



IMPLEMENTATION STRATEGY

The implementation strategy is a critical piece of a truly effective Master Plan. The plan is just the beginning of the process; it is through implementation that the community moves the recommendations forward. Key elements of an implementation strategy include a description of what is to be done, how it is to be done, and who will do it. The implementation recommendations are not without difficulty and must ultimately be weighed by the community in terms of potential political, financial, and human resource impacts. Rarely do all recommendations actually occur as described in the Master Plan; however, often one or more projects exist that can help reposition an area to attract more investment. Those ‘catalyst’ projects should be the initial, primary focus of the implementation work program.

This chapter begins with an overview of the **key catalyst projects** identified during the course of the Town Center Master Plan process, and then describes three **support initiatives** that should be part of the Master Plan implementation work program. The **organizational and financial opportunities** that exist to serve the implementation of the Rockville Town Center Master Plan are outlined. Finally, the immediate and long-term tasks are described in a proposed **action plan**. The consultant planning team believes the execution of the catalyst projects and support initiatives described below will allow Rockville to make significant progress in achieving the *Town Center Master Plan Goal and Objectives*. The three catalyst physical improvement projects are:

- Maryland Avenue Extension,
- City-Facilitated Mixed-Use Development, and
- Pedestrian Promenade.

The timeframe for each of the Rockville Town Center catalyst projects varies and is based on a number of factors including funding, property ownership, impact, etc. Short-term projects should be undertaken as soon as feasible by the City and should be completed within the next 3 to 5 years. Planning for intermediate projects should begin within the next 2 to 3 years and the projects should be completed within the next 5 to 10 years. Long-term projects are expected to take 10 to 15 years or more to complete.

This phasing and sequencing of projects is important for the success of the Master Plan. Because City resources for every project are not available in the short term, projects must be addressed in such a way that moves the Plan recommendations forward within realistic bounds of financial and personnel capacities. In all cases, creativity and resourcefulness in identifying alternative funding sources, such as grants, should be utilized. By beginning with the Maryland Avenue extension, new development along this street can be leveraged. This new development will result in increased tax revenues. This incre-

In Kansas City, tax increment financing was used for part of the \$35 million costs of renovating the New York Life building for new office space with state-of-the-art energy communications and environmental capabilities.

mental increase in revenue creates the increment for the proposed tax increment finance (TIF) district. Although it is created from general tax revenue, this increment creates a funding source that will allow the City to participate in funding additional projects, such as the pedestrian promenade, that directly benefit the Town Center. The phasing of improvements will also allow later projects to be refined to meet new realities as the Town Center evolves.

CATALYST PROJECTS

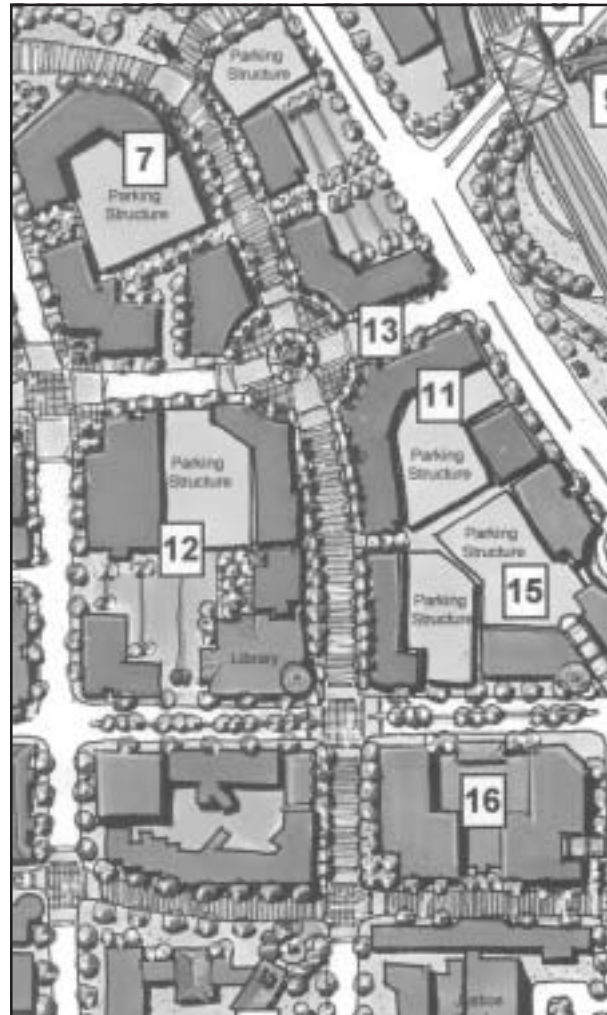
1. Maryland Avenue Extension

Summary of Project

The Master Plan proposes the extension of Maryland Avenue from its current terminus at East Middle Lane northward curving to the west to align with Dawson Avenue (see plan detail at right). Connections to North Washington Street would be made at Dawson Avenue and to MD 355 via a proposed new street that would intersect MD 355 across from Exchange Place (451 Hungerford Drive). The primary goal of the Maryland Avenue extension is to create a dynamic mixed-use corridor that can be the centerpiece and primary organizing element for the Town Center. The corridor will consist of retail and entertainment uses at the ground floor with office and residential space on upper floors. The Maryland Avenue extension will improve local vehicular circulation and establish a primary pedestrian circulation system.

Pedestrian-scale development and a high amenity streetscape that reinforces pedestrian safety will be of primary importance for the new portion of Maryland Avenue, with automobile traffic allowed at low speeds. This corridor must create a spine for the Town Center by providing an easy transition toward Washington Street and by pro-

viding a 'destination environment' that will attract pedestrians arriving into the Town Center from the Metro Station. The extension of Maryland Avenue will consist of a lane of traffic in both directions with on-street, metered, parallel parking adjacent to the travel lanes and on-street bike lanes. Sidewalks should be between 12 feet and 15 feet wide to allow for outdoor dining and comfortable pedestrian flow. Ideally, this Maryland Avenue reconfiguration and associated land acquisition for the corridor north of Beall Avenue should be done simultaneously with the roadwork on Maryland Av-



Proposed Maryland Avenue extension.

venue to the south. However, a potential phasing strategy could allow the roadwork to be constructed up to and including the traffic circle in the near term, leaving the remaining area to be reconfigured in a future phase as properties begin to redevelop. Properties north of Beall Avenue, e.g. the current Giant Food Store, are already beginning to change and the ultimate alignment of Maryland Avenue may be different based on new ideas that property owners bring to the table.

How & When

The full Maryland Avenue extension from Middle Lane to Dawson Avenue will require that the City of Rockville acquire land in the blocks north of Middle Lane to invest in new infrastructure and to supplement parcels that are already owned by the City. The full street extension will impact a maximum of nine parcels and will cost an estimated \$8.2 million for right-of-way acquisition, although the City already owns part of the necessary right-of-way. The cost estimate for right-of-way acquisition is based on a minimum 80-foot right-of-way for 1,800 feet at \$57 per square foot (approximately \$2.5 million/acre). The alignment shown has been suggested because it minimizes impacts on existing buildings; however, parking associated with those structures is affected by right-of-way acquisition. Once the alignment has been determined, property owners and developers should be engaged to assist in finalizing design alternatives. Construction costs for the actual roadwork and streetscape improvements are estimated to be \$1.7 million for improvements between East Middle Lane and Beall Avenue and \$2.3 million for those north of Beall Avenue.

Due to potential impacts on parking by the project, some existing buildings may find that they no longer meet City parking re-

quirements. Negotiation or remediation of that condition will likely be necessary. A precedent for dealing with this has been set by the City when Metro was constructed. Properties were not considered development non-conformities even though parking requirements for affected properties could not be met. Because of these additional costs and acquisition conditions, the Maryland Avenue extension should be thought of as consisting of two distinct phases:

1. Improvements between East Middle Lane and Beall Avenue, and
2. Improvements between Beall Avenue and Dawson Avenue.

The City's infrastructure investment will leverage private sector investment in new buildings and businesses along Maryland Avenue (in particular, see Catalyst Project 2, *City-Facilitated Mixed-Use Development*, as an example). The new street will also reconfigure parcels that do not currently work well for ground floor retail and upper floor office and residential because of their expansive size. Blocks will be reduced to a more human scale that will allow them to better accommodate the desired type of character and development with shorter blocks that facilitate pedestrian activity. The key steps necessary to accomplish this project are as follows:

- Coordinate design of corridor with library planning and design,
- Design road, intersections, and sidewalks,
- Design streetscape elements for Maryland Avenue and library,
- Finalize engineering,
- Produce engineer's cost estimate,
- Determine timing for two phases of extension,
- Identify and secure funding sources,

- Acquire property, and
- Construct improvements.

The Maryland Avenue extension is the most critical project in the Master Plan because it will set the tone for the remainder of the Town Center. The centerpiece nature of the extension makes at least the first phase of these improvements a short-term project (next 3 to 5 years).

Who & What

The City of Rockville, in conjunction with private property owners, will be the primary player in the Maryland Avenue extension. Land acquisition and infrastructure construction will be the responsibility of the City, although coordination with Montgomery County as library plans are finalized will be necessary. This will include acquisition and construction of the roadbed, sidewalks and streetscape. The intersection of Maryland Avenue and Middle Lane will need to be enhanced, and the intersection of Beall Avenue and Maryland Avenue should be constructed. The extension of Dawson Avenue between North Washington Street and MD 355 could occur in this early phase or as redevelopment occurs around it. City CIP funds will be necessary for this project; however, those resources could be leveraged with revenue from a tax increment finance (TIF) district. In addition, opportunities to use other programs, such as TEA-21, should be explored.

Outcomes & Benefits

The extension of Maryland Avenue will set the tone for the Town Center by creating a new pedestrian-scaled, retail corridor. The project will leverage additional development in the Town Center, which will create additional increment for the proposed TIF district.

It is expected that the City's initial investment in the Maryland Avenue extension could leverage private investment (as shown on the *Illustrative Plan* drawing on page 48) in the 'ballpark' of \$150 million to \$250 million. This could include more than 200,000 square feet of retail space, 900,000 square feet of office space, and more than 500 residential units. The investment would also provide 110 on-street metered parking spaces (50 south of Beall Avenue and 60 north of Beall Avenue) which would generate ongoing revenue.

2. City-Facilitated Mixed-Use Development

Summary of Project

The provision of public parking will be one of the key ingredients to successful long-term implementation of the Town Center Master Plan. Many believe this to be the most critical ingredient. The new development anticipated in the Master Plan could generate the need for 6,000-8,000 additional parking spaces within the Town Center. (This is based on potential new developments that are not currently underway and on providing 180 spaces for the library.) This demand would occur over time, as new development projects take place, and would include different types of parking to support different types of development. New housing development would most likely require evening, on-site parking. Office development would demand daytime, long-term parking, while increased Town Center retail would need shorter-term parking during the day and evening. Special events and community activities will require a large block of parking, but on a more intermittent basis.

Given both the amount and the variety of parking required, it is unlikely that private sector development alone will be capable

of meeting the Town Center’s needs. To meet those needs, the public sector will have to take a pro-active role in managing the provision of additional parking to meet the needs of public uses and future development. Activities could include:

- Assessing specific parking needs by type, location, and through time, based on the Master Plan;
- Soliciting public input from developers, retailers, and residents;
- Allocating new parking in appropriate locations within the Town Center as proposed within this Plan and elsewhere as conditions change;
- Identifying funding, creating parking policies, and establishing operational protocols; and
- Implementing selected parking development projects.

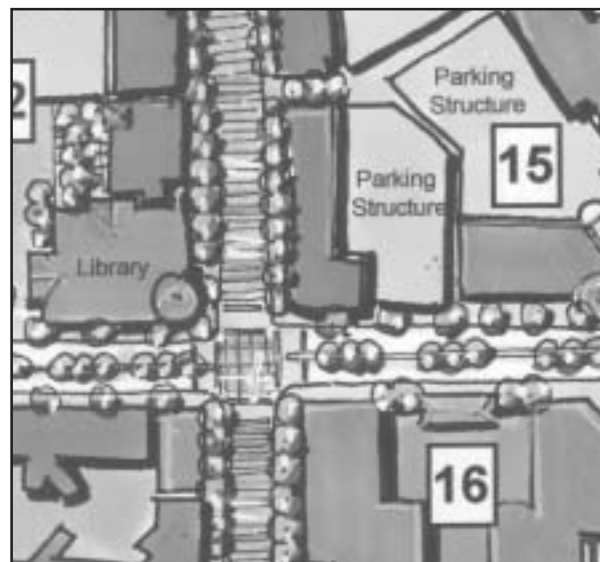
On-street metered parking will be one means of providing additional Town Center parking to a limited degree. It is expected that 110 on-street spaces will be provided on Maryland Avenue; however, with a projected parking demand of at least 6,000 spaces, structured parking will be a critical component of a Town Center parking initiative.

To begin providing additional parking, leveraging public investment in Maryland Avenue improvements, and encouraging new retail and housing development within the Town Center, the Plan recommends a public-private partnership development along the east side of Maryland Avenue, south of Beall Avenue (see plan detail below). At this location, the planning team envisions a 6 to 8-story structure with ground-floor retail and upper-floor residential along Maryland Avenue and Beall Avenue fronting structured parking. It is estimated within this concep-

tual project plan that at least 700 parking spaces could be provided within the garage. An additional 200+ spaces could be provided underground.

Because housing is a key piece of the development program for the Town Center, the planning team recommends that the City take the opportunity to combine the provision of parking with the provision of new residential development on land that it currently owns. Additional housing would create more demand for goods and services within the Town Center, and along with the retail space, begin to create a “18-hour” activity area. The parking component would then support not only on-site development, but new retailing and office development in the immediately surrounding blocks.

Not only do each of the project’s components support Town Center revitalization, the incorporation of public parking into a private development project realizes significant benefits. Providing on-site public parking underwrites the project by removing the cost



Proposed mixed-use facility at Maryland Avenue and Middle Lane.

of structured parking from the private side of the ledger, thus increasing the financial viability of the development. It also marries the office and retail daytime use of the facility with evening use by residents, resulting in more efficient use of the facility, and of valuable Town Center property.

How & When

Because of the importance parking plays in Town Center development, this catalyst project should receive high priority and be placed on a short-term (next 3 to 5 year) completion schedule. The City's ownership of the site will help to expedite the development process, but additional steps must be taken to implement this important project:

- Solicit private developer interest through a *Request for Proposals* (RFP) process,
- Finalize site dimensions and possible building footprint,
- Produce schematic building designs and site plans,
- Estimate project costs,
- Conduct financial analysis,
- Determine potential public sector financial contribution/involvement,
- Determine potential private sector contribution/involvement.

Who & What

This project represents a true public-private partnership, incorporating private and public uses, as well as both public and private investment. The City's ownership of the property facilitates the project moving from concept to reality in a very timely fashion. Public ownership of the land also places the City in a strong position to define its vision and uses, structure the public-private partnership, and determine the appropriate level of financial involvement. Montgomery County could also be involved if it, in con-

junction with the City, participated in establishing a Parking District.

Although the project includes both private and public components, the two should be closely coordinated in design and construction. Through a redevelopment agreement, the City and a private developer should allocate oversight and financial responsibilities, and should, to the extent possible, utilize the same designers, architects, and contractors for both the public and private improvements. When complete, the public parking would indeed be that, public, with the private developer able to lease parking spaces for the retail and office tenants.

Outcomes & Benefits

The most immediate benefits of this proposed project are the provision of additional parking and the increase in residential and retail activity within the Town Center. As stated earlier, new housing will increase the demand for retailing and entertainment activities within the Town Center. This project will also generate additional tax revenues that can be used to support other catalyst projects and subsequent initiatives through the use of tax increment financing. Additionally, there is benefit derived from the partnership nature of the project. By establishing a model for public-private partnership, this project can demonstrate the viability of such undertakings, clearly define appropriate roles and responsibilities, and set parameters for future public sector financial involvement.

The construction of the parking structure is expected to cost between \$15 million and \$18 million (for nearly 1,000 spaces above and below ground). It is expected that that initial City investment could leverage private investment in an amount of \$12 million to \$14 million which could include 15,000 s.f. of retail space and 100 residential units.

This private investment is in addition to that described earlier as what could be leveraged by extending Maryland Avenue northward to Beall Avenue.

3. **Pedestrian Promenade**

Summary of Project

One of the Town Center's assets is the Metro station. The Metro line links Rockville with the greater D.C. metropolitan region, increasing the market potential for retail, office, and housing development. The Rockville Metro station also brings this market potential directly into the Town Center. However, this potential must be leveraged by providing a safe, direct pedestrian link between the station and the Town Center, and by creating an attractive entryway into the Town Center for visitors, commuters, and residents.

There is near consensus agreement that the current overhead walkway is not a suitable connector between the Metro station and the Town Center. To improve the connectivity, the Plan proposes the development of a pedestrian promenade/public plaza between the Metro station and East Montgomery Avenue (see plan detail on page 70). Although it is not the intent of the Plan to detail the design and layout of the Metro station site, the intended conceptual design is described below.

The proposed promenade 'experience' would begin at the station. Upon arrival at the station, one would take an escalator or elevator up to a height (25 feet) above the tracks. This height represents the 'lobby' or entry level to the Town Center for those arriving on Metro. This space would be incorporated into development, most likely including air rights development over the tracks, that would occur as part of WMATA's joint development program. From this level of the

lobby, one would move west toward the Town Center through an enclosed space and exit the structure onto a public plaza/pedestrian promenade that would be elevated above Rockville Pike. Slight grade adjustments or sloping of the promenade may be likely for it to adjoin the existing plaza and steps between 255 Rockville Pike and 51 Monroe Street.

Grade and elevation changes must be accommodated, but access into the lobby space should be provided from the east side of the development so that residents of East Rockville could easily access the space and the pedestrian promenade. This promenade would serve as part of the pedestrian link between the Metro station/East Rockville and the Town Center. In addition, it can provide public space for passive and active uses. From above Rockville Pike, the plaza would extend further west to East Montgomery Avenue, where the promenade would transition down to street level and into the heart of the Town Center via the existing steps and elevator at Monroe Street.

The promenade will be a critical yet difficult project. Its magnitude, mix of uses, design challenges, and expense make this recommended initiative challenging; however, the importance of the pedestrian promenade cannot be overemphasized.

How & When

Development of the pedestrian promenade and public plaza will be an intermediate-term project, likely completed within a 5 to 10 year period. Not only is the project itself an ambitious undertaking, but its success will require close integration with joint development of the Metro station. In addition, SHA cooperation will be necessary for construction over the state highway (MD 355). Significant steps in project implementation will include:

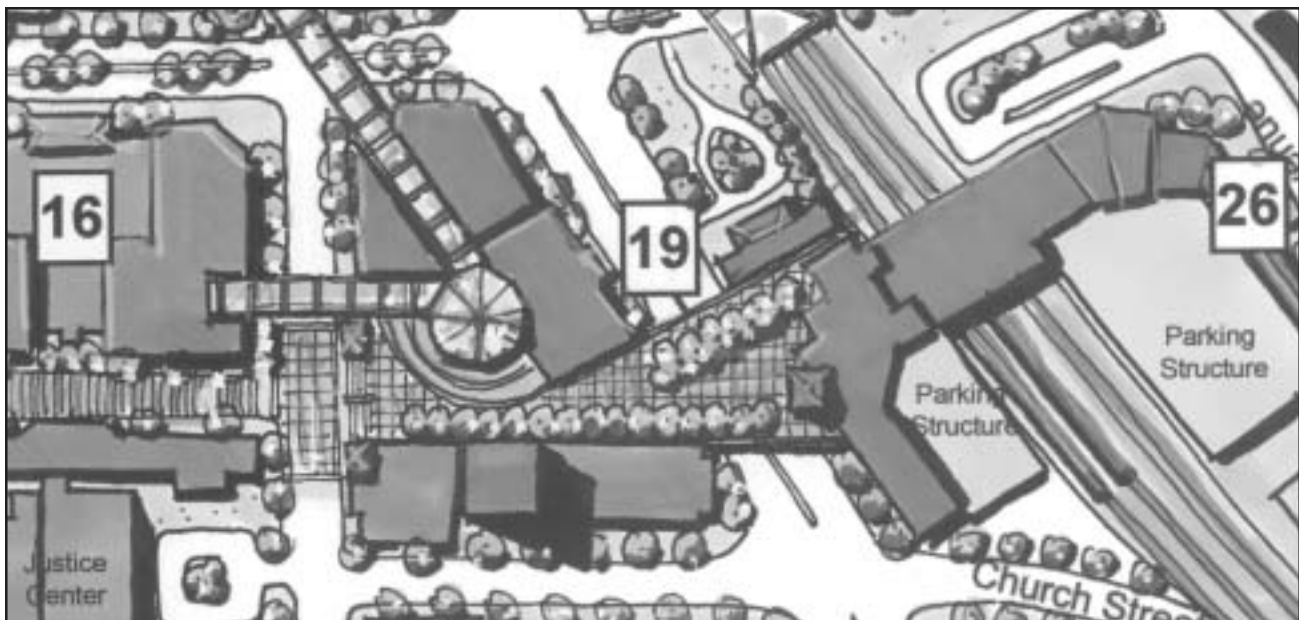
- Schematic design of the promenade and public plaza.
- Incorporating promenade into the design and construction of the Metro station development.
- Identifying and securing project funding.
- Obtaining the necessary permits and approvals from the State Highway Administration and WMATA.
- Construction of the plaza and promenade.

Although the promenade is directly tied to the development of the Metro station environs, the future of 255 Rockville Pike will have less impact on the implementation of this initiative. The site has been identified, however, as a candidate for redevelopment, and RCI, the site's developer, has received preliminary approval for a new 14 to 18 story mixed use building on the site. Nevertheless, there are long-term leases encumbering the property and redevelopment may not be imminent. The pedestrian promenade can likely be implemented without any immediate redevelopment of 255 Rockville

Pike. Proper planning and engineering of the promenade could result in an interim connection to the existing plaza between 255 Rockville Pike and 51 Monroe Street, until such time as the ultimate future of 255 Rockville Pike is determined. The promenade can work, therefore, without any redevelopment of 255 Rockville Pike. In fact, further improvements could be made to the space between 255 Rockville Pike and 51 Monroe Street that would unify the space and make it an appropriate entry into the Town Center.

Who & What

As a major public improvement project, development of the pedestrian promenade will be a City and WMATA led effort. The State Highway Administration could also play a role given current investigations into MD 355 and pedestrian connectivity to the Town Center. The promenade project will also require close cooperation with the private-sector party leading the joint development of the Metro Station. Funding for this project



Proposed pedestrian promenade.

is likely to require City, County, State, and potentially Federal (e.g., TEA-21) participation. The project should qualify for such collaboration because it represents a safety enhancement to a State highway (MD 355) and encourages increased use of mass transit.

Outcome & Benefits

The development of a pedestrian promenade will provide benefits to the Town Center and to the community as a whole. The promenade will improve pedestrian access between the Metro line and the Town Center, which in turn makes the Town Center a more attractive place for residential and commercial development. New development will mean an increased tax base for the entire community, and additional Town Center residents and office workers mean increased demand for retailing, restaurants, and professional services. Finally, the promenade and plaza will create a prominent feature that can serve as an attractive gateway into the community for both Metro riders and MD 355 commuters.

The construction of the pedestrian promenade is expected to cost between \$15 million and \$20 million. It is expected that public investment in that amount could leverage private investment in an amount of \$100 million to \$120 million which could include 70,000 square feet of retail space, 200 residential units, and 400,000 square feet of office space as part of the joint development of the Metro station (both sides of the tracks). In addition, indirect leveraging of other private investment would likely occur as a result of the improved accessibility between the station and the Town Center.

SUPPORT INITIATIVES

In addition to the three catalyst projects, three ongoing support initiatives are proposed as part of the Town Center Master Plan. Those initiatives which are detailed below include:

- Housing;
- Retail/Entertainment Business Investment; and
- Town Center Organizational Structure.

1. Housing Initiative

Issues

To create a truly “18-hour-a-day” center of activity, and to support the desired mix of retail and entertainment uses within the Town Center, there must be a significant resident population within the area. Because little new housing has been built in the Town Center to assist in creating this “alive after five” character, the planning team recommends the addition of a significant amount of new housing – as many as 200 units annually for the next 5-7 years – as a key objective of the Town Center Master Plan.

Market research indicates relatively strong demand for existing housing in the Town Center, and it would appear that the primary impediment to new housing development is the inter-related impacts of land prices, site assembly, and the provision of parking. To overcome the cost of land and the time associated with site assembly, residential development in the core of the Town Center must achieve densities of 30 to 50 units per acre. This in turn requires the provision of structured, rather than surface, parking in order to maintain as much land for the housing units themselves, further increasing project costs and lessening the economic viability of the development.

In order to facilitate significant new Town Center housing development, the City of Rockville will need to effectively address these impediments and create an environment more financially conducive to development.

Potential Responses

The mixed-use/parking catalyst project described earlier in this chapter offers an important first step in accomplishing this goal, and clearly demonstrates the City's commitment to this initiative. By replicating this public-private partnership model for other projects, undertaking site assembly and providing a portion of the necessary parking, the City would provide a very pro-active leadership role in new Town Center housing development.

The programs and incentives outlined below should be considered for inclusion in an ongoing Town Center housing development initiative:

- **Marketing Opportunities** – By identifying target sites for residential development in accordance with the Master Plan, linking them with other incentives or assistance described herein, and actively marketing those development opportunities to the private sector, the City could stimulate the provision of new housing in the Town Center.
- **Height or Density Bonuses** – The City of Rockville can encourage new housing by providing height or density bonuses to residential development projects. By expanding the FAR or allowing additional height, the overall density of the project can be increased and the potential economic gap associated with Town Center housing development reduced.
- **Site Assembly** – The time required for property acquisition and site assembly, along with the associated increased costs, provide a dis-incentive for private-sector involvement in housing development. By undertaking these activities instead, the public sector can reduce the private sector's costs and further encourage residential development.
- **Live Near Work Program** — The Maryland Department of Housing and Community Development offers a “Live Near Your Work Program” which provides grants to local units of government to match employer-provided down payment assistance for employee home purchases. The City of Rockville could not only apply for grant funds to establish such a program, and encourage the participation of Town Center employers, but become a participating employer and provide funds to City employees purchasing homes in nearby neighborhoods.
- **Employer Assisted Housing** — Similar to the Live Near Work Program, Fannie Mae has also established an employer-assisted housing program which offers grants, rate-reductions, and matched savings benefits, and can be customized to suit local market needs. This product could be combined with the program above into a very effective tool for increasing Town Center residential marketability.
- **Location Efficient Mortgage Program** – This Fannie Mae pilot program links housing with public transportation, by increasing a family's borrowing power to reflect the anticipated savings from their use of public transportation. Banks in

Chicago have used location efficient mortgages by offering borrowers reduced rates or increased loan amounts based on savings the borrower would realize by living close to work or using transit. Working in conjunction with other nearby communities, the establishment of this program in the metropolitan D.C. area would further increase the marketability of Town Center housing.

2. **Retail/Entertainment Business Investment Initiative**

Issues

Currently the Town Center has only a limited number of retail, restaurants, and entertainment activities. The creation of additional opportunities is limited, to some extent, by the general stigma associated with the Town Center as a result of the former Rockville Mall, and the predominance of single-use shopping centers with on-site surface parking as the recent model for general retail development. Development trends, however, are now moving back to traditional storefront retailing in a more diverse, mixed-use town center or Main Street environment, and revitalization efforts should take advantage of this trend through the reconfiguration of the Town Center physical fabric into a more traditionally urban setting.

Another impediment to retail development is simply the lack of space available for new businesses, due to limited existing Town Center retail space. Abundant, convenient parking and easy access to existing retail businesses have also been lacking within the Town Center recently.

Potential Responses

One of the keys to fostering Town Center retail development will be creating a shop-

per-friendly and retail-friendly environment. The continuation of streetscape improvements, on-street parking, decorative lighting, and wide pedestrian walkways initiated in recent years will be important first steps in this effort. The provision of additional public parking structures as part of new public-private development projects (as described earlier in this chapter under *Catalyst Projects*) would further increase the attractiveness of the Town Center for shoppers and retailers alike.

Other programs, as outlined below, should also be considered as part of a potential City/expanded Advisory Group sponsored business investment initiative:

- **Parking Validation Program** – Eventual retail development could be supported by a program that would reduce parking costs for shoppers if they purchase goods, dine, etc. in a Town Center business. Because most of the parking would be public, this underwriting of parking would likely occur by the City/County/Parking District to the extent that bond financing mechanisms allow such activities to occur.
- **Height or Density Bonuses** – The City of Rockville could encourage the development of new retail space within the Town Center by providing height or density bonuses for projects that incorporate ground floor retail space. In addition, as stated elsewhere throughout this document, the elimination of retail space from FAR calculations could also provide incentives to developers to include retail development in their projects.
- **Site Assembly** – Public sector property acquisition and site assembly could also play a role in the development of new

retail space by reducing the private sector's time and cost for those activities and, in turn, making retail development a more financially viable prospect.

- **'Lease Bounty' Program** – Retail development could also be encouraged by directly supporting or assisting the retail businesses themselves. A local 'lease bounty' program that underwrites a retail business's lease rate for a period of time, based on the size of the business, the jobs created, or the level of equity investment made might be developed by the City or through a partnership with the City and a private developer. Some have described this approach as that of 'buying an anchor' which is not an uncommon practice in traditional enclosed mall developments. The City could consider this approach within parking structures that it provides by including ground floor retail space for potential anchor tenants.
- **Assistance to Small Businesses** – The State of Maryland offers numerous financing programs to assist small businesses, including the Guaranty Fund Program and the Equity Participation Program. The City could agree to match state participation in such programs to generate a larger incentive package.
- **Revolving Loan Program** – The State of Maryland will also provide up to \$500,000 in matching grant funds through the Economic Development Assistance Authority to establish a local revolving loan program to support small businesses. Coupling those funds with potential matching grants from local banks and fundraising efforts could create a larger loan pool with which to work.

- **Collective Marketing** – Numerous lessons are to be learned from how traditional enclosed malls are managed, leased, and marketed. In addition to the lease bounty program described above, collective marketing of the Town Center and its retail establishments once the inventory of spaces grows could be of benefit to tenants. The Greater Rockville Partnership has already taken steps through the publication of a Town Center map, and additional marketing materials can be developed once additional services are introduced.

3. **Additional Support**

Issues

It has been stated throughout the Master Plan process that the responsibility for implementing the Plan cannot fall solely on the City. The extensive activities involved with Town Center implementation require the commitment of a broad array of community stakeholders from both the public and private sectors. The Master Plan recommends that City staff and the community purposefully organize to undertake the Town Center work program. The City (from staff to the Mayor and Council) have already shown that the Town Center is a priority for them by facilitating developer proposals and focusing on developing parking solutions.

The creation of this Master Plan, however, places a whole new array of projects onto the agenda. A purposeful organization to undertake the plan's work program may mean that a well-defined organizational structure will be necessary to assure that the Master Plan objectives are moving forward in a timely manner. This structure should fully utilize, whenever possible, existing resources and entities already vested in the Town Center; and it should not create an-

other review or regulatory layer that would discourage developer interest or overburden City staff. A potential organizational structure could be based on ongoing citizen input through the coordinated efforts of existing entities such as the Master Plan Advisory Group, the Greater Rockville Partnership, the Town Center Action Team, and others.

Potential Responses

While the City of Rockville cannot carry the full load of the Town Center work program, it will, in all likelihood, have to facilitate and oversee many of its activities. No other entity will be as involved on a day-to-day basis, and the City Manager's office, the Community Planning and Development Services Department, and the Department of Public Works will likely be the City's mainstays in this effort. Other stakeholders or entities should be considered for involvement in order to complement and reinforce the City's responsibilities. Logical groups would be the Town Center Action Team, the Greater Rockville Partnership, and the Master Plan Advisory Group. These groups would be important sources of feedback for the City and support for the Town Center Master Plan, but they would not have the power to approve projects.

These groups' assistance could be three-fold:

- Support plan adoption,
- Engage partners in implementation, and
- Assist with ongoing policy formation that arises subsequent to plan adoption.

The groups mentioned above and others could assist the City with the formation of specific policies on four important components influencing the future of the Town Center: parking; marketing and promotion; identification of major place-making elements;

and project/program financing and funding opportunities. Each of these components will be receiving considerable attention as the Town Center work program progresses. Numerous issues and questions will arise regarding the best way to proceed relative to these concerns. The groups could serve as "resident experts" on these issues, complementing the professional expertise of the City staff. Additionally, the groups will be able to offer the community insights on different concerns and potential ways to address them.

ORGANIZATIONAL & FINANCIAL OPPORTUNITIES

In order to support the execution of the catalyst projects and support initiatives described above, a number of organizational and financial tools will be necessary. Following is a description of the public sector roles and development tools that can facilitate the implementation of the Town Center Master Plan.

1. Public Sector Roles

The public sector, including the City, County, and State, will play multiple roles in the development of the Town Center from Plan promoter to regulator to facilitator to redevelopment leader. The public sector will likely play a role in each of the projects presented in this document, although the role it plays will vary by project. The public sector will have regulatory control in the entire Town Center, it will facilitate development in a large portion of the Town Center, and it will lead redevelopment in targeted areas. By proceeding in this manner, the City will gain the highest return and impact on the public investment.

The first priority for the City of Rockville is to get additional support for the plan rec-

ommendations so that it can adopt the Town Center Master Plan. This will signal to Town Center stakeholders and to the development community that the City is serious about moving the initiatives forward. Before adopting the Plan, the City, with the assistance of the Advisory Group, will conduct public meetings to explain the Plan to the public and provide a forum for residents and stakeholders to voice their opinions regarding the Master Plan. The County can assist with this effort by participating in public meetings, endorsing the Plan, promoting it, and agreeing to participate in some projects.

The City of Rockville must also, on an ongoing basis, promote the Town Center Master Plan for it to be successful. Plan promotion will involve City staff and elected officials actively supporting the Plan and explaining the benefits of the Plan to the residents of Rockville, Town Center stakeholders, and the development community. Without the City and the Advisory Group actively promoting the Plan and building public consensus the more involved activities, such as land acquisition, road construction, parking garage construction, and even private sector development, will be considerably more difficult.

Major public sector activities for Plan promotion are as follows:

- Conduct public meetings/open houses,
- Increase public understanding and acceptance of plan,
- Inform potential developers about the plan,
- Inform new leaders about the plan and its importance, and
- Base future Town Center decisions on plan recommendations.

Regulator

After adopting the plan, the City should begin putting the regulatory measures in place, such as development standards, zoning recommendations, and final design guidelines. The new and revised regulations will send a clear message to the development community and Town Center stakeholders regarding the direction for the Town Center. It is not the intention of the Master Plan to establish a climate that is overly regulatory; however, all parties will benefit from a well-defined and described statement of expectations for Town Center development.

One issue that may surface in the Town Center is a potential domination of space by office uses. By establishing a target proportion for the mix of uses in the Town Center, the City can communicate to developers the goals for the types of uses as well as the character and scale of development that is described elsewhere in this document. The Master Plan recommends that the City consider a mix of between 30-40% residential and 60-70% office. With this target in mind, the City will begin tracking new development to monitor the ratio. Developers could be provided an incentive to include the desired mix within single projects. Alternately, if, as development proceeds, one use is starting to dominate the market, the City could consider the adoption of a linkage fee. This fee would be applied to office projects in the Town Center to generate revenue to offset the predominance of office space by providing resources to support housing development. This fee would only be levied, however, if housing development does not occur on its own in acceptable amounts. The fee could be applied to the provision of parking or other elements of housing developments in order to make those projects more marketable to developers.

Major public sector activities necessary to adopt regulatory controls in the Town Center are as follows:

- Supplement new standards and guidelines proposed in Master Plan as necessary,
- Hold public meetings to introduce proposed changes,
- Finalize new standards and guidelines,
- Move development guidelines through adoption process,
- Revise Zoning Map according to Master Plan, and
- Enforce new standards and guidelines.

Facilitator

The public sector can facilitate development in the Town Center by removing obstacles to development or by creating and packaging incentives. Development obstacles may include a cumbersome permitting process, multiple permits needed from multiple departments, or an unclear agenda for the Town Center.

City staff is currently very responsive to developer inquiries and tries to facilitate the review process in an expeditious manner. This approach places a tremendous demand on City resources. If determined to be beneficial, the City should consider the creation of a priority review process as described below for Town Center developments that adhere to the Town Center Master Plan goals and recommendations. For a non-refundable earnest deposit, City staff could agree to expedite the review of a proposal within an accelerated timeframe (potentially 90 days). It is expected that this deposit would be of an amount higher than typical permit fees in order to offset the demand placed on staff.

Alternatively, for projects that do not meet the qualifications of an expedited review, the City could discount development permits and/or defer payments for permits until the projects are completed. Both tools represent means of facilitating development; one would generate additional 'up-front' resources for the City, while the other would allow developers to postpone paying required costs.

Major public sector activities necessary to facilitate efforts in the Town Center include the following:

- Continue identifying means of streamlining permitting process,
- Distribute plan summary that clearly outlines goals/expectations,
- Champion and market Town Center opportunities,
- Develop incentives geared toward plan goals, and
- Enhance infrastructure.

Leader

For selected projects the public sector may need to lead the redevelopment effort. This is certainly necessary initially for some of the parking and infrastructure improvements that need to be made. By their very nature, the catalyst projects described above will require the City to play a leadership role. Street extensions, public parking, and pedestrian projects are usually the responsibility of the public sector. The City's lead on the catalyst projects will move the Town Center initiative forward and leverage private development.

Other project leadership can take a variety of forms. It may be as little as defining projects or as much as being the developer. In between these extremes, the City could identify funding sources, create partnerships

with private, not-for-profit, or other public organizations, or focus the private sector on realizing the Town Center goals.

Major public sector activities necessary to lead redevelopment efforts in the Town Center are as follows:

- Design extraordinary tools to induce development and business investment (such as Parking District, TIF, etc.),
- Create specific designation for area, such as redevelopment area,
- Assemble land,
- Create public/private partnership for development, and
- Dedicate staff person to realize plan goals and to seek out creative grant/funding opportunities.

2. Redevelopment Tools

Tax Increment Financing

One of the most powerful tools available to the City of Rockville to support redevelopment of the Town Center is Tax Increment Financing (TIF). Article 41 of the Annotated Code of Maryland allows for the establishment of “development districts” within which new taxes generated by private development are redirected to infrastructure and other public improvements necessary to support that new development. Upon establishing a district, the net property tax assessment is frozen and becomes the “base” assessed value. As new development occurs, the total assessed value of the district increases and the taxes generated from that increased assessment over the base, called the “increment”, are “captured”. These funds are then redirected back into the district, through such public activities as:

- property acquisition,
- demolition,

- relocation of businesses or residences,
- installation of utilities and other public infrastructure or improvements, and
- construction of buildings for governmental use or purpose.

Most commonly, these activities are not funded directly using the annual increment, but through the issuance of tax-exempt revenue bonds, with the TIF revenues used in turn to provide debt service on those bonds. In this way, the local jurisdiction obtains a larger amount of money up front and can use those funds for substantial improvements, in support of a new development, and then pay for those improvements over a fifteen or twenty year period with the new taxes.

The use of TIF will be particularly useful in implementing the catalyst projects described above that involve land acquisition, streetscaping, and substantial public improvements. If established in a timely fashion, a Town Center TIF district could capture new revenues generated by the private development projects already planned or underway. Assuming that the City of Rockville and Montgomery County both authorize the district, the anticipated \$200,000,000+ investment in Rockville Center, the Metro Plaza, and 11 N. Washington could generate as much as \$2,500,000 in annual TIF revenues. Supporting a \$25,000,000 bond issue, these revenues represent a significant funding source for the pedestrian promenade, Maryland Avenue extension, public parking projects, landscaping, street furniture, and other public facilities. These catalyst projects, in turn, will attract additional private development to the Town Center, generating additional TIF revenues, and creating an on-going funding stream for redevelopment.

While the use of TIF does require that the local jurisdiction give up new taxes from development for a period of time to retire debt, the jurisdictions gain improved properties and an expanded tax base over the long haul, which arguably would not have occurred without public-sector investment and diversion of tax increment payments. In this way, the use of TIF represents a powerful funding strategy for long-term redevelopment and revitalization.

Parking District

Increasing Town Center parking is a key component of the Master Plan, and the creation of a local Parking District can greatly assist in this activity. The Parking District would incorporate both on-street metered parking and structured public parking. Created as a Special Taxing District under State and local statutes, the Parking District could be funded through the imposition of an additional levy on all assessed value within the District. These funds could then be used to support revenue bonds for parking garage construction, much like the TIF increment described above. A difficulty with using this funding mechanism is the large amount of publicly-owned land in the Town Center that is exempt from paying taxes.

Unlike TIF, by using a Special Taxing District to pay for public improvements, the local jurisdiction does not forego tax revenues from new private development. On the other hand, a Special Taxing District does involve an increase in the property tax rate paid by all taxpayers within the District, whereas TIF relies on the increased assessed value from new development to generate revenue.

Regulatory Tools

A number of regulatory tools are available that can serve to encourage and assist private development, without direct public-

sector financial involvement. These can include density or height bonuses, transfer of development rights, a streamlined approval process, or a coordinated design process.

Tied to the provision of public parking, the inclusion of ground floor retail, or the construction of streetscaping improvements, density bonuses could increase the economic attractiveness of a project. A first floor of retail space could be excluded from the building height or FAR calculation, or residential units could continue to be excluded from density calculations.

Finally, when public and private uses are linked in the same project (e.g., pedestrian promenade, mixed-use commercial, and parking development along Maryland Avenue, etc.) a coordinated design and construction effort could greatly reduce project costs. Instead of two separate sets of designers, architects, and construction managers – one for the public improvements and one for the private – selecting one team for both components will eliminate work redundancy, save time in bidding and negotiating, improve management of work in progress, and reduce costly errors caused through lack of coordination between various teams. None of those procedures, however, should conflict with statutory requirements for how bidding is to occur.

Potential Local, State, and Federal Funding Sources

Public funding will be necessary for a variety of projects including infrastructure, parking, and land acquisition. The costs will easily reach into the millions of dollars. While the public sector role and costs may appear challenging and complex, it is important to realize that the public investment will come from a variety of local, state, and federal sources. A list of potential funding

sources that could help fulfill the public sector's role with Master Plan implementation is presented below.

- **Maryland Historic Property Rehabilitation Tax Credit Program** - Allows for a credit of Maryland State income taxes equal to 25 percent of certified rehabilitation expenditures for eligible structures.
- **American Communities Fund** - Fannie Mae created this community development venture capital fund to make equity investments in neighborhoods that lack adequate access to traditional equity capital for the development of affordable housing and related facilities.
- **Development Corporation** – Not-for-profit development corporations can be set up to lead development in the Town Center. These corporations are eligible for a variety of grants, loans, and tax breaks not available to the for-profit community.
- **District Improvement Tax** - Establishes a district (e.g. Parking District) where Town Center property owners elect to pay a dedicated tax based on property

values or some other indicator that funds security, maintenance, and promotional efforts for the Town Center. Other downtowns have utilized similar a tool called a Business Improvement District (BID) with great success.

- **Town Center Loan Pool** – Financial institutions and the City of Rockville could offer loans at or below the prime rate to businesses investing in the Town Center.
- **EPA Brownfield Grant** - The U.S. EPA awards grants to cities for the establishment of loan pools. The loans pools are to assist developers in receiving low interest financing for environmental clean up.
- **Federal Historic Preservation Tax Incentive** – Although application may be limited in the Town Center, this National Park Service program provides a 20% investment tax credit for the rehabilitation of certain privately-owned, income producing historic buildings.
- **Financing Programs for Business** - Maryland offers a variety of financing programs to meet the needs of the business community. These include loans, loan guarantees, equity participation, industrial development bonds and special funding for high-impact, job creation projects.
- **Foundations** - A wide variety of national and local foundations offer grants to assist with the types of programs recommended in the Master Plan.
- **Linkage Fees** - These fees are typically paid by the developer of office property to assist with the development of afford-

Since 1985, city officials in Seattle, Washington have utilized guidelines for reducing parking that include the requirement that all institutions and buildings with a commercial area of 10,000 square feet or more establish a transportation management program. This 'trip reduction' ordinance must include a building transportation coordinator, semi-annual promotion of HOV lanes by the building owner, a commuter information center, and bicycle racks.

able housing. San Francisco, Boston, and other communities have adopted linkage fees due to the predominance of office development and the rising costs of housing. Boston charges developers \$7.18 per square foot of office space. The fee is assessed on buildings with more than 100,000 square feet of space.

- **Maryland Competitive Advantage Financing Fund** - MCAFF provides loans, loan guarantees or interest subsidies to small businesses that are unable to obtain financing on reasonable terms from other sources.
- **Maryland Industrial and Commercial Redevelopment Fund** - MICRF financing is intended to encourage private investment to facilitate industrial and commercial development or redevelopment. Loans are made to businesses or local jurisdictions at below-market interest rates and are secured by the full faith and credit of the local jurisdiction.
- **Maryland Small Business Development Financing Authority** - MSBDFA provides financing for small businesses owned by socially and economically disadvantaged persons through the following programs.
 - **Contract Financing Program** provides loan guarantees, direct working capital and equipment loans to socially or economically disadvantaged businesses that have been awarded contracts with government agencies and/or public utilities.
 - **Equity Participation Investment Program** provides direct loans, equity investments, and loan guarantees to businesses owned by socially or economically disadvantaged individuals. The program has three components: franchises, technology-based industries, and business acquisition.
 - **Long-Term Guaranty Program** provides loan guarantees and interest rate subsidies. Surety Bonding Program assists small contractors in obtaining bonding for government or public utility contracts that require bid, performance, and payment bonds.
- **Private Sector** - The private sector will be the largest source of investment capital in the Town Center's redevelopment. Public money may be needed to leverage private sector investment.
- **Public Bonds** – The local government can sell bonds to assist with financing of larger projects. The bonds will generally make financing available at a lower interest rate than conventional banks are able to offer.
- **Transportation Equity Act for the 21st Century (TEA-21)** – The U.S. Department of Transportation provides funds for transportation enhancements, including transit facilities, pedestrian and bicycle improvements and infrastructure safety mechanisms. TEA-21 funds could play a significant role in the construction of the Pedestrian Promenade.

ACTION PLAN

It has been mentioned many times throughout the Town Center Master Plan process that the Plan document is not the end, but rather should serve as a means to the end. If done well and representative of the community’s hopes and desires, the Town Center should evolve during the next ten years into a place in which Rockville residents and visitors will want to spend time — a place that offers opportunities for work, residence, shopping, entertainment, and recreation. Most of all, it will offer an ambience and unique ability to engage people from all walks of life.

The City of Rockville has found out through other Town Center planning efforts that creating such a place does not just happen. The marketplace, without a roadmap, will often seek the path of least resistance. Community plans that do not include specific steps and tools for accomplish-

ing goals often result in failed expectations and skepticism. A master plan document must first provide a vision with specific projects about which the community is excited. These projects should serve as the building blocks for realizing the ultimate goal of an attractive, high-amenity Town Center.

The Action Plan or work program outlined in this document is intended to serve as a Town Center development road map for the community, its leadership, and potential developers and investors. It attempts to identify the first steps that can be taken that will lead to early success and create the momentum that will support the ‘heavy lifting’ associated with the plan’s more ambitious projects. The projects included in the Action Plan are the three catalyst projects as well as the three support initiatives; those items were described in greater detail earlier in this chapter.

Inventory of Recommended Actions

Task	Year												
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010	2011	2012	2013
1 Promote and adopt Town Center Master Plan.													
2 Create Tax Increment Finance district.*													
3 Create Parking District.													
4 Create partnerships for continued support of the Town Center.													
5 Extend Maryland Avenue northward													
- Finalize Maryland Avenue alignment													
- Construct phase one: Middle Lane to Beall Ave.													
- Construct phase two: Beall Ave. to Dawson Ave. & connection to MD 350													
6 Construct mixed-use (parking, retail, and residential) facility at Maryland Avenue and Middle Lane.													
7 Implement at-grade improvements to Rockville Pike (median and trees)													
8 Construct pedestrian promenade linking the Metro station with the Town Center.													
9 Institute formal housing development initiative.													
10 Institute formal business investment initiative.													
11 Finalize and adopt proposed regulatory changes (design guidelines and zoning).													
12 Establish tracking system to monitor mix of uses.													
13 Establish policy for using linkage fees to encourage desired mix of uses.													

Roles, Responsibilities, and Partnerships

Task	City of Rockville	Montgomery County	State of Maryland	Federal Agencies	WMATA	Greater Rockville Partnership	TCAT	Master Plan Advisory Group	Private Sector
Plan review	L	A	A		A	A	A	L	A
Plan adoption	L	A				A	A	S	
Project implementation									
1 Promote and adopt Town Center Master Plan.	L	S	S			L	S	L	S
2 Create Tax Increment Finance district.*	L	L				A		A	A
3 Create Parking District.	L	L				A		A	A
4 Create partnerships for continued support of the Town Center.	L					S	A	L	
5 Extend Maryland Avenue northward									
- Finalize Maryland Avenue alignment	L							A	S
- Construct phase one: Middle Lane to Beall Ave.	L							A	S
- Construct phase two: Beall Ave. to Dawson Ave. & connection to MD 355	L							A	S
6 Construct mixed-use (parking, retail, and residential) facility at Maryland Avenue and Middle Lane.	L	S				A		A	L
7 Implement at-grade improvements to Rockville Pike (median and trees)	L	A	L		A	A	A		
8 Construct pedestrian promenade linking the Metro station with the Town Center.	L		S	S	L			A	L
9 Institute formal housing development initiative.	S		S			S		A	S
10 Institute formal business investment initiative.	S		S			L		A	S
11 Finalize and adopt proposed regulatory changes (design guidelines and zoning).	L					A		A	A
12 Establish tracking system to monitor mix of uses.	L					S		A	A
13 Establish policy for using linkage fees to encourage desired mix of uses.	L					A		A	A

Recommended Actions

Throughout the description of the implementation strategies, several specific action items were recommended in order to realize specific projects or to support a climate conducive to the achievement of the Master Plan goals. Those 13 tasks are listed on page 82.

Roles, Responsibilities & Partnerships

The successful implementation of the recommendations contained in this Plan will rely on the determined coordination and collaboration of a number of public and private sector entities. The City of Rockville has been fortunate to have no scarcity of individuals interested in and committed to the revitalization of the Town Center. It is hoped that the adoption of this Town Center Master Plan will focus all of those interested parties on achieving the goals outlined

herein. The planning process resulted from a collaborative effort of the consultant planning team interacting with City staff and Town Center stakeholders in the form of the Advisory Group. Elected officials, staff, and the Advisory Group must now promote the Plan on a wider basis to ensure broad community-wide buy-in. In addition, identified below are the stakeholders who can promote the plan most effectively through their commitment to aggressively involving themselves in implementing various projects described in the plan:

Partners in Town Center Master Plan Implementation

- City of Rockville
- Montgomery County
- State of Maryland
- Federal Agencies (e.g., DOT)

- WMATA
- Greater Rockville Partnership (GRP)
- Town Center Action Team
- Master Plan Advisory Group
- Private Development Community
- Local Business Community
- Citizens

The table on page 83 illustrates proposed roles (leadership, supporting, or advisory) of the various Town Center stakeholder groups charged with directing development activities. The City must obviously play a major role in leading most of the Master Plan projects; however, the City should engage the County as a partner in the creation of the Tax Increment Finance and Parking Districts. A City- and County-sponsored parking district could also allow for an interesting partnership with a private developer in the development of the mixed-use (parking, retail, and residential) project at the northeast corner of Maryland Avenue and East Middle Lane. The City should look to the State Highway Administration as a partner for the proposed Pedestrian Promenade, along with WMATA and its selected joint developer.

Public Sector Investment Recommendations

Several of the projects described in the Master Plan will most likely not occur without public

sector financial involvement. Investment in infrastructure should be made strategically so that it leverages additional private sector investment. The catalyst projects and other initiatives described were selected because of their ability to create a synergy between public and private investment. The amount of resources necessary to achieve the desired results is significant; however, as described elsewhere previously, projects can be phased and resources allocated over time to accelerate the revitalization of the Town Center. The table below outlines the recommended private sector investment and estimate resulting private sector investment.

Conclusions

By commissioning this Master Plan for the Town Center, the City of Rockville has exhibited the leadership and vision that is the necessary first step in repositioning an underachieving area. To follow-up this effort, the City's leadership will need to be coupled with involvement of other groups, particularly Montgomery County, if the vision for the Town Center that is described in this Plan is to be achieved. In recent months, the interest in the Town Center on the part of the private development community has increased. This interest will have to be steered in the appropriate direction so that the intent behind the planning effort is not compromised.