

RESOLUTION OF THE MAYOR AND CITY COUNCIL OF GAITHERSBURG
GRANTING APPROVAL OF SCHEMATIC DEVELOPMENT PLAN
SDP-8146-2019, KNOWN AS KENTLANDS MARKET SQUARE, BLOCK "F,"
LOCATED AT 630 CENTER POINT WAY, FOR APPROXIMATELY
9.4 ACRES OF PROPERTY ZONED MIXED USE DEVELOPMENT (MXD)

SDP-8146-2019

OPINION

Schematic development plan application SDP-8146-2019 for the Property zoned Mixed Use Development (MXD), has come before the Mayor and City Council for approval. The City Council's authority in this matter is pursuant to § 24-160D.9(b)(2) of the City of Gaithersburg Zoning Ordinance (Chapter 24 of the City Code), which authorizes the City Council and Planning Commission to conduct public hearings on a schematic development plan application following appropriate notification procedures and for the City Council to take action on the application within ninety (90) days of the close of the hearing record, following receipt of a recommendation by the City Planning Commission.

The subject case involves approximately 9.4 acres of land and concerns the development of the subject property, Parcel A, Block WW, located at 630 Center Point Way (the "Property"). The schematic development plan application was submitted to the City Planning and Code Administration on March 12, 2019. This application was designated as SDP-8146-2019.

OPERATIVE FACTS

A. Background

The Property, known as Block "F" of Sketch Plan SK-7837-2018, is part of the Kentlands Market Square development. It was annexed into the City of Gaithersburg as part of Annexation Application X-088 in 1967 by Resolution R-22-66. The City, on February 6, 1989, approved Zoning Map Amendment Application Z-262, Ordinance O-3-89, which rezoned all of the "Kentlands" property (352 acres) from the R-A (Low Density Residential) Zone to the MXD (Mixed Use Development) Zone. As part of this rezoning, the City approved an accompanying sketch plan. This original Zoning Map Amendment was followed by Z-280, known as "The Lakelands", that rezoned and

established a sketch plan for 343.22 acres of land from the I-3 (Industrial Office Park), E-1 (Urban Employment), R-A (Low Density Residential), C-B (Commercial Buffer), and C-1 (Local Commercial) Zones to the MXD (Mixed Use Development) Zone on February 3, 1997 by Ordinance O-6-97.

The existing development of Market Square was constructed in accordance with Resolution R-86-97, that approved Schematic Development Plan SDP-7-1 (Midtown Phase 2, Section 3 & 4, Market Square, and Phase One of Lakelands) on July 7, 1997. Shortly thereafter, the City granted final site plan K-1084 on October 14, 1997. Since the time of these approvals, numerous amendments to the Site Plan have been processed and approved to allow for modifications and alterations to the existing retail center. Most recently, the Planning Commission approved AFP-7591-2017, permitting façade renovation, landscaping changes and the addition of a new pass-through (paseo) connecting Market Street and the newly named Commerce Square Place.

On July 16, 2018, the Mayor and City Council approved Sketch Plan SK-7837-2018 for the redevelopment of Kentlands Market Square property into a mixed-use community as envisioned by the City's "Kentlands Boulevard Commercial District Special Study Area" (the Master Plan). The Sketch Plan permits up to 1,200,000 square feet of commercial/non-residential uses and up to 1,614 residential units on approximately 21 acres. The sketch plan divides the Property into nine "Blocks". The current application, SDP-8146-2019 for Block "F" is the first Schematic Development Plan application under the newly approved Sketch Plan. The sketch plan permits up to 310 residential units and up to 150,000 square feet of commercial (either single use or a mix of uses), with a maximum height of 6 stories for Block F.

B. Current Application:

On March 12, 2019, Caren Garfield of Kimco Realty, LLC submitted an application for schematic development plan, SDP-8146-2019. The subject application proposes a six-story, mixed use building to include 245 residential apartment units (14 studios, 127 one-bedroom units, 96 two-bedroom units and 8 three-bedroom units), 12,150 square feet of ground floor commercial space, and 576 new parking spaces in a three-story structured parking lot integral to the building.

The Mayor & City Council and Planning Commission conducted a joint public hearing for application SDP-8146-2019 on June 17, 2019. During the course of the hearing, there were comments and questions raised about the building elevations, garage entrances, the adequacy of commercial parking, pedestrian-level street activity, the design of on-street parking and the potential loss of the Kentlands Post Office.

Fifteen (15) members of the public provided oral testimony at the hearing. Additional testimony received prior to the close of the record has been included in the record.

At the conclusion of the hearing, the Planning Commission announced, by motion, the closing of their record on July 31, 2019 with the recommendation scheduled for August 7, 2019. Subsequently, the Mayor and City Council, announced by motion, the closing of their record on August 14, 2019, with policy discussion anticipated for September 3, 2019.

In response to issues raised during the course of the joint public hearing, the applicant made minor modifications to the Schematic Development Plan to add 1,140 square feet of office space to the Center Point Way frontage and reduce the number of structured parking spaces to 570.

The Planning Commission reviewed the SDP-8146-2019 application at its regular meeting on August 7, 2019. Based upon their review of the evidence in the record, their discussion, and the required findings presented in the Staff Analysis, the Planning Commission found that the SDP-8146-2019 application to be in conformance with the MXD Zone standards. Consequently, the Planning Commission recommended approval of the SDP-8146-2019 application to the City Council with the following conditions required of the applicant:

1. Applicant must include and enforce a parking addendum, approved by staff, for each lease requiring all residents' vehicles to be registered with the property management, with parking to be provided in the associated on-site parking garage for all registered vehicles; and
2. Applicant shall submit revised Schematic Development Plan, as required, to satisfy all City staff comments prior to signing of plans by Planning staff.

As part of its review of the site plan, the Planning Commission expressed its support for the location of the retail on Commerce Square Place and the commercial entrance to the parking garage on Center Point Way. A majority of the Commission also agreed that, given the changes in grade along Center Point Way, the proposed 63 linear feet of office space effectively addressed the desire for additional active uses on this frontage. The Commission agreed that the scale, massing, proportions and proposed materials of the building was generally acceptable at this stage of approval.

While the Commission acknowledged that a full review of the building architecture is not part of the SDP review, it did discuss whether the proposed building architecture was compatible with the neighborhood and whether the architecture appropriately addressed the context of the surrounding Kentlands community. The Commission, therefore, requested that the applicant include a narrative along with the final site plan application to provide additional support for how the chosen materials, massing, colors, and building details (particularly at the ground level and the building cornices) reflect the surrounding

community by identifying surrounding architectural references and explaining how they are incorporated into the proposed building.

C. Evaluation and Findings

The City Council, upon careful review of the evidence of record, agrees with the findings, conclusions and the recommendation of approval for schematic development plan SDP-8146-2019 by the City Planning Commission and City staff. The City Council finds those recommendations to be well reasoned and adopts and incorporates their findings as part of this action. The City Council further agrees with the Planning Commission in that the procedures governing the application for the MXD Zone and approvals necessary to seek building permits are subject to a multi-step process and that this is only one of several steps of the process, that subsequently includes Final Site Plan reviews and approvals.

In reviewing the subject application for the approval of schematic development plan SDP-8146-2019, the City Council finds the application and development proposal meets or accomplishes the purposes, objectives, and minimum standards and requirements of the MXD Zone that are set forth in Chapter 24 (Zoning) Article III, Division 19 of the City Code.

The City Council finds that the application meets the submission requirements and the standards and requirements for approval of the subject schematic development plan, as set forth in § 24-160D.9(b) of the City Code in that:

1. The applicant filed, together with the prescribed application fee, an application for approval of a schematic development plan which is consistent with the approved Sketch Plan SK-7837-2018 in terms of nature, density, height, permitted uses, access, and circulation;
2. Staff determined that the schematic development plan application SDP-8146-2019 was complete and contains all the information and components required under § 24-169(b) of the City Code;
3. The subject property is regulated by the 2008 Kentlands Boulevard Commercial District Special Study Area Master Plan which provided a framework for redevelopment of the district and provided for specific redevelopment guidelines for Block "F", calling for 4-6 story buildings and below grade parking or above grade parking when used in conjunction with liner buildings. The Master Plan also advised that there be no additional curb cuts along Kentlands Boulevard and that parking/service/delivery should be from Center Point Way, New Street or New Service Lane.

4. The City Council and City Planning Commission have conducted a joint public hearing on the application subject to the notification procedures in § 24-196 of the City Code;
5. The Planning Commission delivered its recommendation to the City Council on August 7, 2019, within thirty (30) days of the close of the Commission's hearing record on July 31, 2019;
6. The Council is taking action on the application within ninety (90) days after the close of the Council's hearing record on August 14, 2019;
7. The approval of this schematic development plan with its degree of detail shall substitute for preliminary site plan approval and preliminary subdivision plan approval; and
8. The proposed development is the first new building in the redevelopment of Kentlands Market Square and will be integrated within the existing development and road networks.

Furthermore, the City Council finds from the evidence of record that the application for schematic development plan approval, SDP-8146-2019, fulfills the findings required under § 24-160D.10(b):

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

The plan is consistent with approved Sketch Plan SK-7837-2018, approved by the Mayor and City Council by Resolution R-31-18 on July 16, 2018. The sketch plan divides the Property into nine "Blocks". The current application, SDP-8146-2019 for Block "F" is the first Schematic Development Plan application under the approved Sketch Plan, which permits up to 310 residential units and up to 150,000 square feet of commercial (either single use or a mix of uses), with a maximum height of 6 stories for Block F. SDP-8146-2019 proposes 245 residential units and 13,290 square feet of commercial space in a six-story building.

The plan also advances the goals of the Sketch Plan by creating activated ground level uses with commercial uses along Commerce Square Place and Center Point Way, and residential units along Kentlands Boulevard.

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

This SDP accomplishes the specific purposes and objectives of the MXD Zone with the inclusion of mixed use, multiple unit types, retail and office uses and parking within one building. The SDP ensures 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 commercial and employment uses and amenities within a multi-use development. The Plan also encourages the efficient use of land by locating new infill mixed use on an existing surface parking lot near existing employment, retail, services, transportation and public facilities. Furthermore, the SDP reduces reliance on the automobile and encourages pedestrian and other non-vehicular circulation systems by including complete streets with comfortable sidewalks, attractive landscaping, and efficient connections to adjacent uses.

- (3) The plan is in accord with the area master plan and any accompanying special condition or requirements contained in said master plan for the area under consideration:

The Property is included in the *Kentlands Boulevard Commercial District (KBCD) Special Study Area Master Plan*, adopted on May 5, 2008. The Master Plan provided a framework for redevelopment for the district, calling for a quality public realm, accessible and connected places, a rich mix of uses and a plan for incremental change. The Master Plan provided specific redevelopment guidelines for Block “F” (referred to as Block “M” in the Master Plan), calling for 4-6 story buildings and below grade parking or above grade parking when used in conjunction with liner buildings. The Master Plan further advised that there should be no additional curb cuts along Market Street and that parking/service/delivery should be from Center Point Way, New Street or New Service Lane. SDP-8146-2019 achieves the general and specific Master Plan recommendations through the proposed street level retail, structured parking, appropriate building height and more intense mixed use redevelopment to support the future urban character of Market Square.

The plan is in accordance with the Kentlands Boulevard Commercial District Special Study Area Master Plan by:

- Providing a six-story mixed use building with above grade parking used in conjunction with lined commercial uses.
- Parking/service and delivery are all provided from Center Point Way and a new Service Lane
- Provides for incremental change to Kentlands Market Square by redeveloping an existing surface parking lot while maintaining the rest of the center in its current format.

The plan is also in accordance with the objectives identified in the 2019 Strategic Plan by:

- Providing thirty seven (37) MPDU's, which will increase the stock of affordable units in the City; and
- Providing additional residential development which will meet current and future housing needs for a wide range of populations.

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

The application is compatible and harmonious with the adjacent area. Properties to the north across Kentland Boulevard in the Kentlands Square shopping center are currently improved with commercial uses, and Saul Centers has established its Sketch Plan for future mixed-use redevelopment in accordance with the Master Plan. Properties to the east are generally improved with residential uses in the Kentland/Lakelands communities with the closest being two-over-two condominiums on Chevy Chase Street and Bucksfield Road. Properties to the south and west are improved with commercial uses in the Kentlands Square Shopping Center, which are undergoing near-term improvements and eventually will redevelop with greater mixed-use density. The project relies upon the existing road network and is specifically designed to connect with the surrounding retail uses and to provide important residential units in close proximity to existing retail.

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

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

Traffic Impacts (§ 24-245) – The Traffic Impact Study, TRF-8134-2019 confirms that the proposed internal vehicular and pedestrian circulation systems will be safe, adequate and efficient. The property is currently serviced by Ride-on bus routes 56, 74 and 76, which provide service between the property and Germantown, Lakeforest Transit Center and the Shady Grove and Rockville metro stations. The TIS concludes that the proposed development would generate an additional 84 AM peak hour trips and 107 PM peak hour trips and that all surrounding signalized and unsignalized intersections would continue to operate at acceptable levels of service. No additional roadway improvements are required, with the exception of a “No U-Turn” sign to be installed on Kentlands Boulevard at the Commerce Square Place intersection to restrict westbound u-turning traffic as part of the site redevelopment. TRF-8134-2019 has been approved by the Department of

Public Works (Exhibit #47) and complies with the City's Adequate Public Facilities requirements for § 24-245.

Schools (§ 24-246) - The proposed development is located within the Quince Orchard cluster of the Montgomery County Public School (MCPS) system. Within this cluster, the schools that currently serve the proposed development are Rachel Carson Elementary School, Lakelands Park Middle School, and Quince Orchard High School. Under the City's Adequate Public Facilities School Test, adequate school capacity is available at all three schools. Based on the superintendent recommended CIP, these schools will remain below the 150% for FY2020 and, therefore, the development satisfies the adequate public facilities requirements of § 24-246.

Water and Sewer Services and Public Utilities (§ 24-247) - The subject property is currently served by water category W-1 (public water available) and sewer category S-1 (public sewer available) of Washington Suburban Sanitary Commission.

Fire and Emergency Services (§ 24-248) – The property is located within a ten-minute response time of Station 8 (Gaithersburg/Washington Grove), Station 31 (Rockville) and Station 32 (Travilah).

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

The proposed plan will be completed in one phase and is already served by a complete set of public and private amenities. Construction will be staged to allow approximately half of the parking on the property to be available to surrounding retail uses throughout the construction period. This will necessitate staged construction of the parking garage to be built in two phases to maintain on-site parking.

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

The plan represents the first phase in the redevelopment of downtown Kentlands and will provide an opportunity to further fulfill the original vision for a commercially viable, walkable downtown Kentlands. The new residential community will enhance the viability of the surrounding commercial enterprises by providing additional residents in close proximity. It will also provide new rental housing opportunities to support the pedestrian oriented goals of the Kentlands community while also providing additional affordable housing opportunities in a location not previously provided. The project will ensure that the current and future housing stock allows residents to remain

in the City as their financial, employment and familial situations change. The development will also provide a larger tax base for the City to generate additional revenue that helps support a wider array of public programs, services and improvements.

Additionally, SDP-8146-2019 fulfills many objectives of the City FY '20 Strategic Plan, including:

Economic Development: Support large-scale assemblages and infill development to accelerate implementation of the City Master Plan. Facilitate appropriate private and public investment in existing and new affordable housing

Housing: Increase the stock of affordable units throughout the City, particularly for households at or below 100% of Area Median Income (AMI). Ensure that the current and future housing stock allows residents to remain in the City as their financial, employment and familial situations change. Encourage an adequate mix of rental and homeownership units. Encourage developers of multi-family properties to offer more three bedroom units to meet the needs of larger families.

Parks Recreation and Culture: Ensure resident proximity to parks with goal of less than .25 miles.

Planning and Development: Provide amenities in new neighborhoods and strive to add additional neighborhood amenities within established neighborhoods. Ensure compatible development patterns that are phased and constructed in a manner that creates the least amount of disruption as part of the entitlements process

Transportation: Support alternate modes of transportation through the provision of convenience equipment such as bicycle racks and electric vehicle charging stations. Integrate bicycle and pedestrian design elements into road design and traffic calming measures.

In summary, the City Council finds SDP-8146-2019 to be in accordance with §§ 24-160D.9.(b) and 24-160D.10.(b) of the City Code and, as hereafter conditioned, is in the public interest and should be approved due to the presence of substantial evidence in the record and the included findings to indicate that the subject Schematic Development Plan has accomplished the purposes of the MXD Zone, as well as generally accepted City planning and land use policies, subject to the applicant complying with the conditions stated in this Resolution.

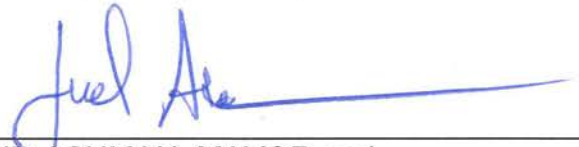
SCHEMATIC DEVELOPMENT PLAN SDP-8146-2019

RESOLUTION

NOW, THEREFORE BE IT ORDAINED by the City Council of Gaithersburg, Maryland that SDP-8146-2019, being an application filed by Caren Garfield, Kimco Realty, LLC, requesting approval of Schematic Development Plan is hereby approved subject to the following conditions required of the applicant:

1. Applicant must include and enforce a parking addendum, approved by staff, for each lease requiring all residents' vehicles to be registered with the property management, with parking to be provided in the associated on-site parking garage for all registered vehicles; and
2. Applicant shall submit revised Schematic Development Plan, as required, to satisfy all City staff comments prior to signing of plans by Planning staff.

ADOPTED by the City Council this 3rd day of September, 2019.



JUD ASHMAN, MAYOR and
President of the Council

THIS IS TO CERTIFY, that the foregoing Resolution was adopted by the City Council, in public meeting assembled on the 3rd day of September, 2019.



Tony Tomasello, City Manager