby entrance for the residential units will be at the corner of N Frederick Ave and Lakeforest Blvd. The proposed ground floor commercial space will front Lakeforest Blvd with the entrance located at the corner of Lakeforest Blvd and a new commercial service road that will bisect the Site between the new building and the existing office building at 702 Russell Ave. Parking along the southwest side of the 702 Russell Ave office building will be removed to make space for the new road and sidewalk. The new road will wrap around the residential building and connect to N Frederick Ave. Access to the existing surface parking lot for 702 Russell Ave will be maintained from Russell Ave with access also provided along the new commercial service road. Access to the parking garage in the new residential building will be provided along Lakeforest Blvd (for residents and commercial patrons) and the new road on the southeast side of the building (for residents only). The median break on Lakeforest Blvd will be modified slightly to allow for left turns into the garage. Drivers exiting the garage onto Lakeforest Blvd will only be able to turn right. Full turning movements will be permitted at the residential garage access on the southeast side of the building.



SDP Excerpt, Exhibit 37

A 10 foot wide shared use path will be provided along Lakeforest Blvd, connecting N Frederick Ave to Russell Ave, and along the N Frederick Ave frontage. A sidewalk will be provided along one side of the new commercial service road (labeled as Road A above)

and along the southeast edge of the Site connecting N Frederick Ave to Russell Ave (next to Road B above). A proposed retaining wall is located next to the sidewalk along Road B. Staff will continue to work with the Applicant on the alignment of the sidewalk and crosswalks along Road A and notes that while both Road A and B meet the City’s standards for a commercial service road, a sidewalk next the building along Road B would be preferred. Staff notes that the plans reflect the future improvements to the Russell Ave and the Lakeforest Blvd intersection to be completed by the City and the mall redevelopment.

The SDP proposes studio, 1-bedroom, and 2-bedroom units in the new residential building. This unit mix was used to assess transportation adequacy at a denser unit mix. As noted in the Applicant’s Statement, the Applicant 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.”<sup>8</sup>

| Residential Units |            |                 |            |                   |               |            |                |
|-------------------|------------|-----------------|------------|-------------------|---------------|------------|----------------|
| Unit Mix          | Unit Count | Type Percentage |            | Market Rate Units |               | MPDU Units |                |
| studio            | 62         | 15%             | 62         | 52                | 14.94%        | 10         | 16.13%         |
| 1BR               | 245        | 60%             | 245        | 209               | 60.06%        | 36         | 58.06%         |
| 2BR               | 103        | 25%             | 103        | 87                | 25.00%        | 16         | 25.81%         |
| Up to             | <b>410</b> | <b>100%</b>     | <b>410</b> | <b>348</b>        | <b>84.88%</b> | <b>62</b>  | <b>15.122%</b> |

As the CD Zone is a floating zone, permitted uses are established by the schematic development plan. The non-residential potential uses proposed for the Site are listed below and apply to both the commercial space in the new building and the existing 702 Russell office building that is to remain. The new City zoning ordinance groups specific uses into more general categories to allow for greater flexibility when calculating parking requirements and processing changes in use. The list below includes some of the broader use categories (such as “Retail and Personal Services”) with certain specific uses within the category prohibited. Staff will continue to work with the Applicant on refining the specific uses to ensure all permitted uses are appropriate for the Site.

<sup>8</sup> Exhibit 41, page 10

| <b>NON-RESIDENTIAL POTENTIAL USES</b>  |
|--|
| Entertainment and Recreational Uses<br>Integrated Light Manufacturing*<br>Art and Cultural Centers<br>Educational Institutions<br>Professional Business Services<br>Retail and Personal Services** |

\* - Except electronic, precision instruments, additive manufacturing, medical supplies and devices, molecular engineering/nanotechnology, mechanical equipment and micro-manufacturing and cyber security technologies and similar uses are prohibited in any residential building.

\*\* - Except animal boarding, cremation services, firearm sales, funeral homes and hotel are prohibited at the subject property.

### **Architecture, Landscape, and Streetscape**

The Applicant has provided conceptual architecture renderings and elevations. As these are conceptual elevations, there will be opportunity for further comment and refinement during the final site plan application review. Building materials of the new residential building include glass, metal trims, masonry, and fiber cement panels in contrasting earth tone colors. The residential lobby entrance will be inset away from the intersection and will feature specialty paving and landscaping. Street level windows will help activate the pedestrian realm along N Frederick Ave and Lakeforest Blvd, and balconies and building articulation will help break up the massing of the structure. The next four images are renderings taken from the Applicant’s architectural plans. More detailed elevations can be found in the architectural plan set.<sup>9</sup>

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<sup>9</sup> Exhibit 40



VIEW LOOKING EAST - FROM N FREDERICK AVE

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VIEW LOOKING SOUTHEAST - FROM LAKEFOREST BLVD

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VIEW LOOKING WEST - FROM COMMERCIAL SERVICE ROAD

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The southwest side of the residential building with the parking garage will “feature artistic and/or greenery elements”<sup>10</sup> facing vehicles traveling north on N Frederick Ave.

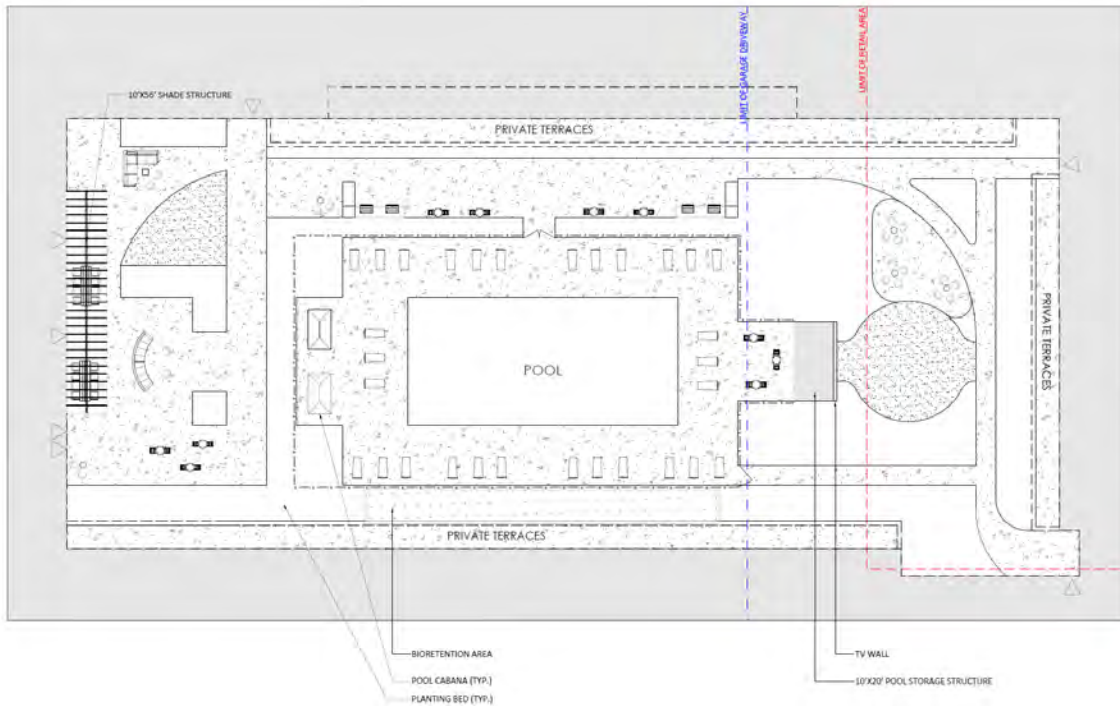


VIEW LOOKING NORTH - FROM N FREDERICK AVE

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<sup>10</sup> Exhibit 41, page 18

The interior courtyard is approximately half an acre and will include a pool, ornamental trees and shrubs, grills, and lounge seating areas for residents. Balconies from the residential units will overlook the courtyard.

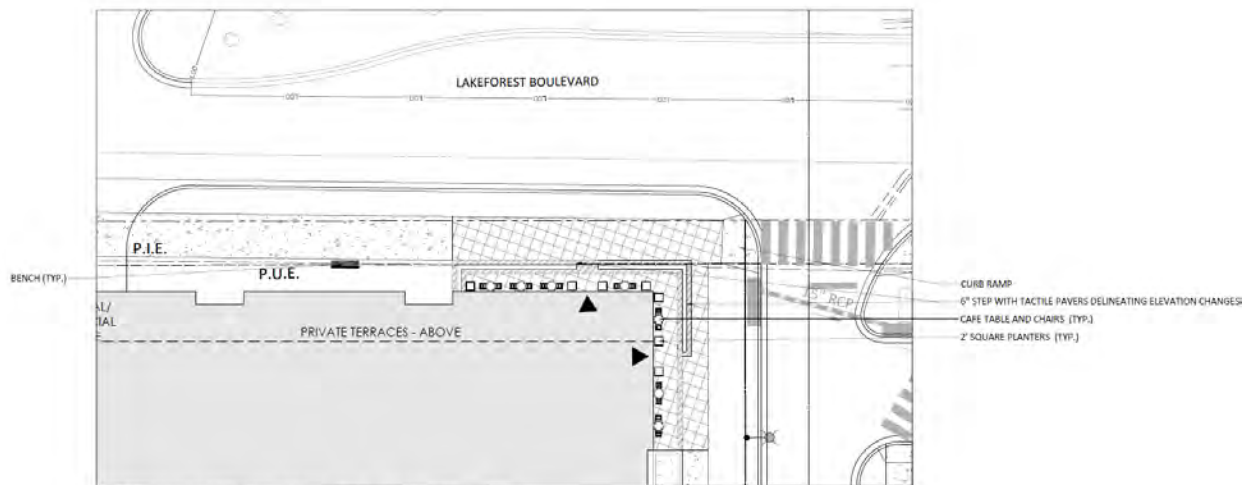


*Landscape Plan Excerpt, Exhibit 38*



COURTYARD VIEW LOOKING EAST

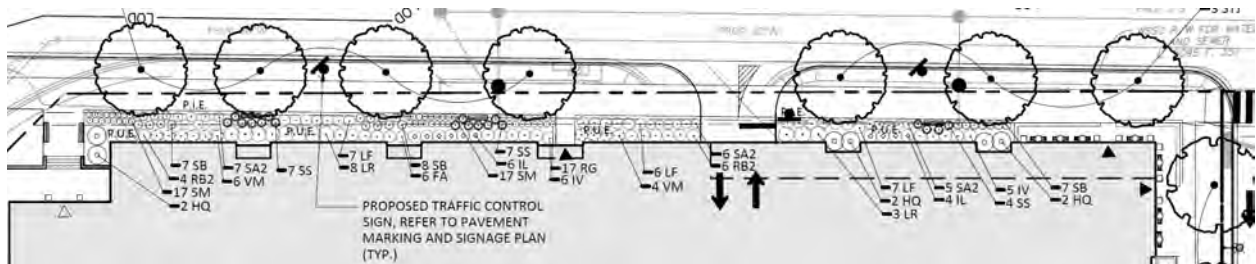
The commercial space entrance will include outdoor café seating and planters and will be delineated with specialty paving.



2. MATERIALS PLAN ENLARGEMENT - RETAIL ENTRANCE

*Landscape Plan Excerpt, Exhibit 38*

Plantings including ornamental trees and shrubs along with benches will be placed along the shared use path on Lakeforest Blvd, helping to activate the streetscape. Additional ornamental shrubs will be planted between the sidewalk and building facade fronting N Frederick Ave, and ornamental trees will be planted along the new commercial service road.



*Landscape Plan Excerpt, Lakeforest Blvd frontage, Exhibit 38*

City staff continues to work with the Applicant on refining the landscape plans to ensure appropriate species and sizing of planting strips.

**Preliminary Forest Conservation Plan**

The Applicant submitted a preliminary forest conservation plan as part of the SDP and intends to satisfy the afforestation requirement primarily through fee-in-lieu, with some tree canopy credit. Staff notes there is a discrepancy on the tract area and limit of disturbance area used to calculate afforestation requirements on the plans. Additionally, some of the proposed trees used for canopy credit are too large for the planting space provided. Staff will continue to work with the Applicant on identifying appropriately sized trees and on ensuring accurate calculation of afforestation required.

## **STORMWATER MANAGEMENT AND SEDIMENT & EROSION CONTROL**

In accordance with the requirement for the submission of a schematic development plan, § 24-12.5 (C), the Applicant has submitted preliminary stormwater management and sediment and erosion control plan applications, SWM-9941-2024 and SEC-9940-2024 respectively. Both plans have been approved by the Department of Public Works.

### **SUMMARY**

The Applicant has submitted zoning map amendment application Z-9928-2024 and an associated schematic development plan for consideration in accordance with § 24-4.4 (H) of the City Code. A joint public hearing before the Mayor and City Council and the Planning Commission has been scheduled for April 21, 2025.

Because this is the initial public hearing no formal recommendation is provided at this time. Staff will continue to work with the Applicant on refining the plan following the public hearing and in response to comments received into the record. Staff has identified the following items that warrant further review and refinement:

- Permitted uses
- Pedestrian circulation
- Retaining wall design
- Landscaping revisions

For the purpose of concluding the public hearing, Staff recommends:

1. The Planning Commission make a motion to hold their record open until 5:00 PM on May 23, 2025 (32 days), with a recommendation to the Mayor and City Council tentatively scheduled for June 4, 2025.
2. The Mayor and City Council make a motion to hold their record open until 5:00 PM on June 13, 2025 (53 days), with policy discussion tentatively scheduled for July 7, 2025.