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## PLANNING COMMISSION RECOMMENDATION

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REPORT DATE: January 29, 2021

RESPONSIBLE STAFF: Caroline Seiden,  
Planner II

**PUBLIC MEETING DATE**

February 3, 2021

**APPLICATION NUMBER**

SDP-8597-2020

**SUMMARY OF REQUEST**

MFV 700 NFA, LLC and DNIP4 NFA, LLC ("Applicant") has submitted Schematic Development Plan (SDP) application SDP-8597-2020. This plan is in accordance with Sketch Plan SK-8180-2019, known as 700 North Frederick Avenue, approved by Resolution R-54-19. The plan proposes 461,100 square feet of commercial development and an infrastructure plan to accommodate future development in accordance with the Sketch Plan.

**APPLICANT**

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

**SUBJECT PROPERTY ADDRESS**

700 North Frederick Avenue  
Gaithersburg, MD 20878

**ZONE**

MXD Zone

**STAFF RECOMMENDATION**

Staff recommends **THAT THE PLANNING COMMISSION, BASED ON THE EVIDENCE AND TESTIMONY SUBMITTED INTO THE RECORD AND THE FINDINGS IN THE STAFF ANALYSIS, RECOMMEND APPROVAL OF SCHEMATIC DEVELOPMENT PLAN SDP-81466-2019 TO THE MAYOR AND CITY COUNCIL.**

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Approve

Approve With Conditions

Deny

Defer

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**Enclosures:**

Staff Analysis

Index of Memoranda (Exhibits in **BOLD**)

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

**FROM:** Caroline Seiden, Planner

**DATE:** January 29, 2021

**SUBJECT:** Final Staff Analysis  
Application SDP-8597-2020: 700 North Frederick Avenue

**APPLICANT/OWNER**

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

**ATTORNEY**

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Miles and Stockbridge  
11 N. Washington Street, Suite 700  
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**ENGINEER**

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VIKA Maryland, LLC  
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Germantown, MD 20874

**ARCHITECT**

Reinaldo Venancio  
Powers Brown Architecture  
150 S. Washington Street  
Falls Church, VA 22046

**TAX MAP REFERENCE:**

Tax Assessment Map # FT32

**TAX ACCOUNT NUMBERS:**

ID # 09-03122980

## **REQUEST**

MFV 700 NFA, LLC and DNIP4 NFA, LLC (“Applicant”) has submitted Schematic Development Plan (SDP) application SDP-8597-2020 (Exhibit #1). This plan is in accordance with Sketch Plan SK-8180-2019, known as 700 North Frederick Avenue, approved by Resolution R-54-19 (Exhibit #60 and #61). The plan proposes 461,100 square feet of commercial/employment/industrial development, recreational and open spaces and an infrastructure plan to accommodate future development.

## **LOCATION**

The subject area of the application (“Site” or “Property”) is located at 700 North Frederick Avenue and is currently improved with approximately 500,000 square foot, two and three story office complex, surface parking facilities, bio-retention ponds, a walking trail, and open grass areas. The Property is bounded by Interstate 270 to the southwest, Montgomery Village Avenue (MD 124) to the southeast, North Frederick Avenue (MD 355) to the northeast, and a warehouse located at 800 North Frederick Avenue to the northwest. Primary access to the Site is from North Frederick Avenue.



*Location of Project Area*

## **PROJECT BACKGROUND**

This analysis provides a broad overview of the SDP-8597-2020 application and focuses on those issues raised during the public hearing or changes made to the application following the public hearing. Plan elements that remain unchanged are fully discussed in the

Preliminary Background Report, Exhibit #68, including a discussion of annexation history, APFO requirements, and natural resources inventory.

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

The current SDP application, implements the approved sketch plan by replacing outmoded office buildings with a range of flexible commercial uses at a highly visible intersection. The plan provides more specific uses, building footprints, site circulation and open and amenity space in conformance with the requirements of SK-8180-2019.

A virtual joint public hearing for SDP-8597-2020 was held on December 21, 2020. Two (2) members of the public provided oral testimony at the hearing. No additional public testimony was received prior to the close of the record.

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

- The Use of Mezzanine Space in Flex Buildings
- Quality of Flex Buildings Architecture
- Phasing of Development
- Necessity of Environmental Waiver and Tree Variance Requests
- Sustainability Plans

At the conclusion of the hearing, the Planning Commission announced, by motion, the closing of their record on January 27, 2021 with recommendation scheduled for February 3, 2021. Subsequently, the Mayor and City Council announced by motion, the closing of their record on February 12, 2021 with policy discussion and final action anticipated for March 15, 2021.

In response to the comments received during the Joint Public Hearing, the applicant has submitted a supplemental response letter, Exhibit #72, as well as revised plans, Exhibits #79-#88 and a revised Traffic Statement reflecting an additional 500 square feet in proposed development to accommodate a larger convenience store on Lot 1 (Exhibit #69). The analysis, below, focuses on the revised plans and the applicant’s responses to Joint Public Hearing comments. Items unchanged from the December 19, 2020 joint public hearing are discussed in the Preliminary Background Report (Exhibit #68).

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

The application, SDP-8597-2020 proposes to demolish existing office buildings, remove the existing surface parking lots, and construct two 225,000 square foot flex buildings and

associated parking, plus 11,100 square feet of retail in two pad sites flanking Frederick Avenue (Exhibit #78). The plan also proposes to continue the Frederick Avenue linear park across the entire length of Frederick Avenue frontage. The list of permitted commercial uses and the permitted square footage of each use is consistent with the approved Sketch SK-8180-2019. The revised site plan reflects an addition of 500 square feet to the retail building proposed on Lot 1, but is otherwise the same plan as presented at the Joint Public Hearing.



Exhibit #78

In its Joint Public Hearing presentation, the applicant provided an aerial photo simulation of the property that highlights all four proposed buildings, the primary entrance to the site, the linear park and the natural areas flanking I-270.



Applicant's Presentation

#### Lots 1 and 4

The Project proposes two retail/commercial buildings along the Property's North Frederick Avenue frontage. These commercial buildings are intended to serve as a convenient and attractive amenity for the employers and employees in the Project's two "flex" buildings, as well as for nearby residents. Access between Lots 1 and 4 and the adjacent linear park are designed to promote pedestrian activity and connectivity among the uses. A 6,100 square foot retail building, with associated automobile filling station is proposed on Lot 1, as permitted for Block "B" under the Sketch Plan. The square footage of the building has increased by 500 square feet since the initial SDP application, but remains well within the cap on retail square footage for this portion of the site.

A 5,000 square foot restaurant use is proposed for Lot 4. The plan for this lot includes a drive-through, designed in accordance with the City's Best Practices for Drive-Throughs memo (Exhibit #66).

#### Lots 5 and 6

The centerpiece of the project is two centrally located "flex" buildings each expected to contain approximately 225,000 square feet of gross floor area. These buildings are designed to accommodate a wide potential range of commercial/employment/industrial uses, as approved in the Sketch Plan, including integrated light manufacturing, research and development, laboratories, office, distribution/warehousing and several other uses. The flex buildings are oriented around an interior loading area which will be shielded from view by decorative walls on both ends of each building.

#### Mezzanine Space for Lots 5 and 6

In its Joint Public Hearing response letter (Exhibit #72) the applicant elaborated on the discussion raised at the joint public hearing regarding the potential for mezzanine space in each building. According to the applicant, the clear heights of the flex buildings allow for the accommodation of future mezzanine space (approximately 25,000 square feet per building).

This square footage is already reflected in the total gross square footage proposed for the flex buildings. Mezzanine space could accommodate either mechanical or office/lab space, depending on the needs of any individual tenant.

Staff Comments

Because no tenants have been identified to date, it is undetermined how much mezzanine space will ultimately be developed. The buildings’ tilt-up concrete design permits flexibility for such mezzanine spaces and the final square footage and parking requirements will be determined at final site plan and through subsequent amendments to final site plan as the tenant mix changes over time. Staff is comfortable that despite the lack of clarity at this time regarding the demand and/or use for mezzanine space, there is enough flexibility in the parking requirements to accommodate the maximum proposed mezzanine space. Furthermore, mezzanine spaces could provide opportunities for enhanced architectural design elements, which should be encouraged.

Parking

A total of 756 surface parking spaces are provided throughout the site, including 20 ADA spaces. Additionally, the project provides 34 bicycle spaces and 18 motorcycle spaces, more than the required number for each vehicle type.

<b>Vehicular Parking<sup>1</sup></b>									
Lot	GFA	Use	Fraction Rate	Required	Provided	ADA Required	ADA Provided including Van	ADA Van Required	ADA Van Provided
lot 1, ph1	6,100	Retail	1/225	28	84	4	4	1	4
lot 4, ph1	5,000	Restaurant	1/225	23	54	3	3	1	2
lots 5 & 6, ph1	450,000	see note 21	1/728	618	618	13	13	4	6
<b>Total</b>	<b>461,100</b>			<b>669</b>	<b>756</b>	<b>20</b>	<b>20</b>	<b>6</b>	<b>12</b>

<sup>1</sup>See General Notes 21 and 22 for parking calculations and permitted uses.

Staff Comments

As previously discussed, the buildings on Lots 5 and 6 are designed for a flexible mix of users and will be developed without known end-users. Because the mix of tenants has not yet been determined and because those users are anticipated to change over time, it is problematic to assign specific parking ratios from the City’s parking ordinance for those buildings at this stage. The parking needs for various end users may be vastly different from one another, leading the site to be potentially, by Code, over- or under-parked, depending on the final mix of users. Therefore, at the request of planning staff, the applicant has proposed a hybrid parking ratio of 1 parking space per 728 square feet for the two flex buildings on Lots 5 and 6. The proposed ratio would accommodate a mix of both more intensive (retail and office) users and less intensive (warehouse, lab, or R&D) users without the requirement to create potentially unnecessary surface parking. In support of the proposed parking ratio, the applicant has provided a Parking Justification Letter (Exhibit #59), which highlights parking ratios for similar projects in its portfolio with tenant mixes similar to what would be expected at the subject site. As described in the Parking Justification Letter,

the applicant also has the flexibility to add additional parking spaces in the loading area between Lots 5 and 6, as needed, without the need of additional impervious surface. Additional parking in this location would be established at the time of a final site plan or amendment to final site plan review.

Finally, should demand for parking on Lots 5 and 6 exceed the number of provided spaces, a surplus of 87 parking spaces on Lots 1 and 4 can also be accessed. The applicant has submitted a draft Declaration of Shared Ingress, Egress, Parking and Utility Easements and Maintenance Covenants (Exhibit #29) that will ensure that parking may be shared across lots even if the lots ever come under separate ownership.

### Proposed Roads and Circulation

The applicant's circulation plan, demonstrating adequate pedestrian and vehicular circulation throughout the site (Exhibit #89) remains unchanged from the Joint Public Hearing plan.

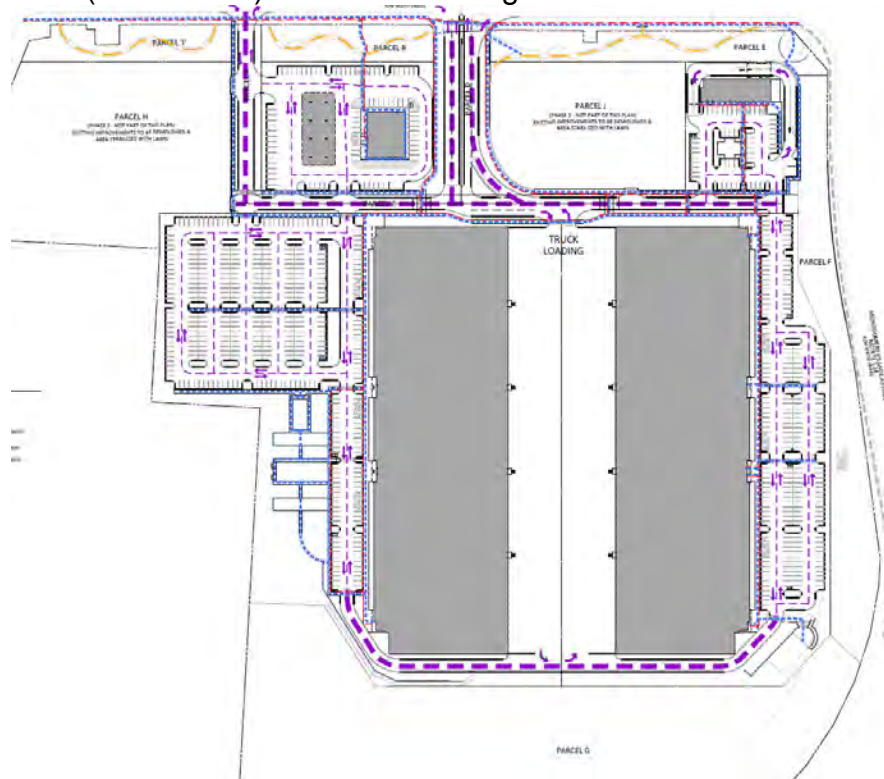


Exhibit #89

Primary site access is at North Frederick Avenue in the same location as an existing full movement signalized intersection (identified as Parcel "D"). A secondary right-in/right-out access at Parcel "A" is provided as well. In total, there are four pedestrian access point from the North Frederick Avenue into the site. The Applicant has also been working with Maryland State Highway Administration to ensure safe vehicular movements into and out of the site from MD 355. Confirmation that all State Highway Administration comments have been satisfied is anticipated to be included prior to the close of the Mayor and City Council's record.

In addition to the two entrance roads, the Applicant has provided a north/south interior roadway designed to both separate the retail uses from the flex buildings and also to distribute vehicular and pedestrian traffic between the various lots. Although all roads will remain private, the site utilizes the City's Commercial Service Road typology for the primary access point (Parcel D), including eight-foot sidewalks, 12-foot planting strips and a median. The secondary access point (Parcel A) and the interior road that laterally bisects the project (Parcel C) are also proposed to be built to various configurations of the Commercial Service Road standard, each providing six-foot sidewalks and planting strips. No road code waivers are required.

### Staff Comments

Staff is supportive of the circulation plan and is pleased that the redevelopment of this property provides multiple new pedestrian and other non-vehicular access points to and through this previously access-restricted site. The applicant has provided sufficient information to provide staff with confidence that the vehicular movements of multiple types of large vehicles can be accommodated safely on site. Additionally, staff is appreciative that the applicant has designed its roads in accordance with the City's current road code standards.

### Amenities and Landscape Plan

The applicant's amenity spaces and green areas remain unchanged from the Joint Public Hearing plan. Consistent with the Sketch Plan and the Frederick Avenue Corridor Master Plan, the project provides for the continuation of the planned Frederick Avenue linear park. The park incorporates an eight foot shared path, numerous plantings along the Property's North Frederick Avenue frontage with shade trees, ornamental trees, and landscaped planting beds to create a linear park and a welcoming presence along an important City commercial corridor.

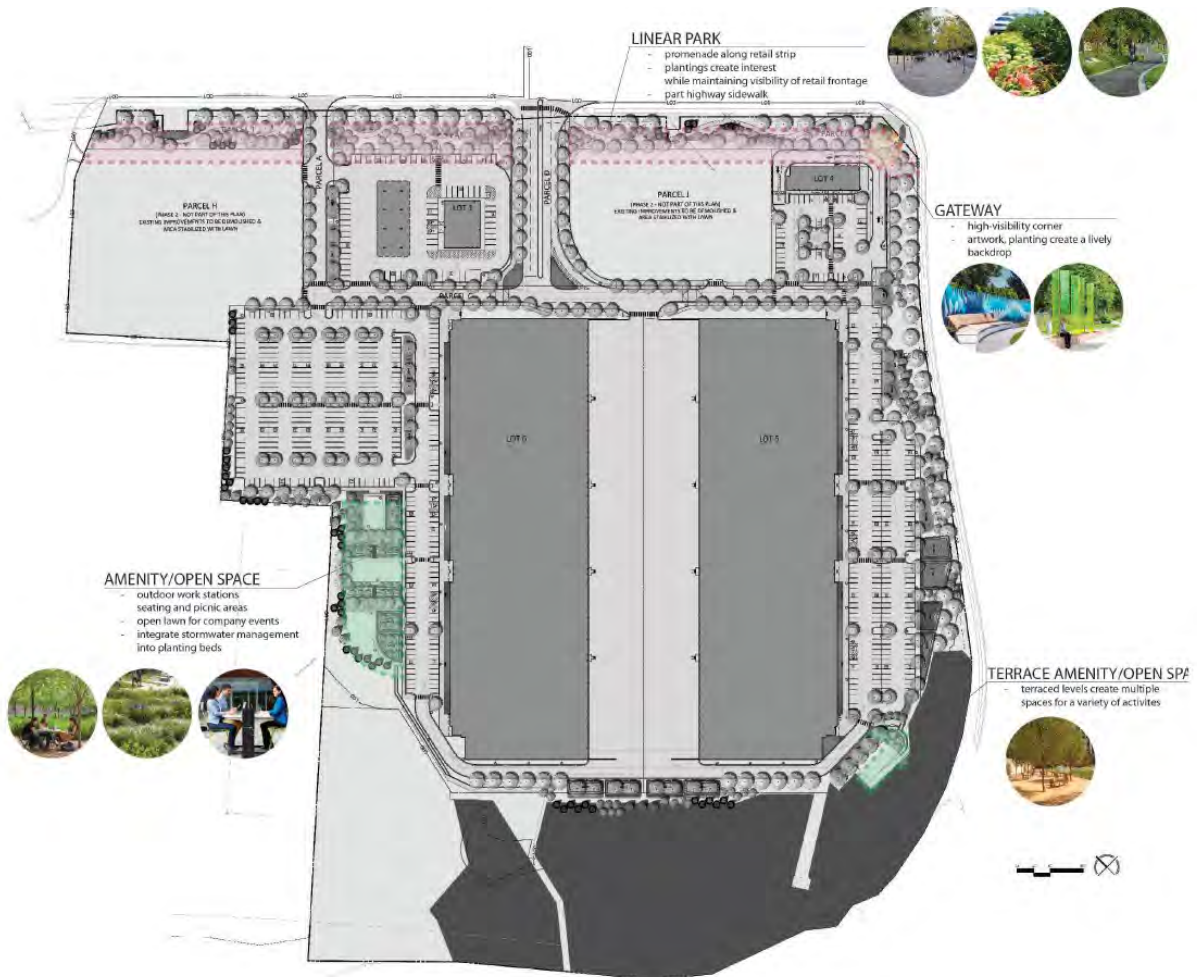


Exhibit #56



Linear Park Aerial



Gateway / Public Art

The linear park terminates at a community art feature at the corner of North Frederick Avenue and Montgomery Village Avenue, establishing a sense of place and defining the intersection as the gateway to the Project. Details of the community art feature will be considered at the time of the applicable phased final site plan.

Two employee amenity spaces are also identified on the plan, one adjacent to each of the flex buildings on Lots 5 and 6 respectively.



Employee Amenity Space – Lot 6



Employee Amenity Space – Lot 5

The employee amenity space on Lot 6 seeks to integrate stormwater facilities to define garden rooms for seating and lawn space and pockets for relaxation, outdoor meetings, or dining. The seating areas will be planted with shade trees and provide seating. The lawns are intentionally sized to accommodate company activities and recreation. These areas will be generously landscaped with shade trees, evergreens, ornamental trees, planting areas, and are envisioned to be integrated with the natural areas to the south. The second amenity space on Lot 6 provides a shaded seating area, amphitheater-style seating, and a generous lawn for company activities and recreation.

The naturalized area identified on the Sketch Plan along the Property's boundary abutting Interstate 270 and a portion of Montgomery Village Avenue are enhanced with additional shade trees, evergreens, ornamental trees and planting beds to serve as an effective and visually appealing buffer between the Project and surrounding roadways. Existing facilities will be removed, allowing this area to be preserved as a conservation area. This open area is intended to protect water quality by buffering the stream, improve air quality through additional plantings, and provide space for habitat.

### Staff Comments

Staff is supportive of the applicant's plans for the expansion of the naturalized area on site, the creation of a new conservation easement, the addition of several hundred trees on site, and the integration of stormwater facilities in the employee amenity areas. The plans will help to improve the environmental quality of the site as it redevelops. Staff is also pleased that the applicant plans to develop the entire North Frederick Avenue linear park in this phase of development, providing a long-planned amenity to the northern employment district. As

noted previously, the applicant's plan for this extension of the linear park is reduced from a depth of 100 feet (along the FedEx site just north of the subject site) to 70 feet. According to the applicant (Exhibit #58), the reduction in depth is intentional to draw pedestrians into the space, provide multiple links to North Frederick Avenue, and offer opportunities for respite, shade, and beauty. Activation is expected to be promoted by adding visible seating locations designed with Crime Prevention through Environmental Design ("CPTED") principles in mind through several connections to the existing shared-use path. The applicant has emphasized that siting new commercial structures closer to the roadway enhances visibility for new businesses, promotes a more urban form, and supports the economic viability of redevelopment. Staff remains wishful that the linear park could be further widened to meet the width of the existing portion of the park.

### Architectural Elevations

During the Joint Public Hearing, concerns were raised about the quality of design for the flex buildings. Given the prominent location of these buildings, the Mayor and Council and Planning Commission voiced concerns regarding the lack of glazing/windows, the warehouse style of the buildings, the quality of materials, and the continuity of design across the development. The proposed height of the flex buildings and the opportunities provided by mezzanine space was also raised at the Joint Public Hearing.

In response to these concerns, the applicant has submitted revised illustrative renderings (Exhibit #75) and preliminary building elevations and has also provided additional guidance within the revised Design Guidelines to address these concerns (Exhibit #76).





Lots 5 and 6 – Conceptual Rendering

The revised architecture for the flex buildings provides additional articulation to reduce mass, bulk and uniformity. Facades have been updated to include a masonry aesthetic. In addition to the masonry texture, color variation and pattern, building facades are further articulated by using horizontal metal extrusions. Additionally, entryways have been enhanced with diverse design elements and a range of building materials that include additional glass, metal panels, and surface texture and detailing. Opportunities for additional glazing and fenestration at other locations in the building façade are contingent upon tenant operations.

Lots 5 and 6 – Preliminary Architecture



Lots 5 and 6 – Preliminary Architecture

In response to questions about architectural continuity between the flex buildings and the commercial buildings adjacent to North Frederick Avenue, the applicant has provided a sample building perspective for a future building that reflects the building materials and design patterns established for Lots 5 and 6.



Future Phase of Development – Potential Architectural Continuity

The applicant has also noted that the design guidelines set standards for a variety of design elements, including patterns of scale, form, materials, and proportion, to assist in establishing a consistent form of development both internally within the project, as well as externally with the surrounding Northern Employment District. Visual continuity will also be achieved through site design, including project furnishings, wayfinding, lighting, and signage.

### Staff Comments

Staff is encouraged by the revised preliminary architecture and believes it represents a substantial improvement over originally proposed elevations. The revised architecture is significantly more interesting, contemporary in style, less industrial, and provides a more interesting mix of quality materials, glazing and pedestrian scale features. The improvements in the building articulation helps to break the massing of an otherwise extremely long building façade. The variations in height and materials at the pedestrian entrances also contributes to the reduction of the monolithic massing of the flex buildings. Although staff does not believe that all buildings on the property need to match to be considered compatible, the inclusion of building materials identified for use in the Flex buildings into the facades of the commercial structures on Lots 1-4 is highly encouraged. Additionally, the Design Guidelines will ensure continuity in design across the project.

It should be noted that the proposed building elevations are preliminary and the final building elevations will be reviewed as part of the final site plan review and will continue to evolve as required for specific tenants. As tenants fit out portions of these buildings, staff would encourage the applicant to seek all opportunities for additional pedestrian-scale entrance features and mezzanine glazing to ensure that the final building product meets the goals of the preliminary design and projects a visually interested façade.

## **PHASING**

The Applicant anticipates development of Lots 1, 4, 5 and 6, along with associated parking, employee amenity areas, and the Frederick Avenue linear park, as part of Phase I. A preliminary Lotting Plan (Exhibit #48) identifies Parcels H and J for a future schematic development plan, noting that existing improvements on those parcels will be demolished and the area stabilized with lawn. The applicant further notes in its response letter (Exhibit #72) that 38.89 acres of the total 43.96 acres, or 88.5% of the Property's land area, are to be developed under the current Schematic Development Plan.

### **Staff Comments**

Staff confirms that development for this property can be completed through multiple schematic development plans, in accordance with the Sketch Plan, which depicts the phased redevelopment of the Property in two development blocks, permits adjustments to phasing boundaries, and allows development phases to be sequenced in any order or combined. Staff is pleased that the applicant has agreed to complete the entire roughly 1,400 feet of linear park along the property's entire North Frederick Avenue frontage despite the fact that Parcels H and J are not included as part of the current SDP.

## **SUSTAINABILITY**

In response to several inquiries at the Joint Public Hearing regarding sustainability practices, the applicant has included a description of its planned practices in its response memo. The applicant anticipates providing electronic vehicle charging stations with solar panels, a "cool roof" designed to reflect sunlight, LED lamps for all interior and exterior lighting, low-flow plumbing, and Low-E glass. The applicant also notes that, through the addition of 230 new trees, the tree canopy on the site will be increased by 2.29 acres.

Additionally, the applicant estimates that approximately 42% of the building materials to be demolished from the existing structures on site will be recycled for use on site during the construction of the Project's flex buildings and related site work, with an additional 31% of materials to be recycled at a local recycling center.

### **Staff Comments**

Staff would encourage the applicant to continue to seek additional sustainability measures through the final site plan stage of development, including solar panels on parking fields, additional sustainable building materials, etc. The recycling of a significant amount of material from the existing buildings is also an important effort.

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

The Applicant has submitted preliminary stormwater management and sediment and erosion control applications. The plans have been reviewed and approved by the Department of Public Works (Exhibit #89).

**TREE REMOVAL VARIANCE REQUEST AND FOREST CONSERVATION**

As part of the proposed Project, the Applicant seeks a variance for the removal of nine (9) specimen trees on the Property (Exhibit #72a). This variance request complies with City of Gaithersburg Code (Chapter 22 Trees and Forest Conservation) and Maryland state law, which require an Applicant to file a variance request to remove or impact any tree 30” or greater in Diameter at Breast Height (DBH). All of the nine trees listed in the table below seek the variance for removal. The Applicant has submitted a required request and justification statement including the required findings (Exhibit #73).

TREE NO.	BOTANICAL NAME	COMMON NAME	D.B.H. (in.) *	CONDITION	RECOMMENDATION
22	<i>Quercus palustris</i>	Pin Oak	31	Good	REMOVE: 100% CRZ impact.
31	<i>Pinus strobus</i>	White Pine	36	Good	REMOVE: 100% CRZ impact.
50	<i>Quercus palustris</i>	Pin Oak	30.5	Good	REMOVE: 100% CRZ impact.
51	<i>Quercus palustris</i>	Pin Oak	40.5	Good	REMOVE: 100% CRZ impact.
59	<i>Pinus strobus</i>	White Pine	30	Good	REMOVE: 100% CRZ impact.
64	<i>Salix babylonica</i>	Weeping Willow	41	Poor	REMOVE: 35% CRZ impact; TREE IS NEARLY DEAD.
77	<i>Quercus palustris</i>	Pin Oak	35	Good	REMOVE: 100% CRZ impact.
86	<i>Quercus palustris</i>	Pin Oak	33	Good	REMOVE: 100% CRZ impact.
90	<i>Quercus palustris</i>	Pin Oak	32	Good	REMOVE: 100% CRZ impact.

In addition to the variance request, a preliminary forest conservation plan has been submitted and proposes mitigation of impacts to existing forests through additional afforestation in compliance with Chapter 22 of the City Code (Exhibit #52). The Applicant has proposed improving the riparian (stream valley) buffer with additional plantings and placing the stream valley buffer under a Category I forest conservation easement. The balance of the required forest conservation will be met through two Category II easements created as part of the linear parks fronting the property.

**Staff Comments**

The Applicant has submitted a supplemental letter (Exhibit 72a) demonstrating the nine requested tree removals are necessary for the site’s development. Staff supports the

variance request, noting the canopy coverage of the property is anticipated to increase by 2.29 acres through the addition of 230 proposed tree plantings.

### **ENVIRONMENTAL WAIVERS**

The applicant has submitted a request for environmental waivers in association with the 700 North Frederick Avenue application in accordance with Section 38. *Waivers from Environmental Regulations* of the Environmental Standards for Development Regulation (REGULATION NO. 01-01) (Exhibit #5). The Applicant is requesting to allow permanent impacts to approximately 1,644 square feet of stream buffer for a necessary storm drain outfall, 197 square feet of impacts to stream buffer due to adjacent grading. The Applicant is also requesting to allow temporary impacts to 1,423 square feet of the 100-Year Floodplain and stream buffer, and 1,400 square feet of temporary impact to City of Gaithersburg's 50-foot wetland buffer for the purpose of removal of the existing paved pedestrian pathway.

The 100-Year Floodplain temporary impacts are for the required removal of an existing pathway that could not be feasibly connected to another path to the site due to grade restrictions. The proposed permanent impacts to City of Gaithersburg stream buffer from the storm drain outfall and a small amount of grading were minimized. The path removal area, the entire stream buffer outside of the storm drain outfall, and a significant area immediately outside of the stream buffer will be planted where it is currently maintained landscaping and placed into a Category I Forest Conservation easement. These requests are necessary to the design of the development and have been determined the least impactful while meeting the necessary storm water management requirements.

### **Staff Comments**

The Applicant has submitted a supplemental request and justification statement for the environmental waivers (Exhibit #72b and #74). Upon review, staff concurs and notes there to be adequate mitigation of the temporary and permanent impacts. Staff further notes an overall improvement of the environmental buffers surrounding sensitive areas on the site. These improvements are achieved both through the removal of impervious surfaces and the planting and naturalization of existing lawn panels with trees. Given this enhanced canopy context, staff supports these waivers request.

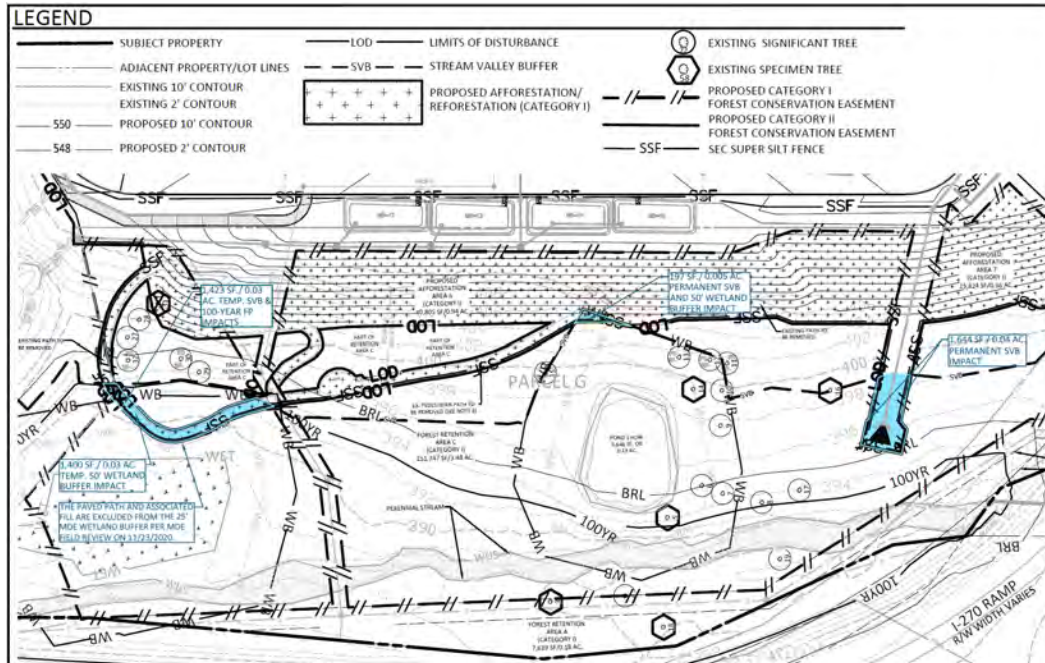


Exhibit #5

## **SUMMARY:**

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

### **FINDINGS:**

Approval of SDP-8597-2020, by the City Council is dependent upon the findings required under § 24-160D.10 (b) of the City Code. The following outlines the required findings and justifications for a City Council approval of application SDP-8146-2019.

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

The plan is consistent with approved Sketch Plan SK-8180-2019, approved by the Mayor and City Council by Resolution R-54-19 on August 19, 2019. The sketch plan permits the replacement of the Property's existing improvements with up to 650,000 square feet of commercial density. The Sketch Plan permits up to 10% (or 65,000 square feet) of the redeveloped floor area as retail commercial uses and up to 100% (or up to 650,000 square feet) of employment/office or other commercial/institutional uses. The current application, SDP-8597-2020 is the first Schematic Development Plan application under the approved Sketch Plan, and permits up to 11,100 square feet of retail and 450,000 square feet of employment/office/other commercial/institutional uses, well within the maximums set by the Sketch Plan.

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

The plan also advances the goals of the Sketch Plan by continuing the linear park across the Property's entire North Frederick Avenue frontage, providing two employee amenity spaces within the interior of the property, and maintaining an 8 acre naturalized area on the southern portion of the property.

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

- (a) Application SDP-8597-2020 provides a superior natural environment by incorporating new and existing landscaped areas, preserving natural topographic and geologic features, wetlands, watercourses, and open spaces, providing new stormwater management strategies, and creating a Category I Forest Conservation Area.
- (b) Application SDP-8597-2020 contributes to and supports a mix of land uses, including retail, office, warehouse, research and development, recreational and open space that work to complement one another. While the proposed development does not provide residential uses, the property was never envisioned to include residential uses.
- (c) Application SDP-8597-2020 encourages the efficient use of land by redeveloping an existing site within an established area with existing transportation options, and providing additional opportunities for synergistic retail along the North Frederick Avenue corridor. Furthermore, the SDP reduces reliance on the automobile and encourages pedestrian and other non-vehicular circulation systems by including complete streets with comfortable sidewalks, attractive landscaping, and efficient connections to adjacent uses.
- (d) The SDP also encourages design flexibility through the inclusion of well-considered design guidelines, providing an elevated level for urban design, architecture, streetscape and open space.

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

Application SDP-8597-2020 is in accord with and fulfills recommendations from the City's Master Plans and the City's Annual Strategic Plan:

The Property was first included in the 1997 Neighborhood Six Land Use Plan as part of Study Area 3. The 1997 Plan characterized Area 3 as dominated by industrial-research-office uses. Specific recommendations for the Property included re-designating it as commercial/ industrial-research-office and rezoning to MXD. In the 2001 Frederick Avenue Corridor Land Use Plan, the Property was included in the Northern Employment District. The 2001 Plan reconfirmed all land

use designations and zoning recommendations from the 1997 Neighborhood Six Land Use Plan, thus reaffirming the commercial/ industrial-research-office designation for the Property. Subsequently, both the 2003 and 2009 Land Use Elements reaffirmed the commercial/ industrial-research-office use designation for the Property.

SDP-8597-2020 proposes redeveloping the Property with commercial/ employment/ industrial uses, in compliance with the above stated Master Plan recommendations. SDP-8597-2020 achieves the general and specific Master Plan recommendations through the predominant mix of flexible buildings to accommodate a wide range of employers, with a small amount of supporting retail uses. The Applicant intends to develop an employment hub, providing a diverse range of jobs for nearby residents. No residential uses are proposed for the Property, in compliance with long-standing Master Plan recommendations for the Property. Unlike other MXD projects, residential uses have never been recommended for the Property since its inclusion in the 1997 Neighborhood Six Land Use Plan.

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

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

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

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

- 1. Traffic Impacts (§ 24-245)** - The applicant has included a Traffic Statement (Exhibit #69), performed by The Traffic Group. The Statement confirms that the proposed redevelopment will not generate an additional 30 peak hour trips. City staff has, therefore, confirmed that a Traffic Impact Study is not required for this plan (Exhibit #70) and therefore the application complies with the City's Adequate Public Facilities requirements for § 24-245.
- 2. Schools (§ 24-246)** - SDP-8597-2020 does not propose any residential development; therefore the schools test does not apply

**3. Water and Sewer Services and Public Utilities (§ 24-247)** - The subject SDP area is located within water category W-1 (public water available) and sewer category S-1 (public sewer available), and thus satisfies the requirements of § 24-247 for water and sewer.

**4. Fire and Emergency Services (§ 24-248)** - The City's Adequate Public Facilities Ordinance (APFO) requires that any development project be served by at least two fire stations within a ten-minute response time. The Site is located within a ten-minute response time of three fire stations: Station 8 (Gaithersburg), Station 31 (Rockville/Darnestown) and Station 34 (Germantown/Milestone). Therefore, adequate fire and emergency services are provided.

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

The proposed plan will be completed in one phase and will be served by a complete set of public and private amenities. The development of the linear park across the entire North Frederick Avenue as part of SDP-8597-2020 ensures that adequate amenities will be in place for future schematic development plans anticipated for Parcels H and J. The development can be constructed without disruption to adjacent properties or the surrounding traffic patterns as the property is currently vacant and there is adequate staging space within the property to ensure no disruptions to the surrounding area during construction.

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

The plan represents the redevelopment of a functionally obsolete and vacant office complex and will provide employment opportunities for potentially hundreds of workers in multiple industries in close proximity to existing housing and commercial developments. The proposed development also contributes to the completion of the long-planned Frederick Avenue linear park. The development will also provide a larger tax base for the City to generate additional revenue that helps support a wider array of public programs, services and improvements.

Additionally, SDP-8597-2020 fulfills many objectives of the City FY '21 Strategic Plan, including:

Economic Development: Support large-scale assemblages and infill development to accelerate implementation of the City Master Plan.

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.

### **STAFF RECOMMENDATION**

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

Staff is supportive of the submitted Schematic Development Plan, SDP-8597-2020. The plan meets and accomplishes the purposes, objectives and minimal standards and requirements of the MXD Zone. Additionally, the proposed plan furthers the visions and goals of the City Master Plan, by providing additional employment opportunities in the North Frederick Avenue corridor. The development will also provide a larger tax base which will generate additional revenue to support the City's economy. The development will not adversely affect the character of the surrounding neighborhood. The proposed preliminary architecture and design guidelines ensure that the project will be of a superior quality and compatible and harmonious with the surrounding neighborhoods.

**Staff recommends THAT THE PLANNING COMMISSION, BASED ON THE EVIDENCE AND TESTIMONY SUBMITTED TO THE RECORD AND THE FINDINGS IN THE FINAL STAFF ANALYSIS, RECOMMEND APPROVAL OF SDP-8597-2020, TO THE MAYOR AND CITY COUNCIL WITH TWO (2) CONDITIONS:**

1. Applicant must submit revised Schematic Development Plan, as required, to satisfy all City staff comments prior to signing of plans by Planning staff;
2. Applicant to receive final approval for proposed access and lane revisions to North Frederick Avenue from Maryland State Highway Administration prior to Final Site Plan review by the Planning Commission.